

CHAPTER 1 : SUMMARY DESCRIPTION OF THE CLASSIFICATION

The purpose of this Chapter is to provide a relatively brief description of the Classification. It summarises the material contained in the more detailed chapters and presents that material in the form of condensed versions of those chapters.

SUMMARY OF CHAPTER 2 : NATURE, PURPOSES AND PRINCIPLES OF THE CLASSIFICATION

Nature of the Classification (Chapter 2, Paragraphs 1-11)

2. The Australian Standard Industrial Classification (ASIC) has been designed primarily as a system for classifying establishments, e.g. individual mines, factories, shops, etc., by industry. An 'industry' i.e. an individual class or group, etc., in the ASIC, consists of the establishments which have been classified to it.
3. The ASIC may also be used for classifying other statistical units such as enterprises.
4. The structure of the ASIC comprises four levels, namely Divisions (the broadest level), Subdivisions, Groups and Classes.
5. Each ASIC class is defined in terms of a specified range of activities, designated as primary to it. Similarly, each group is defined in terms of the activities designated as primary to the classes within that group, and so on. An establishment which is mainly engaged in activities which have been designated as primary to a particular class is classified to that class, whether or not the establishment is also engaged in other, i.e. 'secondary', activities.
6. Normally, an activity is designated as primary to only one class, but in the case of what are called 'overlapping' classes, certain individual activities are designated as primary to more than one class. For example, Classes 0181 and 0185 have been set up to provide, respectively, for farms mainly engaged in growing cereal grains, oilseeds and dry field peas and beans on the one hand, and in raising sheep on the other, with a third Class (0182) to provide for farms mainly engaged in undertaking specified combinations of sheep grazing and cereal grain growing activities.
7. There is an important distinction between an industrial classification, such as the ASIC, and a commodity classification, such as the Customs Co-operation Council's Nomenclature for the Classification of Goods in Customs Tariffs. As an illustration of this distinction, abrasive coated papers and plastic film sheeting, considered as commodities, might be regarded as having few attributes in common, and it might be considered inappropriate to bring them together in one category in a commodity classification. However, if

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the activity of producing abrasive coated papers and the activity of producing plastic film sheeting were commonly carried on together at the one establishment, the two activities would be designated as primary to the one industry in an industrial classification, despite the dissimilarity of the articles produced by the respective activities.

8. However, the observations in the preceding paragraph do not apply to, so called, industrial origin commodity classifications. In an industrial origin commodity classification, commodities are grouped according to the industries in which they typically originate, i.e. the industries to which the activities of producing the commodities are designated as primary. Thus the broad structure of an industrial origin commodity classification consists of industry of origin headings, and detailed commodity items are shown under each industry of origin heading to cover the types of commodities which typically originate in that industry. Leaving aside the problem of treating commodities which are subject to overlaps between industries, each individual commodity item in an industrial origin commodity classification is usually shown only under one industry heading.

9. In practice, of course, a proportion of some commodities is produced by industries to which their production is not primary. This is shown in tabulations of commodity data by industry of production, i.e. industry of the producing unit. However, such tabulations should not be confused with tabulations of the same commodity data by industry of origin (in accordance with a particular industrial origin commodity classification). These show the commodity data according to the industries to which their production is primary (not according to the industries in which their production actually took place).

10. Examples of industrial origin commodity classifications are the Australian Standard Commodity Classification (ASCC), issued by the ABS to facilitate the compilation of comparable Australian commodity statistics of imports, exports and domestic production, the draft Combined Trade/Production Goods Classification of the United Nations Statistical Office, and the Common Nomenclature of Industrial Products (NIPRO), issued by the Statistical Office of the European Communities.

Purposes of the Classification (Chapter 2, Paragraphs 12-15)

11. The main purpose of the ASIC is to provide a standard framework for classifying establishments and other statistical units by industry in official statistics. It has been developed as part of an integrated statistical system, which provides for each individual establishment

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(or other statistical unit) to be classified to the same industry in all statistical compilations in which it is included. In particular, the ASIC is used in economic censuses and surveys, population censuses and surveys, and in other statistics (national accounts, etc.) derived from the basic statistics.

12. Data classified according to the ASIC can generally be converted to conform essentially with the International Standard Industrial Classification of All Economic Activities (ISIC).

13. The ASIC can also be adopted by authorities and organisations outside the official statistical service for their own purposes.

Principles Underlying the Construction of the Classification (Chapter 2, Paragraphs 16-29)

Principles Underlying the Definition of Classes (Chapter 2, Paragraphs 16-24)

14. The basic principle underlying ASIC classes is that they should reflect as realistically as possible the way in which activities are actually organised within establishments.

15. Supporting this principle is the principle that classes should be devised in such a way that:

- (a) a high proportion of the total output of the establishments of which each class is composed should be output of activities which are primary to that class (i.e. the class should have a high 'specialisation ratio');
- (b) a high proportion of the total output of the activities which are primary to each class should be produced by establishments which are classified to that class (i.e. the class should have a high 'coverage ratio').

16. Other general principles are as follows:

- (a) the individual classes of the ASIC should represent industries which are important (e.g. in terms of size or user interest);
- (b) where practicable, classes should be devised so that the activities designated as primary to a class are restricted to activities which are engaged in by a high proportion of the establishments making up that class. The aim of this principle is to provide as many detailed

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classes as is practicable (consistent with the other principles), to meet the needs of users of detailed industry statistics;

- (c) comparability with ISIC.

Principles Underlying the Definition of the Broader Levels (Chapter 2, Paragraphs 25-29)

17. Many of the principles adopted in devising the class level are also relevant to the broader levels. Certain additional principles have been taken into account in devising the broad levels of the ASIC, as outlined below.

18. At the division level the main purpose is to provide a limited number of categories which will provide a broad overall picture of the economy, and hence be suitable for summary tables in official statistical publications. The subdivision level of the ASIC has been devised specifically to serve two purposes: firstly to provide a means of co-ordinating publication practices in current statistics and, secondly, to provide for somewhat more detailed categories, for use in summary tables.

Comparability with ISIC (Chapter 2, Paragraphs 30-33)

19. The structure of the ISIC, and the criteria used in constructing the ISIC, have been followed to the extent that this could be done without conflicting with the principles mentioned above.

Relationship with Other Sector Classifications (Chapter 2, Paragraphs 34-44)

20. The classification of statistical units on the basis of their industry is only one of many ways in which it may be useful to analyse the structure of an economy for different purposes. Thus there are commonly used divisions of the economy into sectors which introduce other criteria, such as ownership (as in the case of the simple dichotomy between the 'public sector' and the 'private sector' or more elaborate institutional classifications such as those employed in national accounting presentations).

21. A useful context in which to relate industry classifications to other international and Australian standard classifications of statistical units is a description of the structure of sectors underlying the design of the United Nations System of National Accounts (SNA).¹ Australia accepts the system in principle and

1. United Nations, Statistical Office, Studies in Methods Series F, No 2, Rev 3, New York 1968.

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is following it in practice to the extent appropriate to current Australian circumstances and needs.

22. The SNA embraces and relates a number of classifications of statistical units in addition to industry classification. Two kinds of broad sectors are basic to the system. One divides the economy into functional sectors classifying transactors according to the fashion in which they participate in the production and use of goods and services. The units classified are establishment-type producing units which are the most appropriate transactor units for which to record transactions in the production, consumption expenditure, and capital formation accounts. The other is an institutional sector classification of enterprise-type units which own establishments and are the appropriate transactors for which to record transactions in the income and outlay, and capital finance accounts.

23. These two ways of classifying the economy's establishments and enterprises into broad sectors and their relationships to ASIC are illustrated in the diagram near the end of Chapter 2. The classification of establishment-type (PRODUCING) units by function has, so far, not been used in the Australian National Accounts (ANA), which does, however, classify enterprise-type (OWNING AND FINANCING) units according to an SNA based institutional sector classification. This classification has recently been reviewed and issued by the ABS as the 'Standard Institutional Sector Classification of Australia' (SISCA) for use in a variety of statistical applications.

Supplementary Classifications (Chapter 2, Paragraphs 45-47)

24. In certain fields of statistics it is appropriate to utilise special purpose classifications in conjunction with the ASIC. This is done either to provide more detailed dissections of statistical data than is usual in a general purpose standard industrial classification or to dissect the data in accordance with criteria not used or appropriate in an industrial classification.

SUMMARY OF CHAPTER 3 : THE UNITS BEING CLASSIFIED

Introduction (Chapter 3, Paragraphs 1 and 2)

25. This chapter refers to the types of units encountered in statistical work generally, provides a broad overview of those types of units which are classified by industry and defines, in some detail, the most important of them, i.e. those classes of transactor units which are classifiable by industry and used in the ABS system of integrated economic statistics, viz the location, establishment, ancillary unit, legal entity, enterprise and enterprise group.

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26. With regard to the transactor units defined in this chapter it is noted that:

- (a) their definitions were current at mid 1984 and have been extracted from the more detailed ABS units standards document 'Integrated Economic Statistics, Standards for Statistical Units', and
- (b) some of their definitions (unlike industry definitions which remain constant during the currency of an ASIC edition) may have changed since then, i.e. mid 1984.

Units in General (Chapter 3, Paragraph 3)

27. The term 'units' is used widely in statistical work and refers, in general, to entities from or about which statistics are collected or in respect of which statistics are compiled, tabulated or published. They include, among others, individual organisations, persons, things and events.

Units Classifiable by Industry (Chapter 3, Paragraphs 4-8)

28. The units which are classifiable by industry divide into two conceptually distinct categories:

- (a) directly classifiable units, i.e. those which have an inherent attribute which can be used to classify them directly to industry in their own right, and
- (b) indirectly classifiable units, i.e. those units which can only be classified to industry indirectly by unique association with a directly classifiable unit.

29. Directly classifiable units include all those transactor units which have the attribute of undertaking goods and/or service producing activity which enables them to be classified directly to industry on the basis of that attribute, i.e. according to their major kind of productive activity. The transactor units involved are those listed in paragraph 25 above even though some of them are classified to industry for practical reasons in a manner analogous to indirectly classifiable units. (Other directly classifiable units are all those commodities which are, in the process of constructing industrial origin commodity classifications such as the ASCC, classified by industry of origin, e.g. commodities imported, exported and produced locally.)

30. Indirectly classifiable units include, among others,

- . employed persons - classifiable, for example, according to the industry of the establishment at which they work,

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- . commodities (such as individual items of capital equipment) - classifiable, for example, according to the industry of the using transactor unit, and
- . events (such as industrial disputes) - classifiable according to the industry of the transactor unit at which they occur.

The Transactor Units in Integrated Economic Statistics (Chapter 3, Paragraphs 9 and 10)

31. The different classes of directly classifiable transactor units in the ABS system of integrated economic statistics, mentioned in paragraph 29 above, are the key units being classified by industry and are linked to each other in a hierarchic manner as shown in the diagram in Chapter 3. A units model based on such a diagram provides the standard framework for the systematic recording on the ABS's Integrated Register of all identified Australian resident enterprise groups, enterprises, legal entities, establishments, ancillary units, and locations needed for the conduct by the ABS of its integrated economic censuses and surveys.

General Objectives for Defining Transactor Units in Integrated Economic Statistics (Chapter 3, Paragraph 11)

32. In general the objectives are to define units:
- (a) which conform, as far as possible, with relevant international standards recommended by the United Nations Statistical Office,
 - (b) which fit the needs of the ABS framework of integrated economic statistics for horizontal and vertical integration,
 - (c) which conform, as closely as possible, with actual units in the economy, and
 - (d) about which the required statistical information is generally available.

The Location (Chapter 3, Paragraphs 12-21)

33. A location is defined as a single, unbroken physical area, occupied by an enterprise, at which, or from which, the enterprise is engaged in productive activity on a relatively permanent basis, or at which the enterprise is undertaking capital expenditure with the intention of commencing productive activity on a relatively permanent basis at some time in the future (a location not yet in operation).

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34. Locations are the fundamental units of which establishments and ancillary units are composed.

The Establishment (Chapter 3, Paragraphs 22-47)

35. The following three operational establishment definitions are used in the Australian system of integrated economic statistics:

- (a) the establishment is a Single Location (SL) unit, i.e. a unit covering all the operations of an enterprise conducted at or from a single location,
- (b) the establishment is an Enterprise/State/Industry (ESI) unit, i.e. a unit covering all the operations of an enterprise conducted at or from all of its locations in a State/Territory predominantly engaged in activities primary to a given industry, and
- (c) the establishment is an Enterprise/Industry (EI) unit, i.e. a unit covering all the operations of an enterprise conducted at or from all of its locations in Australia predominantly engaged in activities primary to a given industry.

36. In general, only one of these definitions is relevant to establishments in a particular ASIC industry, although there are variations within some industries between the definition of public sector and private sector establishments. The definitions applicable to each industry are specified in paragraph 35 of Chapter 3.

37. From an industry classification point of view establishments, amongst all the classes of transactor units, are the most important, both in terms of

- . usage (as the most appropriate type of producing unit and, hence, the principal statistical unit used in the compilation of detailed 'structural' statistics on production classified by such characteristics as industry, size of establishment and geographic location) and
- . their influence on the way industries are defined in the ASIC.

38. Although the establishment definitions listed above can be applied in the majority of cases to delimit practical, realistically based and statistically appropriate establishments there are, nevertheless, certain circumstances in which it is necessary to vary these definitions. Thus, in prescribed circumstances where data are not available from respondents to enable establishments to be defined as single location units (in cases where the SL establishment definition

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applies) rules have been devised to permit locations to be combined. Similarly, in prescribed circumstances, rules have been devised to allow establishments, which are substantially engaged in activities primary to two or more industries, to be split into two or more establishments in the interests of improving industry coverage and specialisation ratios. These rules for combining and splitting locations are specified in paragraphs 37 to 47 of Chapter 3.

The Ancillary Unit (Chapter 3, Paragraphs 48-63)

39. An ancillary unit is defined, in general, as a unit covering all the operations of an enterprise conducted at or from a single location where those operations are mainly the provision of services to other locations of the same enterprise. Included also are administrative offices, even though many of them have controlling functions in addition to supportive service functions, and public sector own account construction locations - see paragraph 59 of Chapter 3. However, certain types of potential ancillary units are treated as establishments, e.g. captive ship, aircraft and railway repair workshops - see paragraph 62 of Chapter 3.

The Legal Entity (Chapter 3, Paragraphs 64-68)

40. For statistical purposes, a legal entity is defined as a unit covering all the operations in Australia of an entity possessing some or all of the rights and obligations of individual persons or corporations or which behaves as such, at least in respect of those matters of concern for economic statistics (i.e. an entity which covers all production and/or capital accumulation undertaken or owned in common or jointly).

41. Legal entities are the fundamental units of which enterprises are composed and, for statistical purposes, include, among others, individual corporate entities, sole proprietorships, partnerships, joint ventures (except mineral exploration joint ventures), trusts (set up by a trust deed), statutory entities and government departmental entities.

The Enterprise (Chapter 3, Paragraphs 69-78)

42. In general, an enterprise is defined as a unit covering all the operations in Australia of a single operating legal entity. In applying this definition for the purpose of delimiting enterprises circumstances arise in which certain types of non operating legal entities are merged with related operating legal entities and in which certain types of operating legal entities are split - these are specified in Chapter 3.

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The Enterprise Group (Chapter 3, Paragraphs 79-84)

43. An enterprise group is defined as a unit covering all the operations in Australia of a group of companies which are related in terms of the uniform Companies Acts. All other enterprises are, in general, treated as single enterprise, enterprise groups. This definition is a narrow interpretation of the general concept, which is generally expressed as a group of legal entities under common ownership or control.

SUMMARY OF CHAPTER 4 : ASSESSMENT AND APPLICATION OF THE CLASSIFICATIONStandards for Recognising Classes (Chapter 4, Paragraphs 1-22)

44. In devising the classes of the ASIC the aim has been to have classes relate to groups of establishments mainly engaged in the same or similar kinds of activity and which represent realistic and recognisable segments of Australian industry, i.e. industry classes should meet quantitative standards relating to homogeneity of output (in terms of minimum acceptable specialisation and coverage ratios) and importance (e.g. in terms of size and user interest).

45. Subject to certain conditions, specified in paragraphs 16 and 17 of Chapter 4, the minimum level of specialisation and coverage for an ASIC class is generally 70 per cent.

46. In general, an industry class is accepted in the ASIC if it meets at least two of the three standards for recognising classes and there is some demand for separate industry statistics for that class.

47. For industries in the ASIC for which estimates of coverage and specialisation ratios could be prepared and for which data on their size were available, the minimum requirements for recognising them as separate industries were met in the great majority of cases. As a result of ASIC reviews to date it is estimated that industry coverage and specialisation ratios have generally been improved and that the minimum requirements for recognising industries are now being met in almost all instances (where estimation has been possible) and, indeed, are being decidedly exceeded in the vast majority of cases.

Principles for Classifying Units (Chapter 4, Paragraphs 23-51)

48. There are three basic principles for classifying establishments to the cells of the ASIC:

- (a) At each level (i.e. division, subdivision, group or class) an establishment can be classified to only one cell (e.g. a particular division).

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- (b) The division, subdivision, group and/or class to which an establishment is classified must be related by aggregation or disaggregation.
- (c) Each establishment is to be classified to cells according to its major activity.

49. The types of information available for use in classifying establishments are as follows:

- (a) The respondent's own description of the activities of the establishment and his evaluation of the relative importance of the activities of the establishment.
- (b) Quantitative information (e.g. value data), relating to the kinds of goods produced or handled or the kinds of services provided, from which the relative importance of individual activities can be deduced.

50. Each of these types of information has some advantages and disadvantages. In the case of the respondent's own assessment, whilst he will undoubtedly have a more intimate knowledge of his business than the ABS could attain, it is inevitable that different respondents will have different criteria in mind in assessing importance, and the weight which they give to each activity will differ from respondent to respondent. In classifying on the basis of quantitative data it is possible to avoid such inconsistencies in approach.

51. The choice between various types of quantitative data depends largely on the practical question of what information is available for individual activities within all (or most) establishments in a particular collection. Generally, this consideration has led to the adoption of value of gross receipts as the measure for assessing the major activity of establishments in the integrated economic censuses. However, value added has also been adopted in certain circumstances in determining the major division of establishments. In other collections other measures or respondent's description may need to be used.

52. In classifying economic units there are basically two alternative methods:

- (a) Classification to a cell at the broadest level of the Classification in the first instance and subsequently to cells at successively lower levels (e.g. classification to a division of the ASIC, then to a subdivision within the division, and so on until the establishment is finally classified to a class). For convenience this method is referred to as the 'step-by-step' method.

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- (b) Classification directly to a cell at the lowest level of the Classification (e.g. direct to a class of the ASIC).

53. The step-by-step method of classification has been generally adopted for use in the ASIC, especially where quantitative measures are used to assess major activity.

54. However, somewhat different methods are applicable in certain defined cases. For example, establishments of licensed clubs are classified in accordance with the special conditions specified in the relevant class definitions, and locations not yet in operation which are determined to be establishments are to be classified according to their intended main activity, as reported by respondents.

55. Administrative offices and ancillary units are assigned a 'reflected' industry code, generally corresponding to the industry which represents the predominant industry of the establishments administered or served by the ancillary unit.

56. Enterprises and enterprise groups are assigned a 'reflected' industry code, corresponding to the industry which represents the predominant industry of the establishments owned and operated by the enterprise or enterprise group. The method used in classifying enterprises and enterprise groups should involve the following:

- (a) Weighting each establishment (in the enterprise or enterprise group as the case may be) by the establishment's total value added or some substitute weight such as total employment.
- (b) Application of the step-by-step method of classification to determine the predominant industry of the establishments owned and operated.

57. The method described above has not, however, been judged to be appropriate to certain kinds of enterprises in the public sector. In view of this, enterprise type units have been divided into two categories as follows:

CATEGORY I : PUBLIC SECTOR GENERAL GOVERNMENT ENTERPRISES, which:

- (a) in respect of each of the three tiers of government (i.e. federal, state, local) have a significant legislative function, e.g. the Houses of Parliament of the Commonwealth and the States, and Local Government Authorities (including enterprise type units, such as Parliamentary Departments, which provide supporting office services to the legislative enterprise type units),

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- (b) in respect of the Commonwealth and the individual States, have significant functions in the fields of taxation and financial management (except banking), and
- (c) in respect of the Commonwealth, have significant functions concerning defence, and foreign policy formulation and representation.

CATEGORY II : ALL OTHER ENTERPRISES

58. All CATEGORY I enterprises are to be classified as a convention, to the appropriate industries in Division J, Public administration and defence, whereas all CATEGORY II enterprises are to be classified in accordance with the general method of classifying enterprises and enterprise groups described above.

Use of ASIC in Publication of Statistics (Chapter 4, Paragraphs 52-57)

59. In both population and economic censuses it is recommended that the full detail of the ASIC be used in publication of detailed statistics.

60. In some other types of statistics, however, it is not practicable or necessary to classify data by industry in the full detail of the ASIC. To meet this situation, in general, the following rule should be applied in publishing statistical series which are classified by industry. This is that any industry category for which separate particulars are published in any statistical table should be one of the following:

- (a) a division, subdivision, group or class of ASIC;
- (b) a combination of subdivisions within the one division of ASIC;
- (c) a combination of groups within the one subdivision of ASIC;
- (d) a combination of classes within the one group of ASIC.

SUMMARY OF CHAPTER 5 : TREATMENT OF CERTAIN ACTIVITIES

61. The purpose of this Chapter is to explain the treatment of certain categories of activities and to provide guidelines on how these activities should be treated in the Classification in situations where they have not been specifically mentioned in class definitions.

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Repair and Maintenance Activities (Chapter 5, Paragraphs 3-13)

62. The circumstances where repair activities are carried out by an enterprise on its own equipment are discussed in that part of Chapter 3 dealing with the treatment of ancillary units. Thus the repair by an enterprise of its own motor vehicles falls within ancillary activity category (v) and of other types of equipment can fall within ancillary activity category (vii). Accordingly, locations mainly engaged in repair activities are in certain circumstances treated as ancillary units, and classified accordingly.

63. The following discussion is therefore concerned only with the treatment of establishments which are mainly engaged in repair activities.

64. There are, in principle, two ways of providing for the classification of such establishments. Firstly, a separate class might be provided for a particular kind of repair activity. Secondly, a particular kind of repair activity might be specified as primary to a class which also covers other activities.

65. The first treatment, i.e. of creating a separate industry class for a particular kind of repair activity, has been adopted in only three instances. These classes are all located in Subdivision 48 Retail trade and are as follows:

4846 Shoe repairers
4757 Electric appliance repairers n.e.c.
4865 Smash repairers

66. The second treatment, i.e. of assigning a particular type of repair activity as primary to a class which covers other activities, has been adopted for all other types of repair activity.

67. In the detailed Classification the treatment of individual repair activities has been specified in the class definitions as far as possible, and establishments mainly engaged in any one of such repair activities are to be classified to the class which includes this repair activity as a primary activity.

68. Where an establishment is found to be engaged in a repair or maintenance activity which has not been explicitly specified in a class definition in the ASIC and which is significant enough to influence the determination of the establishment's industry, advice should be sought as to the industry class which covers the particular repair activity as a primary activity, by contacting the Classification Section of the ABS in Canberra, before the establishment is classified.

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Installation Activities (Chapter 5, Paragraphs 14-25)

69. Because of the vague meaning of the term 'installation', no attempt has been made in the Classification to rigorously use the term to describe a particular category of activities as distinct from some other category of similar activities. Instead the term has been used in the Classification to describe activities which are commonly referred to as installation. Where another term such as erection, assembly or fixing, appeared more appropriate, in terms of general usage, for describing an installation type activity, that other term was generally adopted.

70. Unlike repair activities, installation and similar activities are not usually considered part of any ancillary activity category. Thus, a location which is mainly engaged in installation activities is not usually treated as an ancillary unit.

71. Apart from this difference the treatment of installation and similar activities is based on the same principles as is the treatment of repair or, for that matter, of all other activities.

72. Establishments mainly engaged in a specific installation activity (i.e. installation of a specific type of equipment) have been recognised as a separate class in the ASIC, provided the standards for recognising separate classes were met. In general, where this was done, the class is located in Subdivision 42 Special trade construction.

73. In all other cases, specific installation activities have been assigned as primary activities of classes covering other kinds of activity, i.e. activities with which those installation activities are commonly associated at establishments.

74. However, it has not been practicable to specify all installation type activities in ASIC class definitions. Accordingly, where an establishment is found to be engaged in an installation type activity which has not been explicitly specified in a class definition and which is significant enough to influence the determination of the establishment's industry, advice should be sought as to the industry class which covers the particular installation type activity as a primary activity, by contacting the Classification Section of the ABS in Canberra, before the establishment is classified.

Leasing Activities (Chapter 5, Paragraphs 26-29)

75. Broadly speaking, a leasing, hiring or renting activity may involve provision of services such as real estate operation, short-term hire of plant and equipment, or car hire; it may represent a substitute for selling, e.g. by manufacturers or wholesalers of

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plant and equipment, or by retailers of domestic appliances; it may involve provision of financial services, i.e. when an establishment engages in leasing of industrial machinery or equipment purely on a financial service basis without taking physical possession of the goods; or it may be closely linked with the operation of the equipment which is leased or hired, e.g. when equipment is hired out with operators provided.

76. In general, distinctions between the different kinds of activities which leasing, hiring or renting activity may represent have been based on the type of plant or equipment leased; the term of the lease (e.g. one year or more); whether equipment is leased (or hired) with or without operators; and whether the establishment engaged in leasing takes physical possession of the goods.

77. Leasing, hiring or renting activities have been specified in ASIC class definitions as far as practicable. In addition, a comprehensive listing of the various categories of leasing, renting and hiring activities together with guidelines for their treatment in the Classification is provided in paragraph 29 of Chapter 5.

Packing Activities (Chapter 5, Paragraphs 30-38)

78. In general, activities which involve physical transformation in materials or goods, including blending and assembly, are regarded as manufacturing activities. However, the mere breaking down of bulk quantities and consequent packing or bottling are generally regarded as service type activities, if performed on a contract, fee or similar basis.

79. In the treatment of packing activities a distinction needs to be drawn between:

- (a) packing services provided on a contract or fee basis for establishments of other enterprises,
- (b) packing services provided for other establishments of the same enterprise, and
- (c) captive packing activities undertaken by the establishment as part of its normal process of producing or distributing goods.

80. Packing, bottling, filling, canning and similar activities of type (a) and (b) above are referred to in this Classification as CONTRACT PACKING activities. Packing, bottling, filling, canning and similar activities of type (c) above are referred to in this Classification as CAPTIVE PACKING activities.

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81. Establishments which undertake captive packing activities are generally to be classified, like all other establishments, in accordance with their main revenue earning activity, irrespective of whether the goods produced or services rendered involve some captive packing. However, some situations do exist in which it is not immediately obvious how establishments which seem to do little else than pack goods should be classified. Such situations, together with the appropriate classification treatments applicable to them, are described in some detail in paragraph 34 of Chapter 5.

82. The treatment of contract packing activities in the ASIC is broadly as follows:

GOODS ORIGINATING IN SUBDIVISION 01 : AGRICULTURE

- (a) Contract packing of fresh fruit and vegetables is primary to Class 4764 Fruit and vegetable wholesalers.
- (b) Contract packing of sun dried fruit is primary to Class 4769 Grocery wholesalers n.e.c.
- (c) Contract packing of other agricultural produce, e.g. hay baling, is generally primary to Class 0206 Services to agriculture n.e.c.

GOODS ORIGINATING IN SUBDIVISION 21 : FOOD, BEVERAGES AND TOBACCO

Most of the common contract packing activities are specified in the class definitions of classes in Subdivisions 21 Food, beverages and tobacco and 47 Wholesale trade. Where the contract packing of a food, beverage or tobacco commodity has not been specified the intention is that the contract packing activity be treated as primary to the industry class in Subdivision 21 which includes, as a primary activity, the manufacture of the commodity.

PACKING OR CRATING GOODS FOR TRANSPORT

This activity is included as a primary activity in Class 5744 Other services to transport n.e.c.

OTHER CONTRACT PACKING

The contract packing of goods (except agricultural produce or food, beverages or tobacco or goods packed for transport) is primary to Class 6388 Contract packing services n.e.c.

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Contract Work (Chapter 5, Paragraphs 39-45)

83. Generally there is no special difficulty in classifying establishments which produce goods or services on a contract, commission or fee basis for others.

84. However, difficulties have been encountered in certain circumstances in classifying establishments (i.e. in determining their major activity) which have goods and/or services produced for them on a contract, commission, or fee basis and where such goods and/or services are included in the final output of such 'client establishments'.

85. In classifying establishments of this type the following guidelines apply.

86. Sales of goods produced for a 'client establishment' on a contract, commission or fee basis should normally be treated (for industry classification purposes) as sales of goods produced by the client establishment in the following conditions:

- (a) the contractor operates (i.e. has been engaged to operate) production facilities which the client establishment possesses on its premises,
- (b) the client establishment itself produces goods and the goods produced for it on commission are of a similar type, or are goods produced from raw materials produced by the client establishment (provided the production of the raw materials is primary to the same ASIC division as the goods produced on commission from them), or
- (c) the goods produced for the client establishment on contract are construction goods, i.e. houses, other buildings or other structures, and the client establishment actively organises or manages the construction projects.

87. If conditions (a), (b) or (c) do not apply OR if the goods are merely produced for the client establishment on the basis of a contract purchase, the sale of such goods by the client establishment should be treated (for industry classification purposes) as wholesale or retail sales.

Own Account Construction Activities (Chapter 5, Paragraphs 46-48)

88. For the purposes of the ASIC, own account construction means construction other than contract or speculative construction by an enterprise or private household.

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89. The industries in the ASIC do not distinguish between own account and contract construction activities and the industry classes in Division E Construction include both, i.e. PRIVATE SECTOR construction establishments mainly engaged in undertaking contract as well as own account construction activities. In the case of PUBLIC SECTOR units, own account construction is treated as an ancillary activity and classified accordingly.

Operation of Display Centres/Homes (Chapter 5, Paragraphs 49-50)

90. The statistical treatment of display centres is in accordance with the following guidelines:

DISPLAY CENTRES LOCATED AT AN EXISTING ESTABLISHMENT OF THE ENTERPRISE

Such display centres do not form a separate statistical unit and are therefore treated as part of the establishment at which they are located.

SEPARATELY LOCATED DISPLAY CENTRES

A decision needs to be made in the first instance, in accordance with rules for recognising statistical units, whether a display centre qualifies for treatment as a separate statistical unit and, if it does, whether it is an establishment or an ancillary unit (see Chapter 3). If a display centre does not qualify for treatment as a statistical unit (e.g. employees of the enterprise operating the display centre are based at some other location of the enterprise and the display centre is intended to be in existence for only a relatively short period) the display centre is treated as part of the assets of the establishment or ancillary unit which operates the display centre.

Operation of Separately Located Off-Site Workshops (Chapter 5, Paragraph 51)

91. Some construction enterprises operate separately located workshops or factories (e.g. motor truck repair workshops or factories manufacturing building components such as roof trusses). For statistical purposes their treatment is as follows:

If, in accordance with the rules for combining locations, an off-site workshop is not merged with another location (or unit) of the enterprise, the off-site workshop will be treated either as an establishment or as an ancillary unit and classified accordingly.

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Other Matters Concerning the Specification of Activities (Chapter 5, Paragraphs 52-55)

92. The primary activities specified in class definitions (i.e. the industry class descriptions and lists of primary activities) refer, in general, to direct revenue earning activities rather than captive activities. Where it is intended that captive activities form part of the industry specification, reference is specifically made to the captive activities.

SUMMARY OF CHAPTER 6 : THE NUMBERING SYSTEM

Basic Character of the Numbering System (Chapter 6, Paragraphs 1-4)

93. The numbering system adopted in the ASIC has been devised with the purpose of providing greater flexibility than a strict decimal four digit system would allow, whilst retaining the advantages of a decimal system as far as practicable, i.e. within each division. There are 13 divisions in the ASIC, each identified by an alphabetic character, 50 subdivisions, each identified by a two digit numeric code, 129 groups, each identified by a three digit numeric code and 466 classes, each identified by a four digit numeric code.

Changes to Code Numbers (Chapter 6, Paragraphs 5 and 6)

94. New code numbers have been allocated to the industries in ASIC Division G, Transport and storage, as that was the only part of the classification substantially revised in the preparation of this edition. In addition, it has been necessary to change the industry codes for ASIC Division H, Communication.

Undefined Classes, Groups, etc (Chapter 6, Paragraphs 7-13)

95. The code number system also makes provision, largely for internal ABS processing purposes, for the use of so called undefined industries to enable units classifiable initially at, say, only the ASIC group level to be given an ASIC class code representing an industry which is co-extensive with the defined ASIC group to which the unit could be classified initially.

KEY BETWEEN THE 1983 AND 1978 EDITIONS OF ASIC

96. The 1983 edition of the ASIC incorporates a completely revised set of transport and storage industries but is in most other respects identical with the 1978 edition of the ASIC. The broad links between the 1983 and the 1978 edition ASIC Division G, Transport and storage, industries are shown in the table below. Other changes, consequent upon the revision of the transport and storage industries are as follows:

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GROUP 043, FISHING. The classes in this 1983 edition ASIC group have gained the following activities from the 1978 edition ASIC classes indicated below:

- leasing of commercial fishing boats, not built by the establishment, without crew, from stocks physically held, for periods of one year or more, from Class 4867, Boat and caravan dealers, and
- leasing of commercial fishing boats, without crew, from stocks physically held, for periods less than one year, from Class 5306, Services to water transport n.e.c.

CLASS 3243, RAILWAY ROLLING STOCK AND LOCOMOTIVES. This 1983 edition ASIC class has gained the following activities from the 1978 edition ASIC classes indicated below:

- minor repair and maintenance of tramway rolling stock, from Class 5106, Bus and tramway transport, and
- minor repair and maintenance of railway rolling stock and locomotives, from Class 5200, Railway transport.
(Class 3243 has previously included major repair only.)

CLASS 3244, AIRCRAFT. This 1983 edition ASIC class has gained the activity of minor aircraft repair and maintenance from 1978 edition ASIC Class 5403, Air passenger and freight transport.

SUBDIVISION 59, COMMUNICATION, GROUP 590, COMMUNICATION, CLASS 5900, COMMUNICATION. These had the codes 56, 560 and 5600 respectively in the 1978 edition of the ASIC but have remained otherwise unchanged.

BROAD LINKS BETWEEN 1983 AND 1978 EDITION DIVISION G, TRANSPORT AND STORAGE, INDUSTRIES

1983 EDITION INDUSTRIES		1978 EDITION ASIC CLASS REFERENCES
51	ROAD TRANSPORT	
511	ROAD FREIGHT TRANSPORT	
5111	Long Distance Interstate Road Freight) Transport)	
5112	Long Distance Intrastate Road Freight) Transport)	5105
5113	Short Distance Road Freight Transport)	
5114	Road Freight Forwarding	5514 (p)
512	ROAD PASSENGER TRANSPORT	
5121	Long Distance Bus Transport)	
5122	Short Distance Bus Transport (Incl) Tramway))	5106 (a)
5123	Taxi and Other Road Passenger Transport	5107

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BROAD LINKS BETWEEN 1983 AND 1978 EDITION DIVISION G, TRANSPORT
AND STORAGE, INDUSTRIES - contd

1983 EDITION INDUSTRIES		1978 EDITION ASIC CLASS REFERENCES
52	<u>RAIL TRANSPORT</u>	
520	<u>RAIL TRANSPORT</u>	
5200	Rail Transport	5200 (b)
53	<u>WATER TRANSPORT</u>	
530	<u>WATER TRANSPORT</u>	
5307	International Sea Transport)
5308	Coastal Water Transport) 5304
5309	Inland Water Transport)
54	<u>AIR TRANSPORT</u>	
540	<u>AIR TRANSPORT</u>	
5405	Scheduled International Air Transport)
5406	Scheduled Domestic Air Transport) 5403 (c)
5407	Non-scheduled Air Transport)
55	<u>OTHER TRANSPORT</u>	
550	<u>OTHER TRANSPORT</u>	
5500	Other Transport	5513
57	<u>SERVICES TO TRANSPORT</u>	
571	<u>SERVICES TO ROAD TRANSPORT</u>	
5711	Motor Vehicle Hire)
5712	Parking Services) 5108
5713	Services to Road Transport n.e.c.)
572	<u>SERVICES TO WATER TRANSPORT</u>	
5721	Stevedoring	5305
5722	Water Transport Terminals	5306 (p)
5723	Shipping Agents	5514 (p)
5724	Services to Water Transport n.e.c.	5306 (p)(d)
573	<u>SERVICES TO AIR TRANSPORT</u>	
5730	Services to Air Transport	5404
574	<u>OTHER SERVICES TO TRANSPORT</u>	
5741	Travel Agency Services)
5742	Freight Forwarding (Except Road)) 5514(p)
5743	Customs Agency Services)
5744	Other Services to Transport n.e.c.)
58	<u>STORAGE</u>	
580	<u>STORAGE</u>	
5801	Grain Storage	5524
5802	Cold Storage	5525
5803	Storage n.e.c.	5526

NOTES: (a) Includes minor repair and maintenance of tramway rolling stock, now in Class 3243 - see above. (b) Includes minor repair and maintenance of locomotives and railway rolling stock, now in Class 3243 - see above. (c) Includes minor repair and maintenance of aircraft, now in Class 3244 - see above. (d) Includes leasing of commercial fishing boats (without crew, from stocks physically held, for periods less than one year) now in Group 043 - see above. (p) Part of class.