

Information Paper

**ANZSIC 2006
Implementation**

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Implementation**

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CONTENTS

	<i>page</i>
Preface	vii
Abbreviations	viii
 CHAPTER 1	
Introduction	1
 CHAPTER 2	
ANZSIC 2006 Development	2
 CHAPTER 3	
Implementation Strategies	3
Timing	3
Change measurement strategies	3
Business Registers	4
 CHAPTER 4	
Communication Strategy	5
 CHAPTER 5	
Expected release dates of selected ABS data	7

PREFACE

As foreshadowed in the *ANZSIC 2006 Development Information Paper* (cat. no. 1294.0) published in 2004, this paper provides readers with an overview of the Australian Bureau of Statistics (ABS) program for implementation of the revised Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006.

This paper outlines the strategies that will be used to incorporate ANZSIC 2006 into a range of statistical series. The strategies will ensure that analysis of ANZSIC 2006 based movements can be undertaken for collections with a time-series aspect, prior to the first release of the data using the new classification. As well as reducing the risk of revisions to the time series, this approach will be particularly helpful in the process of recompiling the National Accounts on an ANZSIC 2006 basis.

The ANZSIC 2006 development process involved extensive stakeholder consultation and this will continue into the implementation stage. Information sessions for external stakeholders are being conducted in each State and Territory from 2004 until 2007. Areas within the ABS that are responsible for producing statistics on an industry basis will have separate communication strategies which will outline both the process of consultation and how the effects of the implementation of the new classification will be conveyed to users.

If you require assistance to make any system or process changes in adopting the new ANZSIC, or would like to be included in the information sessions or require more details of the issues covered in this information paper, please contact Paul McCulloch, ANZSIC Implementation Change Manager, on telephone (02) 6252 5964, fax (02) 6252 7511, or email: <paul.mcculloch@abs.gov.au>.

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ABBREVIATIONS

ABR	Australian Business Register
ABS	Australian Bureau of Statistics
AIP	ANZSIC Implementation Program
ANA	Australian National Accounts
ANZSIC	Australian and New Zealand Standard Industrial Classification
ASIC	Australian Standard Industrial Classification
ATO	Australian Taxation Office

CHAPTER 1

INTRODUCTION

1.1 A joint project between the Australian Bureau of Statistics (ABS) and Statistics New Zealand has developed a new standard classification of industrial activity, the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006. As a more contemporary industrial classification system, ANZSIC 2006 will replace the existing classification, ANZSIC 1993.

1.2 This information paper outlines the strategy the ABS is adopting to implement ANZSIC 2006 into both statistical infrastructure and official statistics on industrial activity, and complements the *ANZSIC 2006 Development Information Paper* (cat. no. 1294.0).

This paper contains:

- an outline of the ABS ANZSIC 2006 Implementation Program (AIP) objectives;
- the major statistical strategies for implementing ANZSIC 2006;
- an overview of the ANZSIC implementation program communication strategy for users; and
- expected release dates (and contact information) for selected ABS statistics.

1.3 The ABS learned some valuable lessons during the changeover from the Australian Standard Industrial Classification to ANZSIC 1993, and these have influenced both the strategies and governance arrangements that underpin the AIP framework. A key component of the AIP, for example, is a stronger focus on assisting users to understand the changes introduced with the new classification and to better manage the impact on users of ABS data. A number of measures will be taken by the ABS to assist users through the implementation period, including publishing data on both ANZSIC 1993 and 2006 bases and back-casting of selected ABS statistics on an ANZSIC 2006 basis.

CHAPTER 2

ANZSIC 2006 DEVELOPMENT

2.1 The concept of industry, and the classification used to produce a wide range of statistics by industry, are fundamental parts of the economic statistics infrastructure. Although widely used, the current industry classification (ANZSIC 1993) is criticised by some users because of its adoption of a mixture of supply and demand-side concepts in defining industries. This leads to the classification standard prescribing different treatments for some very similar productive activities, because of their different customer bases.

2.2 The development of ANZSIC 2006 is partly in response to such criticisms, but is also driven by changes in the structure, composition and organisation of industrial and business activities in Australia and New Zealand. There have been significant technological changes since ANZSIC 1993 was developed and some of these have affected the way industry and businesses operate. In addition, industries undertaking new activities have emerged, necessitating the development of a more contemporary version of the classification.

2.3 The main aim in the development of ANZSIC 2006 is to create an industry classification which updates and improves upon ANZSIC 1993 and is clearly worth the consequential effort in reworking statistical collections, administrative database designs and revising industry statistics time series.

2.4 In line with this aim, the objectives set in the development of ANZSIC 2006 were to:

- construct the new classification using a consistent conceptual framework;
- provide a structure that recognises the changing needs of users of industry data;
- identify new and emerging industries that will be useful for economic analysis;
- update industry descriptions to reflect the adoption of new materials, technologies and production techniques; and
- better provide for the development of alternative industry views (e.g tourism).

2.5 In addition to these specific objectives, ANZSIC 2006 has been developed to ensure it meets the following fundamental principles for an effective industry classification:

- it has categories which are mutually exclusive;
- it reflects the structure of the economy and is comprehensive in its coverage;
- it can be used in data collection and facilitates the use of the data for production-related statistics; and
- it remains stable over a period of time or is designed so that it can be easily updated.

2.6 Further details about the conceptual framework and principles, examples of guiding principles, and impacts of the changes on the classification, can be found in the *ANZSIC 2006 Development Information Paper* (cat. no.1294.0), available free of charge on the ABS website at <www.abs.gov.au>.

2.7 The ANZSIC 2006 classification manual will be released in February 2006.

CHAPTER 3

IMPLEMENTATION STRATEGIES

TIMING:

3.1 The ABS' implementation of ANZSIC 2006 has been devised taking into account two critically important elements. Firstly, establishing the requirements, including timing, of implementation within the Australian National Accounts (ANA), and secondly, a determination not to release indicator series on a different conceptual basis to the ANA.

3.2 The optimal point for the ANA to begin to be released on an ANZSIC 2006 basis is late 2009. The ANA timetable will see ANZSIC 2006 based:

- 2008–09 Australian System of National Accounts and the 2008–09 State Accounts released in November 2009;
- 2009 September quarter National Income, Expenditure and Product released in December 2009;
- 2008–09 Tourism Satellite Accounts released in April 2010; and
- 2005–06 Input–Output Tables released in 2010 (consideration will also be given to releasing these on an ANZSIC 1993 basis).

3.3 ABS economic statistics that are used as time–series indicators in the compilation of the ANA will be released on an ANZSIC 2006 basis according to the following guidelines:

- the first release for annual collections will be with regard to the 2006–07 reference year; and
- the first release of sub–annual collections will be with regard to the July 2009 reference month or the September 2009 reference quarter.

3.4 The timing of the program, while seemingly rather lengthy, is necessary if the ABS is to make a well–managed transition to the new classification. It permits:

- construction of ANZSIC 2006 based price indexes;
- sufficient time (and length of time–series) to undertake activities such as seasonal re–analysis;
- sufficient lead time for all ANZSIC structural users to have the necessary systems changes in place; and
- separation (for some affected areas) from the planned introduction of the updated Australian and New Zealand Standard Classification of Occupation in 2006.

CHANGE MEASUREMENT STRATEGIES

Annual economic collections:

3.5 In the past the ABS has used a one point in time measurement of the effect of changes such as the introduction of a new industry classification. Analysis of statistical time series often focusses on movements in the data, however, and the single point–in–time approach adopted by the ABS previously did not allow for sufficiently robust analysis of these movements.

3.6 The introduction of ANZSIC 2006 into annual economic collections will see the ABS measure the effect of the changeover in two successive reference periods. This will mean that both the two level estimates, and the movement between them, will have been constructed using ANZSIC 2006 in their design. Adoption of this approach, while extending the implementation process by one year will result in the production of more robust statistics when they are first released on an ANZSIC 2006 basis.

CHAPTER 3 *continued*

CHANGE MEASUREMENT STRATEGIES *continued*

3.7 The creation of two years of 'extended overlapping bridging' data on an ANZSIC 2006 basis will be done using parallel estimation techniques. To facilitate this process, sample sizes for the annual economic collections will be increased for impacted industries in the periods prior to full survey redesigns, to improve the ANZSIC 2006 estimates derived from the ANZSIC 1993 designed samples.

3.8 From the 2006–07 reference year, all annual economic collection areas will (after full survey redesigns) publish on an ANZSIC 2006 basis only.

MONTHLY AND QUARTERLY ECONOMIC COLLECTIONS:

3.9 The suite of subannual economic collections will follow a similar strategy with regard to producing 'extended overlapping bridging' data on an ANZSIC 2006 basis. For these collections, however, the period of increased sample sizes for impacted industries will relate to the five periods (months/quarters) up to, and including, the June 2009 reference period. From the July 2009 reference month or the September 2009 reference quarter, all subannuals will (after full survey redesigns) publish on an ANZSIC 2006 basis only.

IRREGULAR ECONOMIC COLLECTIONS:

3.10 For the 2005–06 and 2006–07 reference years, all irregular economic collections (e.g. Service Industry Surveys) and all benchmark economic collections (e.g. the 2005–06 Retail Industry Survey, the 2005–06 Wholesale Industry Survey and 2005–06 Agriculture Survey) will be designed to produce official statistics on both ANZSIC 1993 and ANZSIC 2006 bases. The former will allow comparisons to be made with previous data for the topic concerned, while the latter will allow for comparisons into the future.

OTHER COLLECTIONS:

3.11 Collections that do not draw a survey frame from the ABS business register (such as the Population Census and Labour Force Surveys) will code their industry-related data according to both ANZSIC 1993 and ANZSIC 2006 bases. Generally, the industry data for these collections is only one topic amongst a wide range. Consideration will be given to releasing data on both bases on a collection by collection basis.

BUSINESS REGISTERS:

3.12 At the time of preparation of this Information Paper, the Australian Tax Office (ATO) is converting the ANZSIC 1993 codes attached to each Australian Business Number (ABN) on the Australian Business Register (ABR) to ANZSIC 2006 codes. It is expected that from sometime in the first half of 2006, all ANZSIC codes on the ABR will be ANZSIC 2006 codes.

3.13 To support the statistical strategies outlined above for economic collections, the ABS business register will carry both ANZSIC 1993 and ANZSIC 2006 codes from early 2006 until June 2009. The majority of ANZSIC 2006 codes will be sourced from the ABR, making the ATO's ANZSIC 2006 implementation project an extremely important one for the ABS. From the time the ABR moves fully to ANZSIC 2006 (first half of 2006), the ABS will start a process of coding new ABN registrations using ANZSIC 1993 to ensure dual coding on the ABS business register continues through to June 2009.

CHAPTER 4

COMMUNICATION STRATEGY

4.1 The ANZSIC Implementation Program Communication Strategy divides all stakeholders into six broad categories and various subcategories. These are:

- a. Internal ABS stakeholders
- b. Australian Taxation Office
- c. Major users of official industry statistics e.g Commonwealth, State and Territory government departments, the OECD, the International Monetary Fund and all key private sector clients;
- d. ANZSIC structure users (organisations that use ANZSIC in processing systems);
- e. SNZ and other national statistical offices; and
- f. Other external users.

4.2 For each of the last four broad categories above the overall strategy revolves around identifying:

- individual stakeholders;
- specific communications issues; and
- desired outcomes (particularly issues around timing and frequency).

4.3 The ABS has a number of areas (such as Key Client Managers, State and Territory Statistical Service areas and the International Relations Unit) who are able to identify a large proportion of external users in the categories 4.1 c, e and f. ABS has already identified a number of ANZSIC structure users, including a number of financial institutions, but there may be more of these users yet to be identified. To enable these users to make any necessary system or process changes in time, the ABS is keen to identify all ANZSIC structure users as soon as possible. If you are in this category please contact the Change Manager (Paul McCulloch) on telephone (02) 6252 5964, fax (02) 6252 7511, or email: <paul.mcculloch@abs.gov.au>.

4.4 Under the AIP, each impacted project area within the ABS is required to complete (and rework each year from 2003) a transition plan which details task information, inputs required, outputs to be delivered, timings etc. Areas which produce economic statistics are also required to complete (by late 2005) a communication strategy which outlines which users will be consulted, when they will be consulted, a backcasting or bridging strategy and how the effects of the implementation of the new classification will be conveyed to users. Readers wanting to have input to the individual project consultation activities are encouraged to notify the relevant contact officers listed in chapter 5.

4.5 Most of the key communication issues (such as informing and updating users on progress during the life of the program) are generic to all of the last four categories in paragraph 4.1. The following list shows the main communication milestones already achieved under the AIP:

- seminars with a wide variety of users during the ANZSIC 2006 development stage (both general and industry specific) have been conducted;
- discussion papers (broadly at 1993 ANZSIC division level) outlining the reasons for the changes being made to the ANZSIC have been provided;
- the *ANZSIC 2006 Development Information Paper* (cat. no. 1294.0) has been produced; and
- information sessions in each State and Territory have been conducted annually since 2004.

CHAPTER 4 *continued*

COMMUNICATION STRATEGY *continued*

4.6 ANZSIC 2006 is also discussed at a range of existing fora the ABS uses to interact with key user communities, such as the Australian Statistical Advisory Council, the Economic Statistics User Group and the ATO-ABS ANZSIC 2006 Implementation Steering Committee.

4.7 In addition to the user consultation processes to be followed by each of the project areas by the end of 2005, the main activities under the AIP in future include:

- conduct updated information sessions in each State and Territory (late 2005 and late 2006);
- completion of recoding the ABR and the ABS business register (March 2006);
- release of the ANZSIC 2006 manual (March 2006);
- production of summary-of-change tables and electronic support tools such as computer assisted autocoders of activity description, an index of activity descriptions and their corresponding ANZSIC 2006 code, and correspondences between ANZSIC 1993 and ANZSIC 2006 (March 2006);
- update of the Methods, Concepts, Classifications and Standards part of the ABS website (including the ANZSIC 2006 Classification, final papers and all support tools) (March 2006); and
- the production of industry-related official statistics on an ANZSIC 2006 basis (ongoing, starting late 2007 with the 2006 Population Census data – refer to chapter 5 for the planned first-release dates for a range of statistical series).

CHAPTER 5

EXPECTED RELEASE DATES OF SELECTED ABS DATA ON AN ANZSIC 2006 BASIS

5.1 *Labour Force Survey*: The initial release of the quarterly Labour Force Survey industry employment estimates on an ANZSIC 2006 basis will occur with the release of the August 2006 estimates in *September 2006*. The compilation of ANZSIC 1993 industry employment estimates will cease after the release of the November 2008 Labour Force Survey estimates. During this period, data will be available on both bases. Backcast data on an ANZSIC 2006 basis will be available in February 2009.

- Contact: Merylyn Henden, Director, Labour Household Surveys, on telephone (02) 6252 5489, fax (02) 6252 5260, or email: <merilyn.henden@abs.gov.au>.

5.2 *Agricultural Census*: The 2005–06 Agricultural Census will release data on both ANZSIC 1993 and ANZSIC 2006 bases by the end of *September 2007*. Bridging information will also be available at this time.

- Contact: Ken Watt, Agricultural Census ANZSIC 2006 Coordination, on telephone (03) 6222 5949, fax (03) 6222 5946, or email: <ken.watt@abs.gov.au>.

5.3 *Population Census*: The 2006 Population Census will release industry data on an ANZSIC 2006 basis by the end of *November 2007*. A link file will be available to users (free of charge) who may wish to backcast data.

- Contact: Michael Beahan, Director, Census Products and Services, on telephone (02) 6252 7007, fax (02) 6252 8508 or email: <michael.beahan@abs.gov.au>.

5.4 *Annual Economy Wide Surveys*: The Annual Economy Wide Surveys will publish a bridging paper by *December 2007*. For the 2006–07 reference year, all Annual Economy Wide Surveys will release data by *December 2008* on an ANZSIC 2006 basis only with bridging tables to ANZSIC 1993. Consideration will be given to also publishing (at this time):

- a. 2004–05 reference year estimates on an ANZSIC 2006 basis
- b. 2005–06 reference year estimates on an ANZSIC 2006 basis
- c. 2006–07 reference year 4 digit state estimates on an ANZSIC 1993 basis (for Manufacturing only)

- Contact: Dave Webb, Annual Economy Wide Surveys ANZSIC 2006 Coordination, on telephone (02) 9268 4342, fax (02) 9268 4571, or email: <dave.webb@abs.gov.au>.

5.5 *Labour Price Index*: The 2008 December quarter Wage Cost Index will be released on an ANZSIC 2006 basis only by the end of *February 2009*. This publication will contain backcast time series data. The complete time series (ie from September quarter 1997) on an ANZSIC 2006 basis will be available electronically.

- Contact: Robin Ashburn, Labour Price Index ANZSIC 2006 Coordination, on telephone (08) 9360 5936, fax (08) 9360 5954, or email: <robin.ashburn@abs.gov.au>.

5.6 *Labour Employer Surveys*: To be released on an ANZSIC 2006 basis:

- the 2008 Survey of Employee Earnings and Hours in *early 2009*. Estimates from this survey will also be available on an ANZSIC 1993 basis at the same time. There will be no backcast series;
- the 2009 March quarter of Industrial Disputes in *June 2009*. Broad level backcast data to 1985 will be available electronically. More detailed (cross-classified) quarterly data will be backcast to 1999. The monthly series will not be backcast;
- the 2009 August quarter of Average Weekly Earnings in *October 2009*. Backcast data to 1983 will be available electronically;

CHAPTER 5 *continued*

EXPECTED RELEASE
DATES OF SELECTED ABS
DATA ON AN ANZSIC
2006 BASIS *continued*

- the 2009 August quarter of Job Vacancies Survey in *November 2009*. Backcast data to 1993 will be available electronically;
- the 2009 September quarter Survey of Employment and Earnings (Public Sector) in *December 2009*. Backcast data to 1983 will be available electronically – the private sector series which was discontinued after the December quarter 2001 will not be backcast.
 - Contact: Colin Fallows, Labour Employer Surveys ANZSIC 2006 Coordination, on telephone (08) 9360 5184, fax (08) 9360 5954 or email: <colin.fallows@abs.gov.au>.

5.7 *Retail Trade*: The initial release of the monthly Retail Trade estimates on an ANZSIC 2006 basis will be for July 2009, expected to be available in early *September 2009*. This release will include backcast series on a ANZSIC 2006 basis with 15 months data available in the publication and the full series (1982 to current) available via the ABS web site.

- Contact: Rod Cowie, Manager Retail Trade Survey on telephone (02) 6252 5978, fax (02) 6252 8665 or email: <rod.cowie@abs.gov.au>.

5.8 *Quarterly Economy Wide Surveys*: The Quarterly Business Indicators survey, the Capital Expenditure survey, and the Mineral and Petroleum Exploration Expenditure surveys will release 2008 December quarter data on an ANZSIC 2006 basis in *December 2009*. Time series data will be available at this time. Backcast data will be available in early 2010.

- Contact: Bruce Hockman, Quarterly Economy Wide Surveys ANZSIC 2006 Coordination, on telephone (02) 9268 4429, fax (02) 9268 4101, or email: <bruce.hockman@abs.gov.au>.

5.9 *National Accounts*: To be released on an ANZSIC 2006 basis:

- the 2008–09 Australian System of National Accounts and the 2008–09 State Accounts released in *November, 2009*;
- the 2009 September quarter National Income, Expenditure and Product in *December 2009*;
- the 2008–09 Tourism Satellite Accounts in *April 2010*;
- the 2005–06 Input Output tables in *2010*.

Decisions have yet to be made about the format(s) for backcast annual and quarterly National Accounts. In general, existing time series data with current starting points will be produced on ANZSIC 2006 basis and will be available in November and December 2009.

Contact: Ian Bobbin, National Accounts Branch ANZSIC 2006 Coordination, on telephone (02) 6252 6908, fax (02) 6252 6583, or email: ian.bobbin@abs.gov.au or Peter Claydon, National Accounts Branch ANZSIC 2006 Coordination, on telephone (02) 6252 6910, fax (02) 6252 6583, or email: <peter.claydon@abs.gov.au>.

5.10 The detail of the expected release dates will be updated electronically on an annual basis to users registered with the Change Manager.

5.11 General ANZSIC enquiries can be directed to:

Paul McCulloch, Change Manager, ANZSIC 2006 Implementation, on telephone (02) 6252 5964, fax (02) 6252 7511, or email: <paul.mcculloch@abs.gov.au>.

CHAPTER 5 *continued*

EXPECTED RELEASE
DATES OF SELECTED ABS
DATA ON AN ANZSIC
2006 BASIS *continued*

Celia Quiatchon, ANZSIC 2006 Development, on telephone (02) 6252 5604, fax (02) 6252 7511, or email: <celia.quiatchon@abs.gov.au>.

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