

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 56

Topic: Statistics – Industry Categories

Hansard Page: Written

Senator EGGLESTON asked:

1. In producing statistics the ABS uses a number of categories for industry. For example in looking at employment in the manufacturing industry there is a category for “Transport Equipment Manufacturing”. There does not appear however to be a specific category just for the automotive sector. Can the ABS explain the process they adopt when categorising industries.
2. How does the ABS deal with and account for changes to industry categorisation arising for example through technological innovation where the development of advanced textiles has brought some companies who may not previously have been thought of traditional textile suppliers into the industry and where traditional textile companies may now play a role in non-traditional textile industries such as aviation. How is this accounted for.

Answer:

1. The Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (cat. no. 1292.0), is the classification used in the compilation and analysis of industry statistics in Australia and New Zealand.

ANZSIC 2006 uses the supply-side based industry definitions and grouping. Using this approach, business units engaged in similar productive activities are grouped together, for example Motor Vehicle and Motor Vehicle Part Manufacturing is included under Manufacturing, while Motor Vehicle and Motor Vehicle Parts Retailing is included under Retail Trade and Motor Vehicle and Motor Vehicle Parts Wholesaling is included under Wholesale Trade. The ABS looks at production functions (a term used to describe the transformation of intermediate inputs, through the application of labour and capital, to produce outputs) when determining how to categorise industries.

ANZSIC is a hierarchical classification with 4 levels, namely Divisions (the broadest level), Subdivisions, Groups and Classes (the finest level). At the Divisional level, the main purpose is to provide a limited number of categories which provides a broad overall picture of the economy and are suitable for the publication of summary tables in official statistics. The Subdivision, Group and Class levels provide increasingly detailed dissections of these categories for the compilation of more specific and detailed statistics.

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Each edition of ANZSIC is compiled after extensive consultation and ANZSIC 2006 reflects the outcomes of a substantial review of the classification. More information on ANZSIC is available from the ABS website.

Information on the automotive sector available in ANZSIC 2006 includes:

Manufacturing

Division	C Manufacturing
Subdivision	23 Transport Equipment Manufacturing
Group	231 Motor Vehicle and Motor Vehicle Part
Manufacturing	
Class	2311 Motor Vehicle Manufacturing
	2312 Motor Vehicle Body and Trailer
	Manufacturing
	2313 Automotive Electrical Component
	Manufacturing
	2319 Other Motor Vehicle Parts
	Manufacturing

Wholesaling

Division	F Wholesale Trade
Subdivision	35 Motor Vehicle and Motor Vehicle Parts Wholesaling
Group	350 Motor Vehicle and Motor Vehicle Parts
Wholesaling	
Class	3501 Car Wholesaling
	3502 Commercial Vehicle Wholesaling
	3503 Trailer and Other Motor Vehicle
	Wholesaling
	3504 Motor Vehicle New Parts Wholesaling
	3505 Motor Vehicle Dismantling and Used
	Parts Wholesaling

Retailing

Division	G Retail Trade
Subdivision	39 Motor Vehicle and Motor Vehicle Parts Retailing
Group	391 Motor Vehicle Retailing
Class	3911 Car Retailing
	3912 Motor Cycle Retailing
	3913 Trailer and Other Motor Vehicle Retailing
	392 Motor Vehicle Parts and Tyre Retailing
	3921 Motor Vehicle Parts Retailing
	3922 Tyre Retailing

Note: Decisions to disaggregate industries into separate more specific classes is based in part on the relative size of industries. For example, car manufacturing is not separated from the manufacturing of buses and trucks as bus and truck manufacture is insufficient to warrant its own class.

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2. As new forms of businesses emerge, the ABS makes a determination and allocates them to the existing ANZSIC class following the supply-side principle.

The ABS holds regular minor reviews, seeking industry submission, to ensure that new industries are captured and emerging innovation is appropriately catered for. As part of this, the support tools used to code to ANZSIC are also updated.