

PROGRESS REPORT TO THE 18th VOORBURG GROUP TOKYO, 2003

AUSTRALIAN BUREAU OF STATISTICS

1. Main Achievements in 2002-2003

Service Industry indexes (Producer Price Indexes section)

Developments in producer price indexes for service industries:

- Continued development of price indexes for all components of ANZSIC division J, Communication Services (consisting of Postal, Courier & Telecommunications services).
- Development of producer price index for domestic and international passenger transport (this will be added to the existing domestic and international freight indexes).
- Development of a price index for Travel Agency services (6641).

Reviews in producer price indexes for service industries:

- During 2001/02 the ABS sought to improve selected service industry PPIs currently collected (improving pricing methodology & coverage). This included reviews of Road Freight (6110), Rail Freight (6200), Air Freight (640), Coastal Water Transport (6302), Grain Storage (6701), Scientific Research (7810), Computer Consultancy Services (7834), Advertising Services (7851), Commercial Art & Display Services (7852), Security & Investigative Services (7864), Cleaning Services (7866). As a result of these reviews many of the above indexes were restructured, re-weighted, pricing basis examined and new respondents/specifications have been included to improve the samples.

NB The above numerical codes relate to the Australian and New Zealand Standard Industry Classification (ANZSIC). All ABS producer price indexes for service industries are published in Producer Price Indexes, Australia (ABS cat. no. 6427.0).

Information Society Statistics (New Economy section)

- Extensive ICT financial data to be collected on the suite of annual industry surveys with respect to 2002-03 as input to the compilation of an ICT Satellite Account for 2002-03.
- Business use of information technology publication released in February 2003.
- Publication of the production and distribution of information technology and telecommunication products by Australian businesses in 2000-01 released in September 2002.
- Household use of information technology publication for 2002 released in September 2003.
- Biannual Internet activity publication released in September 2002 and March 2003 (for quarterly reference periods March and September 2002 respectively).
- Research and experimental development by businesses publication released in July 2002 for the reference period 2000-2001, and in August 2003 for the reference period

2001-2002.

- Research and experimental development by higher education institutions publication released in April 2002 for the calendar year 2000
- Research and experimental development by government & private non-profit organisations publication and all sector summary released in July 2002 for the reference period 2000-2001
- Released *Discussion Paper: Measuring a Knowledge-based Economy and Society —An Australian Framework* in August 2002
- Released *Measures of a knowledge-based economy and society* in September 2003.
- Released *Human Resources by Selected Qualifications and Occupations, Australia* (primarily a population census output) in May 2003.

Service Industry Surveys (Service Industry Section)

Sales of service products

Industries being surveyed in respect of 2002/03 financial year. Collection of income by detailed service products within these industries.

ANZSIC	Industry
7720	Real Estate Services
7741	Motor Vehicle Hiring
7743	Plant, Hiring and Leasing
9111	Film and Video Production
9122	Television Services
9241	Music and Theatre Production
	Performing Arts Festivals
9519	Personal and Household Goods Hiring
9634	Waste Disposal Services

For 2003-04, industries covered will include:

ANZSIC	Industry
7712	Commercial Property Operators
9210	Public Libraries
9220	Museums
5710	Accommodation
5730	Cafes and Restaurants
6641	Travel Agency Services

ABS Economic Standards and Classifications (Standards and Classifications Section)

- Continued work on updating the Australia New Zealand Industrial Classification (ANZSIC 06). Aiming to have strong alignment with ISIC07 and NAICS 02
- Completed constructing the Australia New Zealand Standard Product Classification. This has been based on the Central Product Classification and aligns exactly at the 5 digit level. Below that we normally align - mostly we are adding extra detail below an existing

level.

- Based on experiences from developing and conducting collections, the ABS has provided feedback and suggestions regarding international standards and classifications belonging to (amongst others) the Oslo, Frascati and OECD ICT frameworks.

2. Issues and challenges facing the ABS

Service Industry indexes (Producer Price Indexes section)

- The rapid change of service industries continues to be a challenge for the ABS. In some cases, the delay between the start of the development cycle for an index and its eventual use in production has resulted in the need for a review of the index before or just after its publication.
- Maintaining the appropriate balance between development of new indexes for services industries previously not measured, and the review of existing indexes to ensure they are representative and continue to price to constant quality is emerging as an ongoing issue. The ABS is now focussing on ensuring that existing indexes maintain their quality, rather than increasing coverage to new areas.

Information Society Statistics (New Economy section)

- Developing and implementing new collections on innovation and biotechnology are significant challenges. The international standards (definitions, concepts, etc.) in these areas are not well developed and do not always coincide with national client needs. Standard ABS survey development procedures are being undertaken for the innovation and biotechnology collections. We will continue to collaborate internationally in these areas (as we do on ICT and R&D), but expect that our local development and testing will be of most benefit.

ABS Economic Standards and Classifications (Standards and Classifications Section)

- Ensuring the redeveloped ANZSIC 06 caters for:
 - a. consistency of treatment of similar economic activities;
 - b. a better reflection of the current economic structure;
 - c. new and emerging industries;
 - d. new materials, technologies and production techniques; and
 - e. making alternate industry view development more straightforward.
- Deciding how to classify units which do not actually undertake transformation or producing activities themselves, but which contract others to undertake them on their behalf. These units may, or may not, own some of the intermediate inputs to the production process and/or some of the capital used in the production process.

3. Work program priorities

Service Industry indexes (Producer Price Indexes section)

- The Producer Price indexes section is updating the Producer and Foreign Trade Price Indexes Concepts, Sources and Methods (CSM) publication. The new version of the

CSM will contain a chapter on Services industries.

- ANZSIC 2006. The ABS together with Statistics NZ are undertaking a review and redevelopment of our current classifications system, ANZSIC. The new ANZSIC is due for release in 2006. Implementing the new classification will mean substantial work for all producer price indexes, including services. There will also be substantial work involved in re-creating historic series using the new classification.

4. Future topics of interest

ABS Economic Standards and Classifications (Standards and Classifications Section)

- A new 'Information' Division in ANZSIC 2006 will recognise the significant contribution information activities are making to the Australian and New Zealand economies. The aim of the new division will be to recognise a number of emerging and growing industries. It was also raised that the introduction of an 'Information' division will assist in improving the international comparability or standing of ANZSIC with other international industry classifications, such as NAICS and ISIC.
- The conceptual basis of the new division was discussed. It was pointed out that the ANZSIC 06 'Information' division would borrow significantly from the NAICS 'Information' sector's concepts and principles. Units in the ANZSIC 06 'Information' division are engaged in:
 - a. producing and distributing information and cultural products;
 - b. providing a means to transmit or distribute those products as well as data or communications; and
 - c. processing data.

5. Contacts

Producer Price Indexes
matthew.berger@abs.gov.au

Consumer Price Indexes
michael.anderson@abs.gov.au
sean.thompson@abs.gov.au

Service Industry Surveys
graham.boxsell@abs.gov.au

New Economy Branch
graeme.brown@abs.gov.au

Economic Standards and Classifications
mike.mcgrath@abs.gov.au