



Guide to the Transition to Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 for Recommended Premium Rates

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1. INTRODUCTION

In Western Australia (WA), the premium rating methodology for workers' compensation insurance is an industry-based premium rating system. This system currently uses the *Australian and New Zealand Standard Industrial Classification* (ANZSIC) developed by the Australian Bureau of Statistics (ABS).

WorkCover WA is upgrading the premium rating industry classifications (PRC) published in annual gazettes of recommended premium rates. The classification codes will be based on the ANZSIC 2006 edition (PRC 06) instead of the ANZSIC 1993 edition (PRC 93).

In 2006, the ABS revised the ANZSIC 1993 edition to align with the *International Standard Industry Classification Revision 4* (ISIC Rev. 4). ANZSIC 2006 reflects the outcomes of a substantial review of the classifications to ensure they remain current and relevant, reflecting the changes that occurred in the structure and composition of industry since the previous edition and recognising changing user requirements for data classified to industry.

The industry classifications under ANZSIC vary at times from that required for the workers' compensation premium rating system. Industries that have similar economic activities but present a significantly different workers' compensation risk are allocated separate individual PRC codes.

The purpose of this guide is to provide an overview of changes between ANZSIC 1993 and ANZSIC 2006 and how the PRC codes will be affected.

The advantages of using ANZSIC 2006 as the basis of the premium rating classification system will include:

- streamlined and efficient collection and reporting of claim and policy data
- reduction in manual forms based data collection
- improved policy reporting.

2. TRANSITIONAL PERIOD

To assist with the change, WorkCover WA has established a transitional period during which new and renewed policies will be coded to both premium rating classifications, i.e. PRC 93 and PRC 06. WorkCover WA has established the Form WC12 to accommodate reporting of premium and claim information at the individual policy level showing both PRC 93 and PRC 06 for each reporting period.

The dual coding process requires each new and renewed workers' compensation policy to be allocated a PRC 93 code and an appropriate PRC 06 code. This may require additional information from insurance brokers and/or policy holders (employers) to determine the appropriate code.

Dual coding for the transition to PRC 06 for recommended premium rating commenced in 2012/13. Once sufficient experience using PRC 06 coding has been collected, recommended premium ratings in PRC 06 will be implemented.

To assist with the transition to PRC 06, a number of support tools are listed below.

3.1 WorkCover WA

WorkCover WA has a dedicated web page (workcover.wa.gov.au/Resources/Rates-fees-payments/Transition-to-anzsic-2006-for-recommended-premium-rates) with current information relating to the transition:

- Changes of Industry Codes for Recommended Premium Rates
- Guidelines on the Workers' Compensation Industry Based Premium Rating Systems
- WorkCover WA Industry Codes for Recommended Premium Rates.

For further information or assistance with specific PRC 06 coding issues, please email WorkCover WA: prcanzsic06@workcover.wa.gov.au.

3.2 Australian Bureau of Statistics

ANZSIC 1993 to ANZSIC 2006 support tools are available via the ABS website (abs.gov.au) including:

- correspondences between the old and new classifications
- class change table
- indexes of primary activities.

The ABS have a free downloadable version of the coder which can be requested by contacting the ABS on 1300 135 070.

4. ANZSIC CLASSIFICATION STRUCTURE

The ANZSIC system is a hierarchical classification with four levels:

- Divisions (the broadest level)
- Subdivisions
- Groups
- Classes (the finest level).

At the Divisional level, the main purpose is to provide a limited number of categories which provide a broad overall picture of the economy. The Subdivision, Group and Class levels provide increasingly detailed dissections of these categories for the compilation of more specific and detailed statistics.

The numbering system adopted in the ANZSIC is alphanumeric and has a hierarchical structure (see example below), where the leading alpha character denotes the industry division. The ANZSIC subdivision, group and class levels are denoted by numeric codes.

Level Example from ANZSIC 2006

Division C Manufacturing

Subdivision 11 Food Product Manufacturing

Group 111 Meat and Meat Product Manufacturing

Class 1111 Meat Processing

Detailed industry activities are included under each class code, for example Class 1111 (Meat Processing) includes:

- Abattoir operation (except poultry)
- Animal meat packing and freezing
- Animal oil or fat, unrefined, manufacturing.

5. UNDERSTANDING ANZSIC 2006

5.1 Changes to ANZSIC 2006

The ANZSIC 2006 replaces the previous edition, ANZSIC 1993. ANZSIC 2006 introduced changes to all levels and parts of the classification, wherever relevant. New codes have been allocated to industries in ANZSIC 2006 independently of any previous codes that were applied. Where the same code exists in both ANZSIC 1993 and ANZSIC 2006, it cannot be assumed that the contents of that category are the same in the two editions.

The ANZSIC 2006 division structure includes 19 divisions compared with 17 in ANZSIC 1993 (see Table 1). ANZSIC 2006 includes 86 two digit subdivisions compared with 53 for ANZSIC 1993. Many individual classes in ANZSIC 1993 have been affected by change of some type. In some cases, two or more ANZSIC 1993 classes have been merged to form one class and others have been separated into more detailed classes.

Changes to ANZSIC 2006 classes:

- 10% have merged
- 53% remain the same
- 37% have been sub-divided and apportioned to two or more ANZSIC 2006 classes.

Table 1: Difference between ANZSIC 1993 and ANZSIC 2006 at the divisional level (new divisions).*

	ANZSIC 1993		ANZSIC 2006
A	Agriculture, Forestry and Fishing	A	Agriculture, Forestry and Fishing
B	Mining	B	Mining
C	Manufacturing	C	Manufacturing
D	Electricity, Gas and Water Supply	D	Electricity, Gas, Water and Waste Services
E	Construction	E	Construction
F	Wholesale Trade	F	Wholesale Trade
G	Retail Trade	G	Retail Trade
H	Accommodation, Cafes and Restaurants	H	Accommodation and Food Services
I	Transport and Storage	I	Transport, Postal and Warehousing
J	Communication Services	J	Information Media and Telecommunications *
K	Finance and Insurance	K	Financial and Insurance Services
L	Property and Business Services	L	Rental, Hiring and Real Estate Services *
		M	Professional, Scientific & Technical Services *
		N	Administrative and Support Services *
M	Government Administration and Defence	O	Public Administration and Safety
N	Education	P	Education and Training
O	Health and Community Services	Q	Health Care and Social Assistance
P	Cultural and Recreational Services	R	Arts and Recreation Services
Q	Personal and Other Services	S	Other Services

5.2 New Divisions – Description

Property and Business Services Division (ANZSIC 1993)

The very large and diverse Property and Business Services Division in ANZSIC 1993, together with some other services, has been rearranged into new divisions in ANZSIC 2006:

- Rental, Hiring and Real Estate Services
- Professional, Scientific and Technical Services
- Administrative and Support Services.

Information Media and Telecommunications was created in its own right, comprising telecommunications services from ANZSIC 1993 (Division J Communication Services) and incorporating new classes which did not exist in ANZSIC 1993.

These new divisions are described below.

5.2.1 Rental, Hiring and Real Estate Services

A new division of Rental, Hiring and Real Estate Services has been introduced in ANZSIC 2006. This division brings together units mainly engaged in renting, hiring and leasing tangible and non-financial intangible assets (except for copyright). This includes:

- Real Estate, Property Operation, Equipment Hire activities from the ANZSIC 1993 Property and Business Services division.
- Personal Goods and Household Goods Hire activities from the ANZSIC 1993 Personal and Other Services division.

5.2.2 Professional, Scientific and Technical Services

The introduction of Professional, Scientific and Technical Services division for ANZSIC 2006 brings together activities which require a high degree of labour skills (i.e. tertiary qualifications) including:

- Scientific Research, Technical Services, Computer Consultancy Services, Legal and Accounting Services, Marketing and Business Management Services from the ANZSIC 1993 Property and Business Services division.
- Veterinary Services from the ANZSIC 1993 Health and Community Services division.

5.2.3 Administrative and Support Services

The new Administrative and Support Services division comprises of businesses which are mainly engaged in performing routine support activities for the day-to-day operations of other businesses. This includes:

- Clerical, Employment Placement, Labour Supply, Pest Control and Building Cleaning activities from the ANZSIC 1993 Property and Business Services division.
- Travel Agency Services from the ANZSIC 1993 Transportation and Storage division.
- Casting Agency, Event Ticketing, and Sports or Arts Event Promotion (without facilities) services from the ANZSIC 1993 Cultural and Recreational Services division.
- Gardening services from the ANZSIC 1993 Personal and Other Services division.

5.2.4 Information Media and Telecommunications

Information media and telecommunications have been identified as a rapidly growing sector in the Australian and New Zealand economies since the last review.

A new Information Media and Telecommunications division has been introduced. This group of units mainly engaged in:

- the creation and storing of information products for dissemination purposes
- transmitting information products using analogue and digital signals
- providing transmission and storage services for information products.

Under ANZSIC 2006, this new division now includes:

- Publishing activities from ANZSIC 1993 Manufacturing division.
- Motion Picture Production and Distribution activities and Sound Recording activities from ANZSIC 1993 Cultural and Recreational Services division.
- Telecommunications activities from ANZSIC 1993 Communications Services division.
- Other activities such as Internet Service Providers, Web Search Portals, Libraries and Data processing.

Please note: Information Technology (IT) services are not included in this division.

5.3 Examples of Changes from ANZSIC 1993 to 2006

5.3.1 Separation of Classes

Within ANZSIC 2006, some classes have been further separated to provide more specific classifications. For example, the ANZSIC 1993 class 0119 Fruit Growing n.e.c. has been divided into four separate classes to dissect the type of fruit growing.

Table 2: ANZSIC 2006 - Dissection of Fruit Growing class

ANZSIC 1993 Class	Action	ANZSIC 2006
0119 Fruit Growing n.e.c.	Split into 4 classes	<p>0133 Berry Fruit Growing</p> <p>Includes:</p> <ul style="list-style-type: none"> growing blackberries, blueberries, boysenberries, cranberries or other berries <p>0136 Citrus Fruit Growing</p> <p>Includes:</p> <ul style="list-style-type: none"> growing grapefruits, lemons, mandarins, oranges, tangelos or other citrus fruits <p>0137 Olive Growing</p> <p>Includes:</p> <ul style="list-style-type: none"> growing olives <p>0139 Other Fruit and Tree Nut Growing</p> <p>Includes:</p> <ul style="list-style-type: none"> growing brazil nuts, feijoa, loquat, tamarillo or other fruit and tree nuts

5.3.2 Merging of classes

Another major change from ANZSIC 1993 is that some classes have merged under ANZSIC 2006. For example, Class 1351 Clothing Manufacturing combines four separate ANZSIC 1993 classes, as the example below illustrates.

Table 3: ANZSIC 2006 - Merging of Clothing Manufacturing class

ANZSIC 1993 Class	Action	ANZSIC 2006
2241 Men's and Boys' Wear Manufacturing 2242 Women's and Girls' Wear Manufacturing 2243 Sleepwear, Underwear and Infant Clothing Manufacturing 2249 Clothing Manufacturing n.e.c.	Classes merged	1351 Clothing Manufacturing Classes merged: <ul style="list-style-type: none"> • ANZSIC 1993 Class 2241 Men's and Boys' Wear Manufacturing; • ANZSIC 1993 Class 2242 Women's and Girls' Wear Manufacturing; • ANZSIC 1993 Class 2243 Sleepwear, Underwear and Infant Clothing Manufacturing; • ANZSIC 1993 2249 Clothing Manufacturing n.e.c. to ANZSIC 2006 Class 1351 Clothing Manufacturing

6. PREMIUM RATING FOR WORKERS' COMPENSATION

WorkCover WA has developed a comprehensive [Guideline on the Workers' Compensation Industry Based Premium Rating System](#).

A brief overview of WorkCover WA's classification rules is provided below.

6.1 Variations to ANZSIC for premium rating

The industry classifications under ANZSIC vary at times from that required for the workers' compensation premium rating system.

In this regard, industries that have similar economic activities but present a significantly different workers' compensation risk have been identified and allocated separate individual PRC codes. For these industries, the coding varies from ANZSIC by use of numbers in the 9900 range.

For example, under ANZSIC 2006, Gold Ore Mining (Class 0804) is a classification used in the ANZSIC coding system but to identify the different risks associated with above and below ground gold mining, two separate PRC codes have been created (PRC 9902 and 9903 respectively). This means that class 0804 is not utilised for premium rating.

For a comprehensive list of separate PRC codes, please refer to [WorkCover WA Industry Codes for Recommended Premium Rates](#).

6.2 Coding an Employer

The code for an employer in a particular industry is the classification that most accurately describes the nature of the industry in accordance with ANZSIC.

For workers' compensation premium rating purposes, all gross wages for an employer in a particular industry will be calculated on the same rate.

Only one rate may apply to each establishment. An establishment is defined as "a unit covering all the operations of a company conducted at or from a single location".

6.3 WorkCover WA classification rules

1. Separate industries operating from separate locations
 - an employer operating several separate industries from separate locations should be allocated the appropriate ANZSIC codes for each separate industry.
2. Head Office
 - where an employer operates a Head Office comprising mainly of clerical employees, the wages and claims should be allocated to the predominant industry unless they can be directly linked to a more relevant industry.
3. More than one industry at the same location
 - where an employer operates more than one industry at the same single location, that employer's predominant industry shall determine the rate which is to be applied to all of their operations at that site.

All other employers on the same site are to be rated in accordance with their own predominant industry.

6.4 Definition of 'predominant industry'

WorkCover WA has determined that for a given employer, their predominant industry will be the industry with the largest remuneration base.

If at an establishment:

- there are one or more work areas in which two or more industries are being conducted
- the classification of each of the industries is different.

The classification shall be determined by the predominant industry unless WorkCover WA is satisfied that:

- there is no means of internal access or communication between or among the industries
- the industries are conducted by the same employer as separate industries.

6.5 Coding of contract staff

The premium rating system for workers' compensation codes contract staff services differently into:

- (i) clerical staff
- (ii) all other contract staff services.

See page 3 of the [Guideline on the Workers' Compensation Industry Based Premium Rating System](#) for further information.