

Reason for change

A more complete picture of the economy

- Updated international economic standards and industry classification are being released in 2024/2025. The current standards were updated over 15 years ago.
- Key changes include globalisation, technology and the environment. Some economic activity is not fully accounted for in the current standards, such as data as an asset.
- Some of the changes will impact the measured size and composition of the Australian economy.
- Australia's industry classification needs updating to highlight the activities of industries most important for Australia which have emerged over the last 15 years e.g. renewable energy, health and aged care.

Delay in adoption will impact international comparability

- Once countries start moving to the new standards, we will lose international comparability of key economic aggregates such as GDP and our economy will look relatively smaller compared to countries that have implemented the new standards. It is expected this will start in 2028-29.

Improved insights

- More accurately measuring contemporary activities and industries is critical to support informed decision making by Government, businesses and the broader community. The new standards and classifications will provide new and more comprehensive insights for users of business and economic statistics.

Planning and preparation are crucial

- Implementing the new standards and classifications is an enormous task and we need to begin planning now to implement into ABS economic statistics between 2030 and 2032.
- Updating the industry classification has significant dependencies with the ATO's work program with a long lead time required to enable the Australian Business Register and downstream users to adopt an updated industry classification.



Alignment with Government priorities

- **Economic policy decisions** reflecting the contemporary Australian economy and our international standing.
- Industrial classification producing more detailed and quality data, which will inform decisions related to the **economy and industry sectors** and areas of growth, change and decline.
- The visibility of changes resulting from the Australian Government and state and territory governments' concerted efforts to **achieve net zero by 2050**.

Benefits



Digital advancement

Improve the visibility of new and emerging technologies (such as Cloud computing, Data and AI) and the impacts they have on economic growth and productivity.



Environmental impacts on the economy

Accounting for the contribution of renewable energy and the changes in the environment within national accounts and industry data.



Impacts of globalisation

Assess the impacts of changes in global production arrangements and the prominence of multinational enterprises (MNEs) and special purpose entities (SPEs) on international trade and investment.



Wellbeing and the informal economy

Provide new insights on the wellbeing of individuals aligned with the national accounts including distribution of income and wealth accounts, health, education and unpaid services work. Improved understanding of informal activities, such as participation in the gig economy.



Improved industry insights for users

Develop new analytical tools to enable customised views of industry sectors of interest e.g. tourism, events and agriculture to be produced using the updated classification to better meet changing user needs and support policy development, program design and evaluation.

What are we going to deliver



Updated National and International Accounts

A comprehensive snapshot of the national economy inclusive of previously invisible industries and activities which align with new international standards (in alignment with OECD countries including the US, EU, Canada and UK).



Updated industry classification

Contemporary industrial classification and supporting advice and tools which will meet the needs of Australian providers and users across the economy while still maintaining a basis for international comparability. An ability to keep the classification updated through a rolling program of maintenance.



New analytical tools

The ABS will update its statistical infrastructure to enable more detailed and flexible industry analysis to better meet the needs of our statistical users.