



2006-07

8679.0

TELEVISION, FILM AND VIDEO PRODUCTION AND POST-PRODUCTION SERVICES

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) TUES 22 JUL 2008

C O N T E N T S

	<i>page</i>
Notes	2
List of tables	3
 CHAPTER	
1 Summary of findings	4
2 Television, film and video production	7
3 Film and video production services	13
4 Commercial television broadcasting	28
 ADDITIONAL INFORMATION	
Explanatory Notes	34
Glossary	41

I N Q U I R I E S

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Sophie Vassiliou on Melbourne (03) 9615 7442.

NOTES

INTRODUCTION	This publication presents results from an Australian Bureau of Statistics (ABS) survey of businesses mainly engaged in film and video production and post-production services and an ABS census of businesses mainly engaged in providing television broadcasting services. These collections were conducted in respect of the 2006–07 financial year. Previous collections were conducted in respect of the 2002–03, 1999–2000, 1996–97 and 1993–94 financial years.
CHANGES IN THIS ISSUE	The estimates in this publication are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 edition (ANZSIC06). Data in previous issues were based on the 1993 edition of the ANZSIC (ANZSIC93).
COMPARISONS WITH PREVIOUS SURVEY RESULTS	The collections were not designed to provide highly accurate estimates of change. For further information, see paragraphs 2–12 and 25–31 of the Explanatory Notes.
INFORMATION AVAILABLE ONLINE	This publication is available free online together with more detailed data in spreadsheet format. To access this information, go to the ABS web site < http://www.abs.gov.au >.
MORE INFORMATION ON ABS SERVICE INDUSTRIES STATISTICS	Information about ABS activities in the field of service industries is available from the Service Industries Statistics theme page on the ABS web site < http://www.abs.gov.au >. To access the theme page, select 'Themes' from the menu on the home page.
COMMENTS	The ABS welcomes comments and suggestions from users regarding future surveys of Service Industries. These comments should be addressed to the Director, Goods and Services National Statistics Centre, Australian Bureau of Statistics, Locked Bag 10, Belconnen, ACT 2616.
ROUNDING	Where figures have been rounded, discrepancies may occur between the sum of component items and the total.

Brian Pink
Australian Statistician

LIST OF TABLES

page

SUMMARY OF FINDINGS

1.1 Summary of operations 6

TELEVISION, FILM AND VIDEO PRODUCTION

2.1 Summary of production costs, Historical comparison 10
2.2 Productions made primarily for television 11
2.3 Productions made other than for television 12

FILM AND VIDEO PRODUCTION SERVICES

3.1 Summary of operations, Film and video production and post-production services 19
3.2 Sources of income, Film and video production services 20
3.3 Sources of income, Post-production services 21
3.4 Sources of income, Film and video production and post-production services 22
3.5 Items of expenditure, Film and video production and post-production services 23
3.6 Characteristics of employment, Film and video production and post-production services 24
3.7 Main activity of persons employed, Film and video production and post-production services 25
3.8 Main activity of persons employed by residential status, Film and video production and post-production services 25
3.9 States and territories, Film and video production and post-production services 26
3.10 Summary of operations by employment size, Film and video production and post-production services 27

COMMERCIAL TELEVISION BROADCASTING

4.1 Summary of operations, Commercial free-to-air television broadcasting 30
4.2 Summary of operations, Subscription television broadcasting 31
4.3 Items of expenditure, Commercial free-to-air television broadcasting 32
4.4 Characteristics of employees, Commercial free-to-air television broadcasting 32
4.5 States and territories, Commercial free-to-air television broadcasting 33

INTRODUCTION

This publication presents results for the 2006–07 reference year, from an Australian Bureau of Statistics (ABS) survey of Australian businesses mainly engaged in film and video production and post-production services and a census of Australian businesses mainly engaged in providing television broadcasting services. The collections provide detailed measures of the performance and structure of these businesses, including aspects such as: the composition of income earned, details of expenses incurred, and the characteristics of television, film and video productions. A state/territory dimension is also presented.

The scope of film and video production services included Australian businesses mainly engaged in film, television program, television commercial and video production. The scope of post-production services included Australian businesses mainly engaged in providing post, digital and visual effects services, including specialised film or video post-production services such as editing, film/tape transfers, titling, subtitling, credits, closed captioning and computer-processed graphics, animation and special effects, as well as developing and processing motion picture film.

The scope of television broadcasting included Australian businesses mainly engaged in public, commercial free-to-air or subscription television broadcasting, or mainly engaged in the provision of subscription television channel content. These services included the production of television programs, whether live or on tape or other recording medium, for own use. The collection excluded community television broadcasters.

Chapter 1 contains summary information about commercial free-to-air and subscription television broadcasters and film and video production and post-production services businesses. Chapter 2 presents statistics on the production activity of the following: commercial free-to-air, public and subscription television broadcasters; subscription television channel providers; film and video production and post-production services businesses. Chapter 3 presents statistics on film and video production and post-production services businesses and Chapter 4 presents statistics on commercial free-to-air and subscription television broadcasters.

FILM AND VIDEO
PRODUCTION AND
POST-PRODUCTION
SERVICES

At the end of June 2007 there were 2,492 film and video production and post-production services businesses operating in Australia. Collectively, these businesses employed 13,844 people.

During 2006–07, film and video production and post-production services businesses generated \$2,028.1m in income and incurred \$1,857.4m in expenses.

The operating profit before tax of these businesses was \$173.9m and their operating profit margin was 8.8%.

Total industry value added was \$886m.

COMMERCIAL TELEVISION
BROADCASTING

There were 10,032 employees working for commercial free-to-air and subscription television broadcasters at the end of June 2007.

These businesses generated \$6,812.6m in income and incurred \$6,153.1m in expenses during 2006–07.

The operating profit before tax of these businesses was \$671.3m and their operating profit margin was 10.4%.

Industry value added by commercial free-to-air and subscription television broadcasters was \$2,150.8m.

1.1

SUMMARY OF OPERATIONS

		<i>Film and video production and post-production services</i>	<i>Commercial television broadcasting</i>
Employment at end June	no.	13 844	10 032
Total income	\$m	2 028.1	6 812.6
Total expenses	\$m	1 857.4	6 153.1
Operating profit or loss before tax	\$m	^ 173.9	671.3
Operating profit margin	%	^ 8.8	10.4
Industry value added	\$m	886.0	2 150.8

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

INTRODUCTION

This chapter presents details of the production activity of commercial free-to-air, public and subscription television broadcasters, and film and video production and post-production services businesses during 2006–07. Subscription television channel providers with in-house production are also included.

PRODUCTION COSTS

During 2006–07, these businesses incurred \$1,882.4m in production costs, which included all costs relating to the development, pre-production, on-set production and post-production for films, television programs and other film and video productions.

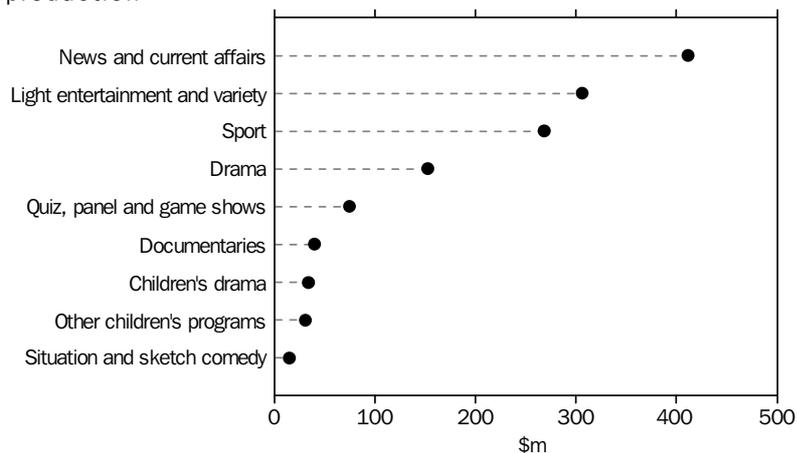
Productions made primarily for television accounted for most of these costs (72.6% or \$1,366.2m). Production of commercials, station promotions and program promotions accounted for 12.9% (\$243.1m) and productions made other than for television 14.5% (\$273.2m).

PRODUCTIONS MADE
PRIMARILY FOR
TELEVISION

The graph below shows that news and current affairs programs incurred the highest production costs (\$411.5m), followed by light entertainment and variety (\$306.1m), sport (\$268.4m) and drama (\$152.9m).

Television broadcasters accounted for 65.1% (\$889.3m) of total production costs for productions made primarily for television.

COST OF PRODUCTIONS MADE PRIMARILY FOR TELEVISION, By type of production



Commercial broadcast hours represent the airtime of completed first release programs, including commercial breaks. Program re-runs and the production time for commercials, station promotions and program promotions are excluded.

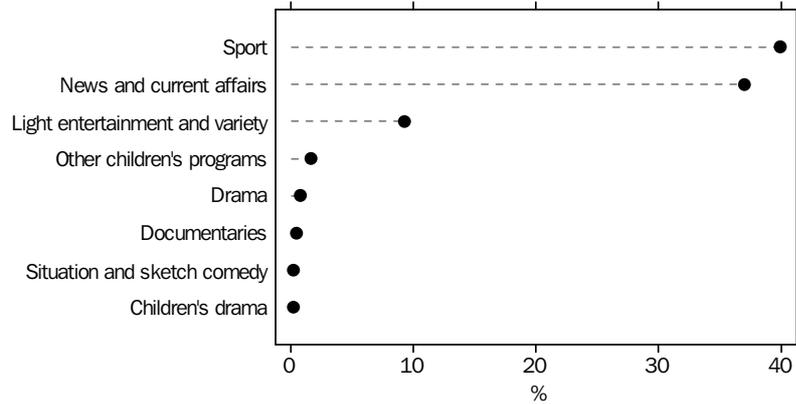
There were 55,546 commercial broadcast hours for first release productions made primarily for television during 2006–07. The graph overleaf shows that sport accounted

PRODUCTIONS MADE
 PRIMARILY FOR
 TELEVISION *continued*

for the highest number of broadcast hours (22,181 hours or 39.9%), followed by news and current affairs (20,556 hours or 37%).

Television broadcasters produced the majority of first release commercial broadcast hours (29,064 hours or 52.3%).

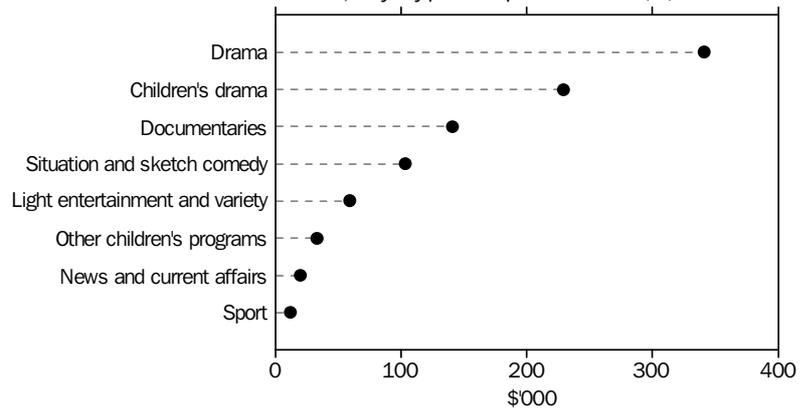
FIRST RELEASE COMMERCIAL BROADCAST HOURS, By type of production(a)



(a) For productions made primarily for television.

The graph below shows that the average cost per hour varied considerably by production type. Drama productions incurred the highest average cost per hour (\$341,500), followed by children's drama (\$229,200 per hour) and documentaries (\$140,900 per hour). Although news and current affairs and sport incurred the highest overall production costs, they had the lowest average cost per hour (\$20,000 and \$12,100 respectively).

AVERAGE COST PER HOUR, By type of production(a)



(a) For productions made primarily for television.

PRODUCTIONS MADE
 OTHER THAN FOR
 TELEVISION

During 2006–07, 652 film and video production and post-production services businesses created 14,269 productions other than for television and incurred \$273.2m in production costs.

Feature films comprised 67.3% (\$183.8m) of total production costs, while corporate, marketing and training media accounted for 26.2% (\$71.7m).

**HISTORICAL
COMPARISONS**

Comparisons with results from earlier collections are useful as an indicator of the extent and direction of change over time. However, estimates of change can be subject to changes in estimation methodology, scope, coverage, question wording or levels of sampling error, so any comparisons to results of previous collections should be made with caution. Further information can be found in paragraphs 2–12 and 25–39 of the Explanatory Notes.

Taking such limitations into consideration, the collection results indicate that total production costs increased by an average 6% per year from \$1,492.4m in 2002–03 to \$1,882.4m in 2006–07. For productions made primarily for television by television broadcasters, production costs increased by an average 2.3% per year from \$812.4m in 2002–03 to \$889.3m in 2006–07.

Production costs for productions made primarily for television by film and video production and post-production services businesses and subscription television channel providers increased by an average 8.9% per year from \$339.3m in 2002–03 to \$476.8m in 2006–07.

Production costs of commercials, station promotions and program promotions increased by an average 5.6% per year from \$195.6m in 2002–03 to \$243.1m in 2006–07.

2.1 SUMMARY OF PRODUCTION COSTS, Historical comparison

	2002-03	2006-07	Average annual percentage change 2002-03 to 2006-07
	\$m	\$m	%
.....			
Productions made primarily for television			
By television broadcasters(a)	812.4	889.3	2.3
By other businesses(b)	^ r339.3	476.8	8.9
Total	r1 151.7	1 366.2	4.4
Production of commercials, station promotions and program promotions			
By television broadcasters and subscription television channel providers(a)	38.3	47.2	5.3
By other businesses(c)			
Made primarily for Australian market	r104.5	^ 111.0	1.5
Made primarily for overseas market	^ r52.7	**85.0	12.7
Total	r157.3	*195.9	5.6
Total	r195.6	^ 243.1	5.6
Productions made other than for television(c)			
Feature films	r73.6	183.8	25.7
Other	r71.5	^ 89.3	5.7
Total	r145.1	273.2	17.1
Total	r1 492.4	1 882.4	6.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

r revised

(a) Includes commercial free-to-air, subscription and public television broadcasters. Excludes community television broadcasters. Also excludes co-productions between television broadcasters and other businesses.

(b) Includes two types of businesses: those whose primary activity was film and video production or post-production services and those whose primary activity was subscription television channel provision with in-house production. Includes all costs associated with co-productions between television broadcasters and other businesses.

(c) Includes businesses whose primary activity was film and video production or post-production services.

2.2

PRODUCTIONS MADE PRIMARILY FOR TELEVISION

	<i>Businesses at end June(a)</i>	<i>Commercial broadcast hours(b)</i>	<i>Total cost of production</i>	<i>Average cost per hour(c)</i>
	no.	no.	\$m	\$'000
Type of production				
Drama(d)	^ 22	448	152.9	341.5
Documentaries	^ 67	^ 283	^ 39.8	140.9
Situation and sketch comedy	8	146	15.1	103.6
Light entertainment and variety	*84	5 165	306.1	59.3
News and current affairs	*63	20 556	411.5	20.0
Sport	*50	^ 22 181	268.4	12.1
Quiz, panel and game shows	8	np	74.8	np
Productions made specifically for children				
Children's drama	^ 12	147	33.8	229.2
Other children's programs	*23	935	*30.7	^ 32.9
<i>Total</i>	*33	1 083	^ 64.5	59.6
Other types of production	^ 10	np	33.0	np
Total	^ 272	55 546	1 366.2	24.6
Productions made by television broadcasters(e)	20	29 064	889.3	30.6
Productions made by other businesses(f)	^ 252	^ 26 482	476.8	18.0

- ^ estimate has a relative standard error of 10% to less than 25% and should be used with caution
- * estimate has a relative standard error of 25% to 50% and should be used with caution
- np not available for publication but included in totals where applicable, unless otherwise indicated
- (a) As businesses may have been involved in more than one type of production, the counts of businesses do not sum to the total.
- (b) Relates to first release productions only.
- (c) As data for 'total cost of production' have been rounded to \$m, discrepancies may occur in the 'average cost per hour'.
- (d) Excludes children's programs.
- (e) Includes commercial free-to-air, subscription and public television broadcasters. Excludes community television broadcasters. Also excludes co-productions between television broadcasters and other businesses.
- (f) Includes two types of businesses: those whose primary activity was film and video production or post-production services and those whose primary activity was subscription television channel provision with in-house production. Includes co-productions between television broadcasters and other businesses.

2.3 PRODUCTIONS MADE OTHER THAN FOR TELEVISION(a)

	<i>Businesses at end June(b)</i>	<i>Productions</i>	<i>Total cost of production</i>	<i>Average cost per production(c)</i>
	no.	no.	\$m	\$'000
Feature films	78	85	183.8	2 174.3
Documentaries	**46	*79	4.8	*61.2
Short films	^ 33	^ 46	1.4	^ 31.1
Educational media(d)	*107	*353	*6.0	*16.9
Corporate, marketing and training media	^ 454	*10 672	*71.7	*6.7
Music media	*27	**313	^ 1.3	**4.2
Other	*74	^ 2 722	^ 4.1	^ 1.5
Total	^ 652	*14 269	273.2	*19.1

- ^ estimate has a relative standard error of 10% to less than 25% and should be used with caution
- * estimate has a relative standard error of 25% to 50% and should be used with caution
- ** estimate has a relative standard error greater than 50% and is considered too unreliable for general use
- (a) Includes businesses whose primary activity was film and video production or post-production services.
- (b) As businesses may have been involved in more than one type of production, the counts of businesses do not sum to the total.
- (c) As data for 'total cost of production' have been rounded to \$m, discrepancies may occur in the 'average cost per production'.
- (d) Includes media produced for schools, tertiary and other educational institutions.

INTRODUCTION

This chapter presents results for the operations of film and video production and post-production services businesses during the 2006–07 reference year. As a result of the change in the ANZSIC classification, data for these businesses are able to be presented separately for the first time. For more information on this change see paragraphs 10–12 of the Explanatory Notes.

The scope for film and video production services included businesses in Australia that were mainly engaged in film, television program, television commercial and video production. The scope for post-production services included businesses mainly engaged in providing post, digital and visual effects services, including specialised film or video post-production services such as editing, film/tape transfers, titling, subtitling, credits, closed captioning and computer-processed graphics, animation and special effects, as well as developing and processing motion picture film.

FILM AND VIDEO
PRODUCTION AND
POST-PRODUCTION
SERVICES

At the end of June 2007, there were 2,492 film and video production and post-production services businesses operating in Australia. Collectively, these businesses employed 13,844 people, generated \$2,028.1m in income and incurred \$1,857.4m in expenses.

The majority of income for these businesses was earned from film, video and television production (55.8% or \$1,132.4m of total income), followed by post-production services (21.1% or \$427.6m), and production services (16.9% or \$343.7m).

Post-production services income (\$427.6m) was mainly earned from feature films (36.9% or \$157.7m), commercials (31.8% or \$136.1m) and television programs (19.2% or \$82.1m).

Income from overseas businesses accounted for 28.4% (\$321.6m) of production income, 25% (\$85.9m) of production services income and 28% (\$119.8m) of post-production income.

Animation, computer generated imagery and visual effects technicians accounted for 4.9% (673 people) of total employment (13,844 people), for film and video production and post-production services businesses. The wages and salaries of specialist staff working on animation, computer generated imagery and visual effects accounted for 9.7% (\$51.4m) of total wages and salaries (\$529.5m) for film and video production and post-production services businesses.

The operating profit before tax of these businesses was \$173.9m and their operating profit margin was 8.8%.

Total industry value added by film and video production and post-production services businesses was \$886m.

FILM AND VIDEO
PRODUCTION SERVICES
BUSINESSES
INCOME

Film and video production services businesses generated \$1,584.2m in income during 2006–07. The majority of this income (71.4% or \$1,131.2m) was earned from the production of television programs (\$549.7m), commercials (\$245.4m), feature films (\$213.7m) and other media content (\$122.4m).

Income from the provision of production services to other businesses accounted for 21% (\$332.3m) of total income.

EXPENSES

Film and video production services businesses incurred \$1,461.8m in expenses during 2006–07.

Labour costs accounted for just under a third (31% or \$453.2m) of total expenses, followed by payments to other businesses for production services (23.6% or \$345.6m), purchases (6% or \$87.7m) and rent, leasing and hiring (5.5% or \$79.9m).

PROFITABILITY

The operating profit before tax for film and video production services businesses was \$125.1m and their operating profit margin was 8.1%.

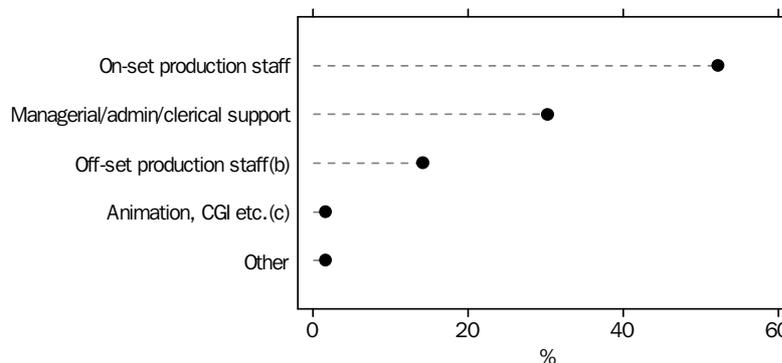
EMPLOYMENT

At the end of June 2007 there were 10,873 people employed by film and video production services businesses.

Casual employees accounted for 47.9% (5,210 people) of total employment. Permanent full-time employees accounted for 25.5% (2,769 people) and salaried directors 18.2% (1,979 people). The majority (60.3%) of people working in film and video production services businesses were male.

The graph below shows that these people were employed in a diverse range of activities. Just over half (52.2% or 5,681 people) were employed as on-set production staff. Managerial, administrative or clerical support staff accounted for 30.3% (3,295 people) and off-set staff including pre-production and post-production staff accounted for 14.2% (1,539 people).

MAIN ACTIVITY OF PERSONS EMPLOYED(a), Film and video production services



(a) As a percentage of total employment.
(b) Includes pre-production and post-production staff.
(c) Includes animation, computer generated imagery and visual effects technicians.

STATES AND TERRITORIES

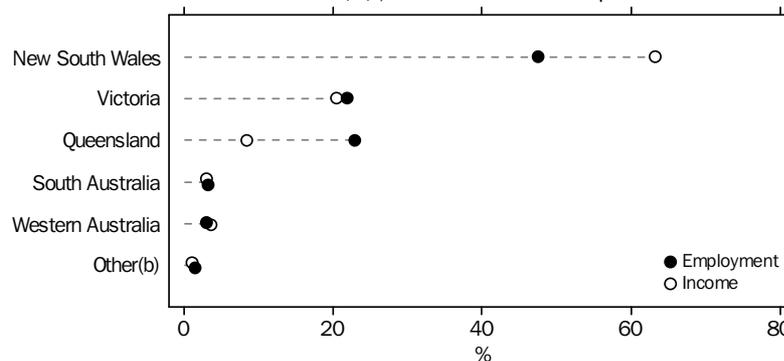
Businesses involved in film and video production services were concentrated in New South Wales, Victoria and Queensland.

STATES AND TERRITORIES
continued

The graph below shows that the 1,042 businesses located in New South Wales accounted for 47.5% (5,161 people) of total employment and 63.2% (\$1,000.8m) of income.

The 573 businesses located in Victoria accounted for 21.9% (2,384 people) of total employment and 20.5% (\$324.2m) of income. The 197 businesses located in Queensland accounted for 22.9% (2,491 people) of total employment and 8.5% (\$135.1m) of income.

STATES AND TERRITORIES (a), Film and video production services



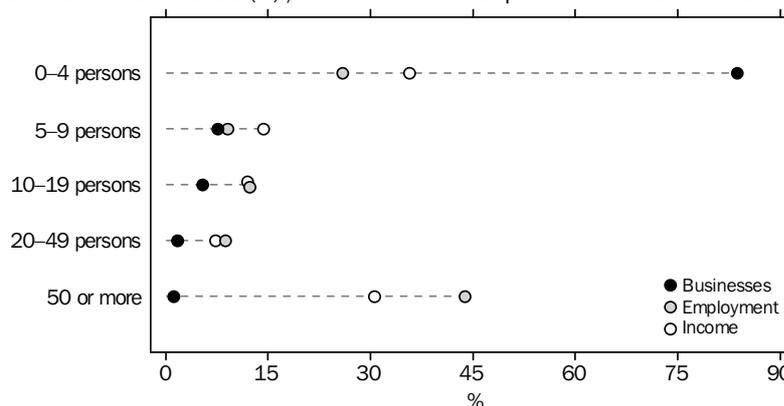
(a) As a percentage of the total for Australia.
(b) Other includes Tasmania, Northern Territory and Australian Capital Territory.

BUSINESS SIZE

The graph below shows that businesses which employed fewer than five people accounted for 83.8% of all film and video production services businesses. These smaller businesses accounted for 25.9% (2,818 people) of employment and 35.7% (\$565.8m) of income.

Businesses which employed 50 or more people accounted for 1.2% of all film and video production services businesses, 43.9% (4,768 people) of total employment and 30.6% (\$484.9m) of income.

EMPLOYMENT SIZE (a), Film and video production services



(a) As a percentage of the total for film and video production services businesses.

POST-PRODUCTION SERVICES BUSINESSES INCOME

Post-production services businesses generated \$444.0m in income during 2006-07.

The majority of this income (90.6% or \$402.3m) was earned from the provision of post-production services, such as visual editing services (57.5% or \$255.1m) and duplication services (11.5% or \$51.1m). Animation was the largest component of visual

INCOME *continued* editing services (18.2% or \$80.7m of total income), followed by visual effects (15.7% or \$69.8m).

EXPENSES Post-production services businesses incurred \$395.6m in expenses during 2006–07. Labour costs accounted for 42.2% (\$166.9m) of total expenses, followed by purchases (9.9% or \$39.1m) and depreciation and amortisation (8.1% or \$31.9m).

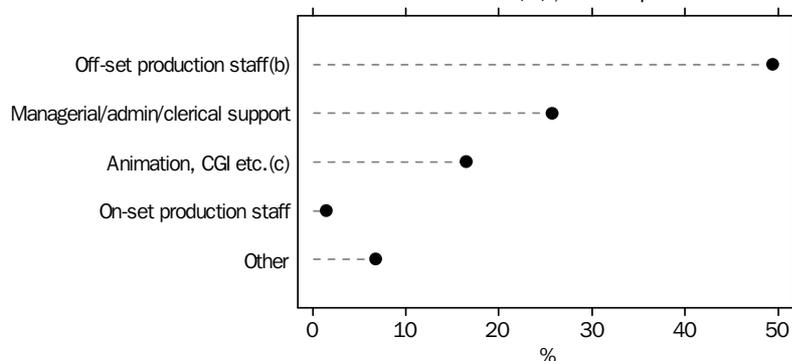
PROFITABILITY The operating profit before tax for post-production services businesses was \$48.8m and their operating profit margin was 11.1%.

EMPLOYMENT At the end of June 2007, there were 2,971 people employed by post-production services businesses.

Permanent full-time employees accounted for 55.4% (1,645 people) of total employment and casual employees 15.4% (457 people). The majority (68.6%) of people working in post-production services businesses were male.

The graph below shows that these people were employed in a diverse range of activities. Almost half (49.4% or 1,467 people) were employed as off-set staff (including pre-production and post-production staff). Managerial, administrative or clerical support staff accounted for just over a quarter (25.7% or 764 people) and animation, computer generated imagery and visual effects technicians accounted for 16.5% (490 people).

MAIN ACTIVITY OF PERSONS EMPLOYED (a), Post-production services



(a) As a percentage of total employment.
 (b) Includes pre-production and post-production staff.
 (c) Includes animation, computer generated imagery and visual effects technicians.

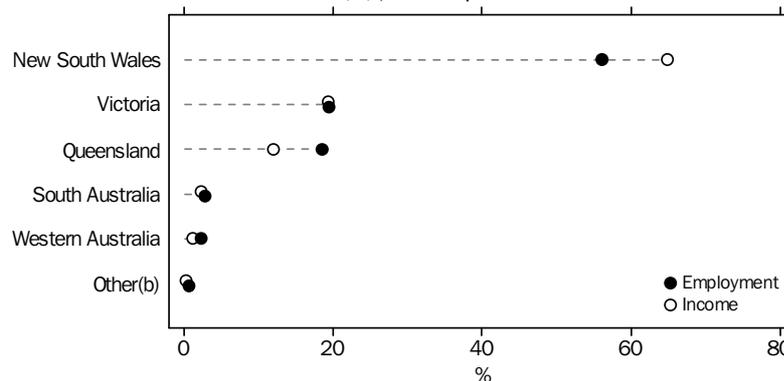
STATES AND TERRITORIES Businesses involved in post-production services were concentrated in New South Wales, Victoria and Queensland.

The graph overleaf shows that the 364 businesses located in New South Wales accounted for 56.1% (1,668 people) of total employment and 64.9% (\$288.1m) of income.

The 74 businesses located in Victoria accounted for 19.5% (580 people) of total employment and 19.4% (\$86.0m) of income. The 40 businesses located in Queensland accounted for 18.6% (552 people) of total employment and 12% (\$53.1m) of income.

STATES AND TERRITORIES
continued

STATES AND TERRITORIES (a), Post-production services



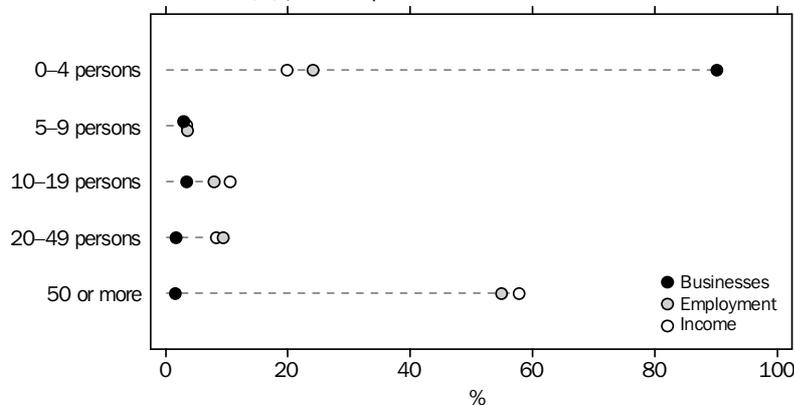
(a) As a percentage of the total for Australia.
(b) Other includes Tasmania, Northern Territory and Australian Capital Territory.

BUSINESS SIZE

The graph below shows that businesses which employed fewer than five people accounted for 90.1% of total post-production services businesses. These smaller businesses accounted for 24.1% (715 people) of employment and 19.9% (\$88.4m) of income.

Businesses which employed 50 or more people accounted for 1.6% of all post-production services businesses, 55% (or 1,634 people) of total employment and 57.8% (or \$256.6m) of income.

EMPLOYMENT SIZE(a), Post-production services



(a) As a percentage of the total for post-production services businesses.

HISTORICAL
COMPARISONS

Comparisons with results from earlier surveys are useful as an indicator of the extent of change over time. However, estimates of change can be subject to changes in estimation methodology, scope, coverage, question wording or levels of sampling error, so any comparisons to results from previous surveys should be made with caution. Further information can be found in paragraphs 2-12 and 25-39 of the Explanatory Notes.

The 2002-03 publication did not split film and video production services into film and video production and post-production services, therefore historical comparisons can be made only with the combined total film and video production and post-production services.

*HISTORICAL
COMPARISONS continued*

Taking such limitations into consideration, the 2006–07 survey results indicate that film and video production and post-production services income grew by an average 5.2% per year from \$1,658.2m in 2002–03 to \$2,028.1m in 2006–07.

Expenses grew by an average of 4.6% per year (from \$1,551.8m to \$1,857.4m) over the same period.

Operating profit before tax grew at an average annual rate of 13.1% (from \$106.4m to \$173.9m).

Industry value added increased by an average of 6.4% per year (from \$690.2m to \$886m).

3.1 SUMMARY OF OPERATIONS, Film and video production and post-production services

		2002-03	2006-07	Average annual percentage change 2002-03 to 2006-07
Businesses at end June	no.	r2 638	2 492	-1.4
Employment at end June	no.	r16 360	13 844	-4.1
Income				
Production income	\$m	r811.4	1 132.4	8.7
Provision of production services to other businesses	\$m	r364.0	^ 343.7	-1.4
Provision of post-production services to other businesses	\$m	r375.0	427.6	3.3
Other	\$m	^ r107.9	124.5	3.6
<i>Total</i>	\$m	r1 658.2	2 028.1	5.2
Expenses				
Labour costs(a)	\$m	r470.5	620.1	7.1
Payments to other businesses/contractors for production services	\$m	r225.3	356.1	12.1
Payments to other businesses/contractors for post-production services	\$m	r91.6	104.1	3.3
Other	\$m	r764.3	777.1	0.4
<i>Total</i>	\$m	r1 551.8	1 857.4	4.6
Operating profit or loss before tax	\$m	^ r106.4	^ 173.9	13.1
Operating profit margin	%	^ r6.6	^ 8.8	..
Industry value added	\$m	r690.2	886.0	6.4

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

.. not applicable

r revised

(a) Includes two items for 2006-07 which were excluded from labour costs for 2002-03: salary sacrificed for employee benefits other than superannuation, and employee share based payments and stock options.

3.2 SOURCES OF INCOME, Film and video production services

	Proportion of total income	
	Income \$m	%
Production income from:		
Feature films	213.7	13.5
Television programs		
Drama(a)	^ 139.4	8.8
Children's drama	^ 41.3	2.6
Other children's programs	*16.1	1.0
Other television programs (including lifestyle and documentaries)	^ 352.9	22.3
<i>Total</i>	549.7	34.7
Commercials	*245.4	15.5
Corporate, marketing and training media	*89.6	5.7
Educational media	*10.2	0.6
Music media	*2.1	0.1
Other	^ 20.5	1.3
<i>Total</i>	1 131.2	71.4
Provision of production services to other businesses		
Producers' fees and line production	*72.0	4.5
Directors' fees	**5.5	0.4
Cinematography	*61.5	3.9
Rental of facilities and/or equipment with crew	^ 163.6	10.3
Other production services	^ 29.7	1.9
<i>Total</i>	^ 332.3	21.0
Provision of post-production services to other businesses		
Visual editing		
Subtitling	^ 0.1	—
Visual effects	**2.9	0.2
Animation	1.2	0.1
Other	*11.5	0.7
<i>Total</i>	*15.8	1.0
Sound editing		
Dubbing	**0.5	—
Other	**2.2	0.1
<i>Total</i>	**2.6	0.2
Duplication	^ 1.7	0.1
Transferring	^ 0.9	0.1
Film laboratory services	np	np
Other post-production services	np	np
<i>Total</i>	*25.3	1.6
Sale of program format rights	^ 3.3	0.2
Rent, leasing and hiring income	*7.6	0.5
Interest	^ 11.0	0.7
Other	73.4	4.6
Total	1 584.2	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Excludes children's drama.

3.3

SOURCES OF INCOME, Post-production services

	<i>Income</i>	<i>Proportion of total income</i>
	\$m	%
Production income	**1.2	0.3
Provision of production services to other businesses	**11.4	2.6
Provision of post-production services to other businesses		
Visual editing		
Subtitling	53.1	12.0
Visual effects	^ 69.8	15.7
Animation	80.7	18.2
Other	^ 51.6	11.6
Total	255.1	57.5
Sound editing		
Dubbing	*10.7	2.4
Other	9.3	2.1
Total	^ 20.0	4.5
Duplication	51.1	11.5
Transferring	^ 5.0	1.1
Film laboratory services	np	np
Other post-production services	np	np
Total	402.3	90.6
Sale of program format rights
Rent, leasing and hiring	^ 3.7	0.8
Interest	^ 2.5	0.6
Other	23.0	5.2
Total	444.0	100.0

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. . not applicable

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3.4 SOURCES OF INCOME, Film and video production and post-production services ..

	<i>Proportion of total income</i>	
	<i>Income</i>	
	\$m	%
Production income	1 132.4	55.8
Provision of production services to other businesses	^ 343.7	16.9
Provision of post-production services to other businesses		
Visual editing		
Subtitling	53.2	2.6
Visual effects	^ 72.7	3.6
Animation	81.9	4.0
Other	^ 63.2	3.1
<i>Total</i>	270.9	13.4
Sound editing		
Dubbing	^ 11.1	0.5
Other	^ 11.5	0.6
<i>Total</i>	^ 22.6	1.1
Duplication	52.8	2.6
Transferring	^ 5.8	0.3
Film laboratory services	np	np
Other post-production services	np	np
<i>Total</i>	427.6	21.1
Sale of program format rights	^ 3.3	0.2
Rent, leasing and hiring	^ 11.3	0.6
Interest	^ 13.5	0.7
Other	96.4	4.8
Total	2 028.1	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

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3.5 ITEMS OF EXPENDITURE, Film and video production and post-production services

	FILM AND VIDEO PRODUCTION SERVICES		POST-PRODUCTION SERVICES		TOTAL	
	Expenses	Percentage of total expenses	Expenses	Percentage of total expenses	Expenses	Percentage of total expenses
		\$m		%		\$m
Labour costs						
Wages and salaries	386.2	26.4	143.3	36.2	529.5	28.5
Employer contributions to superannuation funds	37.4	2.6	13.8	3.5	51.1	2.8
Salary sacrifice, share based payments and stock options	*14.8	1.0	^ 1.4	0.4	*16.2	0.9
Workers' compensation premiums/costs	3.7	0.3	^ 1.2	0.3	4.9	0.3
Fringe benefits tax	1.3	0.1	1.2	0.3	2.5	0.1
Payroll tax	9.8	0.7	6.0	1.5	15.8	0.8
<i>Total</i>	453.2	31.0	166.9	42.2	620.1	33.4
Payments to other businesses/contractors for production services	345.6	23.6	*10.6	2.7	356.1	19.2
Payments to other businesses/contractors for post-production services	78.0	5.3	^ 26.1	6.6	104.1	5.6
Other contract, subcontract and commission expenses	63.1	4.3	21.2	5.4	84.3	4.5
Purchases						
Film stock and video tape stock	np	np	np	np	52.5	2.8
Other	np	np	np	np	*74.2	4.0
<i>Total</i>	^ 87.7	6.0	39.1	9.9	^ 126.7	6.8
Rent, leasing and hiring						
Land, buildings and other structures	^ 32.9	2.3	16.0	4.0	48.9	2.6
Other	*46.9	3.2	^ 7.8	2.0	*54.7	2.9
<i>Total</i>	^ 79.9	5.5	^ 23.8	6.0	^ 103.7	5.6
Depreciation and amortisation						
Amortisation of productions	*18.2	1.2	2.9	0.7	*21.1	1.1
Other	^ 27.4	1.9	^ 29.0	7.3	56.5	3.0
<i>Total</i>	^ 45.6	3.1	31.9	8.1	77.6	4.2
Travel, accommodation and entertainment	52.6	3.6	6.5	1.7	59.2	3.2
Royalties						
Paid to Australian resident businesses/individuals	np	np	np	np	*25.7	1.4
Paid to non-resident businesses/individuals	np	np	np	np	^ 13.4	0.7
<i>Total</i>	^ 38.4	2.6	^ 0.6	0.1	^ 39.0	2.1
Insurance premiums	^ 21.7	1.5	2.7	0.7	^ 24.4	1.3
Repair and maintenance	^ 9.7	0.7	6.3	1.6	16.0	0.9
Land tax and land rates	*1.6	0.1	0.4	0.1	*2.0	0.1
Interest	16.6	1.1	^ 8.7	2.2	25.3	1.4
Bad and doubtful debts	*3.0	0.2	^ 0.3	0.1	*3.3	0.2
Computer software expensed	^ 3.8	0.3	*5.3	1.3	^ 9.0	0.5
Other	161.5	11.0	45.2	11.4	206.7	11.1
Total	1 461.8	100.0	395.6	100.0	1 857.4	100.0

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3.6 CHARACTERISTICS OF EMPLOYMENT, Film and video production and post-production services

	<u>Males</u>		<u>Females</u>		<u>Persons</u>	
	no.	%	no.	%	no.	%
.....						
FILM AND VIDEO PRODUCTION SERVICES						
Working proprietors and working partners of unincorporated businesses	^ 288	4.4	*113	2.6	^ 400	3.7
Employees						
Salaried directors of incorporated businesses	1 322	20.2	^ 657	15.2	1 979	18.2
Other						
Permanent full-time	^ 1 554	23.7	^ 1 215	28.1	2 769	25.5
Permanent part-time	**208	3.2	*307	7.1	*514	4.7
Casual	^ 3 181	48.5	^ 2 029	47.0	^ 5 210	47.9
Total	4 943	75.4	3 551	82.2	8 493	78.1
Total	6 265	95.6	4 208	97.4	10 473	96.3
Employment at end June	6 552	100.0	4 321	100.0	10 873	100.0
Employment at end(a)						
March 2007	na	..	na	..	9 125	..
December 2006	na	..	na	..	7 312	..
September 2006	na	..	na	..	7 810	..
.....						
POST-PRODUCTION SERVICES						
Working proprietors and working partners of unincorporated businesses	*151	7.4	^ 4	0.5	*155	5.2
Employees						
Salaried directors of incorporated businesses	^ 358	17.6	*79	8.5	^ 437	14.7
Other						
Permanent full-time	1 131	55.5	^ 514	55.1	1 645	55.4
Permanent part-time	*100	4.9	^ 177	19.0	^ 277	9.3
Casual	299	14.6	^ 158	17.0	457	15.4
Total	1 530	75.0	849	91.0	2 378	80.1
Total	1 888	92.6	928	99.5	2 816	94.8
Employment at end June	2 039	100.0	932	100.0	2 971	100.0
Employment at end(a)						
March 2007	na	..	na	..	2 810	..
December 2006	na	..	na	..	2 693	..
September 2006	na	..	na	..	2 872	..
.....						
TOTAL						
Working proprietors and working partners of unincorporated businesses	^ 439	5.1	*117	2.2	^ 556	4.0
Employees						
Salaried directors of incorporated businesses	1 680	19.6	^ 736	14.0	2 417	17.5
Other						
Permanent full-time	2 685	31.3	1 729	32.9	4 414	31.9
Permanent part-time	*308	3.6	^ 483	9.2	^ 791	5.7
Casual	^ 3 479	40.5	^ 2 187	41.6	^ 5 667	40.9
Total	6 472	75.3	4 399	83.7	10 872	78.5
Total	8 153	94.9	5 136	97.8	13 289	96.0
Employment at end June	8 591	100.0	5 253	100.0	13 844	100.0
Employment at end(a)						
March 2007	na	..	na	..	11 934	..
December 2006	na	..	na	..	10 005	..
September 2006	na	..	na	..	10 683	..

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution
 * estimate has a relative standard error of 25% to 50% and should be used with caution
 ** estimate has a relative standard error greater than 50% and is considered too unreliable for general use
 .. not applicable
 na not available
 (a) During the last pay period ending month indicated.

3.7 MAIN ACTIVITY OF PERSONS EMPLOYED, Film and video production and post-production services

	<u>Persons</u>	
	no.	%
.....		
FILM AND VIDEO PRODUCTION SERVICES		
Managerial/administrative/clerical support	3 295	30.3
On-set production staff	5 681	52.2
Off-set staff, including pre- and post-production staff	1 539	14.2
Animation, computer generated imagery and visual effects technicians	*183	1.7
Other	^ 174	1.6
Total	10 873	100.0
.....		
POST-PRODUCTION SERVICES		
Managerial/administrative/clerical support	^ 764	25.7
On-set production staff	**46	1.5
Off-set staff, including pre- and post-production staff	1 467	49.4
Animation, computer generated imagery and visual effects technicians	^ 490	16.5
Other	203	6.8
Total	2 971	100.0

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 ** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

3.8 MAIN ACTIVITY OF PERSONS EMPLOYED BY RESIDENTIAL STATUS, Film and video production and post-production services

	<u>Australian resident</u>		<u>Non-resident</u>		<u>Total</u>	
	no.	%	no.	%	no.	%
.....						
Managerial/administrative/clerical support	4 042	29.4	^ 17	19.9	4 059	29.3
On-set production staff	5 680	41.3	46	52.9	5 726	41.4
Off-set staff, including pre- and post-production staff	np	np	np	np	3 006	21.7
Animation, computer generated imagery and visual effects technicians	np	np	np	np	^ 673	4.9
Other	np	np	np	np	377	2.7
Total	13 755	100.0	87	100.0	13 844	100.0

- ^ estimate has a relative standard error of 10% to less than 25% and should be used with caution
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3.9 STATES AND TERRITORIES, Film and video production and post-production services

		<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Australia</i>
FILM AND VIDEO PRODUCTION SERVICES										
Businesses at end June(a)	no.	1 042	^ 573	197	^ 63	^ 101	np	np	np	1 995
Employment at end June	no.	5 161	^ 2 384	2 491	^ 347	^ 325	np	np	np	10 873
	%	47.5	21.9	22.9	3.2	3.0	np	np	np	100.0
Wages and salaries	\$m	^ 198.5	107.2	45.0	^ 18.4	^ 11.9	np	np	np	386.2
	%	51.4	27.7	11.6	4.8	3.1	np	np	np	100.0
Total income	\$m	1 000.8	^ 324.2	135.1	^ 48.0	^ 59.4	np	np	np	1 584.2
	%	63.2	20.5	8.5	3.0	3.7	np	np	np	100.0
POST-PRODUCTION SERVICES										
Businesses at end June(a)	no.	^ 364	^ 74	^ 40	*16	12	np	np	np	^ 497
Employment at end June	no.	1 668	^ 580	552	^ 84	69	np	np	np	2 971
	%	56.1	19.5	18.6	2.8	2.3	np	np	np	100.0
Wages and salaries	\$m	93.8	^ 27.8	13.6	5.5	1.8	np	np	np	143.3
	%	65.5	19.4	9.5	3.8	1.3	np	np	np	100.0
Total income	\$m	288.1	^ 86.0	53.1	10.0	5.5	np	np	np	444.0
	%	64.9	19.4	12.0	2.3	1.2	np	np	np	100.0
TOTAL										
Businesses at end June(a)	no.	1 406	^ 647	237	^ 79	^ 113	16	11	22	2 492
Employment at end June	no.	6 829	^ 2 964	3 043	^ 431	^ 394	61	42	80	13 844
	%	49.3	21.4	22.0	3.1	2.8	0.4	0.3	0.6	100.0
Wages and salaries	\$m	292.3	135.0	58.6	^ 23.9	^ 13.8	2.4	1.2	2.3	529.5
	%	55.2	25.5	11.1	4.5	2.6	0.4	0.2	0.4	100.0
Total income	\$m	1 288.9	410.2	188.2	^ 58.0	^ 64.9	5.2	3.8	8.9	2 028.1
	%	63.6	20.2	9.3	2.9	3.2	0.3	0.2	0.4	100.0

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* estimate has a relative standard error of 25% to 50% and should be used with caution

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(a) As businesses may have operated in more than one state or territory, the counts of businesses for each state do not sum to the total.

3.10 SUMMARY OF OPERATIONS BY EMPLOYMENT SIZE, Film and video production and post-production services

		0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 persons or more	Total
FILM AND VIDEO PRODUCTION SERVICES								
Businesses at end June	no.	1 672	*154	*108	*36	np	np	1 995
	%	83.8	7.7	5.4	1.8	np	np	100.0
Employment at end June	no.	^ 2 818	*992	*1 342	^ 953	np	np	10 873
	%	25.9	9.1	12.3	8.8	np	np	100.0
Wages and salaries	\$m	^ 129.1	*78.9	*41.9	^ 32.2	np	np	386.2
	%	33.4	20.4	10.8	8.3	np	np	100.0
Total income	\$m	565.8	*228.2	*189.8	^ 115.5	np	np	1 584.2
	%	35.7	14.4	12.0	7.3	np	np	100.0
Operating profit or loss before tax	\$m	*80.8	**1.0	*15.0	**2.3	np	np	^ 125.1
	%	64.6	0.8	12.0	1.9	np	np	100.0
Operating profit margin	%	^ 14.4	**0.4	^ 8.1	**2.1	np	np	^ 8.1
POST-PRODUCTION SERVICES								
Businesses at end June	no.	^ 448	^ 15	^ 17	*8	np	np	^ 497
	%	90.1	3.0	3.5	1.7	np	np	100.0
Employment at end June	no.	^ 715	^ 107	^ 236	*280	np	np	2 971
	%	24.1	3.6	7.9	9.4	np	np	100.0
Wages and salaries	\$m	^ 26.1	^ 3.9	^ 12.6	*12.2	np	np	143.3
	%	18.3	2.7	8.8	8.5	np	np	100.0
Total income	\$m	^ 88.4	*15.4	*46.8	*36.9	np	np	444.0
	%	19.9	3.5	10.5	8.3	np	np	100.0
Operating profit or loss before tax	\$m	**8.9	**3.6	**10.7	*3.3	np	np	^ 48.8
	%	18.1	7.3	22.0	6.7	np	np	100.0
Operating profit margin	%	**10.1	*23.3	*23.2	9.0	np	np	^ 11.1
TOTAL								
Businesses at end June	no.	2 120	*169	*126	^ 45	14	18	2 492
	%	85.1	6.8	5.0	1.8	0.6	0.7	100.0
Employment at end June	no.	3 533	*1 099	*1 578	^ 1 233	1 002	5 400	13 844
	%	25.5	7.9	11.4	8.9	7.2	39.0	100.0
Wages and salaries	\$m	155.3	^ 82.8	^ 54.5	^ 44.3	33.0	159.6	529.5
	%	29.3	15.6	10.3	8.4	6.2	30.1	100.0
Total income	\$m	654.3	*243.6	^ 236.5	^ 152.4	106.2	635.2	2 028.1
	%	32.3	12.0	11.7	7.5	5.2	31.3	100.0
Operating profit or loss before tax	\$m	^ 89.6	**4.5	*25.7	**5.6	2.7	45.7	^ 173.9
	%	51.5	2.6	14.8	3.2	1.5	26.3	100.0
Operating profit margin	%	^ 13.9	**1.9	*11.1	**3.9	^ 2.8	7.3	^ 8.8

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CHAPTER 4

COMMERCIAL TELEVISION BROADCASTING

INTRODUCTION

This chapter presents results for the operations of commercial television broadcasters, which are comprised of commercial free-to-air and subscription television broadcasters, during 2006–07. Statistics for public television broadcasters are included in Chapter 2.

INCOME

Commercial television broadcasters generated \$6,812.6m in income during 2006–07. Commercial free-to-air television broadcasters generated 66.5% of this total (\$4,530.1m).

The main source of income for commercial free-to-air television broadcasters was the sale of airtime (79.7% or \$3,610.9m), while subscription fees were the main income source for subscription television broadcasters (86.5% or \$1,974.9m).

EXPENSES

During 2006–07, commercial television broadcasters incurred \$6,153.1m in expenses. Commercial free-to-air television broadcasters accounted for 60.2% (\$3,703.6m) of this total. The main expenses for commercial free-to-air television broadcasters were program rights expensed (19.6% or \$725m of total expenses) and labour costs (18.4% or \$682.1m).

The main expenses incurred by subscription television broadcasters were payments to subscription television channel providers (34.4% or \$843.6m of total expenses), depreciation and amortisation costs (13.8% or \$336.9m) and other contract, subcontract and commission expenses (10.3% or \$252.8m).

EMPLOYMENT

Collectively, commercial free-to-air and subscription television broadcasters employed 10,032 people at the end of June 2007. The majority (69.6% or 6,980 people) were employed by commercial free-to-air television broadcasters.

Permanent full-time employees accounted for 72.9% (5,086 people) of total employment by commercial free-to-air television broadcasters. Casual employees made up 22.7% of the total (1,582 people). Males accounted for more than half (58.9% or 4,109 people) of total employment for these businesses.

STATES AND TERRITORIES

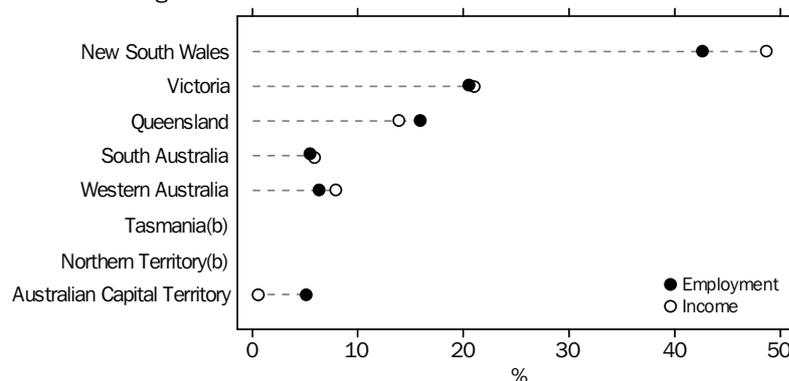
Commercial free-to-air television broadcasting activity was concentrated in New South Wales and Victoria.

The graph overleaf shows that New South Wales businesses accounted for 42.6% (2,970 people) of total employment and 48.7% (\$2,206m) of income.

Victorian businesses accounted for 20.5% (1,431 people) of total employment and 21% (\$950.1m) of total income.

STATES AND TERRITORIES
continued

STATES AND TERRITORIES (a), Commercial free-to-air television broadcasting



(a) As a percentage of the total for Australia.
(b) Data for Tasmania and Northern Territory were not available.

HISTORICAL
COMPARISONS

Comparisons with results from earlier censuses are useful as an indicator of the extent of change over time. However, estimates of change can be subject to changes in estimation methodology, scope, coverage, question wording or levels of sampling error, so any comparisons to results from previous censuses should be made with caution. Further information can be found in paragraphs 2–12 and 25–39 of the Explanatory Notes.

Taking such limitations into consideration, the 2006–07 census results indicate that income for commercial free-to-air television broadcasters increased by an average of 4.4% per year from \$3,810.6m in 2002–03 to \$4,530.1m in 2006–07.

Total expenses grew by an average of 4.1% per year (from \$3,154m to \$3,703.6m) over the same period.

The number of subscription television broadcasters grew, on average, by 21.3% per year (from 6 to 13) since the 2002–03 financial year. Employment increased on average by 4.9% per year, from 2,517 people at the end of June 2003 to 3,052 people at the end of June 2007.

Income for subscription television broadcasters increased by an average 14.1% per year, from \$1,348.2m in 2002–03 to \$2,282.6m in 2006–07. Total expenses increased by an average 7.5% per year (from \$1,837.3m to \$2,449.5m) over the same period.

4.1 SUMMARY OF OPERATIONS, Commercial free-to-air television broadcasting(a) ...

		2002-03	2006-07	Average annual percentage change 2002-03 to 2006-07
Employment at end June	no.	6 577	6 980	1.5
Income				
Gross income from the sale of airtime	\$m	2 817.8	3 610.9	6.4
Other	\$m	992.8	919.2	-1.9
<i>Total</i>	\$m	3 810.6	4 530.1	4.4
Expenses				
Labour costs(b)	\$m	587.4	682.1	3.8
Program rights expensed	\$m	494.8	725.0	10.0
Depreciation and amortisation	\$m	387.2	390.7	0.2
Other	\$m	1 684.5	1 905.8	3.1
<i>Total</i>	\$m	3 154.0	3 703.6	4.1
Operating profit or loss before tax	\$m	658.9	834.3	6.1
Operating profit margin	%	17.7	19.2	. .
Industry value added	\$m	1 657.5	1 817.3	2.3

. . not applicable

(a) Excludes public television broadcasting.

(b) Includes two items for 2006-07 which were excluded from labour costs in 2002-03: salary sacrificed for employee benefits other than superannuation, and employee share based payments and stock options.

4.2 SUMMARY OF OPERATIONS, Subscription television broadcasting

		2002-03	2006-07	Average annual percentage change 2002-03 to 2006-07
Businesses at end June	no.	6	13	21.3
Employment at end June	no.	2 517	3 052	4.9
Income				
Subscription fees	\$m	1 158.7	1 974.9	14.3
Other(a)	\$m	189.5	307.6	12.9
<i>Total</i>	\$m	1 348.2	2 282.6	14.1
Expenses				
Labour costs(b)				
Wages and salaries	\$m	142.7	173.6	5.0
Other	\$m	25.3	30.5	4.7
<i>Total</i>	\$m	168.0	204.1	5.0
Payments to subscription television channel providers	\$m	784.5	843.6	1.8
Depreciation and amortisation	\$m	278.6	336.9	4.9
Rent, leasing and hiring	\$m	34.3	36.3	1.4
Other contract, subcontract and commission expenses	\$m	61.9	252.8	42.2
Other	\$m	510.0	775.8	11.1
<i>Total</i>	\$m	1 837.3	2 449.5	7.5
Operating profit or loss before tax	\$m	-451.5	-163.0	na
Operating profit margin	%	-33.6	-7.7	..
Industry value added	\$m	-197.3	333.5	na

.. not applicable

na not available

(a) Includes gross income from the sale of airtime.

(b) Includes two items for 2006-07 which were excluded from labour costs for 2002-03: salary sacrificed for employee benefits other than superannuation, and employee share based payments and stock options.

4.3 ITEMS OF EXPENDITURE, Commercial free-to-air television broadcasting(a)

	Proportion of total expenses	
	Expenses \$m	%
.....		
Labour costs		
Wages and salaries	578.2	15.6
Employer contributions to superannuation funds	39.6	1.1
Salary sacrifice, share based payments and stock options	19.7	0.5
Workers' compensation premiums/costs	3.5	0.1
Fringe benefits tax	10.4	0.3
Payroll tax	30.6	0.8
Total	682.1	18.4
Program rights expensed	725.0	19.6
Depreciation and amortisation		
Amortisation of programs	280.2	7.6
Other	110.6	3.0
Total	390.7	10.5
Commissions to advertising agencies/brokers	265.9	7.2
Other advertising, marketing and promotion expenses	54.7	1.5
Other contract, subcontract and commission expenses	48.5	1.3
Television licence fees paid	276.8	7.5
Rent, leasing and hiring	101.2	2.7
Purchases	11.1	0.3
Land tax and land rates	4.1	0.1
Insurance premiums	8.5	0.2
Interest	93.8	2.5
Other	1 041.2	28.1
Total	3 703.6	100.0

(a) Excludes public television broadcasting.

4.4 CHARACTERISTICS OF EMPLOYEES, Commercial free-to-air television broadcasting(a)

	Males		Females		Persons	
	no.	%	no.	%	no.	%
.....						
Permanent full-time(b)	3 073	74.8	2 013	70.1	5 086	72.9
Permanent part-time	123	3.0	189	6.6	312	4.5
Casual	913	22.2	669	23.3	1 582	22.7
Employees at end June	4 109	100.0	2 871	100.0	6 980	100.0

(a) Excludes public television broadcasting.

(b) Includes salaried directors of incorporated businesses.

4.5 STATES AND TERRITORIES, Commercial free-to-air television broadcasting(a) ...

		<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Northern Territory</i>	<i>Australian Capital Territory</i>	<i>Australia</i>
Businesses at end June(b)	no.	11	6	8	6	6	np	np	5	24
Employment at end June	no.	2 970	1 431	1 110	381	437	np	np	357	6 980
	%	42.6	20.5	15.9	5.5	6.3	np	np	5.1	100.0
Wages and salaries	\$m	302.3	113.2	70.0	26.9	30.9	np	np	21.9	578.2
	%	52.3	19.6	12.1	4.7	5.3	np	np	3.8	100.0
Total income	\$m	2 206.0	950.1	631.9	269.3	356.3	np	np	28.3	4 530.1
	%	48.7	21.0	13.9	5.9	7.9	np	np	0.6	100.0

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Excludes public television broadcasting.

(b) As businesses may have operated in more than one state or territory, the counts of businesses do not sum to the total.

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents results from an Australian Bureau of Statistics (ABS) survey of businesses mainly engaged in film and video production and post-production services and an ABS census of businesses mainly engaged in providing television broadcasting services. These collections were conducted in respect of the 2006–07 financial year. This is the fifth time the ABS has conducted these collections. Previous statistics were released for the 2002–03, 1999–2000, 1996–97 and 1993–94 financial years.

SCOPE OF COLLECTIONS

Film and Video Production and Post-Production Services Survey

2 The scope of the Film and Video Production and Post-Production Services Survey included all employing and significant non-employing businesses classified, on the ABS Business Register, to the following classes of the Australian and New Zealand Industrial Classification 2006 edition (ANZSIC06):

- ⌘ CLASS 5511 MOTION PICTURE AND VIDEO PRODUCTION
- ⌘ CLASS 5514 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES.

3 For CLASS 5511 MOTION PICTURE AND VIDEO PRODUCTION the scope included Australian businesses mainly engaged in producing films, videos and television programs or commercials. These productions are recorded and stored on a variety of analogue or digital visual media. For ease of reading, these businesses are referred to as 'film and video production' businesses throughout this publication.

4 For CLASS 5514 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES the scope included Australian businesses mainly engaged in providing post-production services and other motion picture and video activities, including specialised film or video post-production services such as editing, film/tape transfers, titling, subtitling, credits, closed captioning and computer-produced graphics, animation and special effects, as well as developing and processing motion picture film. For ease of reading, these businesses are referred to as 'post-production' businesses throughout this publication.

5 For the purposes of this survey, significant non-employing businesses were defined as all non-employing businesses with an estimated annual turnover of at least \$84,000 for film and video production businesses, and at least \$70,000 for post-production businesses. These turnover thresholds were selected so that the contribution of significant non-employing businesses, combined with all employing businesses, made up at least 97.5% of the total estimated annual turnover for all businesses classified to Classes 5511 and 5514 respectively. In the 2002–03 survey, non-employing businesses were excluded from the scope of the survey.

Television Broadcasting Census

6 The scope of the Television Broadcasting Census was a subset of all businesses classified, on the ABS Business Register, to the following classes of the Australian and New Zealand Industrial Classification 2006 edition (ANZSIC06):

- ⌘ CLASS 5621 FREE-TO-AIR TELEVISION BROADCASTING OF
- ⌘ CLASS 5622 CABLE AND OTHER SUBSCRIPTION BROADCASTING.

7 For CLASS 5621 FREE-TO-AIR TELEVISION BROADCASTING the scope included Australian businesses mainly engaged in commercial television broadcasting of visual content, in the form of electronic images together with sound, through broadcasting studios and facilities, either directly or through affiliated television stations, which in turn broadcast the programs on a pre-determined schedule. Transmissions are made available without cost to the viewer. Community broadcasters were excluded from the scope of this census. Businesses classified to this class on the ABS Business Register were matched to

*Television Broadcasting
Census continued*

external industry lists of television broadcast licence holders to ensure complete coverage of businesses was achieved.

8 For CLASS 5622 CABLE AND OTHER SUBSCRIPTION BROADCASTING the scope included Australian businesses mainly engaged in broadcasting television programs on a subscription or fee basis to viewers. The scope also included subscription television channel providers. Community broadcasters were excluded from the scope of this census. Businesses classified to this class on the ABS Business Register were matched to external lists of television broadcast licence holders and subscription television channel content providers to ensure complete coverage of businesses was achieved.

SCOPE OF ESTIMATES

9 Specific types of businesses contribute to different tables in this publication as described below.

- Chapter 1 Summary of findings. The overview table in this chapter includes all in-scope businesses in ANZSIC CLASSES 5511, 5514, 5621 and 5622 except public television broadcasters and subscription television channel providers.
- Chapter 2 Television, film and video production. The tables in this chapter include all in-scope businesses in ANZSIC CLASSES 5511, 5514, 5621 and 5622. Public television broadcasters and subscription television channel providers contribute only to the tables in this chapter.
- Chapter 3 Film and video production services. The tables in this chapter include all in-scope businesses in ANZSIC CLASSES 5511 and 5514.
- Chapter 4 Commercial television broadcasting. The tables in this chapter include all in-scope businesses in ANZSIC CLASS 5621 except for public television broadcasters, and all in-scope businesses in ANZSIC CLASS 5622 except for subscription television channel providers.

ANZSIC06 AND ANZSIC93

10 The estimates in this publication are based on ANZSIC06. Data in previous issues were based on the 1993 version of the ANZSIC (ANZSIC93). ANZSIC06 was adopted to provide a more contemporary industrial classification system, taking into account issues such as changes in the structure and composition of the economy, changing user demands and compatibility with international classification changes.

*Film and video production and
post-production services*

11 The majority of businesses formerly classified to ANZSIC93 CLASS 9111 FILM AND VIDEO PRODUCTION are now classified to either ANZSIC06 CLASS 5511 MOTION PICTURE AND VIDEO PRODUCTION or ANZSIC06 CLASS 5514 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES. The exception is businesses which are mainly engaged in processing motion picture film for the motion picture and television broadcasting industries. All of these businesses were out of scope of the 2002–03 survey as they were coded to ANZSIC93 CLASS 9522 PHOTOGRAPHIC FILM PROCESSING. They are in scope of the 2006–07 survey as they are now classified to ANZSIC06 CLASS 5514 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES. The effect of this change on the 2006–07 estimates has been negligible.

Television Broadcasting

12 The majority of businesses formerly classified to ANZSIC93 CLASS 9122 TELEVISION SERVICES are now classified to either ANZSIC CLASS 5621 FREE-TO-AIR TELEVISION BROADCASTING or ANZSIC CLASS 5622 CABLE AND OTHER SUBSCRIPTION BROADCASTING. The exception is businesses mainly engaged in supplying the news media with information such as news, reports and pictures. These units were out of scope of the 2002–03 and 2006–07 censuses.

STATISTICAL UNITS DEFINED
ON THE ABS REGISTER

13 In both the Film and Video Production and Post-Production Services Survey and the Television Broadcasting Census, the statistical unit used to represent businesses, and for which statistics are reported, is the Australian Business Number (ABN) unit, in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the Australian Taxation Office administered Australian Business Register. This

unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the Type of Activity Unit (TAU). A TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the Australian and New Zealand Standard Industrial Classification (ANZSIC)). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision and the TAU is classified to the predominant ANZSIC subdivision.

14 Further details about the ABS economic statistical units used in these collections, and in other ABS economic surveys (both sample surveys and censuses), can be found in Chapter 2 of the *Standard Economic Sector Classifications of Australia (SESCA) 2002* (cat. no. 1218.0).

COVERAGE

15 The frame used for the 2006–07 Television Broadcasting Census and the Film and Video Production and Post-Production Services Survey, like most ABS economic collections, was taken from the ABS Business Register. The frame is updated monthly to take account of new businesses, businesses which have ceased operations, and those which have ceased employing.

IMPROVEMENTS TO
COVERAGE

16 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected, and to which the adjustments apply, are small in size.

17 Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the ABS Business Register. Adjustments of this type will continue to be applied in future periods.

18 For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (cat. no. 1357.0).

COMPARISON WITH OTHER
ABS STATISTICS

19 Annual industry data for film and video production and post-production services and for commercial television broadcasters are published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Television, Film and Video Production and Post-Production Services* publications and users should exercise caution when making comparisons between the two sets of estimates.

20 The 2005–06 issue of *Australian Industry* presents data for ANZSIC93 CLASS 9111 FILM AND VIDEO PRODUCTION and ANZSIC93 CLASS 9122 TELEVISION SERVICES. Commencing with the 2006–07 issue (to be published in late 2008), *Australian Industry* will present results on an ANZSIC06 basis.

21 *Australian Industry* presents annual summary statistics at the ANZSIC division and subdivision level and experimental statistics at the ANZSIC class level. It shows the relative performance of each industry division and subdivision, and allows patterns of change or growth to be analysed across particular segments of the Australian economy.

22 *Television, Film and Video Production and Post-Production Services* supplements *Australian Industry* statistics with a detailed examination of the structure, performance and activity of television, film and video production businesses for the reference year of the collections. As such, the collections are not designed to monitor change over time.

COMPARISON WITH OTHER
ABS STATISTICS *continued*

23 The main reason the two sets of estimates vary relates to the use of different industry coding practices. For *Australian Industry*, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when registering for an ABN, or for more complex businesses, on the basis of information reported directly to the ABS (see paragraphs 13–14 above). For *Television, Film and Video Production and Post-Production Services*, however, businesses are coded to ANZSIC06 CLASSES 5511, 5514, 5621 and 5622 on the basis of detailed financial data reported in the collection. Adjustments were made to the data to remove the contribution of businesses that were found to be incorrectly coded to ANZSIC06 CLASSES 5511, 5514, 5621 and 5622.

24 Other differences in results relate to further scope variations between the two collections. Non-employed units below the thresholds identified above in paragraph 5 are excluded from the scope of *Television, Film and Video Production and Post-Production Services* but included in the scope of *Australian Industry*. Public broadcasters and subscription television channel providers are excluded from the financial and employment estimates in *Television, Film and Video Production and Post-Production Services* but subscription television channel providers are included in *Australian Industry* estimates.

HISTORICAL COMPARISONS

25 While comparisons are made in this publication between 2006–07 and 2002–03 results of the collections, the reader should bear in mind that the collections were not designed to support accurate estimates of change, and should exercise caution when comparing 2006–07 results to the 2002–03 results for several reasons, as described below in paragraphs 26–39.

Changes in scope

26 For the 2002–03 Film and Video Production Survey, non-employed businesses were excluded from the scope of the survey. For the 2006–07 Film and Video Production and Post-Production Services Survey, significant non-employed businesses were included in the scope of the survey. These businesses were defined as having an annual turnover of at least \$84,000 for ANZSIC06 CLASS 5511 and \$70,000 for ANZSIC06 CLASS 5514. For the 2006–07 survey, these significant non-employed businesses contributed 22% to the estimate of the number of businesses, 5.4% to the estimate of total income and 5.1% to the estimate of employment.

27 Limited estimates from the 2002–03 survey have been revised to account for the inclusion of non-employed businesses and have been included in this publication. For these revised 2002–03 estimates, non-employed businesses contributed 19.6% to the estimate of the number of businesses, 3.7% to the estimate of total income and 1.8% to the estimate of employment.

*Change in industry
classification*

28 The estimates in this publication are based on ANZSIC06 whereas estimates in the 2002–03 issue were based on ANZSIC93. The effect on estimates as a result of this change was negligible.

29 For more information in the 2006 industry classification and concordances between ANZSIC06 and ANZSIC93, please refer to *Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006* (cat. no. 1292.0).

*Australian Equivalents to
International Financial
Reporting Standards*

30 The new Australian Equivalents to International Reporting Standards (AEIFRS) were progressively implemented in Australia from 1 January 2005. As a result, changes in definitions have impacted upon both income statements and balance sheet items.

31 Since the implementation of AEIFRS, analysis of published time series data has indicated structural breaks in series. The magnitude of such breaks, however, cannot be determined without imposing a disproportionate load upon data providers.

RELIABILITY OF THE DATA

32 When interpreting the results of a collection it is important to take into account

factors that may affect the reliability of estimates. Such factors can be classified as either sampling or non-sampling error.

Sampling error

33 The estimates are based on information obtained from a randomly selected, stratified sample of film and video production and post-production services businesses and a census of television broadcasters and subscription television channel content providers. Consequently, estimates for film and video production and post-production services are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey (that is, if a census was conducted). One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

34 There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census was conducted and approximately 19 chances in 20 that the difference will be less than two SEs.

35 Sampling variability can also be measured by the relative standard error (RSE), which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the sampling error in percentage terms, and this avoids the need to refer also to the size of the estimate. The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS, FILM AND VIDEO PRODUCTION SERVICES, POST- PRODUCTION SERVICES AND COMMERCIAL TELEVISION BROADCASTING

	FILM AND VIDEO PRODUCTION AND POST-PRODUCTION SERVICES			COMMERCIAL TELEVISION BROADCASTING
	<i>Film and video production services</i>	<i>Post-production services</i>	<i>Total</i>	<i>Total</i>
	%	%	%	%
Employment at end June	5.9	5.7	4.6	—
Total income	5.7	5.7	4.3	—
Total expenses	5.9	5.1	4.5	—
Operating profit or loss before tax	18.7	20.2	14.4	—
Operating profit margin	18.1	17.0	13.9	—

— nil or rounded to zero (including null cells)

36 As an example of the above, an estimate of total income for film and video production and post-production services was \$2,028.1m and the RSE was estimated to be 4.3%, giving a SE of approximately \$87.2m. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$1,940.9m to \$2,115.3m would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been in the range of \$1,853.7m to \$2,202.5m.

37 The sampling variability for estimates at the state/territory level was generally higher than for Australian level aggregates. Survey estimates for states/territories should therefore be viewed with more caution than national estimates. Additionally, within states/territories, the sampling variability and therefore the RSEs for smaller states/territories were higher than for larger states. Survey estimates for the smaller

Sampling error continued

states/territories should therefore be viewed with more caution than those for larger states.

38 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use.

Non-sampling error

39 Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. For these collections, non-sampling error may result from such things as deficiencies in the register of businesses from which the sample was drawn, non-response, imperfections in reporting and/or errors made in compiling results. The extent to which non-sampling error affects the results of the collections is not precisely quantifiable. Every effort was made to minimise non-sampling error by careful design and testing of questionnaires, efficient operating procedures and systems and the use of appropriate methodology. Collection estimates subject to a high level of non-sampling error have been suppressed or provided with relevant cautions.

ROUNDING

40 Where figures have been rounded, discrepancies may occur between the sum of the components and the total. Similar discrepancies may occur between a proportion or ratio, and the ratio of the separate components.

REFERENCE PERIOD

41 Data contained in the tables in this publication relate to businesses involved in television, film and video production and post-production services in Australia during the year ended June 2007. Financial estimates include the activity of any business that ceased or commenced operations during the year. Counts of businesses include only those that were operating at 30 June 2007. Employment estimates include only those persons working for businesses during the last pay period ending in June 2007, or the last pay period of the month specified.

ACKNOWLEDGEMENT

42 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

AVAILABILITY OF ADDITIONAL DATA

43 Inquiries about these statistics and more detailed statistics than those presented in this publication should be made by contacting the National Information and Referral Service on 1300 135 070 or Sophie Vassiliou on (03) 9615 7442.

ABBREVIATIONS

\$'000	thousand dollars
\$m	million dollars
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
AEIFRS	Australian Equivalents to International Financial Reporting Standards
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSIC06	<i>Australian and New Zealand Standard Industrial Classification, 2006 Edition</i>
ANZSIC93	<i>Australian and New Zealand Standard Industrial Classification, 1993 Edition</i>

ATO Australian Taxation Office
IVA industry value added
RSE relative standard error
SE standard error
TAU type of activity unit

GLOSSARY

Amortisation of productions	This item refers to the purchase of production rights via a licence arrangement from the copyright owner, for a specified period. Productions that are licensed are treated as a capitalised expense. The amortisation charge is expensed through the business financial statements and represents the diminution in the value of production rights over time (generally several years). This item also includes amortisation of productions owned by the business.
Amortisation of programs	<p>Amortisation of programs refers the purchase of program rights via a licence arrangement from the copyright owner, for a specified period and/or number of screenings. Programs that are licensed for multiple screenings are treated as a capitalised expense. The amortisation charge is expensed through the business financial statements and represents the diminution in the value of program rights over time (generally several years).</p> <p>Each time a capitalised program is broadcast, the value of the program asset decreases. The decrease in the value of the program (amortisation) is included in the profit and loss account as an expense item, "program rights amortised".</p>
Animation	This item refers to the income earned from providing visual editing services such as 2D and 3D animation. It includes animation services provided during or post-production on partly or completely animated productions, such as feature films, television programs and other productions.
Animation, computer generated imagery and visual effects technicians	This item refers to employees that primarily work off-set on special effects, such as animation and computer generated imagery. Visual effects technicians working on-set are excluded.
Australian resident	This item refers to any individual or business domiciled in Australia. Australian branches and Australian subsidiaries of foreign organisations are regarded as Australian residents.
Average annual percentage change	<p>A percentage change, p, from 2002–03 to 2006–07 is converted into an average annual percentage change, a, as follows:</p> $a = (1+p)^{1/4} - 1$ <p>The average annual percentage change is not an arithmetic average of the actual percentage changes from year to year. It is labelled the 'average' change because if any value increased by a% every year for four years, then at the end of the four years it will have grown by a total p%.</p> <p>Using the formula above, if the percentage change equates to 50% from 2002–03 to 2006–07, p is converted to a value between 0 and less than 1 i.e. p=0.50.</p> $a = (1 + 0.50)^{1/4} - 1 = 0.107 = 10.7\%$
Bad and doubtful debts	This item refers to the amount of accounts receivable that are either written off, or estimated to be uncollectible during an accounting period, and that are expensed in a business's profit calculations.
Capital expenditure	This item refers to the amount of capital expended in the acquisition of assets, the value of which will be depreciated over a number of accounting periods.
Casual employees	This item refers to employees who are not entitled to take paid leave.

Children's drama	This item represents programs that have a fully scripted screenplay in which the dramatic elements of character, theme and plot are introduced and developed to form a narrative structure primarily aimed at a children's audience. This item includes animated productions.
Cinematography	This item represents everything related to the camera in filming: film stock, film speed, framing, camera movement and lighting.
Commercial broadcast hours	This item represents the airtime of completed first release programs, including commercial breaks. Program re-runs and the production time for commercials, advertisements and station program promotions are excluded.
Commercial free-to-air television broadcasters	This item refers to commercial free-to-air television broadcasters licensed with the Australian Communications and Media Authority to broadcast. These businesses operate on a profit-making basis and generate the majority of their income from the sale of airtime.
Commercials, station promotions and program promotions	This item includes advertisements, community service announcements, television station identifiers and program promotions.
Commissions to advertising agencies/brokers	This item includes commissions paid to accredited agencies of the Australian Accreditation Authority for advertisements placed. Payments to advertising agencies for promotion of the business or its products are included in 'Other advertising, marketing and promotional expenses'.
Computer software expensed	This item refers to the cost of computer software that has been fully charged to profit as an expense in the current accounting period.
Corporate, marketing and training media	This item represents media produced specifically for the corporate sector clientele, and includes media produced for marketing and training purposes.
Depreciation and amortisation	This item refers to regularly recurring financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
Digital games	This item refers to post-production services income related to the development of digital games, which may be developed for a variety of formats.
Directors' fees	This item refers to fees received by directors of films which are pre-determined prior to the commencement of the film. This income can be a combination of fees, commissions or profit sharing.
Documentaries	This item represents productions (other than news, current affairs, magazine or infotainment) that provide a creative treatment of actuality.
Drama	This item represents programs that have a fully scripted screenplay in which the dramatic elements of character, theme and plot are introduced and developed to form a narrative structure.
Dubbing	This item represents the combination of mixing several sound tracks into a single track.
Duplication	This item represents the process of copying film or video to the same media (i.e. CD to CD) without changing the content.
Educational media	This item includes media produced for schools, tertiary and other educational institutions.
Employees	This item represents all employees on the payroll for the last pay period ending June 2007. Employees absent on paid or prepaid leave are included. It excludes non-salaried directors, subcontractors, persons paid solely by commission without a retainer, working proprietors and partners of unincorporated businesses and volunteers.

Employer contributions to superannuation funds	This item includes all employer contributions to superannuation schemes excluding contributions paid in lieu of wages and salaries (as part of a salary package).
Employment at end June	This item represents all employees on the payroll and all working proprietors and partners of the business for the last pay period ending in June. Permanent, temporary and casual employees and employees absent on paid or prepaid leave are included. Non-salaried directors, self-employed persons such as consultants and contractors, persons paid by commission without a retainer and volunteers are excluded.
Employment at end of quarter	This item represents all employees on the payroll and all working proprietors and partners of the business for the last pay period of each quarter. Permanent, temporary and casual employees and employees absent on paid or prepaid leave are included. Non-salaried directors, self-employed persons such as consultants and contractors, persons paid by commission without a retainer and volunteers are excluded.
Feature films	This item refers to feature films produced for cinematic release. Features made for television are included under television programs. Feature film productions represent the number of productions which were involved in development, pre-production, principal photography or post-production in 2006–07.
Film laboratory services	This item refers to the provision of technical services for film, including the development and printing of film.
Fringe benefits tax	Fringe benefits tax is a tax payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
Gross income from the sale of airtime	This item refers to the sale of airtime or 'space' on television for the broadcasting of advertisers' commercials or sponsors' messages.
Industry value added (IVA)	<p>IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by businesses, in the selected industry, to gross domestic product.</p> <p>The derivation of IVA for individual businesses depends on whether they are classified as market or non-market producers. Non-market producers are those institutions which provide goods or services either free or at prices that are not economically significant. In other words, their prices are not significantly influenced by the amounts that producers are willing to supply, nor the amounts that users are willing to pay to purchase the goods or services being provided. Conversely, market producers provide goods and services at prices that are economically significant.</p> <p>The derivation of IVA for market producers is as follows:</p> <p>sales and service income</p> <p><i>plus</i> funding from federal, state and/or local government for operational costs</p> <p><i>plus</i> capital work done for own use</p> <p><i>plus</i> closing inventories</p> <p><i>less</i> opening inventories</p> <p><i>less</i> intermediate input expenses</p> <p><i>less</i> capitalised purchases</p> <p><i>equals</i> IVA.</p> <p>Wage and salary expenses and most other labour costs are not taken into account in its calculation and nor are most insurance premiums, interest expenses, depreciation or a number of lesser expenses including bad debts, computer software expensed and state gambling taxes.</p> <p>The derivation of IVA for non-market producers is as follows:</p> <p>labour costs</p>

Industry value added (IVA)	<i>plus</i> depreciation
<i>continued</i>	<i>plus</i> land tax
	<i>plus</i> capital work done for own use
	<i>less</i> capitalised purchases
	<i>equals</i> IVA.
	However, it should be noted that IVA is not a measure of operating profit before tax.
Insurance premiums	This item refers to expenses incurred by a business in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	This item refers to outflows of funds related to the cost of borrowing money.
Interest income	This item represents income earned through the lending out of funds owned by the business or interest earned on bank deposits.
Labour costs	This item refers to staff related costs such as wages and salaries (including moneys paid directly through the payroll to freelancers without an ABN), fringe benefits tax and payroll tax, employer contributions to superannuation funds, workers' compensation premiums, provision expenses for employee entitlements, salary sacrifice paid on behalf of employees and employee share based payments and stock options expensed to the business. Capitalised wages and salaries are excluded.
Land tax and land rates	Land tax is an annual tax assessed to the owner of the land. Land rates are annual charges levied by local government for the provision of local government services.
Light entertainment and variety	This item represents reality television, infotainment and lifestyle programs, and today/tonight shows. This item also includes programs with a mixture of live entertainment forms or a series of short performances which may include comedy, music, dancing, gags and patter.
Main activity of persons employed	This item represents the activity on which people working for the business spent the majority of their time.
Management fees/charges from related and unrelated businesses	This item refers to income from management services provided, revenue sharing arrangements and other income treated as management-related by the business in its profit and loss statement.
Managerial, administrative/clerical support staff	This item refers to managers, administrators, film, television producers, executive producers and clerical and other administrative support staff.
Music media	This item refers to music based productions including music video clips.
Music video	This item refers to the post, digital and video effects services income related to music videos.
News and current affairs	This item refers to programs reporting on current or recent happenings, including film coverage of international, national and local events, reports on weather and essential services. This item also includes programs which report on local and world events of a newsworthy nature or which interpret such events by interviews or discussions with acknowledged experts in the field.
Non-resident	This item refers to any individual or business domiciled overseas. Foreign branches and foreign subsidiaries of Australian businesses are regarded as non-residents.
Off-set staff, including pre- and post-production staff	This item refers to staff who primarily work off the set on tasks such as editing, set construction, writing, casting and other miscellaneous off-set work.
On-set production staff	This item refers to staff who primarily work on the set, e.g. actors, directors, camera operators, on-set technicians, sound and lighting technicians, make-up artists etc.

Operating profit or loss before tax	<p>This item is a measure of profit or loss (surplus or deficit) prior to the deduction of income tax and appropriation to owners.</p> <p>It is derived as:</p> <p>total income</p> <p><i>minus</i> total expenses</p> <p><i>plus</i> closing inventories</p> <p><i>less</i> opening inventories</p> <p><i>equals</i> operating profit before tax.</p>
Operating profit margin	<p>Operating profit margin of a business represents the percentage of sales of goods and services which becomes profit/surplus after all operating expenses have been deducted. It is derived by expressing total operating profit/surplus before tax as a percentage of total sales of goods and services.</p>
Other advertising, marketing and promotional expenses	<p>This item refers to costs incurred by a business for promotional and publicity campaigns aimed at bringing the activities and services of the business to the attention of consumers for the purpose of increasing sales. The item does not include commissions paid to advertising agencies/brokers.</p>
Other children's programs	<p>This item refers to children's television programs that do not have a pre-set script or storyline, such as game shows.</p>
Other contract, subcontract and commission expenses	<p>These include payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis and payments to persons paid by commission without a retainer.</p>
Other depreciation and amortisation expenses	<p>This item refers to depreciation and amortisation expenses not included elsewhere.</p>
Other expenses	<p>This item includes all expenses not included elsewhere.</p>
Other post-production services	<p>This item refers to all post-production services income not included elsewhere.</p>
Other production services	<p>This item relates to all income from production services to other businesses not included elsewhere.</p>
Other royalties expenses	<p>This item refers to payments made to Australian or overseas companies/individuals for the use of rights owned by another company/person. It includes payments under licensing arrangements, music rights, literary rights and options, and payments for the use of intellectual property. Withholding tax is not deducted. The item excludes royalties paid as part of program rights.</p>
Other television programs	<p>These are television programs not included elsewhere.</p>
Other types of production	<p>This item refers to all production types that are not included elsewhere.</p>
Payments to other businesses/contractors for post-production services	<p>This item refers to payments made to other businesses/contractors, such as animators, CGI specialists etc., for post-production, digital and visual effects services provided to the business.</p>
Payments to other businesses/contractors for production services	<p>This item refers to payments made to other businesses, freelancers/contractors for services (e.g. producers, directors, cinematographers, casting, lighting, etc). It also includes rental of facilities and/or equipment with crew.</p>
Payments to subscription television channel providers	<p>This item represents the payments made by subscription television broadcasters to subscription television channel providers for the provision of a channel or set of channels containing pre-packaged programs ready for broadcasting.</p>
Payroll tax	<p>Payroll tax is a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.</p>

Permanent full-time employees	This item refers to permanent employees who work 35 hours or more per week and are entitled to paid leave.
Permanent part-time employees	This item refers to permanent employees who work less than 35 hours per week and are entitled to paid leave.
Producers' fees and line production	This item includes producers' fees and income from line production as production services to other businesses.
Production costs	This item refers to expenses incurred by a business for film, television and video production during the reference period. It includes all production costs associated with development, pre-production, shoot, post-production and labour costs. It excludes costs associated with projects for which the business provided freelance production, post-production or film laboratory services to other production houses.
Production income	This item refers to all income received during the reference period from production activity. It includes licensing fees, distribution advances and pre-sales, public and private investment, minimum guarantee payments and royalties from film and video production. It excludes income associated with projects for which the business provided freelance production, post-production or film laboratory services to other businesses.
Program rights expensed	This item refers to the purchase of program rights via a licence arrangement from the copyright owner, for a specified period and/or number of screenings. Programs that are licensed for a single screening, such as series and game shows, are treated as current expenses.
Program sales	This item refers to income generated from program sales including pre-sales and overseas sales.
Provision of post-production services to other businesses	This item represents income earned from the provision of post, digital and visual effects services including visual editing, sound editing, duplication, film/video conversions, film laboratory services, rental of facilities and/or equipment with crew and post-production services provided to overseas businesses. It includes fees received by self-employed or freelance businesses.
Provision of production services to other businesses	This item represents income earned from the provision of production services to production houses and businesses in the television broadcasting industry. It includes producers' fees, line production, directors' fees, cinematography and other production services, rental of facilities and/or equipment with crew and production services provided to overseas businesses. It includes fees received by self-employed or freelance businesses.
Public television broadcasters	This item refers to television broadcasters which operate on a 'not-for-profit' basis and whose main source of income is from government funding.
Purchases	This item includes purchases of materials, components, containers, packaging materials, fuels to power 'non-registered' vehicles (e.g. tractors, forklifts) and purchases of finished goods for resale consumed or expensed over one financial period. It excludes capitalised purchases of materials and purchases of parts and fuels for motor vehicles. It excludes all contract expenses and any other specified item.
Purchases of film stock and video tape stock	This item is a component of total purchases of goods and services used in the production of the final output of a business.
Quiz, panel and game shows	Quiz and game shows are television program formats in which contestants or guests generally compete for prizes or financial reward. Panel shows are television programs where an issue (or issues) are discussed by a group of people.
Rent, leasing and hiring expenses	Rent, leasing and hiring expenses are the costs for the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.

Rent, leasing and hiring income	This item includes income derived from renting, leasing or hiring of assets such as land, buildings, vehicles or equipment to other businesses or individuals. Rental of facilities and/or equipment without crew is included.
Rental of facilities and/or equipment with crew	This item refers to the income received from other businesses for renting facilities or equipment that come with crew. This excludes the income or expense from renting facilities or equipment without crew.
Repair and maintenance expenses	Repair and maintenance expenses are costs associated with the work undertaken on plant and machinery etc. to maintain normal business operations. It includes repair and maintenance of computer and communication software and hardware and off-road motor vehicles. It excludes repair and maintenance of on-road motor vehicles and wages and salaries of own employees.
Royalties expenses	This item represents payments made for the use of rights or intellectual property of another business/organisation or individual. This can include payments under licensing arrangements, payments for royalties from patents and copyrights or the payments for the use of music in productions. This item excludes expensed or capitalised computer software license fees.
Salaried directors of incorporated businesses	Salaried directors of incorporated businesses are directors who received a wage or salary during the reference period. As such, salaried directors are considered to be employees of the business.
Salary sacrifice, share based payments and stock options	Salary sacrifice earnings refer to an arrangement where employees agree to forgo part of their pre-tax salary in return for benefits. It includes earnings sacrificed by employees in order to make superannuation contributions or for other employee benefits (e.g. motor vehicles and laptop computers). Share based payments and stock options are payments expensed to the business for the purpose of remunerating employees and are accrued during the reference period.
Sale of program format rights	This item refers to income received from the export and licensing of a program, or program concept, with distinct elements, outside its country of origin.
Short film	This item includes films too short to be included under feature films, generally of less than an hour's duration. It excludes documentaries or telemovies.
Situation and sketch comedy	This item includes fully scripted comedy programs and comedy programs comprising sketches that are short, self-contained stories or plots. They exclude stand-up comedy programs or incidental sketches that are that are components of a program of another kind.
Sound editing	The process of arranging a film's soundtrack to decide its final order and content. During this process pre-recorded sound can also be manipulated or changed so as to be more suitable for the final product.
Sport	Live or delayed first release broadcast of competitive sport. This item also includes programs such as sporting previews, summaries, news and talk in which replays of events are incidental.
Subscription fees	This item refers to fees paid by viewers to subscription television broadcasters for access to a set of channels.
Subscription television broadcasters	This item refers to commercial television broadcasters which operate on a profit-making basis and receive the majority of their income from subscription fees.
Subscription television channel providers	This item refers to businesses mainly engaged in providing subscription television broadcasters with access to a channel or set of channels containing prepackaged programs ready for broadcasting. Some of these businesses were also involved in production of in-house television content.
Subtitling	Subtitling refers to the process of preparing a printed translation of dialogue in a film or television program.

Television licence fees paid	This item refers to fees paid by broadcasters for a television licence which is issued by the Australian Government via the Australian Communications and Media Authority.
Television programs	Television programs include Australian productions made primarily for television.
Total expenses	This refers to the total expenses of the business during the reporting period excluding dividends, government duties and excise, tax or profit distribution.
Total income	This refers to the total income of the business earned during the reporting period.
Transferring	This item refers to the process of converting media from one format to another, e.g. from film to digital format.
Travel, accommodation and entertainment	Travel and accommodation expenses are costs incurred for transportation services or in providing accommodation to staff when business activities occur away from the normal place of business. Entertainment expenses are the costs incurred for the provision of entertainment activities, either for staff or clients.
Visual editing	This item refers to the process of cutting and arranging a film to decide its final order, content and presentation.
Visual effects	This item refers to the process of adding visual effects to a production.
Wages and salaries	This item refers to gross wages and salaries (excluding capitalised wages and salaries) of all employees of the business. It includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements are also included (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments). Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors, and persons paid solely by commission without a retainer, are excluded. The drawings of working proprietors and partners are also excluded.
Workers' compensation premiums/costs	Workers' compensation is a compulsory insurance cover taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of, or arising out of, employment.
Working proprietors and partners of unincorporated businesses	<p>A working proprietor of an unincorporated business operates his or her own business (sole proprietorship) while a partner, along with one or more other partners, operates a partnership. Working proprietors and working partners are:</p> <ul style="list-style-type: none"> ■ the owners of their business ■ legally inseparable from the business entity ■ liable for any business debts that are incurred <p>As such, working proprietors and working partners of unincorporated businesses are not considered to be employees of their business.</p>

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