



COMMERCIAL ART GALLERIES AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) WED 29 AUG 2001

CONTENTS

	<i>page</i>
Notes	2
Summary of findings	3

TABLES

1 Total sales of artworks	6
2 Key figures	7
3 Sources of income	8
4 Items of expenditure	9
5 Characteristics of employment	10
6 States and Territories	10
7 Characteristics of businesses by employment size	11
8 Selected ratios by employment size	11

ADDITIONAL INFORMATION

Explanatory notes	12
Glossary	15

- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Ann Santo on Melbourne 03 9615 7910.

INTRODUCTION

This publication presents data, in respect of the 1999–2000 financial year, of businesses mainly engaged in the sale of artworks. The businesses included in this survey are commercial art galleries and Aboriginal and Torres Strait Islander art centres. It is the second ABS collection of the industry with the previous collection being conducted in respect of 1996–97.

For the purposes of this publication, a commercial art gallery is defined as a business whose primary activity is the display and sale of artworks. The survey did not cover auction houses or businesses where the artist sold the artwork directly to the consumer. Sales of artworks as a secondary activity, for example, by art museums, department stores, craft stores, etc. and market stalls were also excluded from the survey.

This publication is one of a series to be issued in respect of 1999–2000 for a range of cultural services industries. Other publications in this series, are:

- Botanic Gardens, Australia, 1999–2000* (Cat. no. 8563.0) — issued April 2001
- Motion Picture Exhibition, Australia, 1999–2000* (Cat. no. 8654.0) — issued May 2001
- Video Hire Industry, Australia, 1999–2000* (Cat. no. 8562.0) — issued May 2001
- Public Libraries, Australia, 1999–2000* (Cat. no. 8561.0) — issued June 2001
- Museums, Australia, 1999–2000* (Cat. no. 8560.0) — issued July 2001
- Television Industry, Australia, 1999–2000* (Cat. no. 8559.0) — issued July 2001
- Performing Arts, Australia, 1999–2000* (Cat. no. 8697.0)
- Film and Video Production and Distribution, Australia, 1999–2000* (Cat. no. 8679.0)

COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to the Director, Service Industries Surveys, Australian Bureau of Statistics, PO Box 10 Belconnen ACT 2616.

ROUNDING

Where figures have been rounded, discrepancies may occur between the sum of component items and the total.



ABBREVIATIONS

- ABS Australian Bureau of Statistics
- ANZSIC Australian and New Zealand Standard Industrial Classification
- ATSI Aboriginal and Torres Strait Islander
- OPBT Operating Profit Before Tax
- RSE Relative standard error
- SE Standard error

Dennis Trewin
Australian Statistician

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1999–2000 financial year, from an Australian Bureau of Statistics (ABS) survey of commercial art gallery businesses (including Aboriginal and Torres Strait Islander art centres). The survey did not include sales of artworks by businesses such as art museums, department stores and market stalls. Users should take care in comparing the 1999–2000 results with the results of the 1996–97 survey as the 1999–2000 survey had a wider coverage, especially in regard to Aboriginal and Torres Strait Islander art centres.

NUMBER OF COMMERCIAL ART GALLERIES AND ART CENTRES

At the end of June 2000, there were 514 commercial art gallery businesses operating in Australia, comprising 31 Aboriginal and Torres Strait Islander art centres and 483 other commercial art galleries. These 514 businesses operated from 573 locations. A total of 417 businesses, (81%) reported that they represented artists on an ongoing basis. The average number of artists represented on an ongoing basis by the community based Aboriginal and Torres Strait Islander art centres was 93, while for other commercial art galleries, the average number of artists represented on an ongoing basis was much lower at 29 artists.

TOTAL SALES OF ARTWORKS

In 1999–2000, commercial art gallery businesses had total sales of artworks of \$218 million. Commercial art gallery businesses can obtain income from the sale of artworks in two broad ways:

- Commission income from the sale of artworks on behalf of others. A total of \$145 million of artworks were sold in this way, representing 67% of all artwork sales.
- Own account income where the commercial art gallery business purchases and sells the artworks. This method accounted for \$73 million of artwork sales (33% of all artwork sales).

The sale of artworks of Aboriginal and Torres Strait Islander artists was \$36 million (17% of total sales), while the sale of artworks of other Australian artists was much higher at \$168 million (77% of total sales). In addition, there were sales of artworks of overseas artists of \$14 million. Most sales (49%) were 'first sales', with the remainder being secondary market or 're-sale'.

SOURCES OF INCOME

The total income of commercial art gallery businesses in 1999–2000 was \$132 million.

Commission income from the sale of artworks (selling artworks on behalf of others) was \$43 million (33% of total income). Commission income from the sale of artworks of Aboriginal and Torres Strait Islander artists contributed \$6 million, with \$37 million of commission income coming from the sale of artworks of other Australian artists. While the overall percentage commission income on the sale of artworks was 30%, the percentage commission varied by type of work. Artworks by Aboriginal and Torres Strait Islander artists resulted in commission income of 40% compared to the 17% for overseas works and 29% for other Australian artists' work.

Income from the sale of artworks owned by the commercial art gallery businesses was \$73 million or 55% of the total income. This represents a mark-up on the cost of artworks sold of 61%.

Other sources of income for commercial art gallery businesses were income from the sale of craftworks (\$3 million), income from framing where it was separately

SUMMARY OF FINDINGS *continued*

SOURCES OF INCOME

continued

invoiced (\$1 million), and Government funding (\$5 million). Most of the Government funding (61%), was received by the Aboriginal and Torres Strait Islander art centres.

ITEMS OF EXPENDITURE

Commercial art gallery businesses had total expenses during 1999–2000 of \$122 million. The most significant expense for these businesses was the purchase of artworks for re-sale at \$44 million (36% of total expenses), while labour costs of \$24 million was also a significant expense. Other significant expenses were rent, leasing and hiring expenses (\$10 million), advertising, marketing and promotion expenses (\$6 million) and framing costs (\$4 million).

Other expenses (\$19 million) was not separately itemised, and included such expenses as commission payments to artists and other dealers/galleries, printing and stationery expenses and royalties expenses.

The average wages and salaries per employee for 1999–2000 for all commercial art gallery businesses was \$22,600. The average wages and salaries, however varied between the size of the commercial art gallery business, with the larger businesses (10 or more persons employed) having average wages and salaries per employee of \$16,400, compared to \$27,700 for the smaller businesses (0–2 persons).

PROFITABILITY

In 1999–2000, the commercial art gallery industry recorded an operating profit before tax of \$9 million, which represented an operating profit margin of 7.0%. Aboriginal and Torres Strait Islander art centres recorded an operating profit/surplus of \$0.2 million, compared to \$8.6 million by other commercial art gallery businesses.

EMPLOYMENT

At the end of June 2000, there were 1,409 persons employed by commercial art gallery businesses. The majority of commercial art gallery businesses are very small (325 businesses in the employment range 0–2). These businesses are mainly operated by working proprietors and partners (435) which account for 31% of the industry employment. The remaining employment comprised 389 (28%) permanent full-time employees, 337 (24%) permanent part-time employees and 249 (18%) casual employees.

Females accounted for 61% (857) of persons working in commercial art gallery businesses, and accounted for 65% of permanent part-time employees (219 employees) and 80% of casual employees (199 employees).

STATE AND TERRITORY DIMENSION

Commercial art gallery businesses located in New South Wales accounted for 44% of the sale of artworks, compared to 30% from Victorian businesses and 14% from Queensland businesses. Sales of artworks in the Northern Territory totalled \$11 million, and represented 5% of total sales of artworks. Nearly all Northern Territory sales were artworks by Aboriginal and Torres Strait Islander artists.

The 230 commercial art gallery businesses in New South Wales accounted for 48% of industry employment and 40% of total income. The New South Wales share of the Australian resident population is 34%.

The 41 businesses in the Northern Territory accounted for 12% of employment, 13% of purchases of artworks and 11% of total income. The Northern Territory share of the Australian resident population is 1%.

SUMMARY OF FINDINGS *continued*

BUSINESS SIZE

Small businesses dominated the commercial art gallery businesses with 325 businesses (63% of all businesses) having employment of 0–2 persons and 100 businesses (20%) with employment of 3–4 persons. These two business sizes combined accounted for 54% of the sales of artworks (\$218 million).

While there were only 68 businesses with employment between 5–9 persons, these businesses accounted for 39% of the sales of artworks. There were 20 businesses with employment of 10 or more persons which accounted for 19% of industry employment, 9% of industry income and 5% of the expenses for purchases of artworks.

TOTAL SALES OF ARTWORKS

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>
	no.	\$m
ARTWORKS SOLD ON COMMISSION: FIRST SALES		
By Aboriginal and Torres Strait Islander artists	69	12.6
By other Australian artists	307	91.7
By overseas artists	46	1.9
<i>Total</i>	344	106.3
ARTWORKS SOLD ON COMMISSION: SECONDARY SALES		
By Aboriginal and Torres Strait Islander artists	*26	1.2
By other Australian artists	109	33.9
By overseas artists	*23	**3.3
<i>Total</i>	129	38.5
ARTWORKS SOLD ON COMMISSION: TOTAL		
By Aboriginal and Torres Strait Islander artists	74	13.8
By other Australian artists	335	125.6
By overseas artists	61	*5.3
<i>Total</i>	376	144.8
ARTWORKS OWNED BY THE BUSINESS		
By Aboriginal and Torres Strait Islander artists	96	21.7
By other Australian artists	204	42.3
By overseas artists	*46	*8.7
<i>Total</i>	298	72.7
TOTAL		
By Aboriginal and Torres Strait Islander artists	139	35.6
By other Australian artists	402	167.9
By overseas artists	84	*14.0
Total	514	217.5

* estimate has a relative standard error of between 25% and 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) Businesses may have more than one type of sale and also may sell artworks by more than one category of artist. Hence, the total number of businesses does not equal the sum of components.

		1996-97	1999-2000	% change
.....				
Businesses at end June				
Aboriginal and Torres Strait Islander art centres	no.	na	31	—
Other commercial art galleries	no.	na	483	—
<i>Total</i>	no.	457	514	12.5
Locations/outlets				
Commercial art galleries/art centres representing artists on an on-going basis at end June	no.	415	417	0.5
Artists represented on an on-going basis at end June(a)				
Aboriginal and Torres Strait Islander artists	no.	na	5 681	—
Other Australian artists	no.	na	11 268	—
<i>Total</i>	no.	17 366	16 949	-2.4
Employment at end June				
Males	no.	434	552	27.2
Females	no.	721	857	18.9
<i>Total</i>	no.	1 156	1 409	21.9
Income				
Commission income from the sale of artworks	\$m	25.7	43.4	68.9
Income from the sale of artworks owned by the business	\$m	49.5	72.7	46.9
Other income	\$m	12.1	15.6	28.9
<i>Total</i>	\$m	87.3	131.8	51.0
Cost of artworks sold				
Purchases of artworks for resale	\$m	30.2	44.4	47.0
Plus opening inventories of artworks	\$m	28.0	33.1	18.2
Less closing inventories of artworks	\$m	25.5	32.2	26.3
<i>Total</i>	\$m	32.7	45.3	38.5
Other expenses				
Wages and salaries	\$m	11.3	22.0	94.7
Other	\$m	40.4	55.7	37.9
<i>Total</i>	\$m	51.7	77.7	50.3
Operating profit before tax	\$m	**2.5	*8.8	..
Operating profit margin	%	**3.5	*7.0	..
.....				

na not available

— nil or rounded to zero (including null cells)

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

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

.. not applicable

(a) Artists can be represented on an ongoing basis by more than one gallery, therefore these figures do not represent the number of artists operating in Australia at the end of June 2000.

	<i>Businesses at end June 2000(a)</i>	<i>Value</i>	<i>Percentage contribution</i>
	no.	\$m	%
Income from sale of artworks			
Commission from the first sale of artworks			
By Aboriginal and Torres Strait Islander artists	69	5.3	4.0
By other Australian artists	307	31.1	23.6
By overseas artists	46	0.4	0.3
<i>Total</i>	344	36.8	27.9
Commission from the secondary sale of artworks			
By Aboriginal and Torres Strait Islander artists	*26	0.4	0.3
By other Australian artists	109	5.8	4.4
By overseas artists	*23	*0.5	0.4
<i>Total</i>	129	6.6	5.0
Income from the sale of artworks owned by the business			
By Aboriginal and Torres Strait Islander artists	96	21.7	16.5
By other Australian artists	204	42.3	32.1
By overseas artists	*46	*8.7	6.6
<i>Total</i>	298	72.7	55.2
Income from the sale of craftworks			
Commission from the sale of craftworks			
By Aboriginal and Torres Strait Islander artists	10	**0.1	0.1
By other artists	85	*0.6	0.5
<i>Total</i>	93	0.6	0.5
Income from the sale of craftworks owned by the business			
By Aboriginal and Torres Strait Islander artists	21	1.1	0.8
By other artists	58	*0.9	0.7
<i>Total</i>	77	1.9	1.4
Other income			
Income from framing (separately invoiced)	87	*1.3	1.0
Other sales of goods and services	123	*4.7	3.6
Government funding	80	5.1	3.9
Other	192	2.0	1.5
<i>Total</i>	318	13.1	9.9
Total	514	131.8	100.0

* estimate has a relative standard error of between 25% and 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) Businesses may have more than one type of sale and also may sell artworks by more than one category of artist. Hence, the total number of businesses does not equal the sum of components.

4

ITEMS OF EXPENDITURE

	Value	Percentage contribution
	\$m	%
.....		
Labour costs		
Wages and salaries	22.0	18.0
Employer contributions to superannuation funds	1.8	1.5
Workers' compensation costs	0.4	0.3
Fringe benefits tax	*0.1	0.1
<i>Total</i>	24.3	19.9
Purchases		
Artworks for resale	44.4	36.4
Craftworks for resale	*1.3	1.1
Other goods for resale	*1.8	1.5
Art materials	0.9	0.7
Other purchases	0.4	0.3
<i>Total</i>	48.8	40.0
Other expenses		
Rent, leasing and hiring expenses	9.9	8.1
Freight and cartage expenses	2.2	1.8
Framing costs	4.0	3.3
Travelling, accommodation and entertainment expenses	2.9	2.4
Motor vehicle running expenses	1.9	1.6
Advertising, marketing and promotion expenses	5.7	4.7
Commissions paid to artists by ATSI art centres	0.7	0.6
Insurance premiums	1.4	1.1
Depreciation and amortisation	1.8	1.5
Other	18.6	15.2
<i>Total</i>	49.0	40.1
Total	122.1	100.0

.....

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

5

CHARACTERISTICS OF EMPLOYMENT

	Males		Females		Persons	
	no.	%	no.	%	no.	%
Working proprietors and partners	231	41.8	204	23.8	435	30.9
Employees						
Permanent full-time	154	27.9	235	27.4	389	27.6
Permanent part-time	*118	21.4	219	25.6	*337	23.9
Casuals	50	9.1	199	23.2	249	17.7
Total employees	321	58.2	653	76.2	974	69.1
Total employment at end June 2000	552	100.0	857	100.0	1 409	100.0
Total employment at end June 1997	434	..	721	..	1 156	..

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

.. not applicable

6

STATES AND TERRITORIES

		NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
Businesses at end June	no.	230	118	61	*28	*22	8	41	*5	514
	%	44.7	23.0	11.9	5.4	4.3	1.6	8.0	1.0	100.0
Employment at end June	no.	670	276	182	46	*48	*11	167	8	1 409
	%	47.6	19.6	12.9	3.3	3.4	0.8	11.9	0.6	100.0
Wages and salaries	\$m	9.2	4.3	*3.4	*0.5	0.7	np	3.8	np	22.0
	%	41.8	19.5	15.5	2.3	3.2	np	17.3	np	100.0
Purchases of artworks	\$m	*12.9	16.0	*7.9	1.2	*0.3	np	5.8	np	44.4
	%	29.1	36.0	17.8	2.7	0.7	np	13.1	np	100.0
Total income	\$m	52.2	36.5	20.3	3.7	3.5	*0.4	14.6	0.5	131.8
	%	39.6	27.7	15.4	2.8	2.7	0.3	11.1	0.4	100.0
Gross sale of artworks										
By Aboriginal and Torres Strait Islander artists	\$m	8.1	*7.1	**5.1	1.3	2.5	np	np	np	35.6
	%	22.8	19.9	14.3	3.7	7.0	np	np	np	100.0
By other artists	\$m	87.7	59.0	25.5	*4.6	3.4	np	np	np	181.9
	%	48.2	32.4	14.0	2.5	1.9	np	np	np	100.0
Total artists	\$m	95.9	66.0	30.7	*5.9	5.9	*0.6	11.3	1.2	217.5
	%	44.1	30.3	14.1	2.7	2.7	0.3	5.2	0.6	100.0

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

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

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

7

CHARACTERISTICS OF BUSINESSES, by employment size

EMPLOYMENT SIZE

		0-2 persons	3-4 persons	5-9 persons	10 or more persons	Total
Businesses at end June	no.	325	100	68	*20	514
	%	63.2	19.5	13.2	3.9	100.0
Employment at end June	no.	420	340	385	*264	1 409
	%	29.8	24.1	27.3	18.7	100.0
Wages and salaries	\$m	4.4	5.8	7.7	*4.2	22.0
	%	20.0	26.4	35.0	19.1	100.0
Purchases of artwork	\$m	10.2	10.2	21.8	**2.2	44.4
	%	23.0	23.0	49.1	5.0	100.0
Total income	\$m	34.1	32.6	53.7	*11.4	131.8
	%	25.9	24.7	40.7	8.6	100.0
Total sales of artwork	\$m	60.8	57.1	85.7	*13.9	217.5
	%	28.0	26.3	39.4	6.4	100.0

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

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

8

SELECTED RATIOS, by employment size

EMPLOYMENT SIZE

		0-2 persons	3-4 persons	5-9 persons	10 or more persons	Total
Total income per person employed	\$'000	81.3	95.9	139.5	*43.0	93.5
Total expenses per person employed	\$'000	71.5	92.5	126.8	*44.7	86.6
Wages and salaries per employee	\$'000	27.7	24.7	23.3	16.4	22.6
Labour costs to total expenses	%	16.1	20.1	17.6	38.8	19.9
Proportion of commercial art galleries/art centres representing artists on an on-going basis	%	76.7	86.3	91.2	87.4	80.9
Average number of artists represented						
Per commercial art gallery	no.	22	40	*47	*32	29
Per Aboriginal art centre	no.	67	93	179	19	93
Commission income to sales of artworks on commission	%	33.1	27.6	26.2	46.1	30.0
Sales of Aboriginal artwork to total sales	%	9.7	*14.1	20.1	31.4	16.4
Purchases of artworks to total expenses	%	34.1	32.5	44.7	*18.3	36.4
Mark-up on costs of artworks sold(a)	%	**37.5	70.1	72.2	*34.2	60.5
Australian artists' artworks sold to overseas clients	%	4.0	5.1	6.2	29.0	6.8

* estimate has a relative standard error of between 25% and 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) Mark-up applies only to artworks purchased and sold by the business.

EXPLANATORY NOTES

- INTRODUCTION**
- 1** This publication presents results, in respect of the 1999–2000 financial year, from an Australian Bureau of Statistics (ABS) survey of businesses in the commercial art gallery industry.
- SCOPE**
- 2** The scope of the survey was all commercial art galleries including Aboriginal and Torres Strait Islander art centres operating in Australia during 1999–2000. For the purposes of this survey a commercial art gallery was defined as a business whose primary activity is the display and sale of artworks. In terms of the Australian and New Zealand Standard Industrial Classification (ANZSIC), commercial art gallery businesses are part of Class 5259 — Retailing n.e.c.
- 3** The publication covers only a portion of all sales of artworks. The survey did not cover businesses involved in the sale of artworks as a secondary activity, (i.e. where the sale of artworks was not the main activity of the business). The following forms of sales were excluded from the scope of the survey:
- direct sales by artist
 - sales through auction houses
 - sales by art museums
 - sales by department stores, craft stores etc.
 - market stalls involved in the display and sale of artworks
- 4** There is no single comprehensive list of commercial art galleries in Australia. To identify potential providers, a list was compiled from various sources:
- Telstra yellow pages directory
 - The Commercial Art Galleries Association
 - Art Almanac
 - The Aboriginal and Torres Strait Islander Commission Visual Arts and Crafts Resources Directory 1998
- STATISTICAL UNIT**
- 5** The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard for industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.
- REFERENCE PERIOD**
- 6** Data contained in the tables in this publication relate to all art gallery businesses, within the survey scope (see paragraphs 2–3), which operated in Australia at any time during the year ended 30 June 2000. Counts of businesses include only those that were operating at 30 June 2000.
- BUSINESSES CEASED DURING THE YEAR**
- 7** A small number of businesses ceased operations during the 1999–2000 reference period. As is normal ABS procedure, the contributions of these organisations were included in the survey output.
- RELIABILITY OF DATA**
- 8** Since the estimates in this publication include information obtained from a sample drawn from units in the survey population, the estimates are subject to sampling variability, that is, they may differ from figures that would have been obtained if all units had been included in the survey. 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.

EXPLANATORY NOTES *continued*

RELIABILITY OF DATA *continued*

9 There are about 2 chances in 3 that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census had been conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

10 Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the standard error 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 percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

11 The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS FOR TABLE 2, KEY FIGURES

	%
Businesses at end June	
Aboriginal and Torres Strait	
Islander art centres	3
Other commercial art galleries	7
<i>Total</i>	6
Locations/outlets	7
Commercial art galleries/art centres representing artists on an ongoing basis at end June 2000	7
Artists represented on an ongoing basis at end June 2000	
Aboriginal and Torres Strait	
Islander artists	14
Other Australian artists	14
<i>Total</i>	10
Employment at end June 2000	
Males	12
Females	8
<i>Total</i>	9
Income	
Commission income from the sale of artworks	10
Income from the sale of artworks owned by the business	13
Other income	17
<i>Total</i>	9
Cost of artworks sold	
Purchases of artworks for resale	12
Plus opening inventories of artworks	11
Less closing inventories of artworks	10
<i>Total</i>	13
Other expenses	
Wages and salaries	10
Other	10
<i>Total</i>	9
Operating profit before tax	27
Operating profit margin	26

12 As an example of the above, an estimate of the number of art gallery businesses at the end of June 2000 is 514 and the RSE is 6%, giving a standard

EXPLANATORY NOTES *continued*

RELIABILITY OF DATA *continued*

error of 31 businesses. Therefore there would be 2 chances in 3 that, if all units had been included in the survey, a figure in the range of 483 to 545 would have been obtained, and 19 chances in 20 that the figure would have been within the range of 452 to 576 (a confidence interval of 95%).

13 Where the RSE of an estimate included in this publication exceeds 25%, it has been annotated with an asterisk (*) as a warning to users. Where the RSE of an estimate exceeds 50%, it has been annotated with a double asterisk (**).

14 Errors other than those due to sampling may occur because of deficiencies in the list of units from which the sample was selected, non-responses, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and these may occur in any collection. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires and systems used to compile the statistics.

ACKNOWLEDGMENT

15 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*.

GLOSSARY

Aboriginal and Torres Strait Islander art centres	This refers to organisations established to promote, collect, document, exhibit and market Aboriginal and Torres Strait Islander visual arts and craftworks on behalf of the artists and craft persons within their region.
Advertising, marketing and promotion expenses	This item refers to costs incurred by a business for promotional and publicity campaigns aimed at bringing the activities of the business to the attention of consumers for the purpose of increasing sales. This does not include the wages and salaries of employees of the distributor who is engaged in promotional activities. However, it does include commissions paid to advertising agencies and the cost of advertising in the press.
Artists represented on an ongoing basis	This item refers to the number of artists who have an agreement with a commercial art gallery to represent them by regularly displaying or promoting the sale of their artworks.
Artworks	Artworks include original paintings, engravings, limited edition prints and lithographs. Also included are sculptures and wall hangings. It excludes craftworks such as pottery, woodwork and fabric materials or clothing.
Artworks sold on commission	This refers to the total value of artworks sold on commission on behalf of the artist or the owner of the artwork.
Art materials	This item refers to materials used in the production of artworks and includes paints, brushes and canvases.
Casual employees	This item refers to employees who are not entitled to take paid holidays or sick leave days.
Commercial art galleries	This is a business whose primary activity is the display and sale of artworks either on consignment or outright sale. Businesses that primarily sell craftworks and other retail goods are not classified as commercial art galleries.
Commission income	This item refers to remuneration received for the sale of artworks and craftworks, by a business acting on behalf of the owner of the artworks or craftworks.
Cost of artworks sold	This item includes purchases of artworks for resale, plus opening stocks of artworks, less closing stocks of artworks.
Craftworks	This item includes hand made pottery, clothing, textiles, weaving, glassware, jewellery, leather and woodcraft.
Depreciation and amortisation	This item refers to 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. They represent the accounting process of systematically allocating the cost of a non-current asset over its expected useful life.
Employees	This item includes all persons working for the business who receive remuneration in any part of the reference period, excluding working proprietors and partners.
Employer contributions to superannuation funds	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
Employment at end June	This includes working proprietors and partners, working directors, and other employees (including casual employees) working for a business during the last pay period ending in June. Employees absent on paid or prepaid leave are included.
First sales	This is where the sale of the artwork is made on behalf of the artist.
Framing costs	This item refers to the costs incurred by a business in framing artwork in preparation for sale and includes purchases of materials for framing.

GLOSSARY *continued*

Freight and cartage expenses	This item includes costs charged to a business for the transport and delivery of goods by rail, road and/or sea.
Fringe benefits tax	This item includes the 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.
Income from framing	This item refers to income from framing artworks, which have been separately invoiced from the sales of the artworks.
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.
Inventories	The reported total book value of inventories as at the beginning (for Opening inventories) and at the end (for Closing inventories) of the reporting period. The values reported are those as reported on business balance sheets.
Labour costs	This item includes wages and salaries, employer contributions to superannuation funds, workers' compensation, fringe benefits tax and payroll tax.
Mark-up on cost of artworks sold	This item refers to the percentage mark-up on cost of artworks sold. It is defined as (sales of artworks owned by the business, minus the cost of artworks sold) divided by the cost of artworks sold, multiplied by 100.
Motor vehicle running expenses	This item includes the cost incurred using 'on-road' motor vehicles owned or leased by the business.
Operating profit before tax	A measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriation to owners. It is derived as total income minus total expenses, plus closing inventories minus opening inventories.
Operating profit margin	Operating profit margin of a business represents that percentage of its sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of total sales of goods and services (i.e. $OPBT \times 100 / \text{Sales of goods and services}$).
Other (Other income)	This item includes income from performing valuations, consultancy income, rent, leasing and hiring income and exhibition income, income from framing, income from sales of goods and funding from government.
Other (Other expenses)	This item includes capital assets charges, payments to contractors for employment placement services, interest expenses, bad and doubtful debts, computer software expensed, other contract and sub-contract expenses, and all other operating expenses not elsewhere specified.
Other goods for resale	This item includes sale of books, publications, greeting cards, food and beverages and income from merchandising activities.
Other purchases	This item refers to purchases of books, publications, greeting cards, art materials, craftworks for resale and packaging materials.
Other sales of goods and services (Other income)	This item includes income from performing valuations, consultancy income, rent, leasing and hiring and exhibitions.
Permanent full-time employees	This item includes permanent employees who work 35 hours per week or more.
Permanent part-time employees	This item includes permanent employees who work less than 35 hours per week.

GLOSSARY *continued*

Rent, leasing and hiring expenses	This item refers to the costs for the rent, leasing and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.
Sales of artworks	This item refers to the total value for which artworks were sold, prior to commissions being taken out by the commercial art gallery.
Secondary sales	This item refers to artworks that are sold on commission on behalf of the owner of the work (who is not the artist).
Travelling, accommodation and entertainment expenses	This item includes costs incurred for transportation and accommodation services relating to business activities which occur away from the normal place of business. Entertainment costs are included if they are incurred in connection with business activities.
Wages and salaries	This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments. It excludes drawings of working principals and partners of unincorporated businesses.
Workers' compensation costs	This item refers to the compulsory insurance cover to be 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.

FOR MORE INFORMATION...

- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

INFORMATION SERVICE

Data which have been published and can be provided within five minutes are free of charge. Our information consultants can also help you to access the full range of ABS information—ABS user-pays services can be tailored to your needs, time frame and budget. Publications may be purchased. Specialists are on hand to help you with analytical or methodological advice.

- PHONE* **1300 135 070**
- EMAIL* **client.services@abs.gov.au**
- FAX* 1300 135 211
- POST* Client Services, ABS, GPO Box 796, Sydney 1041

WHY NOT SUBSCRIBE?

ABS subscription services provide regular, convenient and prompt deliveries of ABS publications and products as they are released. Email delivery of monthly and quarterly publications is available.

- PHONE* 1300 366 323
- EMAIL* subscriptions@abs.gov.au
- FAX* 03 9615 7848
- POST* Subscription Services, ABS, GPO Box 2796Y, Melbourne 3001



2865100001993
ISBN 0 642 47730 2

RRP \$18.00

© Commonwealth of Australia 2001

Produced by the Australian Bureau of Statistics