

**FILM, TELEVISION AND  
DIGITAL GAMES**

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) TUES 18 JUN 2013

**C O N T E N T S**

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**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.

## ABOUT THIS PUBLICATION

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 television broadcasting, television channel provision and digital game development. This collection was funded by Screen Australia and was conducted in respect of the 2011–12 financial year. This is the sixth time the ABS has conducted some form of this collection, and the second time that digital game development has been included after its introduction in 2006–07. Previous statistics were released for the 2006–07, 2002–03, 1999–2000, 1996–97 and 1993–94 financial years.

## CHANGES IN THIS ISSUE

The 2011–12 Film, Television and Digital Games Survey includes several changes when compared against the previous iteration of this collection, published in *Television, Film and Video Production and Post-Production Services, Australia 2006–07* (cat.no. 8679.0).

- Businesses engaged mainly in the activity of television channel provision were previously included in the scope of production activity estimates only, and excluded from the scope of financial and employment estimates. These businesses are now in scope for all items in the 2011–12 survey, and form part of SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS.
- The digital games industry was previously covered in a separate publication, *Digital Game Development Services, Australia, 2006–07* (cat.no. 8515.0).

Full details of the changes can be found in Explanatory Notes, paragraphs 35–41.

## COMMENTS

The ABS welcomes comments and suggestions from users regarding this release. These comments should be addressed to the Director, Annual Integrated Collections Business Statistics Centre, Australian Bureau of Statistics, GPO Box 2796Y, Melbourne, VIC 3001.

## INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

Brian Pink  
Australian Statistician

## SUMMARY OF FINDINGS

### INTRODUCTION

This publication presents results from the Film, Television and Digital Games Survey in respect of the 2011–12 reference year. The scope of the survey includes businesses primarily engaged in any of the following activities:

- the production or post-production of film, television and video.
- the development of digital games.
- the broadcasting or provision of television channels.

The survey measures two distinct types of activity for these businesses:

- Financial activity - including measures of income, expenditure, profit, employment, and contribution to the overall economy.
- Production activity - including the volume and type of productions undertaken during the 2011–12 reference period.

More detailed estimates are included in the data cube tables accompanying this publication on the ABS website.

### FINANCIAL ACTIVITY

This section summarises the key financial data of the industries surveyed, with comparisons to results from the previous survey in 2006–07 where applicable. These data can be found in Tables 1–4.

#### FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES

FILM AND VIDEO PRODUCTION BUSINESSES employed 13,414 persons at end June 2012. During 2011–12 these businesses generated \$2,194.2m in income and incurred \$2,012.0m in expenses. Industry value added was \$929.9m which was an increase of 47.2% since 2006–07.

FILM AND VIDEO POST-PRODUCTION BUSINESSES employed 2,346 persons at end June 2012. During 2011–12 these businesses generated \$329.6m in income and incurred \$331.2m in expenses. Industry value added was \$180.8m which was a decrease of 28.9% since 2006–07.

At end June 2012, the combined activities of FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES employed 15,760 persons across 2,773 businesses. During the reference period these businesses generated \$2,523.8m in income. Operating profit before tax of these businesses was \$178.0m.

The largest source of income for FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES was production income and royalties (\$1,813.6 or 71.9%), followed by post-production, digital and visual effects services income, with 13.9% (or \$349.7m) and production services income, with 10.5% (or \$264.1m).

#### COMMERCIAL BROADCASTERS AND CHANNEL PROVIDERS

COMMERCIAL FREE-TO-AIR BROADCASTERS employed 7,856 persons at end June 2012. During 2011–12 these businesses generated \$4,657.9m in income and incurred \$3,660.4m in expenses. Total industry value added was \$2,232.9m.

SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS employed 5,474 persons at end June 2012. During 2011–12 these businesses generated \$4,654.3m in income and incurred \$4,157.4m in expenses. Total industry value added was \$1,568.3m.

COMMERCIAL FREE-TO-AIR BROADCASTERS derived the majority of their income (79.0% or \$3,681.5m) from gross sale of airtime. The main source of income for SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS was subscription fees (\$3,775.0m or 81.1%).

## SUMMARY OF FINDINGS *continued*

### DIGITAL GAME DEVELOPERS

DIGITAL GAME DEVELOPERS employed 581 persons at end June 2012. During 2011–12 these businesses generated \$89.4m in income of which end-to-end digital game development income accounted for 49.6% (or \$44.4m) and digital game development services income accounted for 48.5% (or \$43.4m).

### PRODUCTION ACTIVITY

This section summarises the production of film, television, video and digital game content that occurred during the reference period. These data can be found in Tables 5–8.

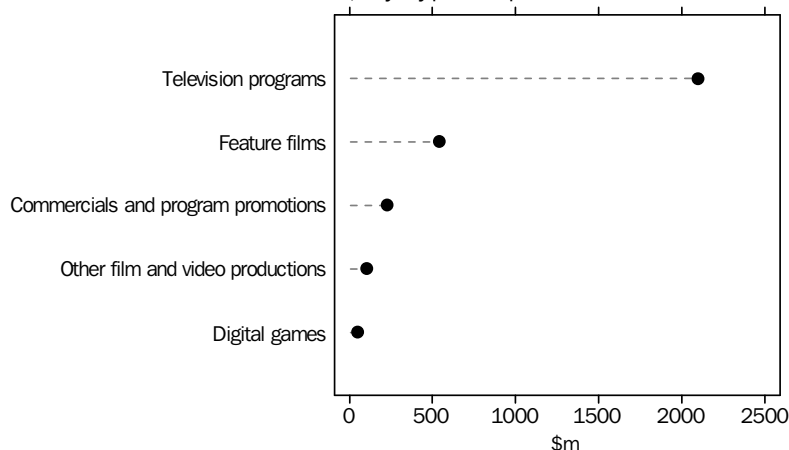
The volume of production activity is measured as follows:

- Number of broadcast hours (for television programs).
- Number of productions (for film and video other than television programs, and for digital games).
- Total cost of production (for all types of production).

It should be noted that total production costs are not equivalent to total expenses. Refer to the Glossary for details.

The following chart summarises the costs for types of production and shows television programs having incurred the largest production costs (\$2,099.5m).

TOTAL PRODUCTION COSTS, by type of production



### *Production of film, television and video*

During 2011–12, all businesses (excluding DIGITAL GAME DEVELOPERS) incurred \$2,974.1m in production costs for film, television and video content. These costs included development, pre-production, shoot and post-production costs.

Of these production costs, television programs and feature films accounted for 70.6% (or \$2,099.5m) and 18.2% (or \$540.4m) respectively.

BROADCASTERS AND CHANNEL PROVIDERS incurred 44.0% (or \$1,308.1m) of the total production costs for film, television and video content. For the production of television programs, BROADCASTERS AND CHANNEL PROVIDERS contributed 60.6% (or \$1,271.4m), and FILM AND VIDEO PRODUCTION BUSINESSES contributed a further 39.4% (or \$828.1m).

During 2011–12 there were 78,622 commercial broadcast hours for first release television programs. News and current affairs programs accounted for the largest proportion of these hours with 36,471 (or 46.4%).

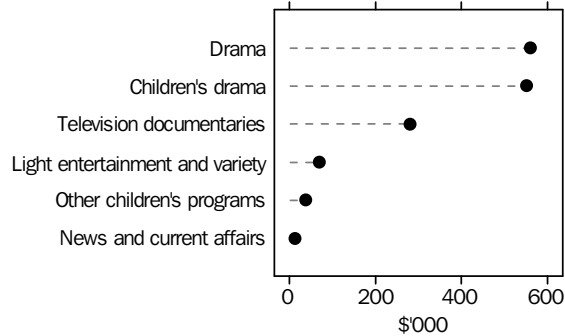
## SUMMARY OF FINDINGS *continued*

*Production of film, television and video continued*

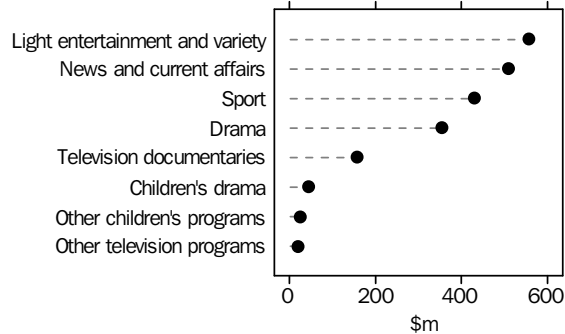
The Average Cost Per Hour graph below indicates the variability in the average cost per hour by production type. Drama and Children's drama incurred the highest average cost per hour with \$560,700 and \$550,400 respectively. By contrast, average production costs per hour for news and current affairs was \$14,000.

Light entertainment and variety programs incurred the largest total production costs (\$555.4m), however the Average Cost Per Hour graph indicates that this type of production was relatively cheaper to produce (\$70,000) than Drama productions.

AVERAGE COST PER HOUR, by type of production



TELEVISION PRODUCTION COSTS, by type of production



During 2011–12 all businesses (excluding DIGITAL GAME DEVELOPERS) created 7,469 film and video productions, other than television programs, and incurred \$645.5m in related production costs. Feature films accounted for the majority of these costs with 83.7% (or \$540.4m). Online productions accounted for 419 (or 5.6%) of these productions, at a total cost of \$5.5m.

*Production of digital games*

During 2011–12 DIGITAL GAME DEVELOPERS produced 245 digital games and incurred \$49.9m in related production costs.

The average cost per production of digital games varied by format. Games produced exclusively for consoles (including handheld consoles) incurred the highest average cost per production (\$1.2m). By contrast, games developed exclusively for mobile and web platforms had the lowest average cost per production (\$74,000). These figures exclude titles developed simultaneously for multiple platforms, which incurred an average cost of \$845,800 per production.

SUMMARY OF OPERATIONS, Time series(a)

2006-07 2011-12

FILM AND VIDEO PRODUCTION BUSINESSES

|  |     |         |         |
|--|-----|---------|---------|
| Businesses at end June                 | no. | 1 995   | 2 412   |
| Employment at end June(b)              | no. | 10 873  | 13 414  |
| Total income                           | \$m | 1 584.2 | 2 194.2 |
| Total expenses                         | \$m | 1 461.8 | 2 012.0 |
| Operating profit or loss before tax(c) | \$m | ^ 125.1 | ^ 180.9 |
| Operating profit margin(c)             | %   | ^ 8.1   | ^ 8.2   |
| Industry value added(c)                | \$m | 631.6   | 929.9   |

FILM AND VIDEO POST-PRODUCTION BUSINESSES

|  |     |        |         |
|--|-----|--------|---------|
| Businesses at end June                 | no. | ^ 497  | 361     |
| Employment at end June(b)              | no. | 2 971  | 2 346   |
| Total income                           | \$m | 444.0  | 329.6   |
| Total expenses                         | \$m | 395.6  | 331.2   |
| Operating profit or loss before tax(c) | \$m | ^ 48.8 | ** -2.9 |
| Operating profit margin(c)             | %   | ^ 11.1 | ** -0.9 |
| Industry value added(c)                | \$m | 254.4  | 180.8   |

COMMERCIAL FREE-TO-AIR BROADCASTERS

|  |     |         |         |
|--|-----|---------|---------|
| Businesses at end June                 | no. | 24      | 24      |
| Employment at end June(b)              | no. | 6 980   | 7 856   |
| Total income                           | \$m | 4 530.1 | 4 657.9 |
| Total expenses                         | \$m | 3 703.6 | 3 660.4 |
| Operating profit or loss before tax(c) | \$m | 834.3   | 996.9   |
| Operating profit margin(c)             | %   | 19.2    | 21.5    |
| Industry value added(c)                | \$m | 1 817.3 | 2 232.9 |

SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS (d)

|  |     |    |         |
|--|-----|----|---------|
| Businesses at end June                 | no. | na | 36      |
| Employment at end June(b)              | no. | na | 5 474   |
| Total income                           | \$m | na | 4 654.3 |
| Total expenses                         | \$m | na | 4 157.4 |
| Operating profit or loss before tax(c) | \$m | na | 515.1   |
| Operating profit margin(c)             | %   | na | 11.5    |
| Industry value added(c)                | \$m | na | 1 568.3 |

DIGITAL GAME DEVELOPERS

|  |     |       |      |
|--|-----|-------|------|
| Businesses at end June                 | no. | 45    | 84   |
| Employment at end June(b)              | no. | 1 431 | 581  |
| Total income                           | \$m | 136.9 | 89.4 |
| Total expenses                         | \$m | 128.5 | 80.1 |
| Operating profit or loss before tax(c) | \$m | 8.5   | 9.3  |
| Operating profit margin(c)             | %   | 6.2   | 10.5 |
| Industry value added(c)                | \$m | 98.2  | 71.6 |

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

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

na not available

(a) For scope and coverage details, see Explanatory Notes, paragraphs 6-28.

(b) Includes working proprietors and partners of unincorporated businesses.

(c) See Technical Note, paragraph 6.

(d) Not collected for this population in 2006-07. See Explanatory Notes, paragraph 36.

## DETAILED SUMMARY OF OPERATIONS, Film and video production and post-production businesses(a)

|   |     | <i>Drama and<br/>documentary<br/>production and<br/>post-production<br/>businesses</i> | <i>Other<br/>production and<br/>post-production<br/>businesses</i> | <i>Total</i> |
|---|-----|--|--|--------------|
| Businesses at end June  | no. | ^ 794  | 1 979  | 2 773        |
| Employment at end June(b)   | no. | ^ 8 259  | 7 501  | 15 760       |
| <b>Income</b>   |     |  |  |              |
| Production income and royalties   |     |  |  |              |
| Feature films   | \$m | 344.8  | . .  | 344.8        |
| Television programs   | \$m | ^ 783.9  | 195.4  | 979.4        |
| Commercials and program promotions  | \$m | ^ 31.6   | ^ 279.9  | 311.5        |
| Other   | \$m | ^ 74.1   | ^ 103.8  | ^ 177.9      |
| <i>Total</i>  | \$m | 1 234.4  | 579.2  | 1 813.6      |
| Production services income  | \$m | ^ 47.9   | 216.2  | 264.1        |
| Post-production, digital and visual effects services income                         | \$m | 29.5   | 320.3  | 349.7        |
| Other income  | \$m | **34.9   | ^ 61.5   | *96.4        |
| <i>Total</i>  | \$m | 1 346.6  | 1 177.2  | 2 523.8      |
| <b>Expenses</b>   |     |  |  |              |
| Labour costs(c) (d)   | \$m | 417.6  | 380.1  | 797.6        |
| Payments to other businesses/contractors for selected services                      |     |  |  |              |
| Film, television and video production services                                      | \$m | ^ 284.1  | 127.9  | 412.0        |
| Post-production, digital and visual effects services for film, television and video | \$m | 173.7  | ^ 32.9   | 206.6        |
| Other expenses  | \$m | 445.8  | 481.2  | 926.9        |
| <i>Total</i>  | \$m | 1 321.2  | 1 022.0  | 2 343.2      |
| Operating profit before tax(e)  | \$m | **39.4   | ^ 138.6  | ^ 178.0      |
| Operating profit margin(e)  | %   | **2.9  | ^ 12.0   | ^ 7.1        |
| Industry value added(e)   | \$m | ^ 526.9  | 583.7  | 1 110.7      |

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\* 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

(a) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.

(b) Includes working proprietors and partners of unincorporated businesses.

(c) Excludes capitalised wages and the drawings of working proprietors; includes salary sacrifice, share based payments and stock options.

(d) Excludes payments to other businesses for staff.

(e) See Technical Note, paragraph 6.

## 3

## SOURCES OF INCOME, Commercial broadcasters and channel providers(a)

|  | COMMERCIAL<br>FREE-TO-AIR<br>BROADCASTERS |              | SUBSCRIPTION<br>BROADCASTERS<br>AND CHANNEL<br>PROVIDERS |              | TOTAL                                     |              |
|--|---|--------------|--|--------------|---|--------------|
|  | <i>Percentage<br/>of total<br/>Income</i> |              | <i>Percentage<br/>of total<br/>Income</i>                |              | <i>Percentage<br/>of total<br/>Income</i> |              |
|  | <i>\$m</i>                                | <i>%</i>     | <i>\$m</i>   | <i>%</i>     | <i>\$m</i>                                | <i>%</i>     |
| Gross income from the<br>sale of airtime | 3 681.5                                   | 79.0         | 343.3  | 7.4          | 4 024.7                                   | 43.2         |
| Subscription fees                        | . .                                       | . .          | 3 775.0  | 81.1         | 3 775.0                                   | 40.5         |
| Affiliation fees                         | np  | np           | np   | np           | 325.0                                     | 3.5          |
| Production income                        | np  | np           | np   | np           | 113.0                                     | 1.2          |
| Other income                             | np  | np           | np   | np           | 1 074.5                                   | 11.5         |
| <b>Total</b>                             | <b>4 657.9</b>                            | <b>100.0</b> | <b>4 654.3</b>   | <b>100.0</b> | <b>9 312.3</b>                            | <b>100.0</b> |

. . not applicable

np not available for publication but included in totals  
where applicable, unless otherwise indicated(a) For scope and coverage details, see Explanatory  
Notes, paragraphs 6–28.

## 4

## SOURCES OF INCOME, Digital game developers(a)

|   | <i>Percentage<br/>of total<br/>Income</i>     |              |
|---|---|--------------|
|   | <i>\$m</i>                                    | <i>%</i>     |
|   | End-to-end digital game<br>development income |              |
| Consoles, PC and Mac(b)                     | 6.7   | 7.5          |
| Mobile and web platforms                    | 37.7  | 42.2         |
| <i>Total</i>                                | <i>44.4</i>                                   | <i>49.6</i>  |
| Digital game development services<br>income |   |              |
| Consoles, PC and Mac(b)                     | 24.0  | 26.8         |
| Mobile and web platforms                    | 19.4  | 21.7         |
| <i>Total</i>                                | <i>43.4</i>                                   | <i>48.5</i>  |
| Royalties income for digital games          | 0.6   | 0.7          |
| Other income                                | 1.0   | 1.1          |
| <b>Total</b>                                | <b>89.4</b>                                   | <b>100.0</b> |

(a) For scope and coverage details, see Explanatory Notes,  
paragraphs 6–28.

(b) Includes handheld consoles.



**5**

SUMMARY OF PRODUCTION COSTS FOR FILM, TELEVISION AND VIDEO (a)

|   | <i>Film and video<br/>production and<br/>post-production<br/>businesses</i> | <i>Broadcasters<br/>and channel<br/>providers</i> | <i>Total</i>   |
|---|---|---|----------------|
|   | \$m   | \$m   | \$m            |
| Television programs                           | 828.1   | 1 271.4   | 2 099.5        |
| Film and video other than television programs |   |   |                |
| Feature films                                 | np  | np  | ^ 540.4        |
| Other   | np  | np  | *105.1         |
| <i>Total</i>                                  | ^ 642.5   | 3.0   | ^ 645.5        |
| Commercials and program promotions            | ^ 195.4   | 33.7  | 229.1          |
| <b>Total</b>                                  | <b>1 666.0</b>  | <b>1 308.1</b>                                    | <b>2 974.1</b> |

^ 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) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.

PRODUCTION OF TELEVISION PROGRAMS (a)

|                                    | <i>Commercial<br/>broadcast<br/>hours(b)</i> | <i>Production<br/>costs</i> | <i>Average<br/>cost per<br/>hour</i> |
|------------------------------------|--|-----------------------------|--------------------------------------|
|                                    | no.  | \$m                         | \$'000                               |
| Drama(c)                           | ^ 632  | ^ 354.5                     | 560.7                                |
| Children's programs(d)             |  |                             |                                      |
| Children's drama                   | ^ 83   | ^ 45.7                      | ^ 550.4                              |
| Other children's programs          | 672  | 25.7                        | 38.2                                 |
| <i>Total</i>                       | 755  | ^ 71.3                      | ^ 94.5                               |
| Television documentaries           | ^ 566  | *158.5                      | ^ 280.2                              |
| Light entertainment and variety(e) | 7 930  | 555.4                       | 70.0                                 |
| News and current affairs           | 36 471                                       | 509.4                       | 14.0                                 |
| Sport                              | np   | 430.0                       | np                                   |
| Other television programs          | np   | ^ 20.3                      | np                                   |
| <b>Total</b>                       | <b>78 622</b>                                | <b>2 099.5</b>              | <b>26.7</b>                          |

- ^ 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) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.
- (b) Includes only completed hours. See Glossary for further information.
- (c) Includes situation and sketch comedy.
- (d) Includes all programs made specifically for children.
- (e) Includes quiz, panel and game shows.

# 7

## PRODUCTION OF FILM AND VIDEO OTHER THAN TELEVISION PROGRAMS (a)(b)

|                            | <i>Productions</i> | <i>Production costs</i> | <i>Average cost per production</i> |
|----------------------------|--------------------|-------------------------|------------------------------------|
|                            | no.                | \$m                     | \$'000                             |
| <b>By production type</b>  |                    |                         |                                    |
| Feature films              | *136               | ^ 540.4                 | **3 962.8                          |
| Documentaries(c)           | **168              | *24.2                   | **144.2                            |
| Short films                | **199              | **1.6                   | 8.1                                |
| Webisodes                  | *107               | *2.3                    | ^ 21.5                             |
| Corporate video            | *6 167             | *63.1                   | ^ 10.2                             |
| Educational media          | *329               | *7.5                    | *22.9                              |
| Other                      | *362               | ^ 6.4                   | *17.6                              |
| <b>Total</b>               | <b>*7 469</b>      | <b>^ 645.5</b>          | <b>*86.4</b>                       |
| <b>By mode of delivery</b> |                    |                         |                                    |
| Online                     | *419               | ^ 5.5                   | ^ 13.2                             |
| Non-online                 | *7 050             | ^ 640.0                 | *90.8                              |
| <b>Total</b>               | <b>*7 469</b>      | <b>^ 645.5</b>          | <b>*86.4</b>                       |

- ^ 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) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.
- (b) Excludes commercials and program promotions.
- (c) Includes short documentaries.

# 8

## PRODUCTION OF DIGITAL GAMES (a)

|                          | <i>Productions</i> | <i>Production costs</i> | <i>Average cost per production</i> |
|--------------------------|--------------------|-------------------------|------------------------------------|
|                          | no.                | \$m                     | \$'000                             |
| Consoles(b)              | 14                 | 17.1                    | 1 217.1                            |
| Mobile and web platforms | 188                | 13.9                    | 74.0                               |
| PC and Mac               | 27                 | 5.0                     | 186.0                              |
| Multiple platform        | 16                 | 13.9                    | 845.8                              |
| <b>Total</b>             | <b>245</b>         | <b>49.9</b>             | <b>203.4</b>                       |

- (a) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.
- (b) Includes handheld consoles.

# 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 television broadcasting, television channel provision and digital game development. This collection was funded by Screen Australia and was conducted in respect of the 2011–12 financial year. This is the sixth time the ABS has conducted some form of this collection, and the second time that digital game development has been included after its introduction in 2006–07. Previous statistics were released for the 2006–07, 2002–03, 1999–2000, 1996–97 and 1993–94 financial years.

### *Reference period*

**2** The period covered by the collection is generally the 12 months ended 30 June. Where businesses are unable to supply information on this basis, an accounting period for which data can be provided is used for data other than those relating to employment. Such businesses make a substantial contribution to some of the estimates presented in this publication. As a result, the estimates can reflect trading conditions that prevailed in periods outside the twelve months ended June in the relevant year.

**3** Although financial estimates relate to the full 12 months, employment estimates relate to the last pay period ending in June of the given year. Comparisons between employment figures and labour costs figures should be made with caution, as employment may have fluctuated during the period.

**4** Financial data incorporate all units in scope of the survey that were in operation at any time during the year. They also include any temporarily inactive units, i.e. those which were in the development stage or were not in operation, but still existed and held or acquired assets and liabilities and/or incurred some non-operating expenses (e.g. depreciation, administration costs).

## CLASSIFICATIONS

**5** The businesses that contribute to the statistics in this publication are classified:

- by industry, in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 edition* (cat. no. 1292.0) and supplemented by population groups defined for use in this collection (see paragraphs 6–19 for further details).
- by state and territory.
- by whether a business has produced drama or documentary content (see paragraph 7 for further details).

## SCOPE

### *Structure of output populations*

**6** The following hierarchy shows the structure of the populations contributing to the *Film, Television and Digital Games* estimates. There are three distinct populations at the broadest level, and each level is the sum of its components. Note that while data for PUBLIC BROADCASTERS are not separately published, they are included in the data for BROADCASTERS AND CHANNEL PROVIDERS. Definitions for these populations can be found in the Glossary.

- ⌘ FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES
  - ⌘ FILM AND VIDEO PRODUCTION BUSINESSES
  - ⌘ FILM AND VIDEO POST-PRODUCTION BUSINESSES
- ⌘ BROADCASTERS AND CHANNEL PROVIDERS
  - ⌘ PUBLIC BROADCASTERS (not separately published)
  - ⌘ COMMERCIAL BROADCASTERS AND CHANNEL PROVIDERS
    - \* COMMERCIAL FREE-TO-AIR BROADCASTERS
    - \* SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS
- ⌘ DIGITAL GAME DEVELOPERS

**7** FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES are further split to describe businesses based on their reported activities:

- ⌘ DRAMA AND DOCUMENTARY PRODUCTION AND POST-PRODUCTION BUSINESSES

## EXPLANATORY NOTES *continued*

### *Structure of output populations continued*

#### OTHER PRODUCTION AND POST-PRODUCTION BUSINESSES

### *Survey of film and television production and post-production businesses*

**8** The scope of the Film and Video Production and Post-Production component of the 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* (ANZSIC):

- ANZSIC class 5511 MOTION PICTURE AND VIDEO PRODUCTION.
- ANZSIC class 5514 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES.

**9** For ANZSIC 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. These businesses are referred to as FILM AND VIDEO PRODUCTION BUSINESSES throughout this publication.

**10** For ANZSIC 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. These businesses are referred to as FILM AND VIDEO POST-PRODUCTION BUSINESSES throughout this publication.

**11** 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 \$86,000 for film and video production businesses, and at least \$78,000 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.

### *Census of broadcasters and channel providers*

**12** The scope of the census of broadcasters and channel providers 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* (ANZSIC):

- ANZSIC class 5621 FREE-TO-AIR TELEVISION BROADCASTING.
- ANZSIC class 5622 CABLE AND OTHER SUBSCRIPTION BROADCASTING.

**13** For ANZSIC class 5621 FREE-TO-AIR TELEVISION BROADCASTING the scope included Australian businesses mainly engaged in the free-to-air television broadcasting of visual content, in the form of electronic images together with sound, through broadcasting studios and facilities. These units may also produce or transmit visual programming to affiliated television stations, which in turn broadcast the programs on a pre-determined schedule. Transmissions are made available without cost to the viewer. Businesses classified to this class on the ABS Business Register were matched to external industry lists of television broadcast licence holders to ensure complete coverage of businesses was achieved. With the exclusion of public broadcasters, these businesses are referred to as COMMERCIAL FREE-TO-AIR BROADCASTERS throughout this publication.

**14** For ANZSIC class 5622 CABLE AND OTHER SUBSCRIPTION BROADCASTING the scope included Australian businesses mainly engaged in broadcasting television programs on a subscription or fee basis (such as subscription cable or satellite television broadcasting). The scope also included businesses primarily engaged in the activity of the provision of television channels to subscription broadcasters. Businesses classified to this ANZSIC class on the ABS Business Register were matched to external lists of television broadcast licence holders and subscription television channel content providers to ensure

## EXPLANATORY NOTES *continued*

### *Census of broadcasters and channel providers continued*

complete coverage of businesses was achieved. These businesses are referred to as SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS throughout this publication.

**15** It should be noted that the scope for these businesses excludes any businesses engaged in broadcasting as secondary activity, or businesses primarily engaged in broadcasting over the internet, or over mobile networks. Community broadcasters were also excluded from the scope of this census.

### *Census of digital game developers*

**16** The census of digital game developers included all Australian businesses that generated income predominantly from the development of digital games for a range of formats (major consoles, handheld consoles, personal computers and mobile phones).

**17** These units were primarily identified using an external listing of digital game developers provided by industry associations, and supplementary research. The population covers a range of ANZSIC classes as there is no specific ANZSIC class for digital game development. In scope units have been found to be predominantly coded to ANZSIC class 7000 (COMPUTER SYSTEM DESIGN AND RELATED SERVICES).

**18** In scope businesses will generally have the capability and staff to develop a digital game from start to finish, but may outsource particular components of a project to other businesses with more technical expertise (e.g. to animation studios). Conversely, these units may also provide game development services to other game developers, rather than developing full game titles on their own. These businesses are referred to as DIGITAL GAME DEVELOPERS throughout this publication.

**19** It should be noted that the scope does not include businesses that provide support services to game development businesses, such as animation or sound studios, or businesses that primarily develop gaming machines (i.e. poker machines). Businesses that primarily provide software development services, develop board games or interactive DVD games are also excluded from the scope.

### *Scope of estimates*

**20** There are two distinct types of data output in *Film, Television and Digital Games*: financial activity data, and production activity data. Specific types of business contribute to the different tables in this publication as described below.

**21** Financial activity data - All businesses in scope of the survey, excluding PUBLIC BROADCASTERS. These data are presented in tables 1–4 of this publication. More detailed estimates are included in data cubes 1, 3, 4 and 5 accompanying this publication on the ABS website. Different businesses contribute to the publication tables as follows:

- Table 1 - Summary of operations, Time series. This overview table includes all in scope businesses (excluding PUBLIC BROADCASTERS).
- Table 2 - Detailed summary of operations, FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES. Includes all in scope businesses in ANZSIC classes 5511 and 5514.
- Table 3 - Sources of income, COMMERCIAL BROADCASTERS AND CHANNEL PROVIDERS. Includes all in scope businesses in ANZSIC 5621 and 5622 (excluding PUBLIC BROADCASTERS).
- Table 4 - Sources of income, DIGITAL GAME DEVELOPERS. Includes all in scope DIGITAL GAME DEVELOPERS.

**22** Production activity data - All businesses in scope of the survey, including PUBLIC BROADCASTERS. These data are presented in tables 5–8 of this publication. These tables are also included in data cube 2 accompanying this publication on the ABS website. Different businesses contribute to the publication tables as follows:

- Table 5 - Summary of production costs for film, television and video. Includes all businesses in scope of the survey, excluding DIGITAL GAME DEVELOPERS.
- Table 6 - Production of television programs. Includes all businesses in scope of the survey, excluding DIGITAL GAME DEVELOPERS.

## EXPLANATORY NOTES *continued*

### *Scope of estimates continued*

- Table 7 - Production of film and video other than television programs. Includes all businesses in scope of the survey, excluding DIGITAL GAME DEVELOPERS.
- Table 8 - Production of digital games. Includes all in scope DIGITAL GAME DEVELOPERS.

### COVERAGE

#### *Frame*

**23** The frame used for the 2011–12 Film, Television and Digital Games 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 that have ceased operations, and those that have ceased employing.

#### *Statistical Units*

**24** In most cases in the 2011–12 Film, Television and Digital Games Survey, the statistical unit used to represent businesses, and for which statistics are reported, is the Australian Business Number (ABN). 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 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.

**25** 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) 2008* (cat. no. 1218.0).

#### *Improvements to coverage*

**26** 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.

**27** 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.

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

### DATA COMPARABILITY

#### *Comparison with other ABS statistics*

**29** *Australian Industry* (cat. no. 8155.0) publishes annual industry data for the Australian economy at the ANZSIC subdivision level. There are important differences between the statistics published in the *Australian Industry* and *Film, Television and Digital Games* publications, and users should exercise caution when making comparisons between the two sets of estimates.

**30** *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.

## EXPLANATORY NOTES *continued*

### *Comparison with other ABS statistics continued*

**31** *Film, Television and Digital Games* supplements *Australian Industry* statistics with a detailed examination of the structure, performance and activity of businesses engaged in the activities of television broadcasting, film and video production or post-production, and digital game development. As such, the collection is not designed to monitor change accurately over time.

**32** These surveys use different industry coding practices. For *Australian Industry*, businesses are coded to ANZSIC 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 24–25 above). For *Film, Television and Digital Games*, however, businesses are coded to ANZSIC 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 ANZSIC classes 5511, 5514, 5621 and 5622.

**33** Businesses were also coded as DIGITAL GAME DEVELOPERS on the basis of detailed financial data reported in the collection. As there is no unique ANZSIC category for digital game development services, a list of digital game development businesses was initially manually compiled by the ABS (see paragraphs 16–19 for more details). Adjustments were then made to remove the contributions of businesses that were found to be incorrectly coded as DIGITAL GAME DEVELOPERS.

**34** 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 *Film, Television and Digital Games* but included in the scope of *Australian Industry*. PUBLIC BROADCASTERS are excluded from the financial and employment estimates in *Film, Television and Digital Games* but are included in *Australian Industry* estimates.

### *Historical comparisons*

**35** While comparisons are made in this publication between 2011–12 and 2006–07, the reader should bear in mind that the collections were not designed to support accurate estimates of change, and exercise caution when comparing 2011–12 results to the 2006–07 results for several reasons, as described below in paragraphs 36–41.

### *Changes in scope*

**36** For the 2006–07 collection, subscription television channel providers were included in production activity estimates, but excluded from the financial and employment estimates. In 2011–12 these businesses have been included in both the production activity estimates and also the financial and employment estimates. Due to this change in scope, historical comparisons are not available for SUBSCRIPTION BROADCASTERS AND CHANNEL PROVIDERS estimates.

### *Changes in methodology*

**37** In the 2006–07 collection, a number of channel providers were supplemented onto the ANZSIC 5622 frame. However these units were only required to provide production activity data, not financial or employment data. Note that this is a key difference in the 2011–12 survey, in that channel providers are now asked to provide financial as well as production activity data.

**38** Users should exercise caution when comparing results to previous survey in 2006–07. For the 2011–12 survey a number of data items were expanded or grouped together to reflect the changing nature of the industry, and some items may not be directly comparable. Additionally, there have been changes to the way that some populations in the survey have been combined.

**39** For example, the format of the data contained in the Summary of production costs for film, television and video (table 5) was published in 2006–07 under two categories:

- Made by television broadcasters and;
- Made by all other businesses.



## EXPLANATORY NOTES *continued*

### *Changes in methodology continued*

**40** In 2011–12 the same data items were published under two different categories:

- FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES and;
- BROADCASTERS AND CHANNEL PROVIDERS.

**41** The difference in these categories was the change in grouping of channel providers. In 2006–07 these business were included under the 'all other businesses' category, while in 2011–12 these businesses formed part of the BROADCASTERS AND CHANNEL PROVIDERS population.

### *Australian International Financial Reporting Standards*

**42** The new Australian International Financial Reporting Standards (AIFRS) were progressively implemented in Australia from 1 January 2005. As a result, a number of items in the financial accounts of Australian businesses have been affected by changed definitions, which in turn have affected both income and balance sheets. A range of ABS economic collections source data from financial accounts of businesses and use those data to derive economic statistics. There have been no changes in the associated economic definitions.

**43** Since the implementation of AIFRS, 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 to ABS surveys and other administratively collected data. The ABS will continue to monitor developments and report any significant impacts as a result of AIFRS.

### SURVEY DESIGN

**44** A sample of 1,117 businesses was selected for the 2011–12 Film, Television and Digital Games Survey. Each business was asked to provide data sourced primarily from financial statements, mainly by mail out questionnaires. Businesses were also asked to supply key details of their operations by state and territory, enabling production of the state/territory estimates. Additionally for this survey, businesses were asked to provide selected measures of production activity, such as the number and type of productions and hours for which they were responsible.

### EFFECTS OF ROUNDING

**45** Where figures have been rounded, discrepancies may occur between totals and the sums of the component items.

**46** Proportions, ratios and other calculated figures shown in this publication have been calculated using unrounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

### FURTHER INFORMATION

#### *Related publications*

**47** A range of further information is available, as described below.

**48** The following publications present economy-wide data:

- *Australian Industry, 2011–12* (cat. no. 8155) - Annual publication.
- *Australian System of National Accounts, 2011–12* (cat. no. 5204.0) - Annual publication.
- *Business Indicators, Australia, March 2013* (cat. no. 5676.0) - Quarterly publication.
- *Experimental Estimates for Australian Industry adjusted for Off-June Year Reporting 2010–11* (cat. no. 8169.0).

#### *Other information available*

**49** The ABS also issues a daily Release Advice on its web site which details products to be released in the week ahead.

**50** Inquiries should be made to the National Information and Referral Service on 1300 135 070.

## EXPLANATORY NOTES *continued*

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### *Acknowledgement*

**51** 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*.

### ABBREVIATIONS

|        |   |
|--------|---|
| \$'000 | thousand dollars  |
| \$m    | million dollars   |
| ABN    | Australian Business Number                                    |
| ABR    | Australian Business Register                                  |
| ABS    | Australian Bureau of Statistics                               |
| AIFRS  | Australian International Financial Reporting Standards        |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| ATO    | Australian Taxation Office                                    |
| no.    | number  |
| OPBT   | operating profit before tax                                   |
| RSE    | relative standard error                                       |
| SE     | standard error  |
| TAU    | type of activity unit   |

## TECHNICAL NOTE DATA QUALITY

### RELIABILITY OF THE DATA

**1** The estimates in this release are based on information obtained from the 2011–12 Film, Television and Digital Games Survey, which relied in part on a sample survey design. Any collection of data may encounter factors that impact the reliability of the resulting statistics, regardless of the methodology used. These factors result in non-sampling error. In addition to non-sampling error, sample surveys are also subject to inaccuracies that arise from selecting a sample rather than conducting a census. This type of error is called sampling error.

#### *Sampling error*

**2** Data for this publication was obtained using different selection methods obtained from a randomly selected, stratified sample of FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES and also a census of two other populations: BROADCASTERS AND CHANNEL PROVIDERS, and DIGITAL GAME DEVELOPERS. Consequently, estimates for FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES are subject to sampling variability, that is, they may differ from the figures that would have been produced if the data had been obtained from all businesses in the population. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included. There are about two chances in three that a sample estimate will differ by less than one standard error 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 standard errors.

**3** Estimates related to the BROADCASTERS AND CHANNEL PROVIDERS population and DIGITAL GAME DEVELOPERS population were based on a census of these businesses, and hence are not subject to sampling error.

**4** Estimates of production activity for film, television and video are drawn from both the sample of FILM AND VIDEO PRODUCTION AND POST-PRODUCTION BUSINESSES, and also the census of BROADCASTERS AND CHANNEL PROVIDERS. Hence these estimates are also subject to sampling variability.

**5** Sampling variability can also 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 the effects of random sampling, and this avoids the need to refer also to the size of the estimate. The table below contains estimates of RSEs for a selection of the statistics presented in this publication.

**6** The size of the RSE may be a misleading indicator of the reliability of the estimates for (a) operating profit before tax, (b) operating profit margin and (c) industry value added. It is possible for an estimate legitimately to include positive and negative values, reflecting the financial performance of individual businesses. In this case, the aggregated estimate can be small relative to the contribution of individual businesses, resulting in a standard error which is large relative to the estimate.

## TECHNICAL NOTE DATA QUALITY *continued*

### RELATIVE STANDARD ERRORS, Film, television and digital games(a)

|                      | FILM AND VIDEO PRODUCTION AND<br>POST-PRODUCTION BUSINESSES |  |              | BROADCASTERS<br>AND CHANNEL<br>PROVIDERS |              | DIGITAL<br>GAME<br>DEVELOPERS |
|----------------------|---|--|--------------|--|--------------|-------------------------------|
|                      | <i>Film and<br/>video<br/>production<br/>businesses</i>     | <i>Film and video<br/>post-production<br/>businesses</i> | <i>Total</i> | <i>Total</i>                             | <i>Total</i> |                               |
|                      | %   | %  | %            | %  | %            | %                             |
| Total employment     | 8.8   | 2.8  | 7.5          | —  | —            | —                             |
| Total income         | 4.3   | 3.9  | 3.8          | —  | —            | —                             |
| Total expenses       | 3.9   | 4.5  | 3.4          | —  | —            | —                             |
| Industry value added | 6.2   | 5.0  | 5.2          | —  | —            | —                             |

— nil or rounded to zero (including null cells)

(a) For scope and coverage details, see Explanatory Notes, paragraphs 6–28.

#### *Sampling error continued*

**7** To illustrate, an estimate of total income for FILM AND VIDEO PRODUCTION BUSINESSES WAS \$2,194.2m. The RSE was estimated to be 4.3%, giving a standard error of approximately \$94.4m. Therefore, there are two chances in three that, if all units had been included in the survey, a figure in the range of \$2,099.8m to \$2,288.6m 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 \$2,005.5m to \$2,382.9m.

**8** 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.

#### *Non-sampling error*

**9** Errors other than those due to sampling may occur in any type of collection, whether a full census or a sample, and are referred to as non-sampling errors. All data presented in this publication are subject to non-sampling error. Non-sampling error can arise from inadequacies in available sources from which the population frame was compiled, imperfections in reporting by providers, errors made in collection, such as in recording and coding data, and errors made in processing data. It also occurs when information cannot be obtained from all businesses selected. The imprecision due to non-sampling variability cannot be quantified and should not be confused with sampling variability, which is measured by the standard error.

**10** Although it is not possible to quantify non-sampling error, every effort is made to minimise it. Collection forms are designed to be easy to complete and assist businesses to report accurately. Efficient and effective operating procedures and systems are used to compile the statistics. The ABS compares data from different ABS (and non-ABS) sources relating to the one industry, to ensure consistency and coherence.

**11** Differences in accounting policy and practices across businesses and industries can also lead to some inconsistencies in the data used to compile the estimates. Although much of the accounting process is subject to standards, there remains a great deal of flexibility available to individual businesses in the accounting policies and practices they adopt.

**12** The above limitations are not meant to imply that analysis based on these data should be avoided, only that the limitations should be considered when interpreting the data. This publication presents a wide range of data that can be used to analyse business and industry performance. It is important that any analysis be based upon the range of data presented rather than focusing on one variable.

## TECHNICAL NOTE DATA QUALITY *continued*

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### REFERENCE PERIOD

**13** Where businesses were unable to supply data for the 12 months ended 30 June, an accounting period for which data can be provided is used for data other than those relating to employment.

### QUALITY INDICATORS

**14** In the 2011–12 Film, Television and Digital Games Survey, there was an 80.9% live response rate from all businesses that were surveyed and found to be operating during the reference period. Data were imputed for the remaining 19.1% of operating businesses. Imputed responses contributed 6.2% to the estimate of total income.

## GLOSSARY

Some of the terms defined in this glossary appear in the datacube tables only.

|   |  |
|---|--|
| <b>Affiliation fees</b>   | Fees paid to television broadcasters from businesses with which they are affiliated.   |
| <b>Amortisation of programs or productions</b>                              | The diminution in the value of productions and program rights over time (generally several years) occurring when productions or program rights are treated as capitalised expenses. The amortisation charge is expensed through the financial statements of the business and excludes program rights expensed during the financial year. |
| <b>Animation</b>  | Visual editing services such as 2D and 3D animation. Includes animation services provided during post production on partly or completely animated productions, such as feature films, television programs and other productions.   |
| <b>Animation, computer generated imagery and visual effects technicians</b> | Office-based production staff working primarily on special effects such as animation and computer generated imagery. Excludes visual effects technicians working on-set.   |
| <b>Businesses at end June</b>   | The number of businesses operating at end June 2012. For the purposes of this survey, the term 'businesses' includes non-profit organisations.   |
| <b>Cast</b>   | All members with on-screen activity in a production including actors, on-screen presenters, extras, stand-ins and stunt performers.  |
| <b>Casual</b>   | Persons employed on a non-permanent basis, including persons on fixed term contracts with employee entitlements.   |
| <b>Children's drama</b>   | Drama programs made specifically for children under the age of 14. See entry for Drama.  |
| <b>Children's programs</b>  | Television programs made specifically for children under the age of 14. Includes Children's drama and Other children's programs.   |
| <b>Cinematography</b>   | Activities related to the camera in filming: film stock, film speed, framing, camera movement and lighting.  |
| <b>Commercial broadcast hours</b>   | Airtime for completed first release programs, including time allocated for advertisements. Excludes program re-runs and the production time for commercials, program promotions and online content related to television productions.  |
| <b>Commercial free-to-air broadcasters</b>                                  | Commercial free-to-air television broadcasters licensed with the Australian Communications and Media Authority to broadcast. The businesses operate on a profit-making basis and generate the majority of their income from the sale of airtime.   |
| <b>Commercials and program promotions</b>                                   | Media produced to advertise a product or service to the general public. Includes station and program promotions, which may take the form of interstitial programs. Also includes community service announcements.  |
| <b>Computer programmers</b>   | Persons who develop and write computer software as part of the game development process.   |
| <b>Consoles</b>   | Dedicated gaming platforms such as the Sony PlayStation or Microsoft Xbox. Also includes handheld consoles such as Sony PlayStation Portable and Nintendo DS.  |
| <b>Corporate video</b>  | Media productions to meet a specific need for a corporate client, including media produced for targeted marketing and training purposes. Excludes commercials made for the general public (see entry for Commercials and program promotions).  |
| <b>Crew</b>   | On-set production support staff.   |
| <b>Depreciation and amortisation expenses</b>                               | Expenses relating to the depreciation and amortisation allowed on tangible and intangible assets. Includes, for lessees only, depreciation/amortisation in respect of finance leases.  |
| <b>Digital game development services</b>                                    | All aspects of digital game development and production (e.g. concept and art design, animation, audio, programming etc.), online game development services and post-production, digital and visual effects (PDV) work on digital games.  |

## GLOSSARY *continued*

|  |   |
|--|---|
| <b>Digital game development services income</b>                        | Income from the provision of digital game development or production services to other businesses. Includes PDV work on digital games.   |
| <b>Digital game developers</b>   | Businesses that generate income predominantly from the development of digital games for a range of formats (major consoles, handheld consoles, personal computers and mobile phones).   |
| <b>Digital games</b>   | Interactive software products made for the consumer entertainment market, involving a gameplay feature. Excludes products primarily designed for the purposes of training or advertising (these should be treated as other software applications).  |
| <b>Directors' fees</b>   | Fees received by directors of films which are predetermined prior to the commencement of the film. This income can be a combination of fees, commissions or profit sharing.   |
| <b>Documentaries</b>   | Films or programs that provide a creative treatment of actuality other than news and current affairs, sports coverage, magazines, infotainment or light entertainment programs. This item also includes short documentaries. It excludes dramatised documentaries and documentaries made for children.  |
| <b>Drama</b>   | Programs that have a fully or partially scripted screenplay in which the dramatic elements of character, theme and plot are introduced and developed to form a narrative structure. Includes programs in which actors deliver improvised dialogue based on a scripted outline. Also includes animated drama and dramatised documentaries. Note also that situation and sketch comedy is a subcategory of drama, although this excludes stand-up comedy programs and comedy sketches featured incidentally in other types of programs. |
| <b>Drama and documentary production and post-production businesses</b> | Film and video production or post-production businesses that derived or incurred income or production expenses in the survey reference period related to drama or documentary productions.  |
| <b>Educational media</b>   | Media produced primarily for educational purposes. This includes media produced for schools, tertiary and other educational institutions, as well as for the general public.  |
| <b>Employment at end June</b>  | Number of persons working for businesses during the last pay period ending in June of the given year. Includes working proprietors and partners, employees absent on paid or prepaid leave, employees on workers' compensation who continue to be paid through the payroll, and contract workers paid through the payroll. Excludes persons paid by commission only, non-salaried directors, volunteers and self-employed persons such as consultants and contractors.  |
| <b>End-to-end digital game development income</b>                      | Income earned from the end-to-end development and production of digital games during the reference period. Includes sales revenue (including pre-sales and advances from publishers and parent companies), unit sales, subscription and revenue from in-game purchasing and advertising, government funding received for the production of digital games and investment contributions from the public or private sector. Excludes development or production services provided to other businesses.                                    |
| <b>Executive producers, producers, line producers</b>                  | Staff who spend the majority of their time in the role of executive producer, producer or line producer on the set of productions.  |
| <b>Executive producers' fees, producers' fees, line production</b>     | Executive producers' fees, producers' fees and income from line production as production services to other businesses.  |
| <b>Feature films</b>   | Films that are 60 minutes or longer in length, excluding documentaries and telemovies.  |
| <b>Film and video other than television programs</b>                   | Film and video productions other than television programs. Excludes commercials and program promotions.   |
| <b>Film and video post-production businesses</b>                       | Businesses mainly engaged in the provision of post-production services and other motion picture and video activities (including specialised motion picture or video post-production services).  |

## GLOSSARY *continued*

|   |   |
|---|---|
| <b>Film and video production businesses</b>           | Businesses mainly engaged in producing motion pictures, videos, television programs and/or commercials and program promotions.  |
| <b>Film, television and video production services</b> | Production services including executive producers' fees, producers' fees, line production, directors' fees, cinematography, rental of facilities and/or equipment with crew and other production services.  |
| <b>Game designers</b>                                 | Staff primarily working on the layout, concept and design of a game. This may include writing scripts, specifications or creating storyboards for digital games.  |
| <b>General business operations</b>                    | Staff who spend the majority of their time working on general business operations. Includes managers and administrators, sales and marketing staff, IT support staff and accounting, legal and clerical staff. Excludes producers and production managers.  |
| <b>Gross income from the sale of airtime</b>          | Income from the sale of airtime or 'space' on television for the broadcasting of advertisers' commercials or sponsors' messages. Includes advertising sales revenue from subscription television channels.  |
| <b>Industry value added (IVA)</b>                     | <p>IVA is an estimate of the difference between the market value of the output of an industry and the purchases of materials and expenses incurred in the production of that output. For the purposes of this collection, all businesses are considered to be market producers.</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> Purchases of goods and materials</p> <p><i>less</i> Other intermediate input expenses</p> <p><i>equals</i> IVA.</p> <p>However, it should be noted that IVA is a measure of economic activity and is not equivalent to operating profit before tax (OPBT). Wage and salary expenses and most other labour costs are not taken into account in the calculation, neither are interest expenses, depreciation or a number of lesser expenses. On the income side, OPBT includes total income, whereas IVA only includes sales and service income and government funding for operational costs.</p> |
| <b>Interest expenses</b>                              | Includes interest paid on loans from banks, finance companies, partners, and related or unrelated businesses, and in respect of finance leases. Also includes interest equivalents such as hedging costs and expenses associated with discounted bills. Excludes bank charges other than interest, and capital repayments.  |
| <b>Labour costs</b>                                   | Comprises wages and salaries (including salary sacrificed earnings paid on behalf of employees and employee share based payments and stock options), employer contributions into superannuation, workers' compensation premiums/costs, fringe benefits tax and payroll tax. Excludes capitalised wages and salaries.  |
| <b>Light entertainment and variety</b>                | Includes infotainment, lifestyle, stand-up comedy, panel shows, variety, quiz and game, and reality television programs. Excludes programming made specifically for children (see entry for Other children's programs).   |
| <b>Mobile and web platforms</b>                       | Games developed for mobile and web platforms such as iOS and Flash.   |
| <b>Multiple platform</b>                              | Titles developed simultaneously for more than one of the following platforms: Console, handheld console, PC and Mac, Mobile and web platforms. Note that such titles are excluded from the individual categories for which they are developed.  |



## GLOSSARY *continued*

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| <b>News and current affairs</b>                                       | Programs reporting on current or recent happenings, including film coverage of international, national and local events, reports on weather and essential services. Also includes sports news bulletins, and programs which interpret events through interviews or discussion with acknowledged experts.  |
| <b>Non-online</b>   | Productions not defined as online. See entry for Online.  |
| <b>Office-based production staff</b>                                  | Production staff who are primarily based in the office. This includes animation, computer generated imagery and visual effects technicians, game designers, computer programmers, development staff, post-production staff and production managers. It excludes non-production staff.   |
| <b>Online</b>   | Productions that are made primarily for release on the internet. Excludes film, television and video productions that have a secondary release on the internet. Where the online production is part of a multi-platform project, it is considered to be a separate production from those released on other platforms (e.g. webisodes related to a television series).       |
| <b>On-set production staff</b>  | Staff who primarily work on the set of productions, such as cast and crew. Includes actors and on-screen presenters, extras, stand-ins, stunt performers and on-set support staff etc.  |
| <b>Operating profit before tax</b>                                    | <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>                      |
| <b>Operating profit margin</b>  | 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.   |
| <b>Other children's programs</b>                                      | Non-drama television programs made specifically for children under the age of 14. See entry for Drama.  |
| <b>Other labour costs</b>   | All staff related costs (including moneys paid directly through the payroll to freelancers without an ABN), excluding wages and salaries. See entry for Labour costs.   |
| <b>Other production and post-production businesses</b>                | Film and video production or post-production businesses without income or production expenses in the survey reference period related to drama or documentary productions.   |
| <b>Payments to other businesses/contractors for selected services</b> | Payments made to related and unrelated businesses and self-employed contractors for selected services. This includes payments for the following items defined separately: Film, television and video production services; Post-production, digital and visual effects services for film, television and video; Digital game development services; Web development services. |
| <b>PC and Mac</b>   | Games developed for personal computer formats. Includes massively multi-player online role playing games played on personal computers.  |
| <b>Permanent full-time</b>  | Persons employed on a permanent basis who usually work 35 hours or more per week.   |
| <b>Permanent part-time</b>  | Persons employed on a permanent basis who usually work less than 35 hours per week.   |

## GLOSSARY *continued*

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| <b>Post-production, digital and visual effects services for film, television and video</b> | Includes computer generated special effects services, animation services and the rental of PDV facilities and/or equipment with crew.   |
| <b>Post-production, digital and visual effects services income</b>                         | Income earned from the provision of post-production, digital and visual effects (PDV) services to other businesses. These include visual editing, sound editing, duplication, transferring, film laboratory and other PDV services.   |
| <b>Productions</b>   | Film, video and digital game projects either underway or completed during the survey reference period. Excludes projects that did not progress past the development stage.  |
| <b>Production costs</b>  | Expenses incurred by a business for film, television, video or digital game production during the reference period including amounts that have been capitalised. Includes all production costs, associated with development, pre-production, shoot and post-production costs. Excludes costs associated with projects for which a business provided freelance production or post-production services to another business responsible for undertaking the production.  |
| <b>Production staff</b>  | Staff who spend the majority of their time working on productions. This includes on-set and office-based production staff.  |
| <b>Production income</b>   | All income received during the reference period from production activity. Includes government funding received for production of film, television and video, investment contributions from the public or private sector, license fees received as financing for a production, sales revenue (including advances and pre-sales), minimum guarantee payments and fees received from agencies or clients for the production of commercials and/or other video. Excludes royalties income or income derived from program format rights and income associated with projects for which the business provided freelance production or post-production services to another business responsible for undertaking the production. |
| <b>Production income and royalties</b>   | Includes Production income and Royalties income related to film, television and video productions.  |
| <b>Program rights expensed</b>   | Program rights purchased 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.   |
| <b>Production services income</b>  | Income earned from the provision of production services to other businesses. Includes executive producers' fees, producers' fees, line production, directors' fees, cinematography, rental of facilities and/or equipment with crew and other production services.  |
| <b>Public broadcasters</b>   | Television broadcasters that operate on a 'not-for-profit' basis and whose main source of income is from government funding.  |
| <b>Purchases</b>   | Comprises purchases of materials, components, containers and packaging materials for manufacture or construction, and purchases of finished goods for resale. Excludes delivery charges separately invoiced or itemised by suppliers and capitalised purchases.   |
| <b>Rent, leasing and hiring expenses</b>   | The costs of the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals. Includes operating lease payments and rental of facilities and/or equipment without crew.  |
| <b>Rent, leasing and hiring income</b>   | Income derived from the ownership of land, dwellings, buildings and other structures, motor vehicles, plant, machinery and other equipment. Excludes royalties from mineral leases, income from finance leases and payments received under hire purchase arrangements and rental of facilities and/or equipment with crew.  |
| <b>Rental of facilities and/or equipment with crew (income)</b>                            | Income received from other businesses for renting facilities or equipment that come with crew. Excludes the income from renting facilities or equipment without crew.   |

## GLOSSARY *continued*

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| <b>Royalties expenses</b>                              | Payments made for the use of rights or intellectual property of another business or individual. Includes payments under licensing arrangements, payments for the use of patents and copyrights, including music and literary rights and payments for the use of program format rights. Excludes program rights expensed and expensed computer software license fees.  |
| <b>Royalties income</b>                                | Income earned by a business for the use of rights or intellectual property that it owns, including feature films, television programs and digital games. This includes payments under licensing arrangements, payments for the use of patents and copyrights and income derived from program format rights. It excludes licence fees received as financing for a production, which are considered to be production income.  |
| <b>Salaried directors</b>                              | Directors of incorporated businesses are directors who received a wage or salary during the reference period. Salaried directors are considered to be employees of the business.  |
| <b>Selected broadcasting expenses</b>                  | Selected broadcasting related expenses including broadcasting licence fees, affiliation fees, payments to other businesses for the provision of television channels and commissions paid to advertising agencies or brokers for the sale of airtime.  |
| <b>Short films</b>                                     | Films that are shorter than 60 minutes in length, excluding documentaries and telemovies. Includes short features, defined as 45-55 minutes in length.  |
| <b>Sound editing</b>                                   | 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.  |
| <b>Sport</b>   | Live or delayed first release broadcast for competitive sport, and programs such as sporting previews, summaries, and talk in which replays of events are incidental. Excludes sports news bulletins (see entry for News and current affairs).  |
| <b>Subscription broadcasters and channel providers</b> | Commercial television broadcasters operating on a profit-making basis and receiving the majority of their income from subscription fees, and businesses primarily engaged in providing subscription television broadcasters with access to a channel or set of channels containing pre-packaged programs ready for broadcasting. Some of these businesses are also involved in producing television content.  |
| <b>Subscription fees</b>                               | Fees paid by viewers to subscription television broadcasters for access to a set of channels. Includes subscriber revenue from the provision of subscription television channels.   |
| <b>Television documentaries</b>                        | Documentaries made specifically for television. See entry for Documentaries.  |
| <b>Television programs</b>                             | Productions made primarily for broadcast on television.   |
| <b>Total income</b>                                    | The sum of all income components.   |
| <b>Total expenses</b>                                  | The sum of all expense components. Excludes capitalised expenses.   |
| <b>Visual editing</b>                                  | The process of cutting and arranging a film to decide its final order, content and presentation. Includes animation, visual effects, subtitling and other types of visual editing.  |
| <b>Visual effects</b>                                  | The process of adding visual effects to a production.   |
| <b>Wages and salaries</b>                              | The gross wages and salaries (excluding capitalised wages and salaries) of all employees of the business. The item 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 (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included, as are salary sacrificed earnings and remuneration of employees in the form of share based payments and stock options. Payments related to self-employed persons such as consultants, contractors and persons paid solely by commission without a |

## GLOSSARY *continued*

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| <b>Wages and salaries</b> <i>continued</i> | retainer are excluded. The drawings of working proprietors and partners are also excluded.   |
| <b>Web development services</b>            | Includes adapting or enhancing of video content for mobile or web platforms and development of complementary online media (e.g. web apps, social media integration etc.). It excludes development or maintenance of a business's corporate website and online game development services. |
| <b>Webisodes</b>                           | Episodic content created for online consumption that forms part of a web series or a television series. Includes episodic content created specifically for mobile consumption (mobisodes).   |
| <b>Working proprietors and partners</b>    | 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.  |







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