

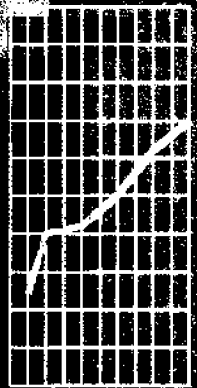


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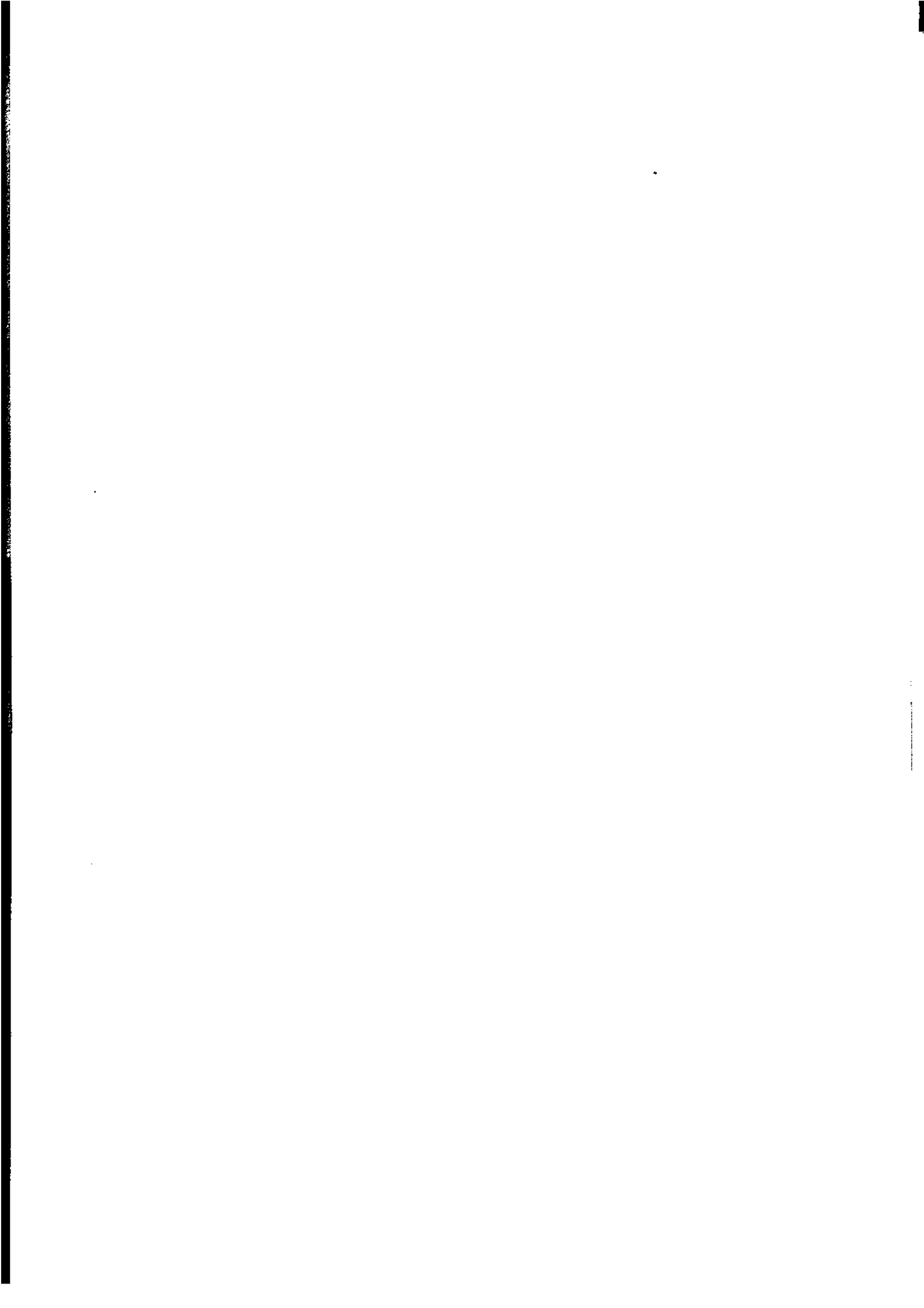
NEW ISSUE

Film and Video Production and Distribution

Australia



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**FILM AND VIDEO PRODUCTION AND DISTRIBUTION
AUSTRALIA, 1993—94**

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AUSTRALIAN BUREAU OF STATISTICS

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- INQUIRIES:
- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Tony Ward, on Melbourne (03) 9615 7634.*
 - *for information about statistics and services, please refer to the back page of this publication.*
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INTRODUCTION

In respect of the 1993–94 financial year, the ABS conducted collections covering the film and video production, film and video distribution, motion picture exhibition, and radio and television services industries. Whereas the motion picture exhibition industry had been previously surveyed in 1986–87, this is the first time the ABS has collected detailed data for the other industries.

Information in this publication was collected in a census of businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

Class 9111 – film and video production, which includes businesses mainly engaged in the production of motion pictures on film or video tape for theatre or television projection. This class also includes services such as casting, film editing and titling.

Class 9112 – film and video distribution, which includes businesses mainly engaged in leasing or wholesaling motion pictures on film or video tape to organisations for exhibition or sale. This class also includes agents mainly engaged in leasing and wholesaling films and videos to organisations.

In addition some data about film and video production by businesses whose predominant activity was television services (ANZSIC class 9122) are included.

Data from other related collections for the 1993–94 reference year can be found in the following publications:

- *Motion Picture Exhibition, Australia 1993–94* (8654.0), released on 22 April 1996; and
- *Radio and Television Services, Australia 1993–94* (8680.0), to be released in June 1996.

These publications contain only a portion of the information available from the surveys. More detailed information is available from the ABS on request. This includes in-depth statistical analysis in formats tailored to meet the needs of individual clients.

The ABS is committed to providing more information on the service industries sector of the economy. However, the breadth of activities encompassed in the sector poses the problem of selecting which industries to include. To this end 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, PO Box 10, Belconnen, ACT, 2616.

PART A

PRODUCTION INDUSTRY

OVERVIEW OF THE FILM AND VIDEO PRODUCTION INDUSTRY

INTRODUCTION	The film and video production industry (Class 9111 of the Australian and New Zealand Standard Industrial Classification) comprises businesses mainly engaged in the production of motion pictures on film or video tape for theatre or television projection. This class also includes services such as casting, film editing and titling.
SIZE OF INDUSTRY	At the end of June 1994, there were 1,179 businesses (management units) in the film and video production industry. These businesses employed a total of 5,998 persons and generated \$467.7 million from the sales of goods and services, and a further \$121.2 million from the sale of rights for completed works.
PROFITABILITY	The industry had a total income of \$607.7 million and expenses of \$705.8 million resulting in an operating loss of \$98.1 million in 1993-94. In contrast, the seven largest businesses (i.e. with employment of 100 or more) recorded a small operating profit of \$1.4 million.
FILMS AND VIDEOS PRODUCED	<p>During the period 1993-94, businesses in this industry spent \$463.0 million on the production of films and videos. This consisted of \$184.2 million on productions made for television, \$143.4 million on productions other than for television, (including \$87.3 million on feature films), and \$135.4 million on production of commercials and advertisements.</p> <p>By way of contrast, the television services industry (ANZSIC class 9122) spent \$838.1 million on productions made specifically for television.</p> <p>During 1993-94, the industry completed or was working on 4,420 productions. The majority (3,733) of these related to corporate/marketing/training videos.</p>
FEATURE FILMS	Twenty-nine feature films were in production or were completed by this industry during 1993-94. Total production costs were \$87.3 million, with an average cost of \$3.0 million per production.
BUSINESS SIZE	Small businesses employing less than 20 persons accounted for 96% of all businesses in the industry. These businesses made up 54% of total employment and 59% of gross income of the industry.
THE STATE DIMENSION	Businesses in the industry were concentrated in New South Wales. They accounted for 58% of the industry's employment and 59% of gross income. Victoria accounted for 28% of employment and the remaining States and Territories 14%.

1**FILM AND VIDEO PRODUCTION INDUSTRY: SUMMARY OF OPERATIONS, 1993-94**

<i>Item</i>	<i>Unit</i>	<i>Value</i>
Businesses at end June	no.	1 179
Employment at end June		
Working proprietors and partners	no.	115
Working company directors	no.	1 692
Other employees	no.	4 191
<i>Total</i>	<i>no.</i>	<i>5 998</i>
Income statement		
Sales of goods and services	\$m	467.7
<i>Less</i>		
Purchases and selected expenses	\$m	444.0
<i>Trading profit</i>	<i>\$m</i>	<i>23.8</i>
<i>Plus</i>		
Interest income	\$m	2.7
Other income	\$m	137.4
<i>Less</i>		
Labour costs	\$m	203.6
Depreciation and amortisation	\$m	25.8
Other expenses	\$m	16.7
<i>Earnings before interest and tax</i>	<i>\$m</i>	<i>-82.3</i>
<i>Less</i>		
Interest expenses		15.8
<i>Operating profit before tax</i>	<i>\$m</i>	<i>-98.1</i>
Operating profit margin	%	-21.0
Industry gross product	\$m	26.3

INCOME AND EXPENDITURE

INCOME

In 1993-94, gross income for the film and video production industry was \$607.7 million. Almost 40% of gross income was derived from the production of commissioned works, with a further 20% derived from the sale of rights for completed works.

There were more businesses generating income from the provision of production services to other businesses (661) than from any other source. These activities accounted for 14% of gross income. Average income per business from this source was \$124,000.

The other major source of income was the provision of post-production/film laboratory services to other businesses, which accounted for \$101.8 million (17%) of total income. Over 50% of the income from this source was accrued from editing services.

In this industry, funding is obtained from two main sources i.e. income and finance (eg. equity investment or loans). If a production is wholly funded by finance, the business shows nil gross income. Twenty-five businesses reported nil gross income during 1993-94.

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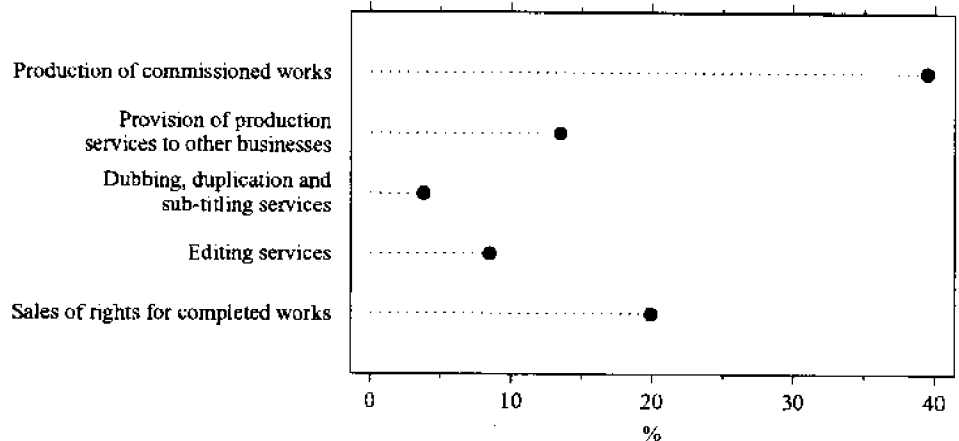
FILM AND VIDEO PRODUCTION INDUSTRY: SOURCES OF INCOME, 1993-94

Source of income	<i>Businesses at end June</i>	<i>Value</i>	<i>Percentage contribution</i>
	no.	\$m	%
Sales of goods and services			
Production of commissioned works	511	239.8	39.5
Provision of production services to other businesses	661	82.2	13.5
Provision of post-production/film laboratory services to other businesses:			
Dubbing, duplication, sub-titling	133	22.9	3.8
Editing	187	51.4	8.5
Film/Video conversions	33	4.9	0.8
Sound post-production	62	6.3	1.0
Special effects	38	7.9	1.3
Stock footage	33	3.4	0.6
Other	77	4.9	0.8
<i>Total provision of post production-/film laboratory services to other businesses</i>	292	101.8	16.8
Other operating income	215	43.9	7.2
<i>Total sales of goods and services</i>	1 113	467.7	77.0
Sales of rights for completed works	110	121.2	19.9
Other royalties income	82	11.2	1.8
Interest income	438	2.7	0.4
Other non-operating income	196	4.9	0.8
Gross income	1 154	607.7	100.0

AVERAGE INCOME PER BUSINESS

Average income per business in the industry was \$527,000. Income per business from individual sources of income, however, varied considerably. The 110 businesses generating income from the sales of rights for completed works earned, on average, \$1.1 million each from this source. By way of comparison, the 511 businesses generating some income from the production of commissioned works earned \$469,000 per business from this source.

PERCENTAGE CONTRIBUTIONS OF MAJOR SOURCES OF INCOME, 1993-94



EXPENSES

Total expenses incurred by the industry were \$705.8 million. Labour costs were the largest expenditure item, comprising 29% of total expenses. Average labour costs per employee were \$35,000.

Payments to freelancers paid via an incorporated company accounted for an additional 15% of total expenses. Payments to freelancers (averaging \$168,000 per business) were made by 53% of businesses.

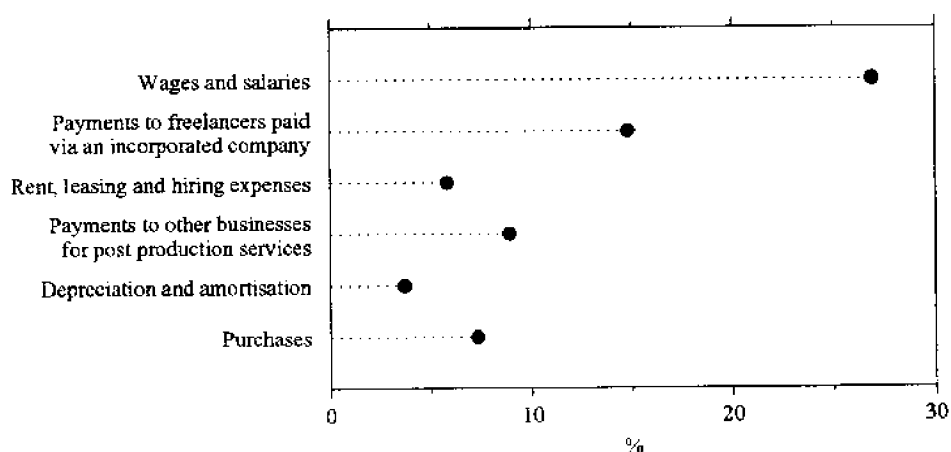
Payments to other businesses for post production services represented 9% of total expenses and were incurred by 47% of businesses (an average of \$112,000 per business).

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FILM AND VIDEO PRODUCTION INDUSTRY: ITEMS OF EXPENDITURE, 1993-94

Type of expense	Businesses at end June	Value	Percentage contribution
	no.	\$m	%
Labour costs			
Wages and salaries	1 119	189.6	26.9
Employer contributions to superannuation funds	996	12.4	1.8
Workers' compensation costs	927	1.6	0.2
<i>Total labour costs</i>	1 135	203.6	28.8
Selected expenses			
Payments to freelancers paid via an incorporated company	623	104.5	14.8
Rent, leasing and hiring expenses	885	41.2	5.8
Motor vehicle running expenses	1 027	8.8	1.2
Payments to catering services	258	5.0	0.7
Payments to other businesses for post production services	560	62.5	8.9
Freight charges by other businesses	714	5.4	0.8
Other business expenses	1 176	165.1	23.4
<i>Total selected expenses</i>	1 176	392.4	55.6
Other costs			
Depreciation and amortisation	872	25.8	3.7
Insurance premiums	980	7.8	1.1
Royalties expenses	190	7.9	1.1
Interest expenses	683	15.8	2.2
Purchases	890	51.5	7.3
Bad debts written off	150	1.1	0.2
<i>Total other costs</i>	1 150	109.8	15.6
Total expenses	1 179	705.8	100.0

PERCENTAGE CONTRIBUTIONS OF MAJOR ITEMS OF EXPENSE, 1993-94



EMPLOYMENT

MALE AND FEMALE EMPLOYMENT

In this industry, male employment accounted for 57% of total employment. The proportion of males, however, varied by type of employment. For example, 64% of working directors were males while only 54% of other employees were male.

TYPE OF EMPLOYMENT

The industry had a significant proportion of working company directors (28%) but a relatively small proportion of working proprietors and partners (2%). Other employees accounted for 70% of total employment.

4 FILM AND VIDEO PRODUCTION INDUSTRY: CHARACTERISTICS OF EMPLOYMENT, END JUNE 1994

	Males	Females	Total
Type of employment ¹	no.	no.	no.
Working proprietors and partners	75	39	115
Employees			
Working company directors	1 081	611	1 692
Other employees	2 271	1 920	4 191
Total employees	3 352	2 530	5 883
Total employment at end June	3 428	2 570	5 998

¹ Note that this item excludes employment on a contract basis.

TYPE OF EMPLOYMENT BY SEX, 1993-94



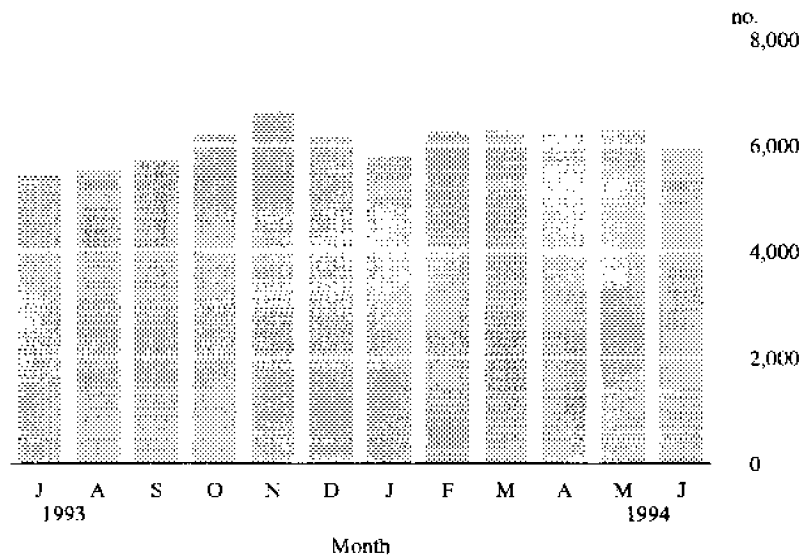
SEASONAL PATTERN OF
EMPLOYMENT

Based on end of month employment, the yearly average of employment in the industry was 6,038. Employment varied from a low of 5,411 persons in July to a high of 6,617 persons in November.

5 FILM AND VIDEO PRODUCTION INDUSTRY: EMPLOYMENT AT END OF EACH MONTH, 1993-1994

Month	Persons working during last pay period in month no.
July	5 411
August	5 526
September	5 696
October	6 185
November	6 617
December	6 158
January	5 784
February	6 265
March	6 271
April	6 248
May	6 301
June	5 998
Yearly average	6 038

EMPLOYMENT BY MONTH, 1993-94



BUSINESS SIZE ANALYSIS

BUSINESS SIZE DEFINITIONS

This section presents statistics broken down into three size categories, defined on the basis of the following employment ranges:

- small businesses less than 20 persons
- medium businesses 20 to 99 persons
- large businesses 100 or more persons

DOMINANCE OF SMALL BUSINESSES

The film and video production industry was dominated in terms of numbers by small businesses, accounting for over 96% of all businesses. However, in terms of employment and gross income, small businesses, while still being the largest contributor, accounted for only 54% and 59% respectively.

CONTRIBUTION OF LARGE BUSINESSES

The industry contained seven businesses with employment of 100 or more persons. Although these accounted for less than 1% of businesses, they made a significant contribution to total employment (22%) and gross income (18%). This size group also had the highest operating profit before tax (\$1.4 million).

GROSS INCOME PER PERSON EMPLOYED

Using the ratio gross income per person employed as a measure of productivity, the most productive businesses were those in the 10–19 persons employment size category. These businesses generated \$146,000 in gross income per person employed, compared with the largest businesses (i.e. employing 100 or more persons) which generated \$84,000 per person employed.

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FILM AND VIDEO PRODUCTION INDUSTRY: SELECTED STATISTICS BY BUSINESS SIZE, 1993–94

Employment size category at end June 1994	Businesses at end June		Employment at end of June		Gross income		Operating profit before tax
	no.	%	no.	%	\$m	%	\$m
Small businesses							
0–4 persons	974	82.6	1 875	31.3	173.8	28.6	–49.8
5–9 persons	111	9.4	690	11.5	80.7	13.3	–2.2
10–19 persons	50	4.2	689	11.5	100.9	16.6	0.5
Total small businesses	1 136	96.4	3 254	54.3	355.4	58.5	–51.6
Medium businesses							
20–49 persons	27	2.3	799	13.3	94.7	15.6	–8.3
50–99 persons	9	0.8	619	10.3	46.6	7.7	–39.5
Total medium businesses	36	3.1	1 417	23.6	141.3	23.3	–47.9
Large businesses							
100 or more persons	7	0.6	1 326	22.1	111.0	18.3	1.4
Total	1 179	100.0	5 998	100.0	607.7	100.0	–98.1

STATE DATA

INTRODUCTION

In the 1993-94 film and video production industry survey, the only data collected by State were gross income, wages and salaries and total employment at the end June 1994. These were the only data items for which multi-State film and video production businesses were able to accurately supply State data.

STATE COMPARISONS

Businesses in this industry were highly concentrated in New South Wales. The 652 businesses operating in New South Wales accounted for 58% of all persons employed in the industry, and 59% of gross income.

Businesses operating in Victoria accounted for 28% of both employment and gross income. The other States and Territories made relatively minor contributions to the industry.

GROSS INCOME PER PERSON EMPLOYED

There was considerable variation between the States with respect to gross income per person employed. New South Wales reported the highest ratio (\$103,000 in gross income per person employed), while Tasmania and the Northern Territory together had the lowest (\$31,500). The Australian average for the industry was \$101,000.

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FILM AND VIDEO PRODUCTION INDUSTRY: SELECTED STATISTICS BY STATE, 1993-94

State	<i>Businesses at end June¹</i>	<i>Employment at end of June</i>		<i>Wages and salaries</i>		<i>Gross income</i>	
	no.	no.	%	\$m	%	\$m	%
New South Wales	652	3 463	57.7	102.0	53.8	358.4	59.0
Victoria	347	1 687	28.1	60.3	31.8	171.2	28.2
Queensland	73	400	6.7	14.2	7.5	41.0	6.7
South Australia	50	198	3.3	7.4	3.9	18.8	3.1
Western Australia	58	180	3.0	4.3	2.3	15.5	2.6
Tasmania	6	54	0.9	1.0	0.5	1.7	0.3
Northern Territory	5						
Australian Capital Territory	7	16	0.3	0.4	0.2	1.2	0.2
Australia	1 179	5 998	100.0	189.6	100.0	607.7	100.0

¹ Multi-state businesses are counted in each State in which they operated. Hence States do not sum to the total for Australia.

PERFORMANCE MEASURES

BUSINESS SIZE DEFINITIONS	This section presents statistics broken down into three size categories, defined on the basis of the following employment ranges: <ul style="list-style-type: none"> ▪ small businesses less than 20 persons ▪ medium businesses 20 to 99 persons ▪ large businesses 100 or more persons
LABOUR COSTS PER EMPLOYEE	Labour costs per employee for the industry were \$34,600. Costs ranged from \$38,800 for medium sized businesses to \$28,300 for large businesses, a difference of 37%.
GROSS INCOME PER PERSON EMPLOYED	Gross income per person employed was \$101,300. There was a 30% difference in gross income per person employed between small businesses (\$109,200) compared with large businesses (\$83,700).
TOTAL EXPENSES PER PERSON EMPLOYED	For both small and medium sized businesses, total expenses per person employed were larger than gross income per person employed. This was in contrast with large businesses where gross income per person employed (\$83,700) exceeded total expenses (\$82,700).
OPERATING PROFIT MARGIN	The operating profit margin of the industry for 1993-94 was negative (-21.0%). Medium sized businesses recorded the largest negative operating profit margin (-56.6%), with small businesses reporting a margin of -16.7%. In contrast with these negative margins, large businesses reported a small positive operating profit margin of 1.9%.

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FILM AND VIDEO PRODUCTION INDUSTRY: SELECTED PERFORMANCE RATIOS, 1993-94

	<i>Unit</i>	<i>Small businesses</i>	<i>Medium businesses</i>	<i>Large businesses</i>	<i>All businesses</i>
Employment ratios					
Operating profit before tax per person employed	\$'000	-15.9	-33.8	1.1	-16.4
Labour costs per employee	\$'000	35.4	38.8	28.3	34.6
Labour costs to total expenses	%	27.3	29.1	34.2	28.8
Industry gross product per person employed	\$'000	12.3	-19.0	10.0	4.4
Industry gross product to labour costs	\$	0.4	-0.5	0.4	0.1
Gross income per person employed	\$'000	109.2	99.7	83.7	101.3
Total expenses per person employed	\$'000	125.1	133.5	82.7	117.7
Profitability ratios					
Operating profit margin	%	-16.7	-56.6	1.9	-21.0
Leverage ratios					
Interest coverage	times	-9.1	-3.7	3.6	-5.2

FILM AND VIDEO PRODUCTION ACTIVITY

INTRODUCTION

Film and video production activity is not only undertaken by businesses classified to the film and video industry (ANZSIC class 9111). A very significant amount of this activity is undertaken by businesses classified to the television services industry (ANZSIC class 9133).

This section provides data on the film and video production activity of both industries. More detailed information on the television services industry will be available in *Radio and Television Services, Australia, 1993-94* (8680.0) to be released in June 1996.

For the purposes of this publication, productions and the associated costs were only included if the production was in progress or completed during 1993-94. Projects that had not progressed past the development or pre-production stages were excluded. Production costs include only those incurred during the 1993-94 financial year.

TOTAL PRODUCTION ACTIVITY

During 1993-94, total production costs relating to film and video production activity was \$1,325.7 million. Of this, \$463.0 million (35%) was incurred by businesses classified to the film and video production industry, while \$862.7 million (65%) related to productions undertaken by businesses in the television services industry. The majority of the activity related to productions made specifically for television, which accounted for 77% (\$1,022.2 million) of film and video production activity in 1993-94.

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FILM AND VIDEO PRODUCTION ACTIVITY, SUMMARY, 1993-94

<i>Item</i>	<i>Total production costs</i>
	\$m
Production made specifically for television	
By film and video production industry	184.2
By television services industry	838.1
<i>Total</i>	1 022.2
Production of Commercials and Advertisements	
By film and video production industry	135.4
By television services industry	24.6
<i>Total</i>	160.0
Other productions by film and video production industry	143.4
All productions by film and video production industry	463.0
All productions by television services industry	862.7
Total all productions	1 325.7

PRODUCTIONS MADE
SPECIFICALLY FOR TELEVISION

Introduction During 1993-94, the film and video production industry and the television services industry spent \$1,022.2 million in total production costs on productions made specifically for television. The television services industry incurred the greater proportion of these costs (82%).

These productions represented 80,897 completed airtime hours, at an average cost of \$12,600 per airtime hour.

Type of production News and current affairs programs accounted for the largest percentage (33%) of total production costs (of productions made specifically for television) and the largest percentage of airtime hours (27%). Cost per hour of news and current affairs programs was \$15,700.

In terms of total production costs, drama and situation comedy programs represented the second largest type of production. They accounted for 21% of production costs and 20% of completed airtime hours.

Programs produced specifically for children accounted for only 6% of total production costs and 8% of completed airtime hours.

Cost per hour Total production costs per completed airtime hour varied significantly between the different types of productions. Programs produced specifically for children cost \$8,300 per airtime hour, while sports programs cost \$9,600. These relatively low costs were in contrast to the more expensive quiz, panel and games shows (\$16,400 per airtime hour) and documentaries (\$55,800).

Number of businesses There were 197 businesses producing programs specifically for television. Of these, 41% were involved in producing documentaries, 27% in producing news and current affairs programs and 24% in producing light entertainment, infotainment and sketch comedy programs.

Industry by type of production The film and video production industry focussed its resources on different types of programs compared with the television services industry. For example, almost 50% of production costs incurred by the film and video production industry were on drama and situation comedies, and 14% on documentaries, whereas these types of programs accounted for only 15% and 3% respectively in the television services industry. The television services industry, on the other hand, incurred 40% of its production costs on news and current affairs programs which were negligible for the film and video production industry.

Cost of productions by industry Programs produced by businesses in the film and video production industry were more expensive than those produced by the television services industry (\$21,800 in production costs per hour compared with \$11,600).

This difference in production costs per hour was significant for programs produced specifically for children where the film and video production industry incurred costs of \$34,400 per hour compared with only \$5,191 per hour by the television services industry.

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FILM AND VIDEO PRODUCTION ACTIVITY: SELECTED STATISTICS, FOR PRODUCTIONS MADE SPECIFICALLY FOR TELEVISION, 1993-94

Item	Number of businesses at end June ¹	Completed airtime hours		Total production costs	
	no.	hours	%	\$m	%
Film and video production (ANZSIC 9111)					
Productions made specifically for television					
Drama and situation comedy	25	n.p.	n.p.	91.0	49.4
News, current affairs	14	764	9.0	2.7	1.5
Documentary	67	n.p.	n.p.	25.0	13.6
Sport	20	4 736	56.0	4.4	2.4
Quiz, panel and games shows	4	745	8.8	n.p.	n.p.
Light entertainment, infotainment and sketch comedy	29	1 086	12.8	38.7	21.0
Other	22	232	2.7	n.p.	n.p.
Total	156	8 463	100.0	184.2	100.0
Produced specifically for children (included above)	18	703	8.3	24.2	13.1
Television services (ANZSIC 9122)					
Productions made specifically for television					
Drama and situation comedy	8	n.p.	n.p.	125.4	15.0
News, current affairs	39	20 698	28.6	333.5	39.8
Documentary	14	n.p.	n.p.	23.0	2.7
Sport	22	12 842	17.7	163.8	19.5
Quiz, panel and games shows	6	2 078	2.9	n.p.	n.p.
Light entertainment, infotainment and sketch comedy	19	16 820	23.2	114.9	13.7
Other	12	4 095	5.7	n.p.	n.p.
Total	40	72 434	100.0	838.1	100.0
Produced specifically for children (included above)	14	6 030	8.3	31.3	3.7
Total (ANZSIC 9111 and 9122)					
Productions made specifically for television					
Drama and situation comedy	33	15 941	19.7	216.4	21.2
News, current affairs	53	21 462	26.5	336.2	32.9
Documentary	81	860	1.1	48.0	4.7
Sport	42	17 578	21.7	168.2	16.5
Quiz, panel and games shows	10	2 823	3.5	46.3	4.5
Light entertainment, infotainment and sketch comedy	48	17 906	22.1	153.7	15.0
Other	34	4 327	5.3	53.4	5.2
Total	197	80 897	100.0	1 022.2	100.0
Produced specifically for children (included above)	32	6 733	8.3	55.6	5.5

¹ Businesses may be involved in producing more than one type of program. Hence, the numbers of businesses do not add to the total.

FILM AND VIDEO PRODUCTIONS
MADE OTHER THAN FOR
TELEVISION

Total production costs The film and video production industry incurred total production costs of \$143.4 million during 1993-94 on productions made other than for television. Of these costs, 61% costs were expended on the production of feature films, 30% on corporate/marketing and training videos, and relatively small amounts on other types of films and videos.

Type of production Of the 4,420 film and video productions made other than for television (by the film and video production industry), 84% were corporate/marketing/training videos. Total production costs for these videos were \$43.3 million with an average cost per production of \$11,600. There were more businesses producing this type of production than any other.

The second largest number of productions were of educational programs, accounting for 10% of all productions.

Feature films Twenty-nine feature films were in production or were completed by the film and video production industry during 1993-94. The 24 businesses responsible for these feature films incurred production costs of \$87.3 million on these films in 1993-94.

Cost per production On a cost per production basis, educational productions were the cheapest (\$8,800) to produce. Feature films incurred the highest cost per production (\$3.0 million) with documentaries the next most expensive with a significantly less average cost of \$127,000 per production.

Productions specifically for children Only 5% of productions other than for television were produced specifically for children, accounting for less than 1% of total production costs. Average cost per production was \$6,100.

11

FILM AND VIDEO PRODUCTION ACTIVITY: SELECTED STATISTICS FOR PRODUCTIONS MADE OTHER THAN FOR TELEVISION, 1993-94

	<i>Businesses at end June</i>	<i>Number of productions</i>	<i>Total production costs</i>	<i>Costs per production</i>
<i>Item</i>	<i>no.</i>	<i>no.</i>	<i>\$m</i>	<i>\$'000</i>
Film and video production (ANZSIC 9111)				
Productions made other than for television				
Feature film	24	29	87.3	3 017.5
Short film	18	20	1.6	82.3
Documentary	23	30	3.9	127.0
Corporate/marketing/training video	283	3 733	43.3	11.6
Educational	51	441	3.9	8.8
Interactive programs	9	33	0.8	24.6
Music/video clips	34	133	2.5	18.7
<i>Total productions other than for television</i>	365	4 420	143.4	32.4
Produced specifically for children (included above)	23	211	1.3	6.1

12

FILM AND VIDEO PRODUCTION ACTIVITY: PRODUCTION OF COMMERCIALS AND ADVERTISEMENTS, 1993-94

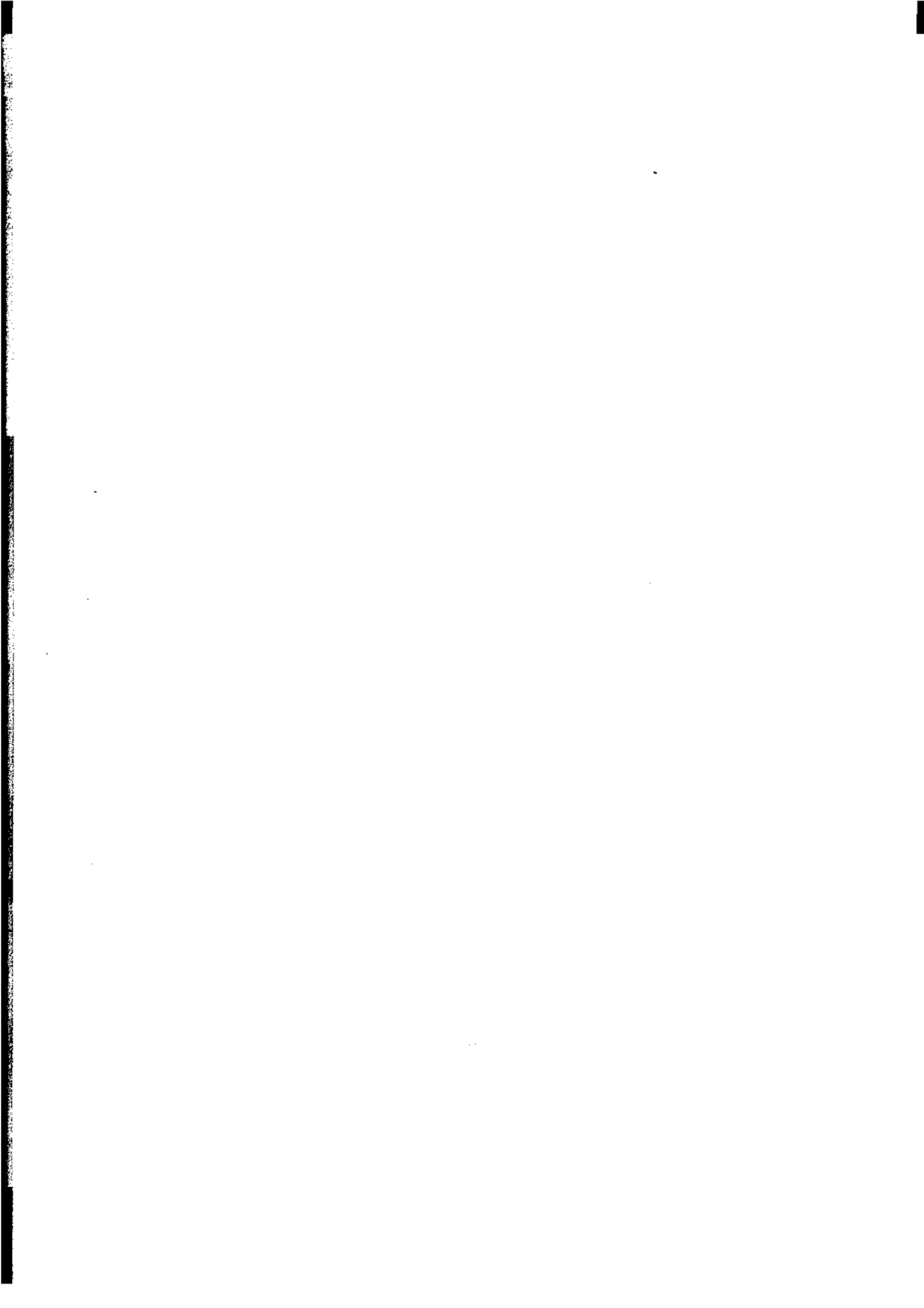
<i>Item</i>	<i>Businesses at end June</i>	<i>Productions</i>	<i>Total production costs</i>	<i>Average cost per production</i>
	<i>no.</i>	<i>no.</i>	<i>\$m</i>	<i>\$</i>
Commercials and advertisements produced by:				
Film and video production (ANZSIC 9111)	255	13 730	135.4	9 862
Television services (ANZSIC 9122)	29	64 100	24.6	383
<i>Total</i>	<i>284</i>	<i>77 830</i>	<i>160.0</i>	<i>2 056</i>

COMMERCIALS AND
ADVERTISEMENTS

Of the 77,830 commercials produced during 1993-94, 18% were produced by the film and video production industry and 82% by the television services industry.

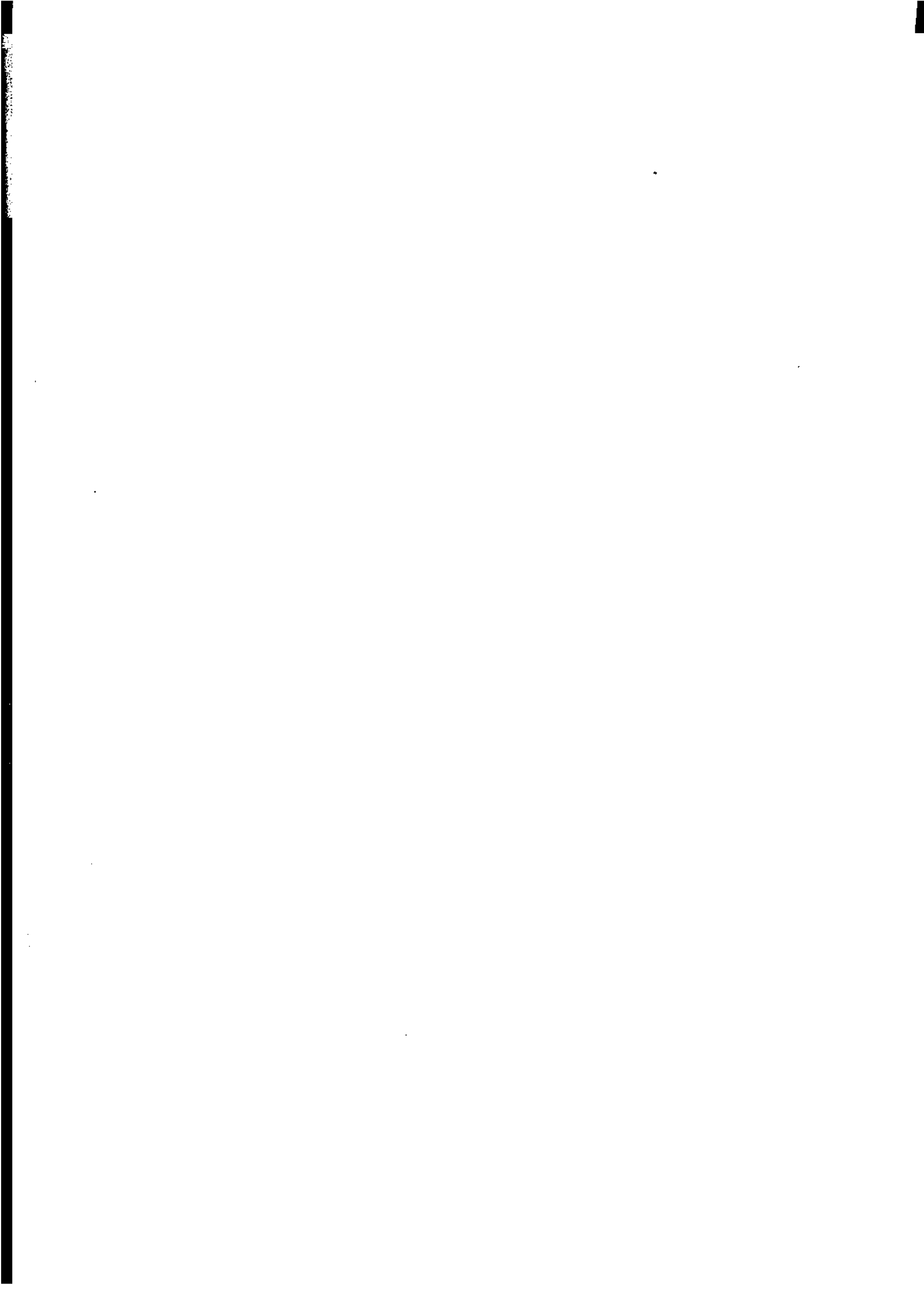
Cost per production was significantly higher for commercials produced by the film and video production industry (\$9,862) than by the television services industry (\$384).

The 29 businesses in the television services industry on average produced 2,210 commercials and advertisements per business. This was in contrast with the 255 businesses in the film and video industry which produced an average of 54 commercials/advertisements per business.



PART B

DISTRIBUTION INDUSTRY



OVERVIEW OF THE FILM AND VIDEO DISTRIBUTION INDUSTRY

INTRODUCTION	The film and video distribution industry (class 9112 of the Australian and New Zealand Standard Industrial Classification) comprises businesses mainly engaged in leasing or wholesaling motion picture on film or video tape to organisations for exhibition or sale. This class also includes agents mainly engaged in leasing and wholesaling films and videos to organisations.
SIZE OF INDUSTRY	At 30 June 1994, there were 69 businesses (management units) in the industry, employing 981 people. These businesses generated \$571.1 million from the sales of goods and services, and had an operating profit before tax of \$39.6 million.
MARKETING OF AUSTRALIAN TITLES	During 1993-94, a total of 4,678 Australian titles were distributed worldwide, of which 4,346 were distributed in Australia. New Zealand was the largest overseas market with 358 titles distributed, followed by Asia with 326, and North America with 248.
BUSINESS SIZE	In this industry, 84% of businesses employed fewer than 20 people. These small businesses accounted for 33% of industry employment and 36% of gross income. The proportion of small businesses in this industry is somewhat less than in most other industries.
THE STATE DIMENSION	Businesses in the industry were concentrated in New South Wales and Victoria. Film and video distribution businesses operating in these two states accounted for 91% of industry employment and 82% of gross income.
PROFITABILITY	The operating profit margin of 6.9% for this industry was lower than the operating profit margin of 10.0% reported for all industries for 1993-94.

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FILM AND VIDEO DISTRIBUTION INDUSTRY: SUMMARY OF OPERATIONS,
1993-94

<i>Data item</i>	<i>Unit</i>	<i>Value</i>
Businesses at end June	no.	69
Employment at end June		
Males	no.	403
Females	no.	578
<i>Total employment</i>	no.	981
Income statement		
Sales of goods and services	\$m	571.1
<i>Less</i>		
Selected expenses	\$m	194.7
<i>Trading profit</i>	\$m	376.4
<i>Plus</i>		
Interest income	\$m	n.p.
Other income	\$m	n.p.
<i>Less</i>		
Labour costs	\$m	36.6
Depreciation and amortisation	\$m	93.4
Other expenses	\$m	268.7
<i>Earnings before interest and tax</i>	\$m	47.3
<i>Less</i>		
Interest expenses	\$m	7.6
<i>Operating profit before tax</i>	\$m	39.6
Operating profit margin	%	6.9
Industry gross product	\$m	377.2

INCOME AND EXPENDITURE

INCOME

Film rental provided the largest source of income for the film and video distribution industry, contributing 51% of gross income. The distribution of pre-recorded video cassettes and discs accounted for a further 35% of gross income.

Average income per business in the industry was \$9.3 million.

14 FILM AND VIDEO DISTRIBUTION INDUSTRY: SOURCES OF INCOME, 1993-94

Source of income	Businesses at end June	Value	Percentage contribution
	no.	\$m	%
Sales of goods and services			
Film rental	40	324.5	50.6
Distribution of pre-recorded video cassettes and discs	32	227.1	35.4
Sub-licensing	10	6.1	1.0
Sales agents' commissions	16	4.9	0.8
Other operating income	31	8.5	1.3
<i>Total sales of goods and services</i>	69	571.1	89.1
Interest income	41	n.p.	n.p.
Other non-operating income	27	n.p.	n.p.
Gross income	69	640.7	100.0

EXPENDITURE

Licensing costs and other royalties represented 44% of total expenses for the industry.

Depreciation and amortisation accounted for an additional 16% of total expenses.

LABOUR COSTS

Unlike their contribution to other service industries, labour costs were relatively small, contributing only 6% to total expenses.

AVERAGE EXPENSE PER BUSINESS

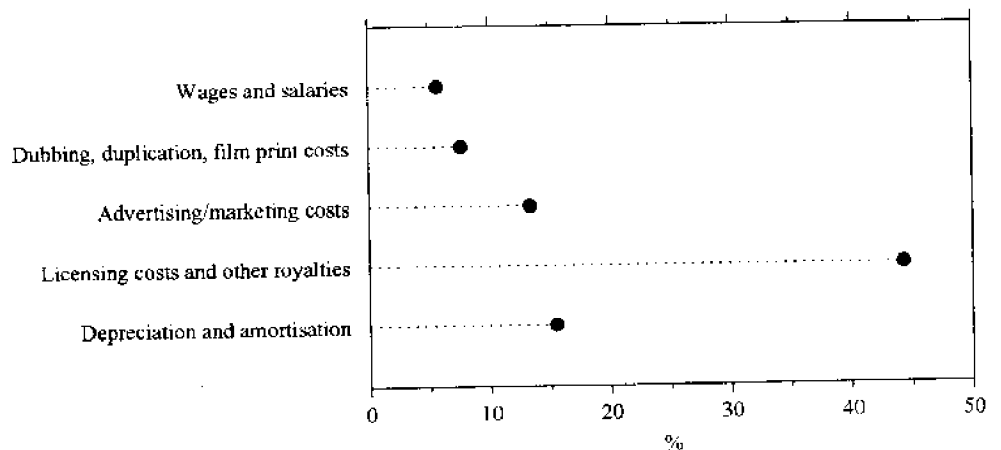
Average total expense per business was \$8.7 million compared with average gross income per business of \$9.3 million.

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FILM AND VIDEO DISTRIBUTION INDUSTRY: ITEMS OF EXPENDITURE, 1993-94

Type of expense	Businesses at end June	Value	Percentage contribution
	no.	\$m	%
Labour costs			
Wages and salaries	66	34.2	5.7
Employer contributions to superannuation funds	61	2.2	0.4
Workers' compensation costs	55	0.2	0.0
<i>Total labour costs</i>	66	36.6	6.1
Selected expenses			
Dubbing, duplication, film print costs	33	46.4	7.7
Advertising/marketing costs	39	80.7	13.4
Motor vehicle running expenses	52	1.0	0.2
Rent, leasing and hiring expenses	56	5.7	0.9
Freight charges by other businesses	54	5.2	0.9
Other business expenses	69	55.8	9.3
<i>Total selected expenses</i>	69	194.7	32.4
Other costs			
Licensing costs and other royalties	49	266.5	44.3
Depreciation and amortisation	57	93.4	15.5
Interest expenses	37	7.6	1.3
Insurance premiums and bad debts written off	53	2.3	0.4
<i>Total other costs</i>	67	369.8	61.5
Total expenses	69	601.1	100.0

PERCENTAGE CONTRIBUTIONS OF MAJOR ITEMS OF EXPENSE, 1993-94



EMPLOYMENT

MALE AND FEMALE EMPLOYMENT

Total employment in the film and video distribution industry at 30 June 1994 was 981 persons. Females comprised 59% of people employed in the industry.

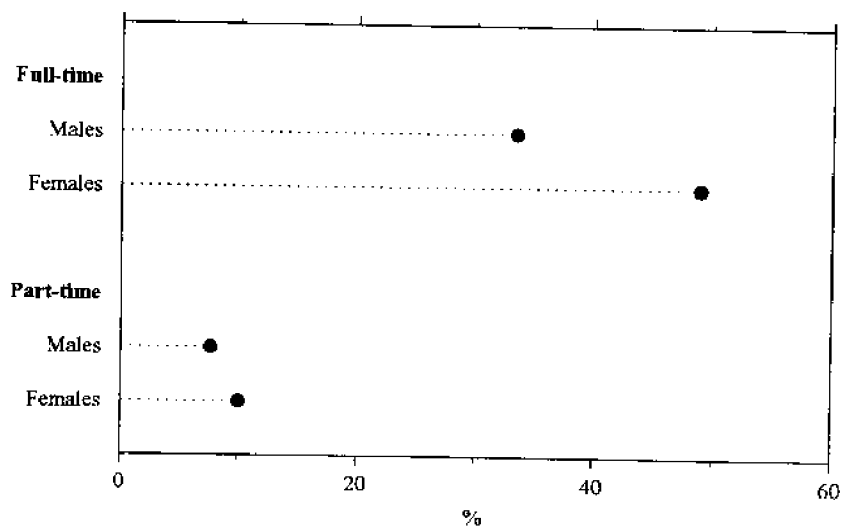
INCIDENCE OF FULL-TIME EMPLOYMENT

Persons working full-time dominated employment in the industry, accounting for 82% of total employment. There were 81% of total males and 83% of total females employed in the industry who worked full-time.

16 FILM AND VIDEO DISTRIBUTION INDUSTRY: CHARACTERISTICS OF EMPLOYMENT, END JUNE 1994

Type of employment	Males			Females			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Working proprietors and partners	n.p.	n.p.	73	n.p.	n.p.	28	96	5	101
Other employees	n.p.	n.p.	330	n.p.	n.p.	550	712	168	880
Total	328	75	403	480	98	578	808	173	981
Percentage contribution	33.4	7.6	41.1	48.9	10.0	58.9	82.4	17.6	100.0

PROPORTION OF FULL-TIME AND PART-TIME EMPLOYMENT BY SEX, END JUNE 1994



BUSINESS SIZE ANALYSIS

BUSINESS SIZE DEFINITIONS

This section presents statistics broken down into two size categories, defined on the basis of the following employment ranges:

- small businesses less than 20 persons
- other businesses 20 or more persons

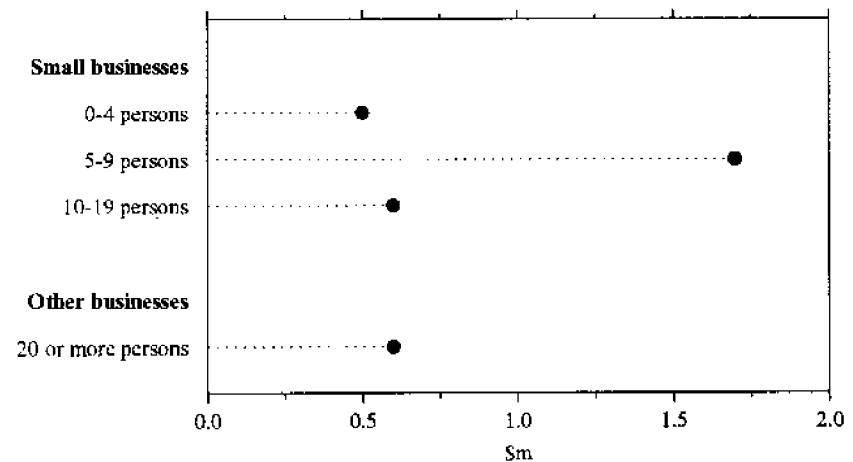
Eighty-four per cent of businesses in the film and video distribution industry employed fewer than 20 persons. These small businesses accounted for 33% of industry employment and 36% of gross income.

In contrast, 16% of businesses employed more than 20 persons. These 11 film and video distribution businesses accounted for 67% of industry employment and 64% of gross income.

17 FILM AND VIDEO DISTRIBUTION INDUSTRY: SELECTED STATISTICS BY BUSINESS SIZE, 1993-94

Employment size category at end June	Businesses at end June		Employment at end June		Gross income		Operating profit before tax
	no.	%	no.	%	\$m	%	\$m
Small businesses							
0-4 persons	36	52.2	90	9.2	47.2	7.4	-1.9
5-9 persons	8	11.6	46	4.7	77.3	12.1	5.6
10-19 persons	14	20.3	188	19.2	107.0	16.7	4.0
<i>Total small businesses</i>	58	84.1	324	33.0	231.5	36.1	7.7
Other businesses							
20 or more persons	11	15.9	657	67.0	409.2	63.9	31.9
Total	69	100.0	981	100.0	640.7	100.0	39.6

GROSS INCOME PER PERSON EMPLOYED BY EMPLOYMENT SIZE CATEGORY, 1993-94



STATE DATA

INTRODUCTION

In the 1993-94 film and video distribution industry survey, the only data collected by State were gross income, wages and salaries and total employment at the end June 1994. These were the only data items for which multi-State film and video distribution businesses were able to accurately supply State data.

CONCENTRATION OF BUSINESSES IN NEW SOUTH WALES AND VICTORIA

Businesses in the industry were highly concentrated in New South Wales and Victoria. The 41 businesses operating in New South Wales and the 32 businesses operating in Victoria accounted for 91% of employment and 82% of gross income.

KEY CHARACTERISTICS PER BUSINESS

Film and video distribution businesses varied significantly with respect to size and income ratios. Average income per business was highest in New South Wales with \$7.2 million and lowest in South Australia with \$3.2 million.

New South Wales had the highest employment per business with 13 persons employed per business and South Australia the lowest with 3 persons employed per business.

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FILM AND VIDEO DISTRIBUTION INDUSTRY: SELECTED STATISTICS BY STATE, 1993-94

State	Businesses at end June ¹		Employment at end June		Wages and salaries		Gross income	
	no.		no.	%	\$m	%	\$m	%
New South Wales	41		536	54.6	19.8	57.9	295.9	46.2
Victoria	32		358	36.5	11.7	34.2	227.5	35.5
Queensland	10		37	3.8	1.0	2.9	55.6	8.7
South Australia	9		23	2.3	0.6	1.8	29.0	4.5
Western Australia	6		n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Tasmania	-		-	-	-	-	-	-
Northern Territory	-		-	-	-	-	-	-
Australian Capital Territory	1		n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia	69		981	100.0	34.2	100.0	640.7	100.0

¹ Multi-state businesses are counted in each State in which they operated. Hence States do not sum to the total for Australia.

ASSETS, LIABILITIES AND CAPITAL EXPENDITURE

NET WORTH At 30 June 1994, the net worth of the film and video distribution industry was \$74.6 million.

ASSETS Total assets at end June 1994 were \$329.7 million. Seventy-one per cent of these assets were current and 29% were non-current.

LIABILITIES At end June 1994 current liabilities in the industry represented 80% of the total value of liabilities, and non-current liabilities represented 20%.

19 FILM AND VIDEO DISTRIBUTION INDUSTRY: ASSETS, LIABILITIES AND CAPITAL EXPENDITURE, 1993-94

<i>Data item</i>	<i>Value</i>
	<i>\$m</i>
Assets	
Current assets including trading stocks	234.3
Non current assets	95.4
<i>Total assets</i>	<i>329.7</i>
Liabilities	
Current liabilities	204.5
Non current liabilities	50.6
<i>Total liabilities</i>	<i>255.1</i>
Net worth	74.6
Total capital expenditure	89.2

PERFORMANCE MEASURES

BUSINESS SIZE DEFINITIONS	<p>This section presents statistics broken down into two size categories, defined on the basis of the following employment ranges:</p> <ul style="list-style-type: none">▪ small businesses less than 20 persons▪ other businesses 20 or more persons
OPERATING PROFIT BEFORE TAX PER PERSON EMPLOYED	<p>In 1993-94, the operating profit before tax per person employed in the film and video distribution industry was \$40,400. This ratio is significantly larger than for all industries where operating profit before tax per person employed was only \$14,415 over the same period.</p>
LABOUR COSTS PER EMPLOYEE	<p>On average \$37,400 labour costs per employee were incurred by a film and video distribution business.</p>
GROSS INCOME PER PERSON EMPLOYED	<p>Gross income per person employed was \$653,300. This ratio was 15% higher for small businesses (\$714,900) than for other businesses (\$622,900).</p>
TOTAL EXPENSES PER PERSON EMPLOYED	<p>Total expenses per person employed were 20% larger for small businesses (\$691,100) than for other sized businesses (\$574,300). This higher expense ratio for small businesses contributed to their lower operating profit margin.</p>
OPERATING PROFIT MARGIN	<p>The operating profit margin of 6.9% for the industry was lower than the profit margin of 8.9% recorded for all businesses in the economy. Using operating profit margin as a measure, small businesses with 4.5% were less profitable than other businesses with 8%.</p>
INTEREST COVERAGE	<p>The interest coverage ratio measures how comfortably profit covers the interest expense. All businesses, irrespective of business size, displayed the ability to meet their interest expenses by 6.2 times for this industry. By way of comparison, all industries in the economy had an interest coverage of only 2.7 times.</p>
RETURN ON ASSETS	<p>During 1993-94, the average return on assets of all businesses in this industry was 12.0%. This rate of return compared favourably with the 4.5% by all businesses in the economy over the same period.</p>

	<i>Unit</i>	<i>Small businesses</i>	<i>Other businesses</i>	<i>All businesses</i>
Employment ratios				
Operating profit before tax per person employed	\$'000	23.9	48.6	40.4
Labour costs per employee	\$'000	41.0	35.7	37.4
Labour costs to total expenses	%	5.9	6.2	6.1
Total assets per person employed	\$'000	422.1	293.7	336.1
Industry gross product per person employed	\$'000	390.8	381.4	384.5
Industry gross product to labour costs	\$	9.6	10.7	10.3
Film rental income per person employed	\$'000	323.6	334.4	330.8
Gross income per person employed	\$'000	714.9	622.9	653.3
Total expenses per person employed	\$'000	691.1	574.3	612.8
Profitability ratios				
Operating profit margin	%	4.5	8.0	6.9
Return on assets	%	5.7	16.5	12.0
Return on funds	%	152.2	213.3	197.5
Leverage ratios				
Interest coverage	times	5.6	6.4	6.2
Short-term debt to equity	%	298.5	259.1	274.2
Long-term debt to equity	%	78.4	61.3	67.9
Current ratio	times	0.8	1.4	1.2
Asset turnover ratio	times	1.3	2.1	1.7

DISTRIBUTION OF AUSTRALIAN TITLES

There were 69 businesses in the film and video distribution industry, of which 32 businesses distributed Australian titles. An Australian title is a production made wholly or substantially in Australia or an external territory and which has significant Australian content.

A total of 4,678 Australian titles were distributed worldwide by the Australian film and video distribution industry during 1993-94, of which 4,346 were distributed in Australia.

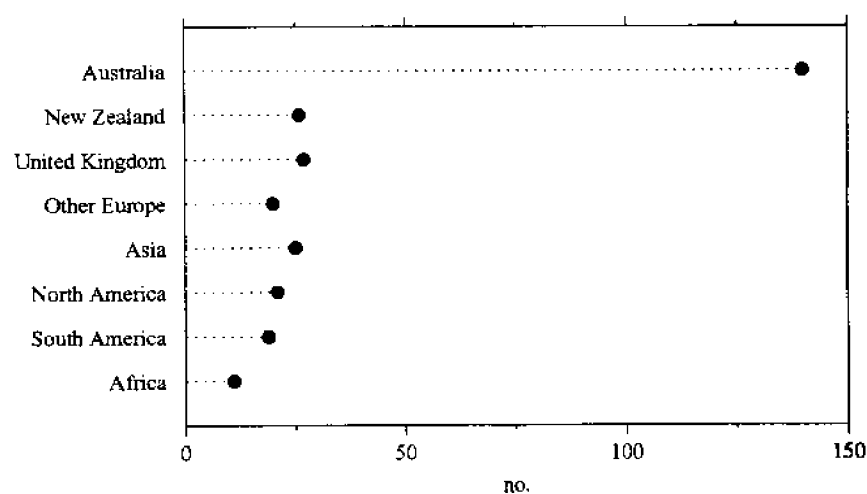
New Zealand was the largest overseas market with 358 titles distributed, followed by Asia with 326, and North America with 248.

21 FILM AND VIDEO DISTRIBUTION INDUSTRY: MARKET DESTINATION OF AUSTRALIAN TITLES, 1993-94

<i>Destination</i>	<i>Businesses at end June</i>	<i>Titles¹</i>
	<i>no.</i>	<i>no.</i>
Australia	31	4 346
Overseas		
New Zealand	14	358
United Kingdom	9	242
Other Europe	10	202
Asia	13	326
North America	12	248
South America	5	95
Africa	5	55

¹The same title may be distributed in Australia and one or more overseas markets.

NUMBER OF TITLES PER BUSINESS BY MARKET DESTINATION, 1993-94



EXPLANATORY NOTES

SURVEY SCOPE AND METHODOLOGY

1 For 1993-94 a census was conducted of businesses classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

- class 9111, film and video production
- class 9112, film and video distribution
- class 9113, motion picture exhibition
- class 9121, radio services
- class 9122, television services

2 This publication contains data for the film and video production and distribution industries. It also includes some data about film and video production by businesses whose predominant activity was the provision of television services.

3 The scope of the census included only businesses which had employees at the time the census population was determined. Non-employed businesses contribute a relatively small proportion of the total economic activity and their exclusion from the census is not expected to have a significant impact on the published data.

4 For the purposes of this publication, productions and the associated costs were only included if the production was in progress or completed during 1993-94. Projects that had not progressed past the development or pre-production stages were excluded. Production costs include only those incurred during the 1993-94 financial year.

CLASSIFICATION BY INDUSTRY

5 Film and video production, Class 9111, includes all units mainly engaged in the production of motion pictures on film or video tape for theatre or television projection. This class also includes services such as casting, film editing and titling. Film and video distribution, Class 9112, includes all units mainly engaged in leasing or wholesaling motion picture on film or video tape to organisations for exhibition or sale. This class also includes agents mainly engaged in leasing and wholesaling films and videos to organisations.

STATISTICAL UNIT

6 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, 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.

STATE DATA

7 Data were collected from the Australia-wide operations of each business. Businesses which operated in more than one State were asked to provide a dissection of total income, employment, and wages and salaries to enable some State statistics to be compiled.

REFERENCE PERIOD	<p>8 Data contained in the tables of this publication relate to all businesses in the selected classes which operated in Australia at any time during the year ended 30 June 1994. Counts of businesses include only those businesses that were operating at 30 June 1994.</p>
BUSINESSES CEASED DURING THE YEAR	<p>9 A very small number of businesses ceased business during the 1993-94 reference period. It is normal ABS procedure to include the contributions of these businesses in the survey output.</p>
EMPLOYMENT	<p>10 Employment comprises working proprietors and partners, working directors of incorporated businesses and other employees. Freelancers paid directly via the payroll are considered to be employees of the business. However, freelancers paid via an incorporated company are excluded from employment figures.</p> <p>11 Payments to freelancers who are paid via an incorporated company are not included with labour costs but are included with selected expenses.</p>
RELIABILITY OF ESTIMATES	<p>12 As the information in this publication has been compiled from a census of all businesses classified to the industries, the estimates in this publication are not subject to sampling error. However, the estimates are subject to non-sampling error.</p> <p>13 Non-sampling error may occur because of deficiencies in the register of units from which the population of businesses was identified, non-response and imperfections in reporting by respondents. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems used to compile the statistics.</p>
AVAILABILITY OF UNPUBLISHED STATISTICS	<p>14 As well as statistics included in this publication, the ABS has a large range of more detailed data on the film and video production and distribution industry. For example, more detailed income and expense data may be made available on request.</p> <p>15 Inquiries on film and video production and distribution statistics should be made by telephoning Tony Ward on (03) 9615 7634.</p>
OTHER PUBLICATIONS IN THIS SERIES	<p>16 The 1993-94 series of surveys included three other industries. Statistics have been or will be released in two separate publications:</p> <ul style="list-style-type: none"> ▪ <i>Motion Picture Exhibition, Australia, 1993-94</i> (8654.0); and ▪ <i>Radio and Television Services, Australia, 1993-94</i> (8680.0).

SYMBOLS AND OTHER
ABBREVIATIONS

-	nil or rounded to zero
n.p.	not available for separate publication, but included in totals where applicable.

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

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification

GLOSSARY

Advertising/marketing costs	Includes costs such as those related to placing advertisements of all kinds, or having a stand at a film festival etc. It does not include wages and salaries of employees of the distributor who are engaged in promotional activities.
Asset turnover ratio	The number of times the value of sales exceeds the value of assets, i.e. sales of goods and services divided by the total value of assets.
Businesses at end June	The number of management units operating at the end of June. A management unit is the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. (Refer to paragraph 6 of Explanatory Notes for further information regarding management units.)
Current ratio	The number of times current assets exceed current liabilities, i.e. current assets divided by current liabilities. This liquidity measure indicates ability to meet immediate financial obligations from current assets.
Depreciation and amortisation	The financial charges made to 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.
Distribution of pre-recorded video cassettes and discs	In addition to distributing a film to exhibitors, a distributor may have video cassettes or discs made from a film for distribution to retail and video hire outlets.
Dubbing, duplication, sub-titling	Costs involved in reproducing sufficient quantities of a film to maximise its distribution and hence potential returns from exhibition.
Earnings before interest and tax (EBIT)	A measure of profit prior to the deduction of interest expense and income tax.
Employer contributions to superannuation funds	Includes all employer contributions to superannuation schemes (including the employer productivity contribution).
Employment at end June	Includes working proprietors and partners, working directors, and other employees (including freelancers paid directly via the payroll) working for a business during the last pay period in June each year. Employees absent on paid or prepaid leave are included. Freelancers paid via an incorporated company are excluded.
Film rental	Includes theatrical, television and other film rental. Theatrical film rental is the rental of any film for public showing in any cinema or drive-in theatre. Television film rental is the rental of any film for broadcasting by television. Other film rental is the rental of any film for private viewing by an individual or club/organisation, whether or not this is at a cinema or drive-in.
Freight charges by other businesses	Includes courier and other freight charges.
Freight income	Distributors may generate freight income where they use their own vehicles to transport film prints, videos etc.

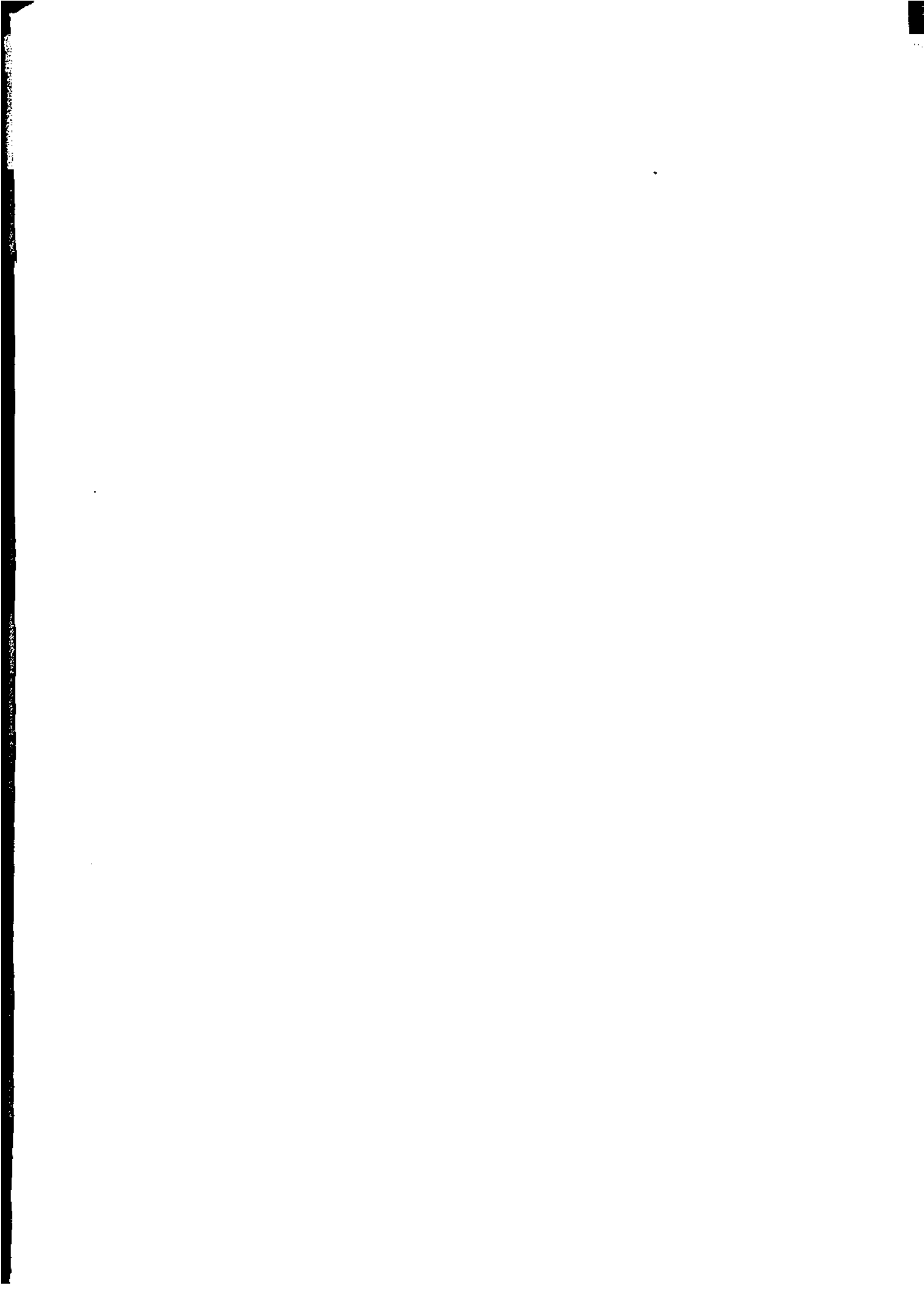
Full-time employees	Persons who work 35 hours per week or more.
Government subsidies	Includes bounties, subsidies, export grants, Jobstart and apprenticeship schemes.
Gross income	Sum of all income items.
Industry gross product	A measure of the value of unduplicated gross product of businesses. It is defined as sales of goods and services plus government subsidies plus capital work done by own employees for own use or for rental or lease minus purchases and selected expenses.
Insurance premiums	Payments made by a business in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest coverage	The number of times that businesses can meet their interest expenses from their earnings before interest, i.e. EBIT divided by interest expenses.
Interest income	Includes interest from loans, finance leases, deposits in banks and non-bank financial institutions.
Interest expenses	Includes interest on bank loans, loans from partners, and loans from government funding bodies, interest in respect of finance leases, interest equivalents such as hedging costs, and expenses associated with discounted bills.
Labour costs	Includes wages and salaries (including monies paid directly to freelancers via the payroll), employer contributions to superannuation funds, and workers' compensation costs. Payments to freelancers who are paid via an incorporated company are excluded.
Labour costs per employee	Labour costs divided by number of employees.
Labour costs to total expenses	Labour costs divided by total expenses.
Licensing costs and other royalties	Licensing costs are a royalty paid by the distributor to the film copyright owners for the rights to reproduce and distribute the production. Other royalties include payments made under music rights, literacy rights and options. Withholding tax is not deducted.
Long-term debt to equity	The ratio of non-current liabilities to net worth expressed as a percentage i.e. non-current liabilities times 100 divided by net worth.
Motor vehicle running expenses	Expenses incurred using 'on-road' motor vehicles for business purposes and include such items as fuel, repair and maintenance.
Net worth	Total assets minus total liabilities and is equal to the interests of shareholders or other owners in the assets of the business.
Number of employees	Includes working directors of incorporated companies and other employees (including freelancers paid via the payroll). Excludes working proprietors and working partners of unincorporated businesses

Operating profit before tax (OPBT)	A measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Operating profit before tax per person employed	OPBT divided by persons employed.
Operating profit margin	The percentage of sales of goods and services available as operating profit, i.e. operating profit before tax times 100 divided by sales of goods and services.
Other business expenses	<p>For the film and video production industry, other business expenses includes contract, sub-contract and commission expenses other than caterers, advertising expenses, repairs and maintenance expenses, office supplies and printing costs, travelling and entertainment expenses, telephone and postal charges, and expenses related to the accommodation of cast and crew.</p> <p>For the film and video distribution industry other business expenses includes such expenses as office supplies, printing costs, contract, subcontract and commission expenses, bank charges, repair and maintenance, and management fees/charges paid to related and unrelated businesses.</p>
Other costs	<p>For the film and video production industry other costs includes purchases, royalties expenses, depreciation and amortisation, insurance premiums, interest, and bad debts written off.</p> <p>For the film and video distribution industry other costs includes licensing costs and other royalties, depreciation and amortisation, insurance premiums, interest, and bad debts written off.</p>
Other expenses	Includes insurance premiums, royalties and bad debts written off.
Other income	<p>For the film and video production industry other income includes income from the sales of rights for completed works, sales of ancillary rights, other royalties income, dividends and other non-operating income.</p> <p>For the film and video distribution industry other income includes government subsidies, royalties income and other non-operating income.</p>
Other non-operating income	<p>For the film and video production industry, other non-operating income includes dividends received, government subsidies, royalties income, income from net profit (loss) on sale of fixed tangible assets, and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions. Does not include extraordinary profit (loss) or government subsidies.</p> <p>For the film and video distribution industry, other non-operating income includes dividends received, government subsidies, royalties income, income from net profit (loss) on sale of fixed tangible assets, and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions. Does not include extraordinary profit (loss).</p>

Other operating income	For the film and video distribution industry other operating income includes, rent, leasing and hiring income, freight income and other operating income. For the film and video production industry other operating income includes rent, leasing and hiring income, government subsidies and income earned from the storage/archival of films.
Other rent, leasing and hiring income	Includes income from the rental of facilities and revenue from operating leases.
Other royalties income	Includes revenue under licensing arrangements.
Part-time employees	Persons who work less than 35 hours per week.
Payments to catering services	It is the production business's responsibility to feed the cast and crew while on location. Catering, therefore, is listed as a standard item on the production budget.
Payments to freelancers paid via an incorporated company	In the film/video production industry contractors are known as 'freelancer's.
Payments to other businesses for post-production services	The final stage in the production cycle is post-production. This is where a film is drawn together. Certain businesses specialise in providing post-production services to production businesses. This item measures the payments to those businesses.
Payments to sales agents	Includes sales agents' expenses billed to the business. Sales agents are commissioned to the production company to find buyers for the rights to distribute/exhibit a production.
Persons employed	Includes working proprietors and working partners of unincorporated businesses, working directors of incorporated companies and other employees (including freelancers paid via the payroll).
Production costs	Includes all costs incurred in producing a film or video. Excludes administration costs.
Production of commissioned works	Producers of commercials and corporate/training/marketing videos derive their income from being commissioned, i.e. a fee to undertake a production within a set timetable. Unlike other types of production e.g. feature films, ownership of the final product does not reside with the production company, but passes to the organisation commissioning the work.
Provision of post-production/film laboratory services	Includes dubbing, duplication, sub-titling, editing, film printing, film processing, film/video conversions, post-production sound services, fees received by incorporated freelancers, and rental of facilities and/or equipment with crew.
Provision of production services to other businesses	Relates to businesses that provide services to production houses and businesses in the television services industry. Income from these services include producers' fees, directors' fees, lighting services, cinematography and other production services, fees received by incorporated freelancers, and rental of facilities and/or equipment with crew.

Rent, leasing and hiring expenses	Rent, leasing and hiring expenses includes operating lease expenses (e.g. fleet leasing) rental of facilities and/or equipment <i>without</i> crew, i.e. dry hire, and all expenses paid/payable to landlords. Expenses related to the rental of facilities and/or equipment <i>with</i> crew are included in payments to freelancers who are paid via an incorporated company.
Return on assets	Operating profit before tax as a percentage of the total book value of assets, i.e. OPBT times 100 divided by total assets.
Return on funds	Earnings before interest and tax as a percentage of long-term investment funds, i.e. EBIT times 100 divided by (net worth plus non-current liabilities).
Royalties income	Includes revenue under licensing arrangements.
Royalties expenses	Royalties are payments made by one company/person for the use of rights owned by another company/person. Includes payments under licensing arrangements, music rights, literary rights and options, and payments for the right to use motion picture or television films or video tapes. Withholding tax is not deducted.
Sales agents' commissions	Sales agents' commissions are fees paid to agents for acting as an intermediary between a production house and distributor. The sales agent's role is to find a distributor willing to buy the distribution rights from the production house.
Sales of goods and services	<p>For the film and video production industry sales of goods and services includes income from the production of commissioned works, income from the provision of production services to other businesses, income from the provision of post-production/film laboratory services to other businesses, freight, rent, leasing and hiring, and other operating income.</p> <p>For the film and video distribution industry sales of goods and services includes income derived from film rental, distribution of pre-recorded video cassettes and discs, sub-licensing, sales agents' commissions, freight, rent, leasing and hiring, and other operating income.</p>
Sales of rights for completed works	<p>Refers to the sale of the right to distribute/exhibit a production via a licence arrangement and not to the outright sale of a production. Includes income from:</p> <p>advances i.e. a sum of money given by a distributor to the producer for all or part of the minimum guarantee prior to the production of the film. This is then deducted from future receipts of the film.</p> <p>minimum guarantee payments i.e. the guarantee given to the producer by a distributor stating that the producer's share from the exploitation of the rights will reach the guaranteed amount.</p> <p>program licence fees i.e. the owner of the production will receive income from selling the 'right to broadcast the production' to a TV station.</p> <p>pre-sales i.e. the production company may be able to secure a sale, usually by way of exclusive licence of certain rights to the film (such as theatrical exhibition or television), prior to the production commencing.</p>

Selected expenses	<p>For the film and video production industry selected expenses includes payments to freelancers who are paid via an incorporated company, payments to catering services, payments to other businesses for post-production services, payments to sales agents, residual payments, administration fees paid to funding organisations, rent, leasing and hiring expenses, motor vehicle running expenses, freight charges by other businesses, and other business expenses.</p> <p>For the film and video distribution industry selected expenses includes dubbing, duplication, film print costs, advertising/marketing costs, motor vehicle running expenses, rent, leasing and hiring expenses, freight charges by other businesses and other business expenses.</p>
Short-term debt to equity	The ratio of current liabilities to net worth expressed as a percentage i.e. current liabilities times 100 divided by net worth.
Sub-licensing	A distributor may sell the rights to exhibit a film directly to an exhibitor or they may on-sell the distribution and exhibition rights to another distributor. A distributor who negotiates to purchase all the distribution rights may then on-sell the rights to a sub-distributor who specialises in one of these markets. This is known as sub-licensing.
Total production costs	Includes projects completed during 1993-94 financial year, projects still in production at 30 June 1994, and unofficial co-productions with television stations for which the business had prime responsibility. Excludes projects that have not progressed past the development of pre-production stages, and projects for which the business provided freelance production services or post-production services or film laboratory services to other production houses.
Trading profit	A measure of profit directly attributable to trading goods and services. It is derived by subtracting selected expenses from the sum of sales of goods and services.
Wages and salaries	Are gross earnings of all employees before taxation and other deductions. Drawings of working proprietors and working partners of unincorporated businesses are excluded.



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