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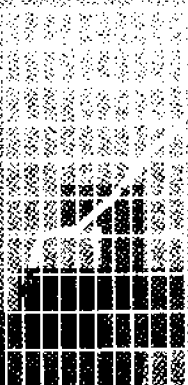
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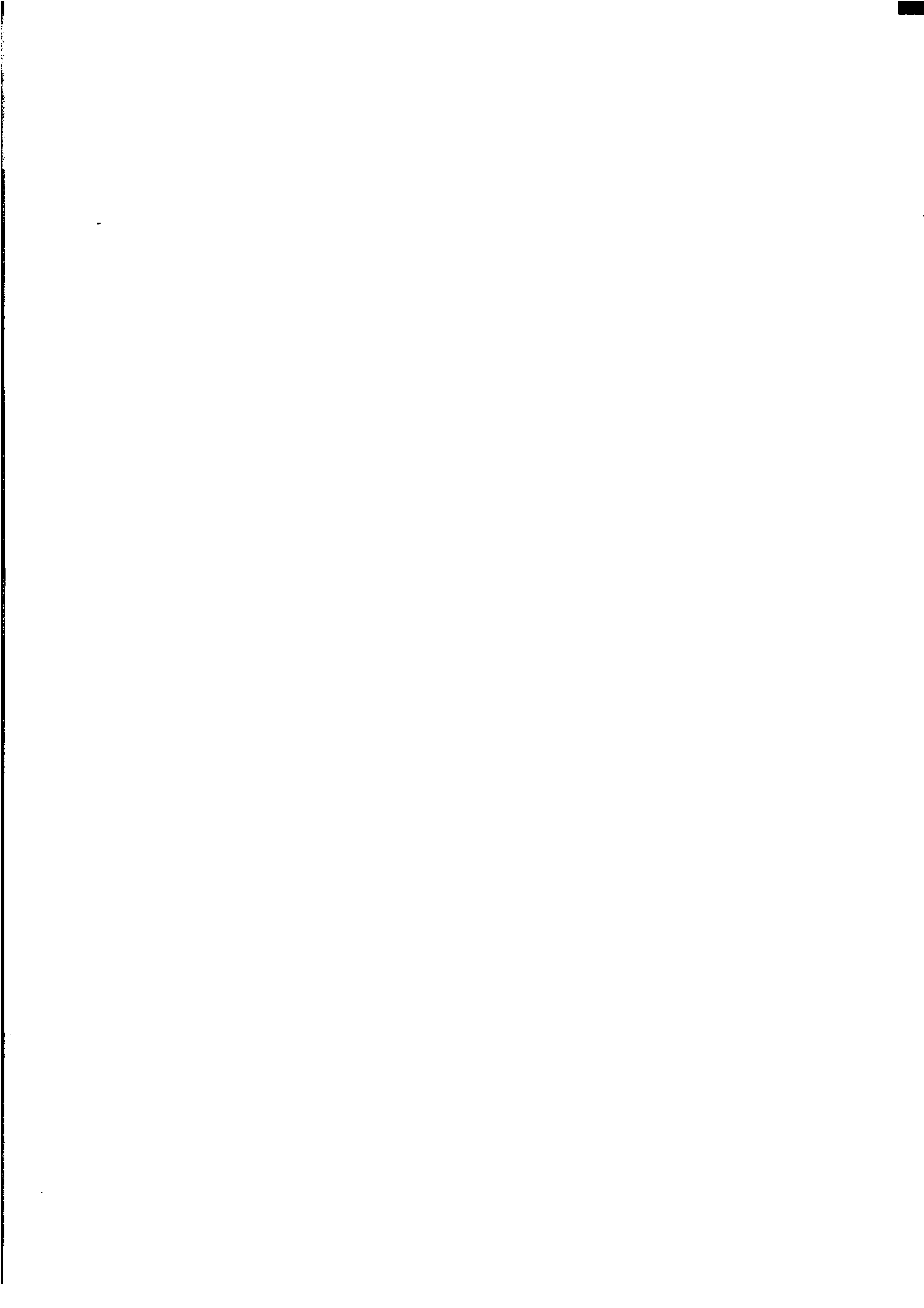
# Radio and Television Services

## Australia

*Statistics*



ABS Catalogue No. 8680.0



**RADIO AND TELEVISION SERVICES, AUSTRALIA  
1993-94**

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**AUSTRALIAN BUREAU OF STATISTICS**

**CATALOGUE NO. 8680.0**

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- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Tony Ward, on Melbourne (03) 9615 7634.*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

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## INTRODUCTION

In respect of the 1993–94 financial year, the ABS conducted collections covering the radio and television services industries, film and video production, film and video distribution, and motion picture exhibition. 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 (both public and private sector) classified to the following classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

- Class 9121 — Radio services, which includes businesses mainly engaged in radio broadcasting. This class also includes the collection of news for radio services, and the production of radio programs, whether live or on tape or other recording medium, for own use.
- Class 9122 — Television services, which includes businesses mainly engaged in television broadcasting. This class includes the production of television programs, whether live or on tape or other recording medium, for own use. This class also includes the collection of news for television broadcasting.

The first part of this publication contains data specifically on radio services, while the second part focuses on television services.

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
- *Film and Video Production and Distribution, Australia, 1993–94* (8679.0), released on 20 May 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 and which topics to cover. 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.



## RADIO AND TELEVISION SERVICES — AN OVERVIEW

**SIZE** There were 314 businesses (management units — see paragraph 10 of the Explanatory Notes) in the radio and television services industry at 30 June 1994. Total employment in the industry was 19,375 persons, with 12,211 (63%) employed in the television services industry and 7,164 (37%) in the radio services industry.

In 1993–94, total sales of goods and services were valued at \$2,699.2 million, with television services generating \$2,174.5 million (81%) and radio services accruing \$524.7 million (19%). In addition to the sales of goods and services, there was a further \$776.7 million of income received by the industry during the year. This income mainly related to government funding for government-owned broadcasters.

**PROFITABILITY** The radio and television services industry recorded an operating profit before tax of \$394.6 million for the year ended 30 June 1994. The television services industry recorded an operating profit before tax of \$376.9 million while the radio industry recorded a smaller profit of \$17.7 million. Private broadcasters recorded a profit of \$396.1 million during the year which represented an operating profit margin of 15%.

### 1 RADIO AND TELEVISION SERVICES: SUMMARY OF OPERATIONS, 1993–94

	Unit	Radio services	Television services	Total
<b>Businesses at end June 1994</b>	no.	268	46	314
<b>Employment</b>				
Males	no.	4 300	7 559	11 858
Females	no.	2 864	4 653	7 518
Total employment end June 1994	no.	7 164	12 211	19 375
<b>Income statement</b>				
Sales of goods and services	\$m	524.7	2 174.5	2 699.2
Less				
Selected expenses	\$m	360.3	1 063.9	1 424.2
Trading profit	\$m	164.4	1 110.6	1 275.0
Plus				
Interest income	\$m	5.4	13.5	18.9
Other income	\$m	269.5	488.3	757.8
Less				
Labour costs	\$m	298.4	507.2	805.5
Depreciation and amortisation	\$m	41.5	89.3	130.8
Other expenses	\$m	30.0	550.5	580.6
Earnings before interest and tax	\$m	69.4	465.4	534.8
Less				
Interest expenses	\$m	51.7	88.5	140.2
Operating profit before tax	\$m	17.7	376.9	394.6
Operating profit margin	%	3.4	17.3	14.6
Industry gross product	\$m	411.1	1 530.5	1 941.6

## RADIO SERVICES

### OVERVIEW

The radio services industry (Class 9121 of the ANZSIC) comprises businesses (both public and private sector) mainly engaged in radio broadcasting. This class also includes the collection of news for radio services, and the production of radio programs, whether live or on tape or other recording medium, for own use.

**Size of industry** At the end of June 1994, there were 268 businesses (management units) in the radio services industry. These businesses employed a total of 7,164 persons, with 4,829 being employed by private broadcasters and 2,335 employed by public broadcasters. However, there were a further 9,608 unpaid volunteers who worked for private broadcasters.

During 1993-94, gross income for the industry was \$799.6 million. This comprised \$524.7 million which was generated by the industry (mainly private sector broadcasters) from the sales of goods and services such as air time etc., and a further \$274.9 million other income which was received by the industry during the year. This other income mainly related to government funding for government-owned broadcasters.

**Profitability** During 1993-94, gross income (\$799.6 million) exceeded total expenses (\$781.9 million) resulting in an operating profit before tax of \$17.7 million, and an operating profit margin of 3.4% for the industry.

Private sector broadcasters recorded a small profit of \$18.5 million which represented an operating profit margin of 3.7%. The expenses of public sector broadcasters exceeded their income by \$0.8 million.

The operating profit margin for all industries in the Australian economy during this period was 9%.

**Public broadcasters** Public broadcasters accounted for 36% of gross income in the industry. The major part of this income, however, came from government funding rather than from the sales of goods and services. Public broadcasters accounted for a marginally larger proportion of total expenses (37%).

In terms of employment, public broadcasters accounted for 33% of persons employed in the industry. Just over two-thirds of these employees were predominantly engaged in on-air activities, with a male to female ratio of approximately 3 males to every 2 females.

**Business size** Of the 265 private sector businesses in the radio services industry, 71% were businesses with employment of less than 20 persons. These businesses, however, contributed only 22% to total employment and 14% to gross income. The contribution to the private sector of the three largest businesses in the industry was significant in terms of both gross income (30%) and total employment (18%).

**State dimension** Businesses in this industry were concentrated in New South Wales and Victoria. The 92 businesses operating in New South Wales and the 63 operating in Victoria accounted for 59% of employment and 64% of gross income.

Programming format Just over 48% of radio stations reported music as the programming format that best described their station. News/talk accounted for 20% of radio formats, and general community 18%.

Target audience Almost 60% of radio stations had a target audience between the ages of 25 and 54 years, with 32% targeting the 25-39 year old group and 28% targeting the 40-54 year old group. Almost 25% of radio stations had more than one target audience.

## 2 RADIO SERVICES: SUMMARY OF OPERATIONS, 1993-94

	Unit	Private broadcasters				Public broadcasters	Total radio services
		Private	Community	Narrowcast	Total		
<b>Businesses at end June 1994</b>	no.	117	130	18	265	3	268
<b>Employment</b>							
Males	no.	2 610	318	25	2 953	1 347	4 300
Females	no.	1 663	199	14	1 876	988	2 864
Total employment end June 1994	no.	4 273	517	39	4 829	2 335	7 164
<b>Volunteers</b>	no.	n.p.	9 513	n.p.	9 608	—	9 608
<b>Income statement</b>							
Sales of goods and services	\$m	482.2	13.8	2.0	498.0	26.7	524.7
Less							
Selected expenses	\$m	231.2	8.6	1.6	241.5	118.8	360.3
Trading profit	\$m	251.0	5.2	0.4	256.6	-92.1	164.4
Plus							
Interest income	\$m	1.6	n.p.	n.p.	1.8	3.6	5.4
Other income	\$m	5.8	n.p.	n.p.	14.0	255.5	269.5
Less							
Labour costs	\$m	159.9	9.3	0.5	169.6	128.8	298.4
Depreciation and amortisation	\$m	18.4	n.p.	n.p.	20.5	21.0	41.5
Other expenses	\$m	21.0	1.0	0.1	22.1	7.9	30.0
Earnings before interest and tax	\$m	59.2	1.6	-0.5	60.2	9.2	69.4
Less							
Interest expenses	\$m	41.5	0.2	0.0	41.7	10.0	51.7
Operating profit before tax	\$m	17.7	1.4	-0.5	18.5	-0.8	17.7
<b>Operating profit margin</b>	%	3.7	10.1	-27.6	3.7	-3.1	3.4
<b>Industry gross product</b>	\$m	251.3	9.4	0.6	261.3	149.8	411.1

## INCOME AND EXPENDITURE

**Income** In 1993-94, gross income for the radio services industry was \$799.6 million. Almost two-thirds (\$513.9 million) of this income was accrued by private broadcasters and one-third (\$265.8 million) by public broadcasters.

The components of gross income differed significantly between public and private broadcasters. Private broadcasters derived the majority of their income from the sale of airtime (93%), while public broadcasters derived the majority of their income from government funding (89%).

**Money provided by government sources** Money provided by government sources accounted for 33% of gross income in the radio services industry i.e. \$1.7 million from government funding of community radio stations, \$5.0 million from government subsidies, and \$253.3 million from funding of government-owned radio stations.

**Funding of community radio stations** There were 19 private radio broadcasters who derived no income from the sale of airtime. Almost all of these broadcasters were community radio stations deriving the majority of their income from government funding of community radio stations and other operating income.

There were, however, a total of 82 private broadcasters who received some government funding as community stations (\$1.7 million).

### 3 RADIO SERVICES: SOURCES OF INCOME, 1993-94

	<i>Private broadcasters</i>		<i>Public broadcasters</i>		<i>Total</i>	
	<i>Businesses at end June</i>	<i>Value</i>	<i>Businesses at end June</i>	<i>Value</i>	<i>Businesses at end June</i>	<i>Value</i>
<i>Sources of income</i>	no.	\$m	no.	\$m	no.	\$m
<b>Sales of goods and services</b>						
Gross income from the sale of airtime	246	477.6	1	0.6	247	478.3
Fees received from the production of commercials	78	3.3	—	—	78	3.3
Subscription income	115	2.7	—	—	115	2.7
Rent, leasing and hiring income	90	2.0	1	0.4	91	2.4
Other operating income	171	12.5	2	25.6	173	38.0
<i>Total sales of goods and services</i>	261	498.0	2	26.7	263	524.7
<b>Other sources of income</b>						
Program sales	19	1.9	1	0.5	20	2.3
Government funding of community radio stations	82	1.7	—	—	82	1.7
Funding of government owned radio stations	—	—	3	253.3	3	253.3
Government subsidies	70	4.4	2	0.6	72	5.0
Interest income	171	1.8	2	3.6	173	5.4
Other non-operating income	154	6.0	2	1.1	156	7.1
<i>Total other sources of income</i>	225	15.8	3	259.1	228	274.9
<b>Gross income</b>	<b>265</b>	<b>513.9</b>	<b>3</b>	<b>285.8</b>	<b>268</b>	<b>799.6</b>

**Expenses** Total expenses incurred by the radio services industry were \$781.9 million. Private broadcasters accounted for \$495.3 million (63%) of the industry's total expenses, and public broadcasters \$286.6 million (37%).

**Labour costs** Labour costs were the largest item of expenditure accounting for 38% of total expenses. These costs, however, were a much larger component of expenditure for public broadcasters (45%) compared with private broadcasters (34%).

Average labour costs per employee were higher for public broadcasters (\$55,161) compared with private broadcasters (\$35,121). Indeed, expenses per employee for all three components of labour costs were higher for public broadcasters e.g. wages and salaries per employee was \$49,465 (compared with \$33,340 for employees of private broadcasters), and employer's contribution to superannuation per employee was \$5,096 (compared with only \$1,595 for private broadcasters).

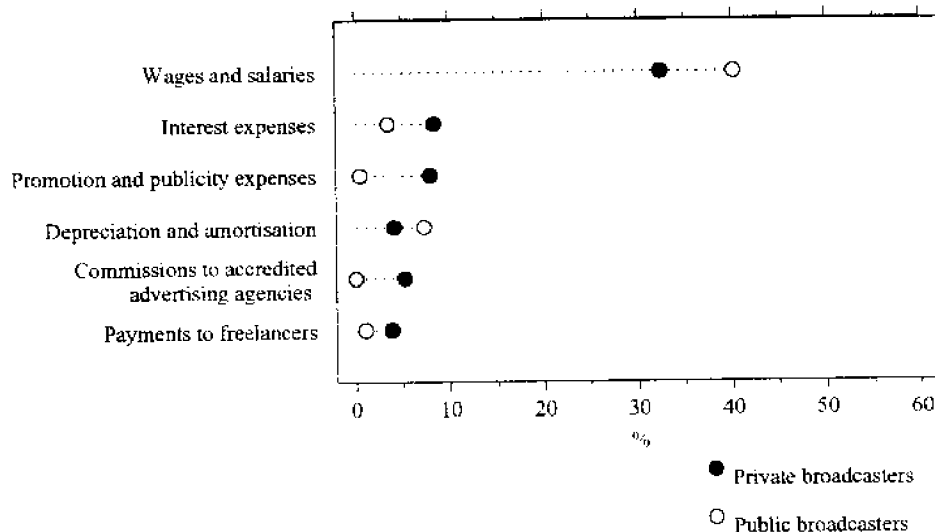
A greater proportion of public broadcaster employees (90%) worked on a full time basis compared with private broadcasters (78%). This difference in full time and part time employment contributed to the difference in labour costs.

**Payments to freelancers** Payments to freelancers accounted for a further \$21.8 million. Private broadcasters were responsible for the majority (86%) of these payments, with 31% of private broadcasters incurring this cost.

**Advertising, promotion and publicity** Commissions paid to accredited advertising agencies (\$26.0 million), and promotion and publicity expenses (\$41.1 million) together accounted for 9% of expenses. Private broadcasters were responsible for almost all of these expenses.

**Interest** Interest expenses were 8% (\$41.7 million) of total expenses for private sector broadcasters (compared with only 3% for public broadcasters). This represented \$328,346 per business for those 127 private broadcasters who incurred this expense.

RADIO SERVICES: PERCENTAGE CONTRIBUTIONS OF MAJOR EXPENSE ITEMS, 1993-94

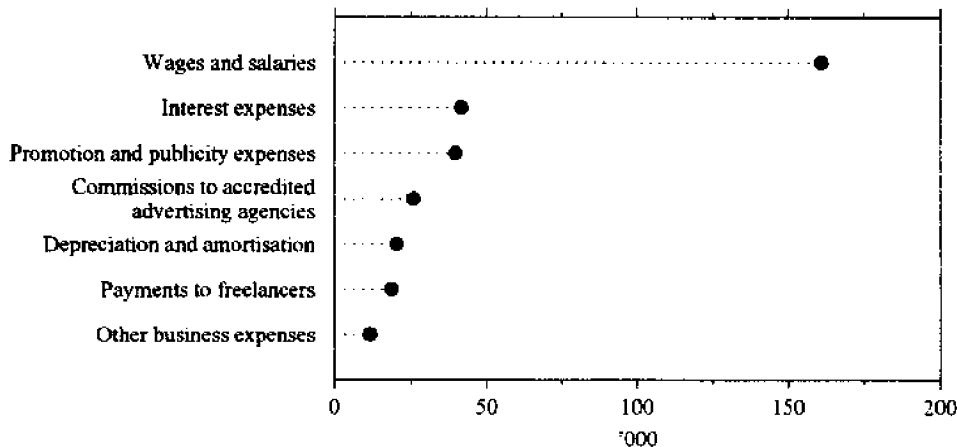


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## RADIO SERVICES: ITEMS OF EXPENDITURE, 1993-94

Type of expense	Private broadcasters		Public broadcasters		Total	
	Businesses		Businesses		Businesses	
	at end June	Value	at end June	Value	at end June	Value
	no.	\$m	no.	\$m	no.	\$m
<b>Labour costs</b>						
Wages and salaries	221	161.0	3	115.5	224	276.5
Employer contributions to superannuation funds	202	7.7	3	11.9	205	19.7
Workers' compensation costs	192	0.8	3	1.4	195	2.2
<i>Total labour costs</i>	226	169.6	3	128.8	229	298.4
<b>Selected expenses</b>						
Payments to freelancers	81	18.8	2	3.0	83	21.8
Promotion and publicity expenses	240	39.8	3	1.3	243	41.1
Commissions to accredited advertising agencies	138	26.0	—	—	138	26.0
Australian Broadcasting Authority radio licence fees	171	9.3	—	—	171	9.3
Rent, leasing and hiring of communications equipment	197	7.9	3	9.7	200	17.6
Other rent, leasing and hiring expenses	183	12.1	2	10.8	185	22.9
Motor vehicle running expenses	164	3.8	3	1.7	167	5.5
Other business expenses	264	123.8	3	92.3	267	216.1
<i>Total selected expenses</i>	265	241.5	3	118.8	268	360.3
<b>Other costs</b>						
Depreciation and amortisation	223	20.5	3	21.0	226	41.5
Other royalties	228	10.6	2	2.7	230	13.2
Interest expenses	127	41.7	3	10.0	130	51.7
Other costs	252	11.5	3	5.3	255	16.8
<i>Total other costs</i>	261	84.2	3	39.0	264	123.3
<b>Total expenses</b>	<b>265</b>	<b>495.3</b>	<b>3</b>	<b>286.6</b>	<b>268</b>	<b>781.9</b>

## RADIO SERVICES: MAJOR EXPENSES PER PRIVATE BROADCASTER, 1993-94



## EMPLOYMENT

Total workers: paid employees and volunteers At the end of June 1994, there were 7,164 paid employees in the radio services industry. Private broadcasters accounted for 4,829 persons (67%) while public sector broadcasters accounted for 2,335 persons (33%). In addition to paid employees, the private sector also had 9,608 persons who were volunteer workers.

Male and female employment Male employment accounted for 60% of total employment; this proportion differed marginally between private broadcasters (62%) and public broadcasters (58%). The proportion of males in the industry however varied significantly by type of employment: males accounted for 93% of technical/engineering employees, 69% of persons predominantly engaged in on-air activities and only 36% of other employees (e.g. managerial, administrative etc.).

The dominance of males engaged in on-air activities, and technical/engineering activities was more pronounced within private broadcasting (75% and 98% respectively) than in public broadcasting (61% and 85% respectively).

Full-time and part-time employment Employment in the radio industry was mainly on a full-time basis with 82% of employees working full time. This was higher than the proportion of full-time employees in the Australian workforce (76%).

Private broadcasters employed a significantly greater proportion of persons on a part time basis (22%) than did public broadcasters (10%).

Type of employment Persons predominantly engaged in on-air activities accounted for 53% (3,772) of total employment. However, when volunteers are taken into consideration, this proportion increases to 72%.

Other employees represented the second largest type of employment (25%), with a significant proportion of employees (17%) working on sales and marketing activities. These proportions differed between private and public broadcasters. For example, public broadcasters had no employees predominantly working on sales and marketing activities, compared with 25% of employees in private broadcasting.

Volunteers Volunteers accounted for 57% of persons in the radio services industry, and 67% of persons working in private broadcasting. The ratio of males to females (60:40) was the same as for paid employees in the industry, however a greater proportion (86% of volunteers compared with 53% of industry employees) were predominantly engaged in on-air activities.

There were no volunteers reported by public broadcasters.

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## RADIO SERVICES: 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
	no.	no.	no.	no.	no.	no.	no.	no.	no.
<b>PRIVATE BROADCASTERS</b>									
Persons predominantly engaged in on-air activities	1 200	453	1 653	387	164	551	1 588	616	2 204
Sales and marketing	n.p.	n.p.	686	n.p.	n.p.	533	1 117	103	1 219
Technical and engineering	n.p.	n.p.	227	n.p.	n.p.	5	188	43	232
Other employees	324	63	387	563	224	787	887	287	1 174
<i>All employees</i>	2 363	590	2 953	1 416	460	1 876	3 779	1 050	4 829
<i>Percentage contribution to total</i>	48.9	12.2	61.2	29.3	9.5	38.8	78.3	21.7	100.0
<b>PUBLIC BROADCASTERS</b>									
Persons predominantly engaged in on-air activities	851	103	954	519	95	614	1370	198	1 568
Sales and marketing	—	—	—	—	—	—	—	—	—
Technical and engineering	141	5	146	14	11	25	155	16	171
Other employees	243	4	247	343	6	349	586	10	596
<i>All employees</i>	1 235	112	1 347	876	112	988	2 111	224	2 335
<i>Percentage contribution to total</i>	52.9	4.8	57.7	37.5	4.8	42.3	90.4	9.6	100.0
<b>TOTAL</b>									
Persons predominantly engaged in on-air activities	2 051	556	2 607	906	259	1 165	2 958	814	3 772
Sales and marketing	n.p.	n.p.	686	n.p.	n.p.	533	1 117	103	1 219
Technical and engineering	n.p.	n.p.	373	n.p.	n.p.	30	343	59	403
Other employees	567	67	634	906	230	1 136	1 473	297	1 770
<b>All employees</b>	<b>3 598</b>	<b>702</b>	<b>4 300</b>	<b>2 292</b>	<b>572</b>	<b>2 864</b>	<b>5 890</b>	<b>1 274</b>	<b>7 164</b>
<i>Percentage contribution to total</i>	50.2	9.8	60.0	32.0	8.0	40.0	82.2	17.8	100.0

## 6

## RADIO SERVICES: VOLUNTEERS WORKING FOR PRIVATE BROADCASTERS, END JUNE 1994

Type of volunteer	Males		Females		Total	
	no.	%	no.	%	no.	%
	Persons predominantly engaged in on-air activities	4 990	87.1	3 276	84.5	8 266
Sales and marketing	69	1.2	32	0.8	101	1.1
Technical and engineering	179	3.1	12	0.3	191	2.0
Other	494	8.6	556	14.3	1 050	10.9
<b>All volunteers</b>	<b>5 732</b>	<b>100.0</b>	<b>3 876</b>	<b>100.0</b>	<b>9 608</b>	<b>100.0</b>
<i>Percentage contribution to total</i>	59.7		40.3		100.0	



## BUSINESS SIZE ANALYSIS

Dominance of smaller businesses Of the 265 private sector businesses in the radio services industry, 71% had employment of less than 20 persons, well below the proportion of around 90% generally reported in service industries.

Although these smaller businesses dominated in terms of numbers, their contributions to the total employment (22%) and gross income (14%) of the private sector component of the industry, were relatively small. Gross income per person employed (\$68,396) for these businesses was significantly below the industry average of \$106,420.

Larger businesses in private sector There were three private sector businesses in the radio services industry with employment of 100 or more persons. Although these three businesses accounted for only 1% of businesses in the private sector component of the industry, their contributions to gross income (30%) and total employment (18%) were significant.

## 7

### RADIO SERVICES: 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
<b>Private broadcasters</b>							
0 - 4 persons	103	38.9	130	2.7	13.0	2.5	-0.6
5 - 9 persons	37	14.0	245	5.1	11.4	2.2	-0.5
10 - 19 persons	48	18.1	685	14.2	48.1	9.4	6.3
20 - 49 persons	55	20.8	1 576	32.6	136.3	26.5	16.3
50 - 99 persons	18	6.8	1 342	27.8	151.7	29.5	-6.8
100 or more persons	3	1.1	851	17.6	153.3	29.8	3.8
<i>Total private broadcasters</i>	265	100.0	4 829	100.0	513.9	100.0	18.5
<b>Public broadcasters</b>	3	100.0	2 335	100.0	285.8	100.0	-0.8

STATE DATA

**Introduction** In the 1993-94 census of the radio services industry, the only data collected by State were gross income, wages and salaries, and total employment at the end of June 1994. These were the only data items for which radio services businesses were able to accurately supply State data.

To be considered to operate in a State, a radio station has employees based in that State.

**Concentration of businesses in New South Wales and Victoria** Businesses in this industry were concentrated in New South Wales and Victoria. The 92 businesses operating in New South Wales and the 63 businesses operating in Victoria accounted for 59% of employment and 64% of gross income.

**Private broadcasters** There were 90 private broadcasting radio businesses operating in New South Wales at the end of June 1994. This was at least 50% more than in any other State. Businesses in New South Wales accounted for 35% of total employment and 36% of gross income.

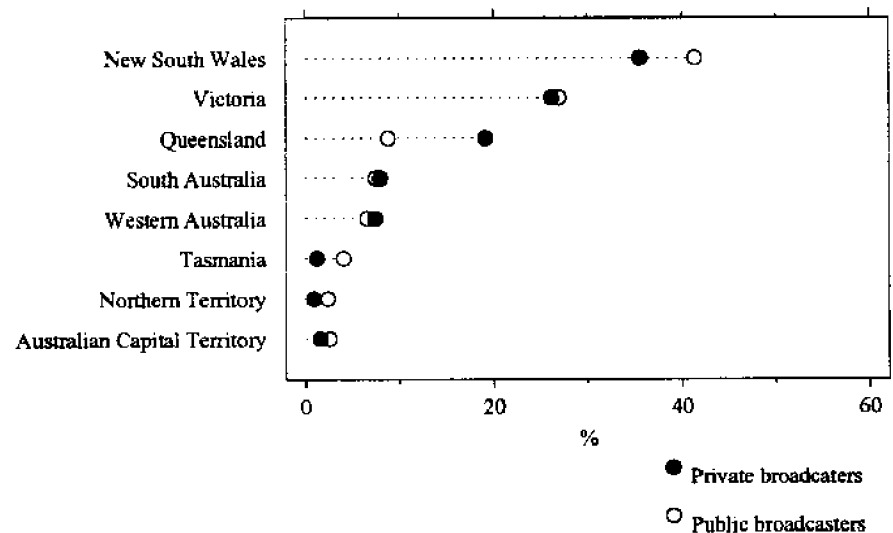
In contrast to State populations, there were nearly as many private broadcasting radio stations in Queensland as in Victoria (54 and 60 respectively), and they employed marginally more people). However, businesses operating in Victoria had a much higher gross income than those operating in Queensland.

Gross income per person employed ranged from \$144,791 in Victoria, to \$58,442 in the Northern Territory. The Australian average was \$106,420 per person employed.

**Public broadcasters** The activities of public broadcasting businesses were concentrated in New South Wales and Victoria, together accounting for 69% of total employment and 68% of gross income.

For public broadcasters, while the operations may be undertaken in one State, the broadcasts are transmitted to additional States. Table 8 below shows the State in which employees were based.

RADIO SERVICES: PROPORTION OF INCOME BY STATE, 1993-94



State/Territory	Businesses at end June '94		Employment at end June		Wages and salaries		Gross income	
	no.		no.	%	\$m	%	\$m	%
<b>PRIVATE BROADCASTERS</b>								
New South Wales	90		1 676	34.7	60.3	37.5	182.8	35.6
Victoria	60		931	19.3	33.0	20.5	134.8	26.2
Queensland	54		993	20.6	30.4	18.9	98.1	19.1
South Australia	23		503	10.4	16.2	10.1	41.2	8.0
Western Australia	22		443	9.2	13.4	8.3	38.2	7.4
Tasmania	11		101	2.1	2.4	1.5	6.1	1.2
Northern Territory	7		77	1.6	1.8	1.1	4.5	0.9
Australian Capital Territory	8		105	2.2	3.5	2.2	8.2	1.6
<b>Australia</b>	<b>265</b>		<b>4 829</b>	<b>100.0</b>	<b>161.0</b>	<b>100.0</b>	<b>513.9</b>	<b>100.0</b>
<b>PUBLIC BROADCASTERS</b>								
New South Wales	2		1 002	42.9	51.7	44.8	120.0	42.0
Victoria	3		610	26.1	27.9	24.2	75.2	26.3
Queensland	1		199	8.5	9.4	8.1	25.5	8.9
South Australia	1		169	7.2	8.4	7.3	21.0	7.3
Western Australia	1		148	6.3	7.6	6.6	18.5	6.5
Tasmania	1		93	4.0	4.5	3.9	12.0	4.2
Northern Territory	1		55	2.4	2.7	2.3	6.5	2.3
Australian Capital Territory	1		59	2.5	3.3	2.9	7.0	2.4
<b>Australia</b>	<b>3</b>		<b>2 335</b>	<b>100.0</b>	<b>115.5</b>	<b>100.0</b>	<b>285.8</b>	<b>100.0</b>
<b>TOTAL</b>								
New South Wales	92		2 678	37.4	112.0	40.5	302.8	37.9
Victoria	63		1 541	21.5	60.9	22.0	210.0	26.3
Queensland	55		1 192	16.6	39.8	14.4	123.6	15.5
South Australia	24		672	9.4	24.6	8.9	62.2	7.8
Western Australia	23		591	8.2	21.0	7.6	56.7	7.1
Tasmania	12		194	2.7	6.9	2.5	18.1	2.3
Northern Territory	8		132	1.8	4.5	1.6	11.0	1.4
Australian Capital Territory	9		164	2.3	6.8	2.5	15.2	1.9
<b>Australia</b>	<b>268</b>		<b>7 164</b>	<b>100.0</b>	<b>276.5</b>	<b>100.0</b>	<b>799.6</b>	<b>100.0</b>

(a) Multi-state businesses are counted in each State in which they operated. Hence States may not sum to the total for Australia.

## ASSETS, LIABILITIES AND NET WORTH

- Introduction** This section presents assets, liabilities and net worth of businesses (management units) in the industry. It is the aggregation of data reported by the businesses and no attempt has been made to identify and eliminate financial claims between businesses in the industry.
- Assets** At the end of June 1994, the radio services industry owned \$1,210.5 million in assets, 19% current assets and 81% non-current.
- Liabilities** Of the \$930.0 million liabilities incurred by the radio services industry, 26% were current and 74% were non-current.
- Current liabilities exceeded current assets by 4%. This was in contrast to non-current assets which exceeded non-current liabilities by 42%.
- Net worth** At 30 June 1994, the net worth of this industry was \$280.5 million. Total assets exceeded total liabilities by 30%, significantly less than the 58% reported by all businesses in the Australian economy for the same period.
- Capital expenditure** Capital expenditure (\$49.6 million) was 4% of total assets, a marginally larger proportion than the 3% reported by all businesses in the Australian economy for the same period.

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#### RADIO SERVICES: ASSETS, LIABILITIES AND NET WORTH, 1993-94

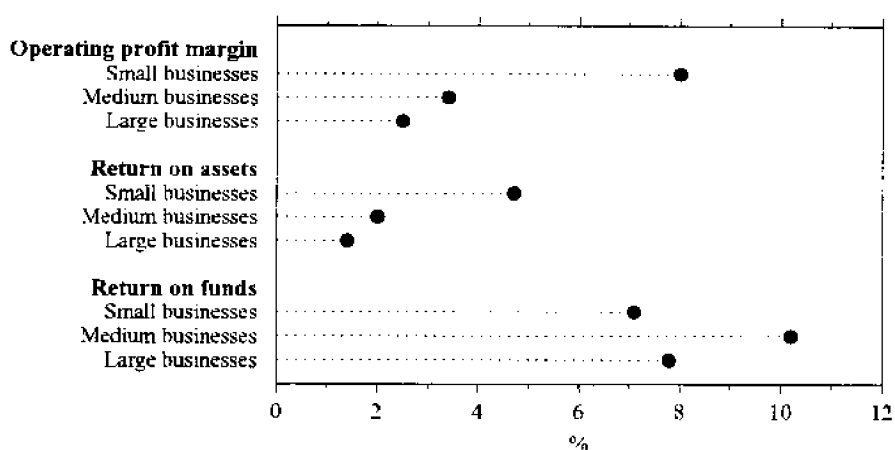
<i>Item</i>	<i>Value</i>
	<i>\$m</i>
<b>Assets</b>	
<i>Total current assets including trading stocks</i>	233.9
Non current assets	
Broadcasting/studio equipment	204.6
Australian Broadcasting Authority radio licence	461.4
Other	310.6
<i>Total non current assets</i>	976.6
 <i>Total value of assets</i>	 1 210.5
<b>Liabilities</b>	
Current liabilities	243.0
Non-current liabilities	687.1
<i>Total value of liabilities</i>	930.0
 <b>Net worth</b>	 280.5
<b>Capital expenditure</b>	49.6
<b>Disposal of selected assets</b>	7.7

## PERFORMANCE MEASURES

Business size definitions	This section presents statistics for private sector broadcasters broken down into three size categories, defined on the basis of the following employment ranges: less than 20 persons, 20 to 99 persons, and 100 or more persons. For ease of reference, these are referred to as small, medium and large businesses in the following table and graph.
Labour costs per employee	In the radio services industry, labour costs per employee for private sector broadcasters were 91% higher for large businesses (\$48,600) than for small businesses (\$25,400).
Gross income per person employed	Gross income per person employed by private sector broadcasters was 177% higher for large businesses (\$180,100) than for small businesses (\$68,400).
Total expenses per person employed	Total expenses per person employed were \$102,600. This ratio was 163% higher for large businesses than for small businesses.  The difference between gross income and total expenses per person employed was 4%. This difference, however, ranged from 8% for small businesses to 3% for large businesses.
Industry gross product per person employed	Industry gross product per person employed was \$54,100 for the private sector broadcasters in the industry. With respect to this ratio, large businesses were significantly more productive (\$80,500) than small businesses (\$37,400).
Operating profit margin	The operating profit margin for private sector businesses in this industry (3.7%) was considerably lower than the average for all industries (8.9%) in the Australian economy.
Interest coverage	This ratio shows that private sector businesses in the radio services industry were able to meet periodic interest payments from current profits. Interest coverage was highest for small businesses (4.5 times), while medium and large businesses reported a 1.4 and 1.3 respectively. By way of comparison, all industries had an interest coverage of 2.7 during this period.
Current ratio	Small businesses (1.6 times) were more financially secure (with respect to meeting their current liabilities from current assets) than were medium (0.8%) and large businesses (0.9%).
Gross income from sale of airtime to total income	Large businesses accrued 98.2% of their gross income from the sale of airtime. This margin decreased to 78.7% for small businesses.

	Unit	Small businesses	Medium businesses	Large businesses	All businesses
<b>Employment ratios</b>					
Operating profit before tax per person employed	\$'000	4.9	3.3	4.5	3.8
Labour costs per employee	\$'000	25.4	34.7	48.6	35.1
Labour costs to total expenses	%	40.0	36.4	27.7	34.2
Gross income per person employed	\$'000	68.4	98.7	180.1	106.4
Total expenses per person employed	\$'000	63.5	95.5	175.7	102.6
Total assets per person employed	\$'000	105.3	161.2	325.9	177.9
Industry gross product per person employed	\$'000	37.4	52.5	80.5	54.1
Industry gross product to labour costs	\$	1.5	1.5	1.7	1.5
Volunteers to total workforce	%	89.9	n.p.	n.p.	66.6
<b>Profitability ratios</b>					
Operating profit margin	%	8.0	3.4	2.5	3.7
Return on assets	%	4.7	2.0	1.4	2.2
Return on funds	%	7.1	10.2	7.8	8.9
<b>Leverage ratios</b>					
Interest coverage	times	4.5	1.4	1.3	1.4
<b>Other ratios</b>					
Net capital expenditure to profit	%	143.1	156.0	224.2	166.3
Current ratio	times	1.6	0.8	0.9	0.9
Asset turnover	times	0.6	0.6	0.6	0.6
Subscription income to total income	%	3.5	0.1	0.0	0.5
Gross income from the sale of airtime to total income	%	78.7	93.7	98.2	93.0

RADIO SERVICES: SELECTED PERFORMANCE RATIOS FOR PRIVATE BROADCASTERS, 1993-94



ACTIVITY DATA

**Introduction** Statistics in this section of the publication relate to the total number of radio *stations* in Australia rather than *businesses*. Because many businesses in the radio services industry broadcast from more than one station, the total number of stations given in this section is greater than the total number of businesses given in previous tables.

**Programming format** Just over 48% of radio stations reported music as the programming format that best described their station. News/talk accounted for 20% of radio station formats, and general community 18%.

Of those stations reporting music as the programming format that best described their station, the most popular type of format was adult contemporary/classic rock/adult rock accounting for 29% of radio stations, hits and memories 28%, and contemporary hits/top 40 hits 25%.

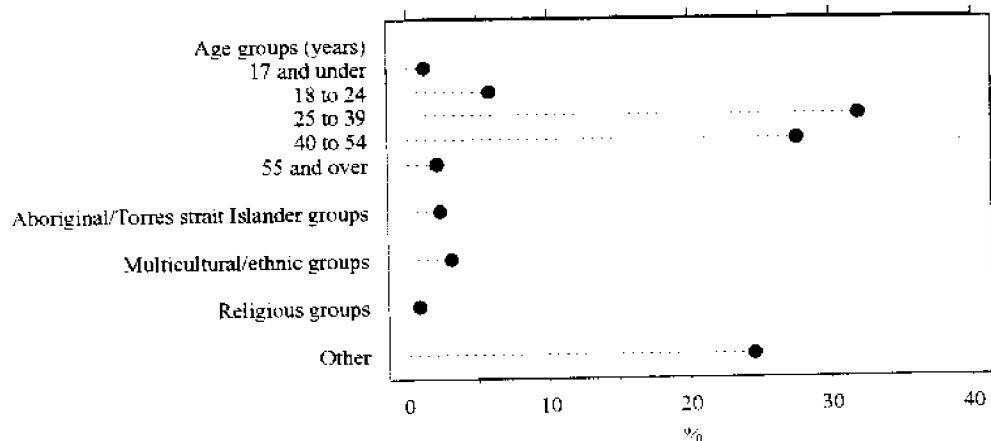
**Target audience** Almost 60% of radio stations had a target audience between the ages of 25 and 54 years, with 32% targeting the 25-39 years audience and 28% targeting the 40-54 years audience.

Almost one-quarter of radio stations reported a target audience of 'other'. This group consisted predominantly of stations with more than one target audience.

**Continuous and non-continuous transmission** Of the 387 radio stations broadcasting in Australia, 81% had continuous 24 hour transmission, and 19% had non-continuous or test transmission. Radio stations with continuous transmission predominantly (52%) had a music format, while 34% of those with non-continuous transmission had a general community format, and 18% had an 'other' (educational, tourist, alternative, etc.) format.

The Aboriginal and Torres Strait Islander groups were the target audience of nine stations with non-continuous transmission and no stations with continuous transmission. Similarly, the 17 and under age group and religious groups were predominantly targeted by radio stations with non-continuous transmission.

RADIO SERVICES: PROPORTION OF RADIO STATIONS BY TARGET AUDIENCE, 1993-94

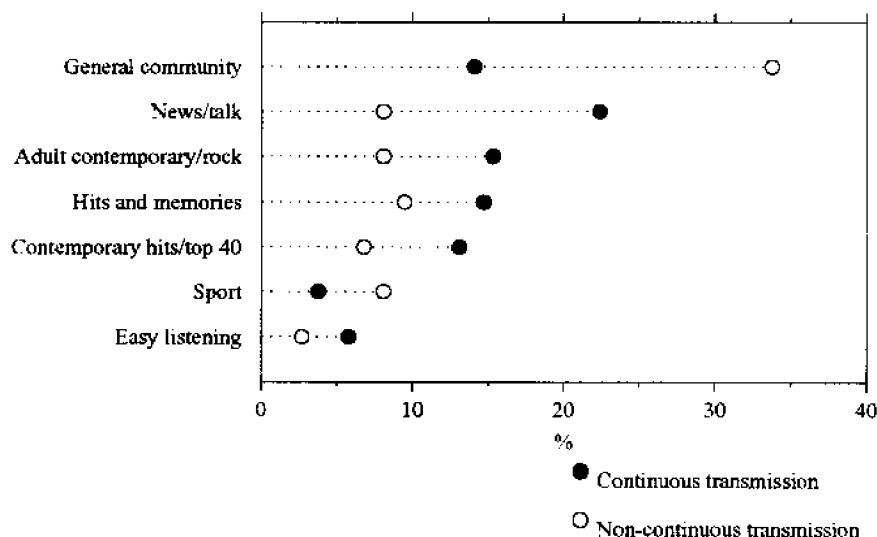


# 11

## RADIO SERVICES: SELECTED RADIO STATION BROADCAST STATISTICS, 1993-94

Item	Continuous 24 hour transmission		Non-continuous transmission		Total	
	Stations	Percentage contribution	Stations	Percentage contribution	Stations	Percentage contribution
	no.	%	no.	%	no.	%
<b>Programming format that best identifies station</b>						
Music: contemporary hits/top 40	41	13.1	5	6.8	46	11.9
Music: adult contemporary/classic rock/adult rock	48	15.3	6	8.1	54	14.0
Music: hits and memories	46	14.7	7	9.5	53	13.7
Music: easy listening	18	5.8	2	2.7	20	5.2
Music: other	11	3.5	3	4.1	14	3.6
News/talk	70	22.4	6	8.1	76	19.6
Sport	12	3.8	6	8.1	18	4.7
General community	44	14.1	25	33.8	69	17.8
Other	22	7.0	13	17.6	35	9.0
<i>Total number of radio stations</i>	313	100.0	74	100.0	387	100.0
<b>Target audience</b>						
Age groups (years)						
17 and under	2	0.6	3	4.1	5	1.3
18-24	22	7.0	1	1.4	23	5.9
25-39	109	34.8	15	20.3	124	32.0
40-54	97	31.0	10	13.5	107	27.6
55 and over	7	2.2	* 1	1.4	8	2.1
Aboriginal and Torres Strait Islander groups						
	—	—	9	12.2	9	2.3
Multicultural/ethnic groups	10	3.2	2	2.7	12	3.1
Religious groups	1	0.3	2	2.7	3	0.8
Other	65	20.8	30	40.5	95	24.5
<i>Total number of radio stations</i>	313	100.0	74	100.0	387	100.0

RADIO SERVICES: PROPORTION OF RADIO STATIONS BY PROGRAMMING FORMAT, 1993-94





Production technology currently in use At the end of June 1994, 66% of radio stations in Australia still used analogue traditional production technology, while only 13% used digital technology. The remaining 22% used a combination of both analogue and digital.

Technologies currently possessed Technologies possessed by radio stations at the end of June 1994 were a mixture of old and new, with many stations using both. For example while 36% used DAT systems, 77% still used CART systems, and 88% still used reel-to-reel tape machines.

## 12 RADIO SERVICES: BROADCAST TECHNOLOGY STATISTICS, 1993-94

	Stations at end June	
	no.	%
<b>Production technology currently used</b>		
Analogue	254	65.6
Digital	49	12.7
Both analogue and digital	84	21.7
Total	387	100.0
<b>Technologies currently possessed (a)</b>		
Automation systems	158	40.8
CART systems	297	76.7
DAT systems	138	35.7
Hard disk storage systems	174	45.0
Localised systems	110	28.4
Microwave links	189	48.8
Minidisks	107	27.6
Regional Digital Surveillance	60	15.5
Reel-to-reel tape machines	338	87.3
Satellite reception	276	71.3

(a) Radio stations may possess more than one technology, therefore the percentage values do not sum to 100.

## TELEVISION SERVICES

### OVERVIEW

The television services industry (Class 9122 of the ANZSIC) comprises businesses (both public and private sector) mainly engaged in television broadcasting. This class includes the production of television programs, whether live or on tape or other recording medium, for own use. This class also includes the collection of news for television broadcasting.

- Size of industry** At the end of June 1994, the television services industry was relatively small comprising 43 private broadcasters and 3 public broadcasters. These 46 businesses employed a total of 12,211 persons, with 8,422 being employed by private broadcasters and 3,789 being employed by public broadcasters. These businesses accrued \$2,676.3 million in gross income in 1993-94. This comprised \$2,174.5 million from the sales of goods and services (mainly by private broadcasters) and \$501.8 million from other sources. The other sources of income related mainly to government funding for government-owned broadcasters.
- Profitability** Gross income exceeded total expenses (\$2,299.4 million) resulting in an operating profit before tax of \$376.9 million. Most of this profit related to private sector broadcasters and resulted in an operating profit margin for private sector broadcasters of 18%.
- Public broadcasters** Public broadcasters accounted for 17% of gross income in the industry. The major part of this income, however, came from government funding rather than from the sales of goods and services. Public broadcasters accounted for a larger proportion of total expenses (20%). In terms of employment, public broadcasters accounted for 31% of persons employed in the industry.
- Public broadcasters focussed their production on news/current affairs, accounting for 44% of total production costs, and drama/situation comedy/other (27% of total production costs).
- Business size** The private sector component of the television services industry was dominated by the 27 businesses with employment of 100 or more persons. These businesses accounted for 94% of total employment and 96% of gross income.
- State dimension** Businesses in this industry were particularly concentrated in New South Wales, and to a lesser extent in Victoria. The 20 businesses operating in New South Wales accounted for 44% of total employment and 41% of gross income.
- Production of Australian television programs** During 1993-94, \$838.1 million was spent on the production of programs by the television services industry. These programs represented 32,631 completed airtime hours.
- News/current affairs programs accounted for the largest proportion of total production costs (40%) and the largest proportion of airtime hours (53%). Programs produced specifically for children accounted for only 3% of total production costs and 9% of completed airtime hours.
- Station production and purchases** Of the \$1,282.7 million spent on program costs during 1993-94, 65% was on station production and 35% on the purchase of program licences.

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## TELEVISION SERVICES: SUMMARY OF OPERATIONS, 1993-94

	<i>Unit</i>	<i>Private broadcasters</i>	<i>Public broadcasters</i>	<i>Total</i>
<b>Businesses at end June 1994</b>	no.	43	3	46
<b>Employment</b>				
Males	no.	5 303	2 256	7 559
Females	no.	3 120	1 533	4 653
<i>Total employment end June 1994</i>	no.	8 422	3 789	12 211
<b>Income statement</b>				
Sales of goods and services	\$m	2 130.8	43.7	2 174.5
<i>Less</i>				
Selected expenses	\$m	851.4	212.5	1 063.9
<i>Trading profit</i>	\$m	1 279.4	-168.8	1 110.6
<i>Plus</i>				
Interest income	\$m	10.8	2.6	13.5
Other income	\$m	82.4	405.9	488.3
<i>Less</i>				
Labour costs	\$m	347.6	159.5	507.2
Depreciation and amortisation	\$m	73.2	16.1	89.3
Other expenses	\$m	496.7	53.8	550.5
<i>Earnings before interest and tax</i>	\$m	455.1	10.3	465.4
<i>Less</i>				
Interest expenses	\$m	77.5	10.9	88.5
<i>Operating profit before tax</i>	\$m	377.6	-0.7	376.9
<i>Operating profit margin</i>	%	17.7	-1.5	17.3
<i>Industry gross product</i>	\$m	1 354.9	175.6	1 530.5

## INCOME AND EXPENDITURE

- Income** In 1993-94, gross income for the television services industry was \$2,676.3 million. Private broadcasters accrued 83% (\$2,224.1 million) of this income, and public broadcasters 17% (\$452.2 million).
- Program sales** Public broadcasters generated \$19.5 million income from program sales while private broadcasters accrued \$26.8 million from this source.
- Private broadcasters** Affiliation and management fees contributed only 3% (\$58.6 million) to the gross income of private broadcasters.
- Private broadcasters generated a relatively small amount of their income from the production of commercials (1%).
- Public broadcasters** After government funding, rent, leasing and hiring income was the second largest source of income for public broadcasters. These businesses generated 6% of gross income from this source during 1993-94.
- Two of the public broadcasters generated \$11.1 million income from the sale of airtime, accounting for 2% of gross income for businesses in this sector.

## 14 TELEVISION SERVICES: SOURCES OF INCOME, 1993-94

<i>Sources of income</i>	<i>Private broadcasters</i>		<i>Public broadcasters</i>		<i>Total</i>	
	<i>Businesses at end June</i>	<i>Value</i>	<i>Businesses at end June</i>	<i>Value</i>	<i>Businesses at end June</i>	<i>Value</i>
	<i>no.</i>	<i>\$m</i>	<i>no.</i>	<i>\$m</i>	<i>no.</i>	<i>\$m</i>
<b>Sales of goods and services</b>						
Gross income from sale of airtime	38	1 982.3	2	11.1	40	1 993.3
Fees received from the production of commercials	34	21.1	—	—	34	21.1
Affiliation and management fees	14	58.6	—	—	14	58.6
Rent, leasing and hiring income	25	4.9	2	29.3	27	34.2
Other operating income	32	64.0	2	3.3	34	67.3
<i>Total sales of goods and services</i>	<i>43</i>	<i>2 130.8</i>	<i>3</i>	<i>43.7</i>	<i>46</i>	<i>2 174.5</i>
<b>Other sources of income</b>						
Program sales	15	26.8	2	19.5	17	46.3
Government funding	1	n.p.	3	374.2	4	n.p.
Government subsidies	8	n.p.	2	9.6	10	n.p.
Interest income	31	10.8	2	2.6	33	13.5
Other non-operating income	35	49.3	1	2.6	36	51.8
<i>Total other sources of income</i>	<i>39</i>	<i>93.3</i>	<i>3</i>	<i>408.5</i>	<i>42</i>	<i>501.8</i>
<b>Gross income</b>	<b>43</b>	<b>2 224.1</b>	<b>3</b>	<b>452.2</b>	<b>46</b>	<b>2 676.3</b>

Expenses	During 1993-94, the television services industry incurred \$2,299.4 million in total expenses. Private broadcasters accounted for the major portion of these expenses (80%), while public broadcasters contributed 20%.
Labour costs	Total labour costs were the largest single item of expenditure accounting for 22% of the industry's total expenses. These costs were significantly larger for public broadcasters (35%) than for private broadcasters (19%). Total labour costs per employee were marginally higher for public broadcasters (\$42,096) compared with those for employees of private broadcasters (\$41,273).
Payments to freelancers	Payments to freelancers represented only 2% of total expenses for the television services industry. The majority of this expense (68%) was incurred by the private broadcasters.
Licence fees	Licence fees are a compulsory cost made on private broadcasters by the Federal government via the Australian Broadcasting Authority. Licence fees (\$143.5 million) accounted for 8% of total expenses incurred by private broadcasters during 1993-94.
Affiliation and management fees	Private broadcasters paid \$50.8 million in affiliation fees (i.e. fees paid to other stations or networks for the right to access and broadcast their programs) during 1993-94. Management fees (\$64.1 million) were also paid by private television broadcasters and not by public broadcasters. Together these two expense items represented 6% of total expenses incurred by private broadcasters.
Program rights used and amortised	<p>A program right is a license arrangement to broadcast a program. It is purchased from the copyright owner of a program and generally applies to programs that are shown only once. Program rights used are treated as current expenses.</p> <p>Program rights used were the second largest single expense incurred by the television services industry, accounting for 13% (\$305.3 million) of total expenses. Private broadcasters accounted for 87% of the industry's expenditure on this item. It also accounted for a larger proportion of their expenses (14% compared with 9%).</p> <p>Many programs are bought with the right to broadcast a number of repeats. The program in this case is capitalised and amortised each time it is broadcast.</p> <p>Program rights amortised were the third largest expense item for this industry. Again private broadcasters were responsible for the majority (97%) of the industry's expenditure on program rights amortised, accounting for 11% of their total expenses (compared with only 1% for public broadcasters).</p>
Depreciation and amortisation	Depreciation and amortisation expenses (\$89.3 million) accounted for 4% of total expenses. This proportion varied only marginally between private and public broadcasters.

Advertising commissions The television services industry paid \$152.3 million in commissions to accredited advertising agencies during 1993-94. Commissions paid by public broadcasters were relatively minor (\$2.9 million) compared with private broadcasters who paid \$149.4 million for advertising commissions.

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### TELEVISION SERVICES: ITEMS OF EXPENDITURE, 1993-94

Type of expense	Private broadcasters		Public broadcasters		Total		Percentage contribution
	Businesses at end June	Value	Businesses at end June	Value	Businesses at end June	Value	
	no.	\$m	no.	\$m	no.	\$m	%
<b>Labour costs</b>							
Wages and salaries	43	324.4	3	143.1	46	467.5	20.3
Employer contributions to superannuation funds	42	21.6	3	15.4	45	37.0	1.6
Workers' compensation costs	39	1.7	2	1.0	41	2.7	0.1
<b>Total labour costs</b>	<b>43</b>	<b>347.6</b>	<b>3</b>	<b>159.5</b>	<b>46</b>	<b>507.2</b>	<b>22.1</b>
<b>Selected expenses</b>							
Payments to freelancers predominantly engaged in production activities	23	26.7	3	12.7	26	39.4	1.7
Television licence fees	36	143.5	—	—	36	143.5	6.2
Affiliation fees	18	50.8	—	—	18	50.8	2.2
Management fees	25	64.1	—	—	25	64.1	2.8
Commissions to accredited advertising agencies	38	149.4	2	2.9	40	152.3	6.6
Rent, leasing and hiring of communications equipment	26	49.7	3	33.4	29	83.1	3.6
Other rent, leasing and hiring expenses	37	27.6	3	13.0	40	40.6	1.8
Motor vehicle running expenses	40	8.2	3	1.4	43	9.6	0.4
Other business expenses	43	331.4	3	149.1	46	480.5	20.9
<b>Total selected expenses</b>	<b>43</b>	<b>851.4</b>	<b>3</b>	<b>212.5</b>	<b>46</b>	<b>1 063.9</b>	<b>46.3</b>
<b>Other costs</b>							
Depreciation and amortisation	42	73.2	2	16.1	44	89.3	3.9
Program rights used	22	264.8	2	40.5	24	305.3	13.3
Program rights amortised	11	205.9	2	5.8	13	211.7	9.2
Royalties	37	17.2	3	6.0	40	23.2	1.0
Interest expenses	40	77.5	2	10.9	42	88.5	3.8
Other costs	42	8.8	2	1.5	44	10.3	0.4
<b>Total other costs</b>	<b>43</b>	<b>647.4</b>	<b>3</b>	<b>80.9</b>	<b>46</b>	<b>728.3</b>	<b>31.7</b>
<b>Total expenses</b>	<b>43</b>	<b>1 846.5</b>	<b>3</b>	<b>452.9</b>	<b>46</b>	<b>2 299.4</b>	<b>100.0</b>

## EMPLOYMENT

**Total employment** At the end of June 1994, there were 12,211 persons employed in the television services industry. Of these, 69% were employed by private broadcasters and 31% by public broadcasters.

**Male and female employment** Males accounted for 62% of total employment in this industry. By way of comparison, males comprised 57% of the Australian workforce.

**Full-time and part-time employment** Just over 78% of all employees in the industry worked full time and 22% worked part time. This percentage of full-time employment was marginally higher than the 76% reported for the Australian workforce.

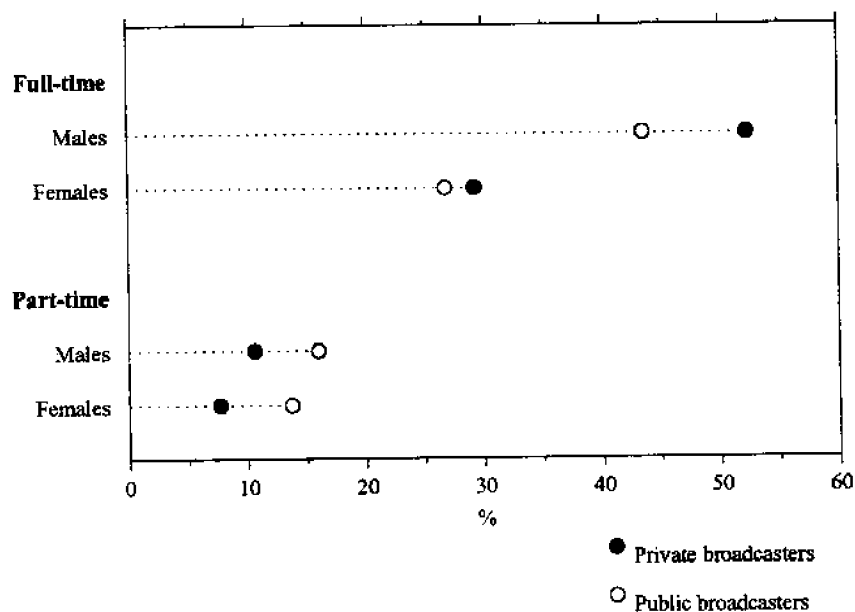
A greater proportion of persons employed by public broadcasters (30%) worked part time compared with persons employed by private broadcasters (18%).

**Type of employment** More than half (58%) of employees in this industry were predominantly engaged in production activity. The greater proportion (64%) of these employees were male, and 70% worked full time.

This was the reverse of the situation with employees engaged in non-production activities. Of these 5,106 employees (42% of the total industry) a smaller proportion were male (59%), and a larger proportion (89%) worked full time.

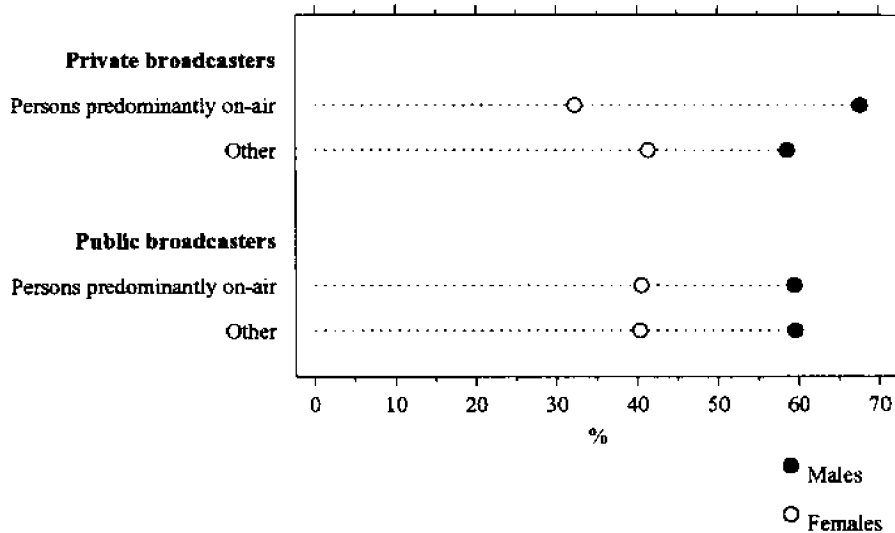
There was a significant difference between private and public broadcasters with regard to type of employment. While 80% of employees working for public broadcasters were engaged in production activity, this percentage dropped to only 48% for private broadcasters. Private broadcasters had the larger proportion (52%) of their employees engaged in non-production activity.

TELEVISION SERVICES: FULL TIME AND PART TIME EMPLOYMENT BY SEX, 1993-94



Type of employment	Males			Females			Total		
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total
	no.	no.	no.	no.	no.	no.	no.	no.	no.
<b>PRIVATE BROADCASTERS</b>									
Persons predominantly engaged in production activity	2 028	727	2 755	918	401	1 319	2 945	1 128	4 073
Other employees	2 380	168	2 548	1 553	248	1 801	3 932	416	4 349
<b>All employees</b>	<b>4 408</b>	<b>895</b>	<b>5 303</b>	<b>2 470</b>	<b>649</b>	<b>3 120</b>	<b>6 878</b>	<b>1 544</b>	<b>8 422</b>
Percentage contribution to total	52.3	10.6	63.0	29.3	7.7	37.0	81.7	18.3	100.0
<b>PUBLIC BROADCASTERS</b>									
Persons predominantly engaged in production activity	1 264	541	1 805	773	454	1 227	2 037	995	3 032
Other employees	384	67	451	241	65	306	625	132	757
<b>All employees</b>	<b>1 648</b>	<b>608</b>	<b>2 256</b>	<b>1 014</b>	<b>519</b>	<b>1 533</b>	<b>2 662</b>	<b>1 127</b>	<b>3 789</b>
Percentage contribution to total	43.5	16.0	59.5	26.8	13.7	40.5	70.3	29.7	100.0
<b>TOTAL</b>									
Persons predominantly engaged in production activity	3 292	1 268	4 560	1 691	855	2 546	4 982	2 123	7 105
Other employees	2 764	235	2 999	1 794	313	2 107	4 557	548	5 106
<b>All employees</b>	<b>6 056</b>	<b>1 503</b>	<b>7 559</b>	<b>3 484</b>	<b>1 168</b>	<b>4 653</b>	<b>9 540</b>	<b>2 671</b>	<b>12 211</b>
Percentage contribution to total	49.6	12.3	61.9	28.5	9.6	38.1	78.1	21.9	100.0

TELEVISION SERVICES: TYPE OF EMPLOYMENT BY SEX, END JUNE 1994





## BUSINESS SIZE ANALYSIS

Industry dominated by larger businesses The private sector component of the television services industry was dominated by 27 businesses with employment greater than 100 persons. These 27 businesses accounted for 94% of total employment and 96% of gross income for private sector broadcasters.

The private sector component of industry was particularly concentrated in the activities of the nine largest businesses (i.e. those with employment of 200 or more persons). These businesses represented only 21% of businesses in the industry, but accounted for 62% of employment and 62% of gross income for private sector broadcasters. Average gross income for these nine businesses was \$152.8 million.

Other businesses There were seven businesses employing between 20 and 99 persons. These 16% of businesses in the industry accounted for only 5% of employment and 4% of gross income.

## 17 TELEVISION SERVICES: 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
<b>Private broadcasters</b>							
0 - 9 persons	6	14.0	31	0.4	n.p.	n.p.	n.p.
10 - 19 persons	3	7.0	49	0.6	n.p.	n.p.	n.p.
20 - 49 persons	4	9.3	147	1.7	20.3	0.9	n.p.
50 - 99 persons	3	7.0	241	2.9	58.7	2.6	n.p.
100 - 149 persons	8	18.6	944	11.2	254.7	11.5	48.0
150 - 199 persons	10	23.3	1 784	21.2	499.2	22.4	136.7
200 or more persons	9	20.9	5 226	62.1	1 375.1	61.8	174.3
Total private broadcasters	43	100.0	8 422	100.0	2 224.1	100.0	377.6
<b>Public broadcasters</b>	3	100.0	3 789	100.0	452.2	100.0	-0.7

STATE DATA

**Introduction** In the 1993-94 census of the television services industry, the only data collected by State were gross income, wages and salaries, and total employment at the end of June 1994. These were the only data items for which television services businesses were able to accurately supply State data.

To be considered to operate in a State, a television services business has employees based in that State.

**Concentration of businesses in New South Wales and Victoria** Businesses in the television services industry were particularly concentrated in New South Wales, and to a lesser extent in Victoria. The 20 businesses operating in New South Wales accounted for 44% of total employment and 41% of gross income. The 14 businesses operating in Victoria accounted for a further 21% of total employment and 25% of gross income.

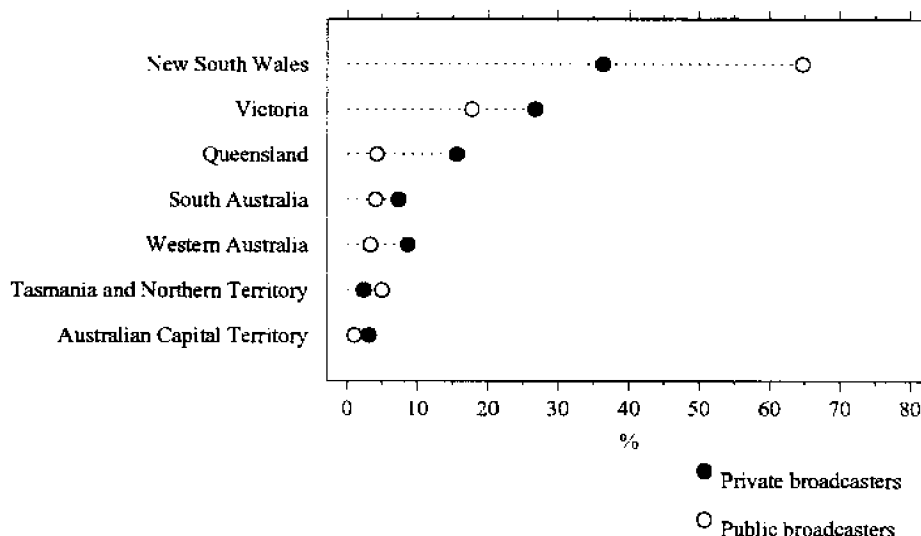
Public broadcasters were more concentrated in New South Wales than were private broadcasters.

For public broadcasters, while the operations may be undertaken in one State, the broadcasts are transmitted to additional States. Table 18 below shows the State in which employees were based.

**Key characteristics per business** Television services businesses varied significantly with respect to size and income ratios. Employment per business was highest in New South Wales (271) compared with 183 in Victoria and only 45 in the Northern Territory.

Gross income per person employed ranged from \$263,000 in Victoria to \$115,000 in the Northern Territory.

TELEVISION SERVICES: PROPORTION OF GROSS INCOME BY STATE, 1993-94



State/Territory	Businesses at end June (a)	Employment at end June		Wages and salaries		Gross income	
	no.	no.	%	\$m	%	\$m	%
<b>PRIVATE BROADCASTERS</b>							
New South Wales	17	3 302	39.2	141.0	43.5	806.6	36.3
Victoria	12	1 730	20.5	69.1	21.3	594.6	26.7
Queensland	11	1 312	15.6	44.8	13.8	347.5	15.6
South Australia	8	890	10.6	25.5	7.9	162.5	7.3
Western Australia	6	667	7.9	26.0	8.0	190.4	8.6
Tasmania	2	{288	{3.4	{9.8	{3.0	{52.6	{2.4
Northern Territory	2						
Australian Capital Territory	3	233	2.8	8.1	2.5	70.0	3.1
<b>Australia</b>	<b>43</b>	<b>8 422</b>	<b>100.0</b>	<b>324.4</b>	<b>100.0</b>	<b>2 224.1</b>	<b>100.0</b>
<b>PUBLIC BROADCASTERS</b>							
New South Wales	3	2 123	56.0	90.3	63.1	292.7	64.7
Victoria	2	833	22.0	26.1	18.2	80.0	17.7
Queensland	1	207	5.5	6.4	4.5	19.0	4.2
South Australia	1	183	4.8	6.0	4.2	18.0	4.0
Western Australia	1	148	3.9	5.0	3.5	15.0	3.3
Tasmania	1	{237	{6.3	{7.6	{5.3	{22.4	{5.0
Northern Territory	2						
Australian Capital Territory	2	58	1.5	1.7	1.2	5.1	1.1
<b>Australia</b>	<b>3</b>	<b>3 789</b>	<b>100.0</b>	<b>143.1</b>	<b>100.0</b>	<b>452.2</b>	<b>100.0</b>
<b>TOTAL</b>							
New South Wales	20	5 425	44.4	231.3	49.5	1 099.3	41.1
Victoria	14	2 563	21.0	95.2	20.4	674.6	25.2
Queensland	12	1 519	12.4	51.2	11.0	366.5	13.7
South Australia	9	1 073	8.8	31.5	6.7	180.5	6.7
Western Australia	7	815	6.7	31.1	6.7	205.4	7.7
Tasmania	3	345	2.8	12.2	2.6	54.3	2.0
Northern Territory	4	180	1.5	5.2	1.1	20.7	0.8
Australian Capital Territory	5	291	2.4	9.8	2.1	75.1	2.8
<b>Australia</b>	<b>46</b>	<b>12 211</b>	<b>100.0</b>	<b>467.5</b>	<b>100.0</b>	<b>2 676.3</b>	<b>100.0</b>

(a) Multi-state businesses are counted in each State in which they operated. Hence States may not sum to the total for Australia.

## ASSETS, LIABILITIES AND NET WORTH

**Introduction** This section presents assets, liabilities and net worth of businesses (management units) in the industry. It is the aggregation of data reported by the businesses and no attempt has been made to identify and eliminate financial claims between businesses in the industry.

**Assets** Total assets at the end of June were \$5,259.6 million, 22% current assets and 78% non-current.

**Liabilities** Of the \$2,832.7 million liabilities incurred by the television services industry, approximately two-thirds were non-current and one-third were current.

**Net worth** At 30 June 1994, the net worth of the television services industry was \$2,427.1 million. Total assets exceeded total liabilities by 86%, a significantly larger amount than the 58% reported by all businesses in the Australian economy for the same period.

During 1993-94, the return on net worth in the television services industry was 15.5%, compared with 12.3% reported by all businesses in the Australian economy over the same period.

**Capital expenditure** Capital expenditure (\$266.6 million) was 5% of total assets, a larger proportion than the 3% reported by all businesses in the Australian economy for the same period.

## 19 TELEVISION SERVICES: ASSETS, LIABILITIES AND NET WORTH, 1993-1994

<i>Item</i>	<i>Value</i>
	\$m
<b>Assets</b>	
Current assets including trading stocks	
Television program rights	301.4
Other	863.2
<i>Total current assets</i>	<i>1 164.6</i>
Non-current assets	
Television licences	2 010.3
Television program rights	199.7
Other	1 885.0
<i>Total non-current assets</i>	<i>4 095.0</i>
 <i>Total value of assets</i>	 <i>5 259.6</i>
<b>Liabilities</b>	
Current liabilities	941.0
Non-current liabilities	1 891.8
<i>Total value of liabilities</i>	<i>2 832.7</i>
 <b>Net worth</b>	 <b>2 427.1</b>
<b>Capital expenditure</b>	<b>266.6</b>
<b>Disposal of selected assets</b>	<b>90.5</b>

## PERFORMANCE MEASURES

- Business size definitions** This section presents statistics for private sector broadcasters broken down into three size categories, defined on the basis of the following employment ranges: less than 20 persons, 20 to 99 persons, and 100 or more persons. For ease of reference, these are referred to as small, medium and large businesses in the following table and graph
- Labour costs per employee** Labour costs per employee for private sector broadcasters were \$41,300 for all businesses. These costs were 26% lower for small businesses.
- Gross income per person employed** Gross income per person employed by businesses in the private component of this industry was \$264,100. Gross income per person employed was 33% higher for large businesses (\$267,700) than for small businesses (\$201,000), and 32% higher than for medium businesses.
- Total expenses per person employed** Total expenses per person employed were \$219,200. This ratio was lowest for medium-sized businesses (\$153,700) and highest for large businesses (\$219,200).
- For medium and large businesses in the private sector of this industry, gross income exceeded total expenses by 32% and 20% respectively. This was in contrast with small businesses where expenses per person employed were 4% higher than gross income per person
- Industry gross product per person employed** Industry gross product per person employed was \$160,900 for this industry. With respect to this ratio, large businesses were more productive (\$165,200) than small businesses (\$85,300).
- Operating profit margin** The operating profit margin for private sector businesses in this industry (17.7%) was considerably higher than the average for all industries (8.9%) in the Australian economy. This margin was significantly higher for medium-sized businesses (32.5%) than for small (-4.3%) and large (17.5%) businesses.
- Return on assets** This ratio indicates the efficiency with which assets are employed to generate profits. Using this ratio as a measure, the television services industry showed a relatively high level of idle assets (7.6%) compared with the average for all businesses in the Australian economy (4.5%). Small businesses reported a negative value (-5.1%) for this ratio.
- Interest coverage** Interest coverage measures the ability of an industry to meet periodic interest payments from current profits—the higher the ratio, the lower is the risk of businesses not being able to meet their interest obligations.
- Interest coverage in the private sector was highest for large businesses (6.3), while small businesses reported a negative value (-0.1). By way of comparison, all industries had an interest coverage of 2.7 during this period.
- Current ratio** Large businesses (1.3 times) were more financially secure (with respect to meeting their current liabilities using current assets) than medium-sized (0.7 times) or small businesses (1.0 times).

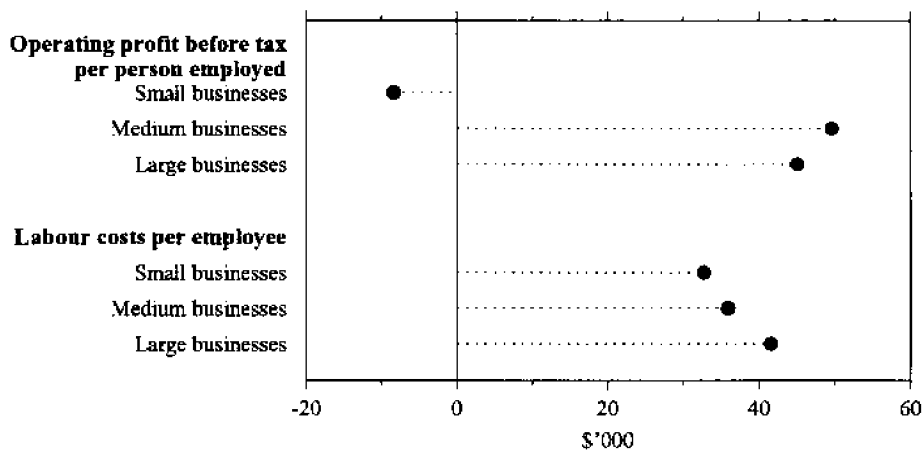
Sale of airtime to total income Large businesses accrued 90.2% of their gross income from the sale of airtime. This margin decreased to 68.0% for medium-sized businesses, and to 54.5% for small businesses.

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### TELEVISION SERVICES: SELECTED PERFORMANCE RATIOS FOR PRIVATE BROADCASTERS, 1993-94

	Unit	Small businesses	Medium businesses	Large businesses	All businesses
<b>Employment ratios</b>					
Operating profit before tax per person employed	\$'000	-8.4	49.6	45.1	44.8
Labour costs per employee	\$'000	32.7	35.9	41.6	41.3
Labour costs to total expenses	%	15.6	23.3	18.7	18.8
Gross income per person employed	\$'000	201.0	203.3	267.7	264.1
Total expenses per person employed	\$'000	209.4	153.7	222.5	219.2
Total assets per person employed	\$'000	162.6	555.9	592.3	586.6
Industry gross product per person employed	\$'000	85.3	87.0	165.2	160.9
Industry gross product to labour costs	\$	2.6	2.4	4.0	3.9
<b>Profitability ratios</b>					
Operating profit margin	%	-4.3	32.5	17.5	17.7
Return on assets	%	-5.1	8.9	7.6	7.6
Return on funds	%	-0.6	15.7	11.1	11.2
<b>Leverage ratios</b>					
Interest coverage	times	-0.1	n.p.	6.3	5.9
Short term debt to equity	%	-87.2	41.6	38.5	38.9
Long term debt to equity	%	-303.8	n.p.	74.7	76.8
<b>Other ratios</b>					
Current ratio	times	1.0	0.7	1.3	1.2
Asset turnover	times	4.2	2.6	1.9	1.9
Gross income from the sale of airtime to gross income	%	54.5	68.0	90.2	89.1

### TELEVISION SERVICES: SELECTED PERFORMANCE RATIOS FOR PRIVATE BROADCASTERS, 1993-94



## PRODUCTION COSTS

Production of Australian television programs During 1993-94, \$838.1 million was spent on the production of programs by the television services industry. These programs represented 32,631 completed airtime hours.

Please refer to the glossary for definitions of production costs and completed airtime hours.

Production costs The largest proportion of total production costs (40%) was spent on the production of news/current affairs programs. Sports programs accounted for the second largest proportion of production costs (20%) while drama and situation comedy programs accounted for a further 15%. Documentaries accounted for the smallest proportion of total production costs (3%).

Completed airtime hours Of the 32,631 program airtime hours produced by the television services industry, news/current affairs programs accounted for the largest (53%) proportion. Light entertainment/infotainment/sketch comedy accounted for 21%. Drama and situation comedy programs accounted for only 4% of completed airtime hours of production while documentaries accounted for the smallest proportion (1%).

Production cost per hour Average production cost per hour for all programs was \$25,684. This cost, however, varied significantly by program type. For example, drama and situations comedies were the most expensive programs to produce, costing \$106,758 per hour, while programs produced specifically for children were the cheapest (\$9,232 per hour).

Light entertainment/infotainment/sketch comedy programs (\$16,934 per hour) were the cheapest adult programs to produce.

Comparison between public and private broadcasters Both public and private broadcasters spent more on news/current affairs programs than any other type of program (44% and 38% respectively). However, for both public and private broadcasters, news/current affairs programs accounted for 53% of completed airtime hours of production. As a result, for this type of program, production costs per hour for public broadcasters (\$27,197) were 58% higher than for private broadcasters (\$17,222).

Total production costs per hour were higher for public broadcasters than for private broadcasters although this difference was not consistent across all types of programs. For example, public broadcasters incurred higher production costs for news/current affairs programs (58% higher) and light entertainment, infotainment and sketch comedy programs (62% higher), while private broadcasters incurred higher costs for sports programs (140% higher).

Children's programs Programs produced specifically for children accounted for only 3% cent of total production costs and accounted for 9% of completed airtime hours. In terms of average cost per hour, children's programs were the cheapest to produce (\$9,232 per hour compared with an average of \$27,410 per hour for all other programs produced).

## 21

## TELEVISION SERVICES: SELECTED PRODUCTION STATISTICS, 1993-94

Item	Completed airtime hours		Total production costs		Average cost per hour
	no.	%	\$m	%	\$
<b>PRIVATE BROADCASTERS</b>					
Drama and situation comedy	1062	4.1	n.p.	n.p.	n.p.
News, current affairs	13 686	53.1	235.7	38.2	17 222.0
Documentary	363	1.4	n.p.	n.p.	n.p.
Sport	2 699	10.5	142.8	23.2	52 908.5
Quiz, panel and game shows	5 12	2.0	n.p.	n.p.	n.p.
Light entertainment, infotainment and sketch comedy	5 473	21.3	82.7	13.4	15 110.5
Other	1 955	7.6	n.p.	n.p.	n.p.
<b>Total</b>	<b>25 750</b>	<b>100.0</b>	<b>616.4</b>	<b>100.0</b>	<b>23 937.9</b>
Produced specifically for children (included in above airtime hours and production costs)	3 007	12.1	18.8	3.1	6 252.1
<b>PUBLIC BROADCASTERS</b>					
Drama and situation comedy	107	1.6	n.p.	n.p.	n.p.
News, current affairs	3 618	52.6	98.4	44.4	27 197.3
Documentary	117	1.7	n.p.	n.p.	n.p.
Sport	941	13.7	20.7	9.3	21 997.9
Quiz, panel and game shows	—	—	—	—	—
Light entertainment, infotainment and sketch comedy	1 330	19.3	32.6	14.7	24 511.3
Other	768	11.2	n.p.	n.p.	n.p.
<b>Total</b>	<b>6 881</b>	<b>100.0</b>	<b>221.7</b>	<b>100.0</b>	<b>32 219.2</b>
Produced specifically for children (included in above airtime hours and production costs)	91	1.3	9.8	4.4	107 692.3
<b>TOTAL(a)</b>					
Drama and situation comedy	1 169	3.6	124.8	14.9	106 757.9
News, current affairs	17 304	53.0	334.2	39.9	19 313.5
Documentary	480	1.5	23.1	2.8	48 125
Sport	3 640	11.2	163.5	19.5	44 917.6
Quiz, panel and game shows	512	1.6	n.p.	n.p.	n.p.
Light entertainment, infotainment and sketch comedy	6 083	20.8	115.2	13.7	16 933.7
Other	2 723	8.3	n.p.	n.p.	n.p.
<b>Total</b>	<b>32 631</b>	<b>100.0</b>	<b>838.1</b>	<b>100.0</b>	<b>25 684.2</b>
Produced specifically for children (included in above airtime hours and production costs)	3 098	9.5	28.6	3.4	9 231.8

(a) Totals shown in the above table were previously released in the publication entitled *Film and Video Production and Distribution, Australia, 1993-94* (8679.0) and have subsequently been revised.

## 22

## TELEVISION SERVICES: COMMERCIALS AND ADVERTISEMENTS PRODUCED BY PRIVATE BROADCASTERS, 1993-94

Item	Unit	Value
Number of commercials and advertisements	no.	64 100
Production cost	\$m	24.6
Cost per commercial/advertisement	\$	383.8



## PROGRAM COSTS

**Introduction** Program costs comprise two main components, namely, the production of programs by the television stations (station production costs), and the purchase of program licences for programs produced by other businesses (program purchases). These costs are also included in expenses table 15 (as program rights used or as program rights amortised) but are here cross-classified by programs produced and programs purchased.

Programs produced by the television stations include projects completed during 1993-94, projects still in production, telethons, the business's contributions to official co-productions, and unofficial co-productions for which the business had prime responsibility.

**Program costs** Of the \$1,282.7 million spent on program costs during 1993-94, 65% was on station production and 35% on the purchase of program licences.

This proportion differed significantly between private and public broadcasters. Private broadcasters purchased a larger proportion of their programs (40%) than did public broadcasters (16%). From the alternative perspective, public broadcasters produced a larger proportion of their own programs (84%) than did private broadcasters (60%).

**Station production** During 1993-94, \$838.1 million was spent on station productions, with private broadcasters accounting for 74% of these costs, and public broadcasters 26%.

Within the industry, program licence fees and other direct costs accounted for 53% of station production costs, labour costs 31%, and other facilities costs 16%.

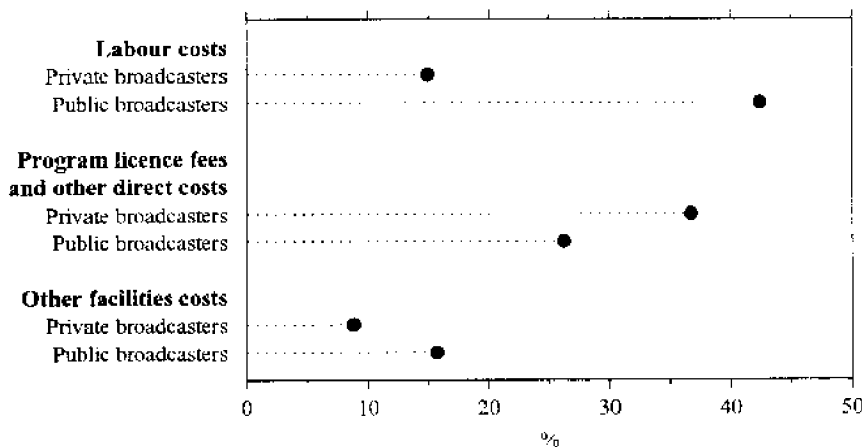
The proportion of costs attributed to labour was much higher for public broadcasters (50%) compared with private broadcasters (25%). Program licence fees was the largest expense (\$231.3 million) incurred by private broadcasters accounting for 38% of station production costs.

**Program licence fees** Program licence fees are fees paid to purchase programs produced in Australia and overseas by other businesses (independent productions) without the investment of the television station.

Of the \$444.6 million spent on licence fees for purchased programs, 82% was for overseas productions and only 18% for Australian programming. These proportions varied little between public and private broadcasters.

	Drama	Other	Total
Program cost	\$m	\$m	\$m
<b>PRIVATE BROADCASTERS</b>			
<b>Station production</b>			
Labour costs	n.p.	n.p.	152.4
Program licence fees (for joint productions)	25.8	205.5	231.3
Other direct costs	5.8	137.2	142.9
Facilities costs not included above	n.p.	n.p.	89.9
<b>Total station production costs</b>	<b>51.8</b>	<b>564.6</b>	<b>616.4</b>
<b>Program purchases</b>			
Program licence fees for other Australian programming	24.0	48.2	72.2
Program licence fees for overseas productions	181.5	149.9	331.3
<b>Total program purchases</b>	<b>205.5</b>	<b>198.0</b>	<b>403.5</b>
<b>Total program costs</b>	<b>257.3</b>	<b>762.6</b>	<b>1 020.0</b>
<b>PUBLIC BROADCASTERS</b>			
<b>Station production</b>			
Labour costs	n.p.	n.p.	111.5
Program licence fees	n.p.	n.p.	{68.8
Other direct costs	n.p.	n.p.	41.3
Facilities costs not included above	n.p.	n.p.	221.7
<b>Total station production costs</b>	<b>n.p.</b>	<b>n.p.</b>	<b>221.7</b>
<b>Program purchases</b>			
Program licence fees for other Australian programming	n.p.	n.p.	6.6
Program licence fees for overseas productions	n.p.	n.p.	34.5
<b>Total program purchases</b>	<b>n.p.</b>	<b>n.p.</b>	<b>41.1</b>
<b>Total program costs</b>	<b>n.p.</b>	<b>n.p.</b>	<b>262.7</b>

TELEVISION SERVICES: PROPORTION OF TOTAL STATION PRODUCTION COSTS BY TYPE OF BROADCASTER, 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 ANZSIC:

- Class 9111 — Film and video production;
- Class 9112 — Film and video distribution;
- Class 9113 — Motion picture exhibition;
- Class 9121 — Radio services; and
- Class 9122 — Television services.

**2** This publication contains data for the radio and television services industries.

**3** The scope of the census included only businesses which had employees at the time the census population was determined. Non-employing 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.

### CLASSIFICATION BY INDUSTRY

**4** The census was of the Radio services industry Class 9121, and the Television services industry Class 9122 of the 1993 edition of the ANZSIC.

**5** Radio services (Class 9121) consists of units mainly engaged in radio broadcasting. This Class also includes the collection of news for radio services, and the production of radio programs, whether live or on tape or other recording medium, for own use.

**6** Television services (Class 9122) consist of units mainly engaged in television broadcasting. This Class includes the production of television programs, whether live or on tape or other recording medium, for own use. This Class also includes the collection of news for television broadcasting.

### PRIVATE AND PUBLIC BROADCASTERS

**7** Radio and television services businesses are divided into two categories, i.e. public broadcasters and private broadcasters. Public broadcasters are government owned and obtain their income from government funding (excluding government subsidies). This funding includes parliamentary appropriation, liabilities assumed by government, and resources received free of charge (refer to Government funding of community radio stations and public broadcasting services in the Glossary).

### COMMUNITY RADIO BROADCASTERS

**8** Community broadcasters are non-profit, non-government organisations. They receive the majority of their money from the Federal Government via the Community Broadcasting Foundation (CBF); audience subscriptions are another major source of income. 'Community' means community of interest, geographical/residential (local area), and special interest.

NARROWCAST RADIO	<p><b>9</b> A narrowcast service is one where the reception is limited in one or more specified ways, and can cover almost any technology. Narrowcasters are not government owned: they are issued with a class licence. Narrowcasters offer services of limited appeal, such as, racing, tourist information or ethnic language programs.</p>
STATISTICAL UNIT	<p><b>10</b> The unit for which statistics were reported in the survey was the <i>management unit</i>. 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 compiled for it.</p>
STATE DATA	<p><b>11</b> Data were collected from the Australia-wide operations of each business. Businesses which operate in more than one State were asked to provide a dissection of total income, employment (excluding volunteers), and wages and salaries to enable State statistics to be compiled.</p>
REFERENCE PERIOD	<p><b>12</b> Data contained in the tables of this publication relate to all businesses 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><b>13</b> A very small number of businesses ceased business during the 1993-94 reference period. It is normal ABS procedure to include the contribution of these businesses in the survey output.</p>
RELIABILITY OF ESTIMATES	<p><b>14</b> 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><b>15</b> 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><b>16</b> As well as statistics included in this publication, the ABS has a range of more detailed data on the radio and television services industries. For example, more detailed income and expense data may be made available on request.</p> <p><b>17</b> Inquiries on radio and television statistics should be made by telephoning Tony Ward on (03) 9615 7634.</p>
OTHER PUBLICATIONS IN THIS SERIES	<p><b>18</b> The 1993-94 series of surveys included three other industries. Statistics have been released in two separate publications:</p> <ul style="list-style-type: none"> <li>▪ <i>Film and Video Production and Distribution, Australia, 1993-94, (8679.0)</i></li> <li>▪ <i>Motion Picture Exhibition, Australia, 1992-93 (8654.0)</i></li> </ul>

ROUNDING

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

SYMBOLS AND OTHER  
ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
n.p.	not available for separate publication, but included in totals where applicable.
—	nil or rounded to zero

## GLOSSARY

<b>Affiliation fees (expense items)</b>	Fees paid by one TV station to other stations or networks for the right to access and broadcast their programs.
<b>Affiliation and management fees (income items)</b>	Income received from other TV stations or networks for the right to access and broadcast the network's programs.
<b>Asset turnover ratio</b>	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.
<b>Businesses at end June</b>	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 8 of Explanatory Notes for further information regarding management units.)
<b>Capital expenditure on selected assets</b>	This item includes both capital work done by the business's own employees for own use or for rental or lease, and capital expenditure on selected assets. The selected assets include all costs capitalised in the books (including legal fees, real estate transfer costs and assets acquired under finance leases), and progress payments made to contractors for capital work done by them.
<b>Commissions to accredited advertising agencies</b>	<p>Some advertising agencies and media buyers are 'accredited' by the Australian Accreditation Authority. This means they assume the credit risk for placing advertisements in the media and for billing clients, as well as meeting other professional standards. Accredited agencies are entitled to receive commissions from the media (including television stations) for all advertisements they place (officially 10% of the value of the advertisement). It is these commissions that are reported here.</p> <p>Excludes payments made to advertising agencies for services rendered, e.g. print media advertising and publicity, promotional activities, etc. These payments are included in the data item Other business expenses.</p>
<b>Completed airtime hours</b>	<p>This is the length of a completed program excluding time taken for advertisements.</p> <p>In the case of co-productions, it is the airtime of the completed program and not solely the contribution of the television broadcaster to the production. Production costs, on the other hand, include the contribution of the television broadcaster only.</p>
<b>Current ratio</b>	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.
<b>Depreciation and amortisation</b>	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. Excludes the amortisation of program rights (included in the data item Program rights amortised).
<b>Earnings before interest and tax (EBIT)</b>	A measure of profit prior to the deduction of interest expense and income tax.

<b>Employer contributions to superannuation funds</b>	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
<b>Employment at the end of June</b>	Employment includes persons predominantly involved in production activity (e.g. program directors, producers, on-air personnel, and panel operators), sales and marketing employees, and other employees (e.g. managerial, administrative staff etc.). Employees absent on paid leave or prepaid leave are included. Excludes freelancers paid via an incorporated company and volunteers.
<b>Fees received from the production of commercials</b>	Fees received by television stations for commercials produced for advertisers.
<b>Full-time employees</b>	Employees who work 35 hours per week or more.
<b>Funding of government-owned radio and television stations</b>	This funding includes parliamentary appropriations (i.e. the money that is given by the Federal Government each year as detailed in the federal budget); liabilities assumed by government (e.g. government-funded superannuation contributions for employees engaged under the <i>Public Service Act 1922</i> ); and resources received free of charge e.g. the provision of resources for operating and maintaining radio and television transmitters, ancillary buildings and technical equipment.
<b>Government subsidies</b>	Payments on current account which private industries receive from the Government. Includes bounties, subsidies and export grants, Jobstart, apprenticeship schemes, Australia Council grants, travel grants, licence fee rebate and recurrent grants from federal and State agencies.
<b>Gross income</b>	Sum of all income items.
<b>Gross income from the sale of airtime</b>	Refers to the sale of airtime or 'space' on television for the broadcasting of advertisers' commercials or sponsors' messages.
<b>Industry gross product</b>	A measure of the value of unduplicated gross product of businesses.  For <i>non-government units</i> , industry gross product 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.  For <i>general government units</i> , industry gross product is defined as being equal to wages and salaries plus superannuation payments plus workers' compensation costs plus depreciation.
<b>Insurance premiums</b>	This item includes optional third-party and comprehensive motor vehicle insurance premiums, fire, general, accident and public liability premiums, and errors and omissions insurance. Excludes workers compensation insurance premiums and compulsory third-party motor vehicle insurance premiums.
<b>Interest coverage</b>	The number of times over that businesses can meet their interest expenses from their earnings before interest, i.e. earnings before interest and tax/interest expenses.

<b>Interest expenses</b>	This expense 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.
<b>Interest income</b>	This income item includes interest from loans, finance leases, deposits in banks and non-bank financial institutions.
<b>Labour costs</b>	Labour costs include wages and salaries, employer contributions to superannuation funds, and workers' compensation costs. Payments to freelancers who are paid via an incorporated company are excluded.
<b>Long-term debt to equity</b>	The ratio of non-current liabilities to net worth expressed as a percentage i.e. non-current liabilities times 100 divided by net worth.
<b>Management fees (expense item)</b>	This expense item includes intra-group management fees including revenue sharing arrangements.
<b>Management fees (income item)</b>	Income from management fees includes revenue sharing arrangements, i.e. one station in a network may produce or purchase a program or series, and then recoup some of the costs by means of payments by other stations in the network. This data item is reported on a gross basis, i.e. the total amount received from other stations.
<b>Operating profit before tax (OPBT)</b>	A measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
<b>Operating profit margin</b>	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.
<b>Other businesses</b>	For the purposes of this publication other businesses are those businesses with 20 or more employees.
<b>Other business expenses</b>	This item includes business expenses not included elsewhere. For the radio services industry only, this item includes management fees/charges paid to related and unrelated businesses. For the television services industry, however, management fees/charges paid to related and unrelated businesses are a separate data item.
<b>Other costs</b>	Other costs include insurance premiums, bad debts written off. In the radio services industry, other costs also includes program rights purchased.
<b>Other non-operating income</b>	Other non-operating income includes dividends received, interest income, 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 rate/transactions. Does not include extraordinary profit (loss).
<b>Other operating income</b>	Other operating income includes income earned from the sale of educational and training activities, other fund-raising activities, airtime sold to community/business groups, and other revenue not included elsewhere.

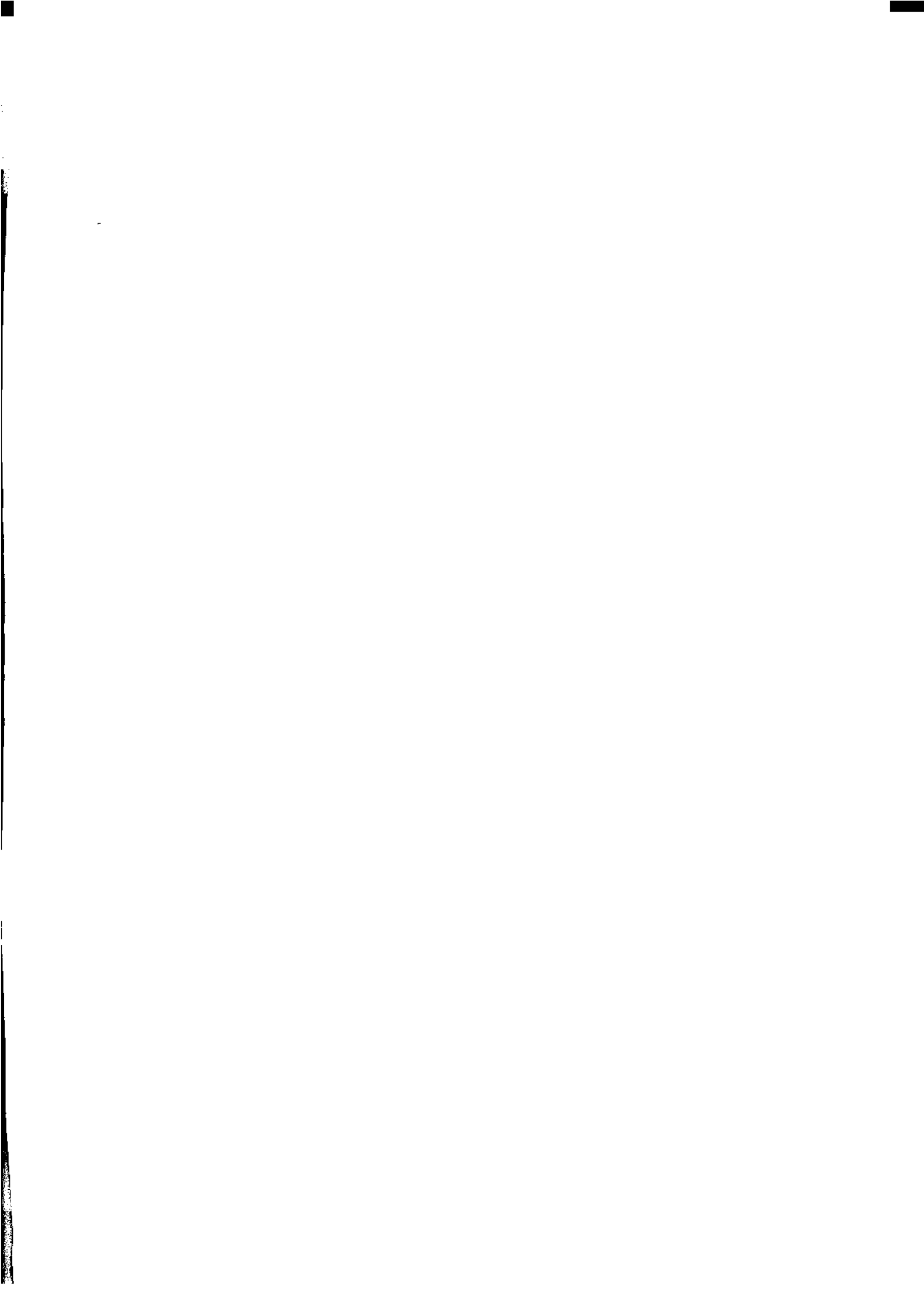


<b>Other rent, leasing and hiring expenses</b>	This expense item includes operating lease expenses, rental of facilities and/or equipment without staff/operators, all expenses paid/payable to landlords.
<b>Part-time employees</b>	Employees who work less than 35 hours per week.
<b>Payments to freelancers</b>	Payments to freelancers includes payments to production personnel and rental of facilities and/or equipment with crew. This item excludes payments made to freelancers paid directly via the payroll and payments to catering services.
<b>Persons employed</b>	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).
<b>Production costs</b>	<p>Included in production costs are projects completed during the 1993-94 financial year; projects still in production; the business' contribution to official co-productions; unofficial co-productions for which the business had prime responsibility; and telethons.</p> <p>It should be noted, however, that the contributions to production costs made by businesses outside the television services industry (such as businesses in the film and video production industry involved in joint productions, and businesses and freelancers who are engaged in production activities and are paid via an incorporated company) are not included in these statistics.</p>
<b>Program licence fees</b>	<p><i>Program licence fees for joint productions</i> refers to those fees paid by the business for joint productions with an independent producer. They include the business's contribution to official co-productions and unofficial co-productions for which the business had prime responsibility.</p> <p><i>Australian programming</i> refers to total cost to the business of license fees for programs produced in Australia by other businesses (independent productions) without the investment of the television station.</p> <p><i>Overseas programming</i> refers to total cost to the business of license fees for programs produced overseas by other businesses.</p> <p>Program licence fees are included in program rights used for those productions that are treated as a current expense; or in program rights amortised for those productions that are included in the capital account.</p>
<b>Program rights</b>	<p>There are two types of program rights purchased by the television stations:</p> <ul style="list-style-type: none"> <li>▪ those that are broadcast <i>once only</i> (such as quiz shows); and</li> <li>▪ those programs where the license fees covers <i>multiple screenings</i>.</li> </ul> <p>Programs that are broadcast <i>once only</i> are current expenses and are included in 'program rights used'. These expenses are included in the calculation of industry gross product.</p>

	<p>Programs that are broadcast <i>more than once</i> are capitalised i.e. the acquisition of these programs is treated as capital expenditure (rather than as a current expense) and are added to the assets part of the balance sheet.</p>
<b>Program rights amortised</b>	<p>Each time a capitalised program is broadcast, the value of the program asset decreases. The decrease in the value of the program (amortisation) is included in the profit and loss account as 'program rights amortised'.</p>
<b>Program rights used</b>	<p>The right to broadcasts is purchased via licence arrangement from the copyright owner of the program. Those programs that will be shown once only, such as series and game shows, are treated as current expenses. Program rights used is a royalties expense.</p>
<b>Program sales</b>	<p>Comprises two components, Australian and overseas program sales and pre-sales.</p> <p><i>Australian program sales</i> are sales to any individual, business or other organisation ordinary resident in Australia. Branches in Australia and Australian subsidiaries of foreign businesses are regarded as Australian residents.</p> <p><i>Overseas program sales</i> are sales to any individual, business or other organisation ordinarily resident in a country other than Australia. Foreign branches and foreign subsidiaries of Australian businesses are regarded as non-residents.</p>
<b>Promotion and publicity expenses</b>	<p>This expense item includes payments to advertising agencies for promotion of this business or its products. These expenses also include cash giveaways for competitions, and other station promotions; printing costs i.e. newsletters, posters, stickers, etc. and TV, print media, outdoor advertising.</p>
<b>Rent, leasing and hiring income</b>	<p>This item includes revenue from operating leases, studio hire, and equipment hire. Excludes income from finance leases, and payments received under hire purchase arrangements.</p>
<b>Return on assets</b>	<p>Operating profit before tax (OPBT) as a percentage of the total book value of assets, i.e. OPBT times 100 divided by total assets.</p>
<b>Return on funds</b>	<p>Earnings before interest and tax (EBIT) as a percentage of long-term investment funds, i.e. EBIT times 100 divided by (net worth plus non-current liabilities).</p>
<b>Return on net worth</b>	<p>This is the amount nominally available to owners of the business in return for their continuing investment in the business, i.e. OPBT times 100 divided by net worth.</p>
<b>Sales of goods and services</b>	<p>Includes gross income from the sale of airtime, fees received for the production of commercials, subscription income, affiliation fees, management fees, rent, leasing and hiring income, and other operating income.</p>

<b>Selected expenses</b>	Includes motor vehicle running expenses, other rent, leasing and hiring expenses, other business expenses, payments to person predominantly engaged in broadcasting and/or production activities and for whom PAYE tax is not deducted, commissions to advertising agencies, radio licence fees, affiliation fees, management fees, rent, leasing and hiring of communication equipment, promotional publicity expenses, research expenses and subscriber lease expenses.
<b>Selected income</b>	Selected income is gross income minus interest income, dividends received, net profit (loss) on sales of fixed tangible assets, and net profit (loss) on foreign loans as result in variation in foreign exchange rates/transactions.
<b>Short-term debt to equity</b>	The ratio of current liabilities to net worth expressed as a percentage i.e. current liabilities times 100 divided by net worth.
<b>Small businesses</b>	All those businesses with employment less than 20 persons.
<b>Subscription income (radio)</b>	These are voluntary subscriptions paid by listeners to radio broadcasters, and include both new subscriptions and repeat subscriptions. Audience subscriptions are one of the main sources of income for community radio stations.
<b>Subscription income (television)</b>	This is money paid or subscribed by viewers to the channels for services that they wish to view. Unlike 'free-to-air' broadcasts, viewers cannot pick up pay TV without using some sort of device that gives access to the pay TV channels.
<b>Television licence fees</b>	The broadcasting television station requires an annual television licence issued by the Federal Government via the Australian Broadcasting Authority. This data item is the gross amount of the licence fee prior the reduction of rebates. The Federal Government provides for six years for many regional stations (which previously enjoyed a private monopoly) as their broadcasting areas are opened up to competition from other private broadcasters.
<b>Total workforce</b>	Sum of total employment and total number of volunteers.
<b>Trading profit</b>	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.
<b>Volunteers</b>	Includes unpaid staff and assistants irrespective of the number of hours worked.
<b>Wages and salaries, commissions and retainers</b>	Gross earnings paid to all full-time and part-time employees before taxation and other deductions. It also includes payments to freelancers for whom PAYE tax is deducted, and retainers and commissions paid to persons who receive a retainer.  Excludes payments to self-employed persons such as consultants, contractors, and persons paid solely by commission without a retainer. These payments are included in the other business expenses data item.





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