



# TELEVISION SERVICES

AUSTRALIA

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

## INTRODUCTION

This publication presents data, in respect of 1999–2000 financial year, of businesses mainly engaged in television broadcasting (excluding community broadcasting). It is the third ABS collection of the industry with the previous collections being conducted in respect of 1993–94 and 1996–97.

Data contained in this publication has been derived from two sources. Financial information for the commercial free-to-air broadcasters is collected annually by the Australian Broadcasting Authority, part of which is reproduced in this publication. Other data contained in this publication was collected as part of an ABS census of businesses in the television services industry.

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

*Botanic Gardens, Australia, 1999–2000* (Cat. no. 8563.0) — issued April 2001

*Motion Picture Exhibition, Australia, 1999–2000* (Cat. no. 8654.0) — issued May 2001

*Video Hire Industry, Australia, 1999–2000* (Cat. no. 8562.0) — issued May 2001

*Public Libraries, Australia, 1999–2000* (Cat. no. 8561.0) — issued June 2001

*Museums, Australia, 1999–2000* (Cat. no. 8560.0) — issued July 2001

*Performing Arts, Australia, 1999–2000* (Cat. no. 8697.0)

*Commercial Art Galleries, Australia, 1999–2000* (Cat. no. 8651.0)

*Film and Video Production and Distribution, Australia, 1999–2000* (Cat. no. 8679.0)

## COMMENTS ON THIS PUBLICATION

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

## ROUNDING

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



## ABBREVIATIONS

ABA Australian Broadcasting Authority

ABS Australian Bureau of Statistics

ANZSIC Australian and New Zealand Standard Industrial Classification

Dennis Trewin  
Australian Statistician

## SUMMARY OF FINDINGS

### INTRODUCTION

This publication presents data, in respect of 1999–2000 financial year, of businesses mainly engaged in television broadcasting (excluding community broadcasting). While television broadcasting data in this publication mainly relates to commercial free-to-air and pay television broadcasters, data on in-house productions also includes Australia's two public television broadcasters. These businesses are classified to Class 9122 (Television Services) of the Australian and New Zealand Standard Industrial Classification (ANZSIC).

Data contained in this publication has been derived from two sources. Financial information for the commercial free-to-air broadcasters is collected annually by the Australian Broadcasting Authority (ABA), part of which is reproduced in this publication. Other data contained in this publication was collected as part of an ABS census of businesses in the television services industry.

This publication methodology is different to the methodology used in the 1996–97 ABS survey of the television services industry, so care should be taken in comparing with historical data. In order to assist with historical comparisons, the 1996–97 statistics in table 1 have been revised using ABA data.

### SIZE OF INDUSTRY

At the end of June 2000, there were 41 private sector television broadcasters and two public television broadcasters. The 41 private sector television broadcasters comprised 34 commercial free-to-air television broadcasting businesses operating 48 television stations and 7 pay television broadcasting businesses operating 7 television stations. By comparison, in June 1997, there were 44 free-to-air commercial television and 7 pay television stations.

During 1999–2000, the private sector broadcasters had total income of \$4,182 million, employment of 10,668 persons and a net worth of \$2,810 million. Data for the 7 community broadcasters have been excluded from this publication and in 1996–97 community broadcasters generated \$2 million in income and employed 30 persons.

### SOURCES OF INCOME

The total income of \$4,182 million of private sector broadcasters comprised \$3,271 million from commercial free-to-air broadcasters and \$911 million from pay television broadcasters. This total income represented a 38% increase since 1996–97. The three main networks accounted for 98% of the income of the commercial free-to-air broadcasters.

The largest proportion (86%) of the income received by commercial free-to-air broadcasters was from the sale of airtime (\$2,821 million, which has increased by 19% since 1996–97). Other sources of income for these broadcasters included income from affiliation fees (\$137 million) and sale of programs (\$43 million).

The main income of pay television broadcasters was subscription and membership fees of \$789 million, which represented 87% of their total income. Income from subscription and membership fees has risen significantly from \$311 million received in 1996–97.

### EXPENSES

Total expenses of the private sector broadcasters were \$4,083 million, of which \$2,468 million was accounted for by commercial free-to-air broadcasters and \$1,616 million by pay television broadcasters.

## SUMMARY OF FINDINGS *continued*

### EXPENSES *continued*

The two major components of expenses of commercial free-to-air broadcasters were program rights used (\$864 million) and labour costs (\$385 million), which accounted for 35% and 16% of total expenses respectively. Other expenses included commissions paid to advertising agencies and brokers (\$275 million), interest expenses (\$275 million) and television license fees expensed (\$217 million).

The main pay television expenses were payments to channel providers (\$470 million), depreciation and amortisation (\$390 million) and wages and salaries (\$159 million).

### PROFITABILITY

During 1999–2000, the private sector broadcasters recorded an operating profit before tax of \$128 million. However the profit position of the two types of broadcasters was vastly different with commercial free-to-air broadcasters recording an operating profit before tax of \$804 million and pay television broadcasters an operating loss of \$676 million.

The operating profit of \$804 million of commercial free-to-air broadcasters represented an operating profit margin of 24.6% which was an increase on the operating profit margin of 19.0% recorded in 1996–97.

While pay television broadcasters recorded a loss of \$676 million in 1999–2000, this was a reduction of 36% on the loss \$1,058 million recorded for 1996–97. This change resulted from a 120% increase in income compared to a 10% increase in expenses over the same period.

### EMPLOYMENT

At the end of June 2000, there were 10,668 persons employed by commercial free-to-air and pay television broadcasters. Of these, 7,807 were employed by the commercial free-to-air broadcasters, which was a 16% increase since June 1997.

A large majority (82%) of the commercial free-to-air employees worked on a permanent full-time basis. Male employees accounted for 62% of the employees, representing a slight reduction from 64% at June 1997.

The 2,861 employees of pay television broadcasters represented a 37% increase since June 1997. A large proportion of these employees (83%) were employed on a permanent full-time basis.

### STATES AND TERRITORIES

Commercial free-to-air broadcasters were concentrated in New South Wales/Australian Capital Territory and Victoria. While 12 of the stations (25% of all stations) were located in New South Wales/Australian Capital Territory, these stations accounted for 49% of employment and 38% of total income of commercial free-to-air broadcasters.

The 9 stations in Victoria accounted for 17% of employment and 28% of income. The contribution to income from other States was 16% for Queensland stations, 11% for Western Australian stations, 6% for South Australian stations and 2% (combined) for Tasmanian and Northern Territory stations.

### ASSETS AND LIABILITIES

The value of total assets of commercial free-to-air broadcasters at the end of June 2000 was \$9,896 million, comprising current assets worth \$1,035 million and non-current assets of \$8,861 million. This, combined with total liabilities of \$6,278 million, resulted in a net worth of \$3,618 million for commercial free-to-air broadcasters. One of the main

## SUMMARY OF FINDINGS *continued*

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### ASSETS AND LIABILITIES *continued*

components of non-current assets was television licences of \$3,020 million, which contributed to the high ratio of non-current assets to current assets.

On the other hand, the total net worth of pay television broadcasters was a negative \$808 million, with total liabilities of \$3,343 million exceeding total assets of \$2,535 million.

### PRODUCTION COSTS

During 1999–2000, 43 television broadcasters (i.e. commercial free-to-air, pay television and public broadcasters) spent \$799 million on their own production of programs. These in-house production costs included development, pre-production, shoot, post production and related labour costs and totalled 41,911 commercial broadcast hours.

The in-house production costs were mainly concentrated on news and current affairs (\$333 million) and sport (\$248 million) which accounted for 42% and 31% respectively of total in-house production costs.

While the average cost per commercial broadcast hour was \$19,100, the production of sport was lower at \$12,000 per commercial broadcast hour. In comparison, the most expensive types of in-house productions were drama (\$149,200 per commercial broadcast hour) and situation and sketch comedy (\$138,400 per commercial broadcast hour).

Businesses in the film and video industry are also involved in the production of television programs, in particular drama and situation and sketch comedies. The television program production costs of these businesses are contained in *Film and Video Production and Distribution, Australia, 1999–2000* (Cat. no. 8679.0), which will be published in August 2001. For example, commercial free-to-air broadcasters purchase of program rights was \$881 million, a majority of which would be paid to businesses in the film and video industry. This purchase of program rights was part of the total program costs of commercial free-to-air broadcasters of \$1,416 million for 1999–2000, representing a 21% increase since 1996–97.

# 1

## KEY FIGURES

	COMMERCIAL FREE-TO-AIR TELEVISION(a)			PAY TELEVISION			TOTAL COMMERCIAL/PAY TELEVISION		
	1996-1997	1999-2000	Percentage change	1996-1997	1999-2000	Percentage change	1996-1997	1999-2000	Percentage change
Businesses at end June (no.)	34	34	—	7	7	—	41	41	—
Stations at end June (no.)	44	48	9.1	7	7	—	51	55	7.8
Employees at end June									
Permanent full-time (no.)	5 986	6 392	6.8	1 810	2 379	31.4	7 796	8 771	12.5
Permanent part-time and casuals (no.)	na	1 415	..	na	482	..	na	1 897	..
Total (no.)	6 758	7 807	15.5	2 085	2 861	37.2	8 843	10 668	20.6
Income									
Gross income from the sale of airtime (\$m)	2 374.6	2 821.1	18.8	na	na	..	2 374.6	2 821.1	18.8
Subscription and membership fees (\$m)	na	na	..	311.4	789.1	153.4	311.4	789.1	153.4
Other (\$m)(b)	237.6	449.9	89.4	103.2	121.7	17.9	340.8	571.6	67.7
Total (\$m)	2 612.2	3 271.0	25.2	414.6	910.9	119.7	3 026.8	4 181.9	38.2
Expenses									
Wages and salaries (\$m)	326.0	302.2	-7.3	258.6	159.4	-38.4	584.6	461.6	-21.0
Program rights used/Payments to channel providers (\$m)	761.7	863.9	13.4	249.2	469.8	88.5	1 010.9	1 333.7	31.9
Depreciation and amortisation (\$m)	65.8	68.9	4.7	216.8	390.0	79.9	282.6	458.9	62.4
Other (\$m)	963.6	1 232.5	27.9	748.6	596.4	-20.3	1 712.2	1 828.9	6.8
Total (\$m)	2 117.1	2 467.5	16.6	1 473.1	1 615.7	9.7	3 590.2	4 083.2	13.7
Operating profit/loss before tax (\$m)	495.1	803.5	62.3	-1 058.4	-675.8	36.1	-563.3	127.7	..
Operating profit margin (%)	19.0	24.6	29.6	na	na	..	na	na	..
Total assets (\$m)	5 072.6	9 896.2	95.1	1 356.9	2 535.1	86.8	6 429.5	12 431.3	93.3
Total liabilities (\$m)	3 162.9	6 278.4	98.5	946.4	3 342.8	253.2	4 109.3	9 621.2	134.1
Net worth (\$m)	1 909.7	3 617.9	89.4	410.5	-807.8	..	2 320.2	2 810.1	21.1

— nil or rounded to zero (including null cells)

na not available

.. not applicable

(a) Source: Financial details for commercial free-to-air television broadcasters were sourced from the Australian Broadcasting Authority, 2001.

(b) For Pay television, gross income from the sale of airtime is included in other income.

## 2

## COMMERCIAL FREE-TO-AIR BROADCASTERS, Income and expenditure(a)

	Value	Percentage contribution
	\$m	%
<b>Sources of income</b>		
Gross income from the sale of airtime	2 821.1	86.2
Income from affiliation fees	137.3	4.2
Sale of programs	43.0	1.3
Other	269.6	8.2
<i>Total</i>	3 271.0	100.0
<b>Items of expenditure</b>		
Labour costs		
Wages and salaries	302.2	12.2
Other labour costs	82.4	3.3
<i>Total</i>	384.6	15.6
Selected expenses		
Affiliation fees paid	128.6	5.2
Television licence fees	217.2	8.8
Program rights used	863.9	35.0
Rent, leasing and hiring expenses	25.3	1.0
Commissions to advertising agencies/brokers	275.1	11.1
Intra-group management fees	34.4	1.4
<i>Total</i>	1 544.5	62.6
Other costs		
Interest expenses	274.6	11.1
Depreciation and amortisation	68.9	2.8
Other	194.2	7.9
<i>Total</i>	537.7	21.8
<i>Total</i>	2 467.5	100.0

(a) Source: Australian Broadcasting Authority 2001.

## 3

## COMMERCIAL FREE-TO-AIR BROADCASTERS, Characteristics of employees

	Males		Females		Total	
	no.	%	no.	%	no.	%
<b>Employees at end June 2000</b>						
Permanent full-time employees	4 090	84.7	2 302	77.3	6 392	81.9
Permanent part-time employees	267	5.5	272	9.1	539	6.9
Casuals	472	9.8	404	13.6	876	11.2
<b>Total</b>	<b>4 829</b>	<b>100.0</b>	<b>2 978</b>	<b>100.0</b>	<b>7 807</b>	<b>100.0</b>
<b>Employees at end June 1997</b>						
<i>Total</i>	4 317	100.0	2 441	100.0	6 758	100.0

## 4

## COMMERCIAL FREE-TO-AIR BROADCASTERS, States and Territories

	<i>Businesses at end June(a)</i>		<i>Stations at end June(b)</i>		<i>Employees at end June</i>		<i>Wages and salaries(b)</i>		<i>Total income(b)</i>	
	no.	no.	%	no.	%	\$m	%	\$m	%	
New South Wales/Australian Capital Territory	16	12	25.0	3 851	49.3	116.6	38.6	1 229.5	37.6	
Victoria	6	9	18.8	1 308	16.8	79.8	26.4	909.3	27.8	
Queensland	7	8	16.7	1 231	15.8	50.6	16.7	509.4	15.6	
South Australia	5	6	12.5	502	6.4	18.1	6.0	198.5	6.1	
Western Australia	5	8	16.7	625	8.0	24.2	8.0	354.8	10.8	
Tasmania/Northern Territory	4	5	10.4	290	3.7	12.9	4.3	69.5	2.1	
<b>Australia</b>	<b>34</b>	<b>48</b>	<b>100.0</b>	<b>7 807</b>	<b>100.0</b>	<b>302.2</b>	<b>100.0</b>	<b>3 271.0</b>	<b>100.0</b>	

(a) Some businesses may be involved in more than one State and Territory. Hence, the counts of businesses may not sum to the total.

(b) Source: Australian Broadcasting Authority, 2001.

## 5

## ASSETS AND LIABILITIES

	<i>Commercial free to air television(a)</i>	<i>Pay television</i>	<i>Total</i>
	\$m	\$m	\$m
<b>Assets</b>			
Current assets	1 035.1	144.5	1 179.6
Non-current assets			
Intangible assets and investments	5 457.8	na	na
Other non-current assets	3 403.3	na	na
<i>Total</i>	8 861.1	2 390.6	11 251.7
<i>Total assets</i>	(b)9 896.2	2 535.1	12 431.3
<b>Liabilities</b>			
Current liabilities	1 104.5	np	np
Non-current liabilities	5 173.9	np	np
<i>Total liabilities</i>	6 278.4	3 342.8	9 621.2
<i>Net worth</i>	3 617.9	-807.8	2 810.1

na not available

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

(a) Source: Australian Broadcasting Authority, 2001.

(b) Includes \$3020.1m of television licences.



## 6

## IN-HOUSE PRODUCTIONS MADE BY TELEVISION BROADCASTERS (a)

Type of production	Production costs	Commercial broadcast hours	Average cost per commercial broadcast hour
	\$m	hrs	\$'000
Drama	46.0	308	149.2
Situation and sketch comedy	16.3	118	138.4
Documentaries	np	193	np
Quiz, panel and game shows	10.1	218	46.1
News and current affairs	333.2	14 151	23.5
Sport	248.4	20 745	12.0
Light entertainment and infotainment	103.1	5 187	19.9
Other	np	991	np
<b>Total</b>	<b>799.3</b>	<b>41 911</b>	<b>19.1</b>
Productions made specifically for children(b)			
"C" classification (children)	6.9	304	22.6
"P" classification (pre-school)	5.2	194	26.8
Commercials, station promotions and interstitials	48.0	..	..

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

.. not applicable

(a) Includes in-house productions by Commercial free-to-air television, Pay television and Public broadcasters.

(b) The costs and hours associated with the production of childrens' programs are also included in the categories above.

## 7

## COMMERCIAL FREE-TO-AIR BROADCASTERS, Program costs

	1996-97	1999-2000	Percentage change
	\$m	\$m	%
In-house sole production costs	r397.7	535.2	34.6
Program rights and amortisation of program rights(a)	771.3	881.0	14.2
<b>Total</b>	<b>1 169.0</b>	<b>1 416.2</b>	<b>21.1</b>

r revised

(a) Source: Australian Broadcasting Authority, 2001.

## EXPLANATORY NOTES

- INTRODUCTION** **1** This publication presents results in respect of the 1999–2000 financial year from a census of businesses engaged in the television broadcasting industry.
- SCOPE** **2** The collection was a census of all businesses classified to Class 9122, Television Services, of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC). This class includes all businesses mainly engaged in television broadcasting, and includes commercial free-to-air broadcasters, public broadcasters and pay television broadcasters. For this collection, community television broadcasters were excluded.
- COLLECTION METHODOLOGY** **3** Most of the financial data (income, expenditure and assets and liabilities) obtained in this collection was sourced from the Australian Broadcasting Authority (ABA), while the employment and television production data were obtained directly from the television broadcasting businesses.
- 4** This collection methodology is different to the methodology used in the 1993–94 and 1996–97 television services industry collections, so care should be taken in comparing with historical data. In order to assist with historical comparisons, the 1996–97 statistics in table 1 have been revised using ABA data.
- STATISTICAL UNIT** **5** The unit for which employment and production statistics were reported in the census was the management unit. The management unit is the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.
- STATE DATA** **6** Data were collected from the Australia-wide operations of each business. Businesses which operated in more than one State or Territory were asked to provide a dissection of their employment by State and Territory while the ABA were able to provide income, expenditure and assets and liabilities data by State and Territory to enable State and Territory statistics to be compiled and comparisons undertaken.
- REFERENCE PERIOD** **7** 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 2000. Counts of businesses include only those businesses that were operating at 30 June 2000.
- RELIABILITY OF DATA** **8** Because the census does not have a sample component, the data are not subject to sampling variability. However, other inaccuracies collectively referred to as non-sampling error may affect the data. These non-sampling errors may arise from a number of sources, including:
- deficiencies in the register of units from which the census was taken;
  - errors in the reporting of data by respondents;
  - errors in the capturing or processing of data;
  - estimation for missing or mis-reported data; and
  - definition and classification errors.
- 9** 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, and appropriate methodology.

## EXPLANATORY NOTES *continued*

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### ACKNOWLEDGMENT

**10** ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. The ABS would also like to acknowledge the assistance provided by the ABA, which enabled a significant reduction in the reporting burden placed on individual businesses. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

## GLOSSARY

<b>Affiliation fees paid</b>	This item refers to fees paid by one business to another business for the right to access and broadcast their programs.
<b>Casual employees</b>	This item refers to employees who are not entitled to take paid holidays or sick leave.
<b>Channel provider</b>	This item refers to a business which provides a package of programs in the form of a channel to pay TV operators for broadcasting.
<b>Commercial broadcast hours</b>	This is the length of a completed program produced, including time taken for advertisements (i.e. airtime for a completed program). Programs are counted only once, regardless of the number of times they may be aired.
<b>Commercial free-to-air broadcasters</b>	This item refers to commercial free-to-air broadcasters licensed with the ABA to broadcast. They usually operate on a profit-making basis and receive the majority of their income from the sale of airtime.
<b>Commissions to advertising agencies/brokers</b>	This item includes commissions paid to accredited agencies of the Australian Accreditation Authority for advertisements placed. Payments to advertising agencies for promotion of the business or its products are excluded.
<b>Current assets</b>	Current assets are cash or other assets of the business that would normally be consumed or converted into cash within twelve months of the end of the last financial period.
<b>Current liabilities</b>	Current liabilities are those obligations which in the ordinary course of business are expected to be discharged within twelve months of the balance date.
<b>Depreciation and amortisation</b>	This item refers to financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. They represent the accounting process of systematically allocating the cost of a non-current asset over its expected useful life. Businesses in the television services industry amortise, among other things, productions and program rights/licence fees.
<b>Employees</b>	This item includes all persons working for this business who receive remuneration in any part of the reference period, excluding working proprietors and partners.
<b>Employer contributions to superannuation funds</b>	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
<b>Full-time employees</b>	This item refers to employees who work 35 hours or more per week.
<b>Gross income from the sale of airtime</b>	This item refers to the sale of airtime or 'space' on television for the broadcasting of advertisers' commercials or sponsors' messages.
<b>Income from affiliation fees</b>	This item refers to income received from other businesses for the right to access and broadcast the network's programs.
<b>In-house production costs</b>	This item represents the costs of productions either undertaken solely by the television broadcaster and/or where the broadcaster takes prime responsibility for the production and doesn't purchase the rights from another production company. In-house production costs include development, pre-production, shoot, post-production and related labour costs.
<b>Interest expenses</b>	This item includes outflows of funds related to the cost of borrowing money.
<b>Intra-group management fees</b>	This item represents charges made for services provided by related entities. Management fees may be levied either in respect of specific services, e.g. use of a central computing facility or for accounting services provided by another related entity, or may represent a recharge of costs by a parent entity.
<b>Labour costs</b>	This item includes those expenses involved in the production of goods and services and include such items as wages, salaries, employer contributions to

## GLOSSARY *continued*

<b>Labour costs</b> <i>continued</i>	superannuation funds, workers compensation costs, fringe benefits tax and payroll tax.
<b>Net worth</b>	This item refers to current assets, plus non-current assets, minus current liabilities and non-current liabilities.
<b>Non-current assets</b>	These are long-term investments or other assets of the business that would not be consumed or converted into cash for more than twelve months after the end of the last reporting period of the business.
<b>Non-current liabilities</b>	This item refers to those obligations which in the ordinary course of business are expected to be discharged in more than twelve months. This item includes provisions for employee entitlements.
<b>Operating profit before tax</b>	A measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriation to owners. It is derived as total income minus total expenses, plus closing inventories minus opening inventories.
<b>Operating profit margin</b>	Operating profit margin of a business represents that percentage of its sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of total sales of goods and services (i.e. Operating profit margin = $\text{OPBT}/\text{Sales of goods and services} \times 100$ ).
<b>Other income</b>	This item includes the provision of production services to other businesses, income from management fees, income from program sales, rent leasing and hiring income and other operating and non-operating income.
<b>Other labour costs</b>	This item includes employer contributions to superannuation funds, workers' compensation costs, payroll tax and fringe benefits tax.
<b>Other operating expenses</b>	This item includes any other operating expenses not elsewhere specified. This includes repair and maintenance expenses, telecommunication services, advertising expenses, and payments to other businesses for production activities.
<b>Part-time employees</b>	This item refers to employees who work less than 35 hours per week.
<b>Pay television broadcasters</b>	This item refers to commercial broadcasters which operate on a profit-making basis and receive the majority of their income from subscription and membership fees.
<b>Payments to channel providers</b>	This item represents the payments made by pay television broadcasters to channel providers for the provision of a channel containing pre-packaged programs ready for broadcasting.
<b>Productions costs</b>	This item includes all in-house program production costs such as development, pre-production, shoot, post-production and labour costs for the 1999–2000 financial year.
<b>Program rights used</b>	This refers to the television broadcaster purchasing a program via a licence arrangement from the copyright owner of the program. Program rights used is a royalties expense.
<b>Public broadcasters</b>	This item refers to television broadcasters which operate on a not-for-profit basis and whose main source of income is from government funding.
<b>Rent, leasing and hiring expenses</b>	This item includes the rent, leasing and hiring of broadcasting equipment, satellite transponders, landlines and transmission sites. It also includes operating lease expenses, rental of facilities and/or equipment without staff/operators, and all expenses paid/payable to landlords.
<b>Subscription and membership fees</b>	This item refers to fees paid by viewers to Pay TV businesses for channel services.

**GLOSSARY** *continued*

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- Television licence fees** This item refers to fees paid by broadcasters for a television licence which is issued by the Australian Government via the Australian Broadcasting Authority. These licences may be expensed or capitalised.
  
- Wages and salaries** This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments. It excludes drawings of working principals and partners of unincorporated businesses.



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