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## 8. Economic Activity

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The cultural industries are quite diverse in nature. It is possible to determine their size in a number of ways, for example, by the number of firms in each industry or the number of people employed in each industry. Another measure to assess their relative size is the value of their production.

### AUSTRALIA'S PRODUCTION OF CULTURAL GOODS AND SERVICES

The Australian production of cultural goods and services in 2001–02 totalled \$49 billion, with Advertising Services producing \$11,512m (24%), Printing and Services to Printing producing \$9,932m (20%), Radio and TV Station Services producing \$6,236m (13%), and Pay TV services \$2,187m (5%). Production of cultural goods and services in 2001–02 made up 3.4% of total Australian production of goods and services (\$1,418 billion). This represents an increase from 2.9% of the total in 1998–99.

The value of the output of the cultural industries was approximately the same as that of the Other construction industry (\$46,286m), the Scientific research, technical and computer services industry (\$43,551m), the Education industry (\$43,952m) and the Health services industry (\$43,928m) (*Source: Australian National Accounts: Input-Output Tables – Electronic Publication, 2001–02, cat. no. 5209.0.55.001*).

More detailed data on the broad cultural classifications of 'Motion picture, radio and television services', 'Libraries, museums and the arts', and 'Printing, publishing and recorded media' are provided in Table 9.2. This data is not available for the other cultural industries included in Table 9.1.

The number of businesses operating in the 'Libraries, museums and the arts' industries increased by 26% between 2001–02 and 2005–06 and in the 'Motion picture, radio and television services' by 21%. In comparison, the number of businesses in the 'Printing, publishing and recorded media' industries increased by 2%. During this period, there have also been increases in the amount of total income, operating profit before tax, and value added output for all of these industries.

## 8.1 AUSTRALIA'S PRODUCTION OF CULTURAL GOODS AND SERVICES(a)(b), Australia, 2001–02

Product item	Australian	Percentage of total cultural
	production \$m	goods and services produced %
<b>Publishing and recorded media</b>		
Newspapers, printing or publishing	1 603	3.3
Magazines and bound periodicals publishing	720	1.5
Books, sheet music, maps, etc. publishing	938	1.9
Pre-recorded audio, video tapes, computer tapes or disks, compact disks and records, manufactured or published	1 210	2.5
<i>Total (c)</i>	<i>4 625</i>	<i>9.5</i>
<b>Motion picture, radio and television services</b>		
Motion picture production	688	1.4
Film hiring services	75	0.2
Motion picture theatre services	820	1.7
Radio and TV station services	6 236	12.8
Pay TV services	2 187	4.5
<i>Total</i>	<i>10 006</i>	<i>20.6</i>
<b>Libraries, museums and the arts</b>		
Library, museum and art gallery services	1 061	2.2
Zoological and botanical gardens	920	1.9
Recreational parks and gardens operation	614	1.3
Music and theatre production operation	478	1.0
Creative arts services	1 095	2.3
Sound recording studios operation	106	0.2
Performing arts venue operation	1 103	2.3
Other services to the arts (d)	288	0.6
<i>Total</i>	<i>5 665</i>	<i>11.7</i>
<b>Other cultural products</b>		
Printing and services to printing	9 932	20.5
Television receiving sets production	27	0.1
Musical instruments (inc. parts and accessories) production	59	0.1
Architectural services	3 317	6.8
Advertising services	11 512	23.7
Commercial art and display services	2 044	4.2
Video hire	1 040	2.1
Photography services n.e.c.	330	0.7
<i>Total</i>	<i>28 261</i>	<i>58.2</i>
<b>Total</b>	<b>48 557</b>	<b>100.0</b>

(a) At basic values - the net price received by the producer (after deducting any indirect taxes).

(b) Excludes products primary to: the Recorded media manufacturing and publishing industry; the Book and magazine wholesaling industry; the Newspaper, book and stationery retailing industry; and the Recorded music retailing industry (details for these industries are not available separately).

(c) Includes other income.

(d) Includes casting agency operation; news reporting services (excluding own account); and services to the arts n.e.c.

Source: ABS, *Australian National Accounts: Input-Output Tables (Product Details), 2001–02 (cat. no. 5215.0.55.001)*.

## 8.2 PERFORMANCE OF SELECTED CULTURAL INDUSTRIES, Australia, 2001–02 to 2005–06

		2001–02	2002–03	2003–04	2004–05	2005–06
<b>Motion picture, radio and television services</b>						
No. of operating businesses	no.	8 629	9 030	9 491	9 950	10 475
Sales of goods	\$m	1 332	1 716	1 352	954	817
Income from services	\$m	8 743	8 980	9 227	11 500	12 261
Total income(a)	\$m	10 937	11 209	11 066	13 123	13 769
Operating profit before tax	\$m	25	645	1 061	1 498	1 291
Average operating profit before tax (per business)	\$'000	2.8	71.5	111.8	150.6	123.2
Industry value added	\$m	3 482	3 673	4 083	4 751	4 885
Average industry value added (per business)	\$'000	403.5	406.7	430.2	477.5	466.3
Percentage of business to have made a profit	%	61.1	60.7	61.4	62.1	61.5
Percentage of business which broke even	%	3.0	2.2	2.7	2.6	2.6
Percentage of business that recorded a loss	%	36.0	37.0	35.9	35.2	35.8
<b>Libraries, museums and the arts</b>						
No. of operating businesses	no.	33 804	35 292	37 282	39 494	42 743
Sales of goods	\$m	652	709	725	937	663
Income from services	\$m	1 870	2 177	2 463	2 681	3 085
Total income(a)	\$m	3 040	3 347	3 674	4 171	4 348
Operating profit before tax	\$m	408	500	672	697	645
Average operating profit before tax (per business)	\$'000	12.1	14.2	18.0	17.6	15.1
Industry value added	\$m	1 152	1 306	1 581	1 637	1 579
Average industry value added (per business)	\$'000	34.1	37.0	42.4	41.5	36.9
Percentage of business to have made a profit	%	71.5	71.1	71.6	71.0	71.2
Percentage of business which broke even	%	0.9	1.1	0.6	1.2	1.0
Percentage of business that recorded a loss	%	27.6	27.8	27.7	27.8	27.8
<b>Printing, publishing and recorded media</b>						
No. of operating businesses	no.	15 358	15 070	15 210	15 674	15 680
Sales of goods	\$m	13 301	13 264	12 831	14 164	14 092
Income from services	\$m	6 879	7 047	7 771	8 061	8 930
Total income(a)	\$m	20 535	20 585	21 027	23 161	23 781
Operating profit before tax	\$m	2 006	2 627	2 800	3 378	3 334
Average operating profit before tax (per business)	\$'000	130.6	174.3	184.1	215.5	212.6
Industry value added	\$m	8 430	8 923	9 333	10 002	10 491
Average industry value added (per business)	\$'000	548.9	592.1	613.6	638.1	669.1
Percentage of business to have made a profit	%	66.6	68.8	34.6	66.6	66.2
Percentage of business which broke even	%	1.3	1.5	2.5	1.5	1.4
Percentage of business that recorded a loss	%	32.0	29.8	62.8	31.9	32.3

(a) Includes income from rent, leasing and hiring, interest and other selected income.

Source: ABS, *Australian Industry, 2005–06* (cat. no. 8155.0).

## ANNUAL INCOME OF CULTURAL INDUSTRIES IN NT

Detailed information on the economic aspects of a number of cultural industries is also collected in the Service Industries Surveys. Most of these surveys included only employing businesses (unlike data for the Australian National Accounts) and therefore do not reflect the activities of the whole industry. However, while non-employing businesses are quite numerous, their overall contribution to economic activity is quite small. A 1995–96 study showed that non-employing businesses in the industry division cultural and recreational services accounted for about three-quarters of all businesses, but only 6% of operating income (*Source: Information Paper: The Expanded Use of Business Income Tax Data in ABS Economic Statistics, ABS cat. no. 5672.0*). Consequently, this is not a serious limitation to the data collected by the Service Industries Surveys.

The surveys showed that employing businesses in the commercial art gallery industry in the NT earned income totalling \$15m in 1999–2000, and the museum industry earned \$12m in 2003–04.

### 8.3 INCOME OF SELECTED CULTURAL INDUSTRIES(a), NT and Australia

	Year	NT \$m	Australia \$m	Percentage in NT(b) %
Film and video production	2006–2007	np	1 584.2	np
Film and video post-production	2006–2007	np	444.0	np
Film and video distribution	1999–2000	–	1 141.8	–
Motion picture exhibition(c)	1999–2000	np	678.9	np
Television services(d)	2006–2007	np	4 530.1	np
Video hire industry	1999–2000	8.2	595.2	1.4
Public libraries(e)	2003–2004	5.8	545.2	1.1
Museums	2003–2004	11.9	919.4	1.3
Performing arts operation	2006–2007	3.0	733.4	0.4
Commercial art galleries	1999–2000	14.6	131.8	11.1
Performing arts venues	2006–2007	np	494.4	np
Performing arts festivals	2002–2003	1.2	88.5	1.4
Services to the arts n.e.c.	1999–2000	np	709.8	np

– nil or rounded to zero (including null cells)

np not available for publication

(a) Excludes some parts of the cultural sector such as publishing and recorded media, the creative arts and archives. Also excludes the income of non-employing businesses.

(b) According to the 2006 Census of Population and Housing, 1.0% of Australia's population lived in the Northern Territory in August 2006.

(c) Gross box office receipts.

(d) Commercial free-to-air broadcasters (excludes Pay TV).

(e) This includes local government libraries only.

Sources: ABS, cat. no's. 8679.0, 8654.0, 8561.0, 8560.0, 8651.0, 8697.0, 8562.0.

## NUMBER OF CULTURAL BUSINESSES IN NT

*Counts of Australian Businesses, Including Entries and Exits, June 2003 to June 2006* (cat. no. 8165.0) presents counts of actively trading businesses. This excludes entities which:

- had an active ABN but which did not have a GST role. While economically active, these entities are mainly businesses with asset holdings and consequent income flows but which do not trade in goods and services; and
- had a GST role which had not returned a Business Activity statement (BAS) for more than five quarters or had returned a BAS reporting zero dollar amounts. These businesses are likely to be no longer trading.

Please note that counts from this data source are not comparable to data presented from the ABS Business Register in previous versions of this report.

Almost 500 businesses in NT were actively trading within the cultural sector as at the start of the 2006–07 financial year. The largest numbers of businesses were within architectural services (87), the creative arts industry (69) and advertising services (51). Most of the businesses (67%) had no employees, whilst 2% employed 20 or more persons.

#### 8.4 BUSINESSES BY SELECTED INDUSTRY CLASS(a)(b), Employment Size Ranges, Start of 2006–07 financial year

	NT			Total	Australia Total	NT as a percentage of Australia %
	Non Employing no.	1-19 no.	20+ no.			
Museums, heritage and libraries						
Museums	–	3	–	3	204	1.5
Zoological and botanic gardens	–	3	–	3	108	2.8
Recreational parks and gardens	3	6	–	9	237	3.8
Libraries	3	–	–	3	195	1.5
Literature and print media						
Newspaper printing or publishing	3	3	–	6	696	0.9
Other periodical publishing	12	–	–	12	1 083	1.1
Book and other publishing	3	–	–	3	1 752	0.2
Newspaper, book and stationery retailing	9	24	3	36	7 533	0.5
Book and magazine wholesaling	–	3	–	3	465	0.6
Performing arts						
Performing arts operation	36	–	–	36	5 328	0.7
Performing arts venues	3	3	–	6	384	1.6
Music composition and publishing						
Recorded music retailing	12	6	–	18	1 149	1.6
Visual arts and crafts						
Photographic studios	24	6	–	30	5 244	0.6
Commercial art and display services	27	12	–	39	9 621	0.4
Design						
Architectural services	48	39	–	87	12 738	0.7
Advertising services	36	12	3	51	10 020	0.5
Broadcasting, electronic media and film						
Film and video production	15	3	–	18	4 953	0.4
Film and video distribution	3	–	–	3	420	0.7
Motion picture exhibition	–	–	–	–	360	–
Radio services	6	3	3	12	414	2.9
Television services	3	–	3	6	1 026	0.6
Video hire outlets	6	24	–	30	2 334	1.3
Other arts						
Services to the arts n.e.c.	12	3	–	15	2 547	0.6
Creative arts	69	–	–	69	7 581	0.9
Sound recording studios	–	–	–	–	834	–
Recorded media manufacturing and publishing	–	–	–	–	690	–
<b>Total</b>	<b>333</b>	<b>153</b>	<b>12</b>	<b>498</b>	<b>77 916</b>	<b>0.6</b>

– nil or rounded to zero (including null cells)

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

(b) Actively trading businesses.

Source: ABS, *Counts of Australian Businesses, Including Entries and Exits, June 2003 to June 2007 (cat. no. 8165.0)*.