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Bureau of Communications and Arts Research

Characteristics of Employment and Business Activity in Cultural and Creative Sectors

Fact sheet

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Contents

Executive summary

Cultural and creative activity is increasingly recognised as an important component of economic growth. In 2016–17, it was valued at $111.7 billion, an increase of 30 per cent over a decade. This equates to 6.4 per cent of Australia's GDP in 2016–17.[1]

The COVID-19 pandemic is having a significant impact on employment and output across Australia and in creative industries and sectors. In response, the Australian Government has introduced economic measures that include support for cultural and creative workers and organisations. The purpose of this analysis is to estimate the potential proportion of employees and small businesses in these sectors who may be eligible for government assistance, particularly the JobKeeper wage subsidy, announced in March 2020[2].

There is no single data source that provides an estimate of the proportion of eligible employees and small businesses across the cultural and creative sectors. This fact sheet sets out the approach used by the Bureau of Communications and Arts Research (BCAR), using Australian Bureau of Statistics (ABS) data. The key reference point is the most recent published update to the Cultural and Creative Activity Satellite account, *Cultural and Creative Activity in Australia, 2008–09 to 2016–17*.[3]

Cultural and creative activity spans a range of industries and occupations, including broadcasting, electronic and digital media and film, design (including architecture and computer design), fashion, libraries and archives, literature and print media, manufacturing and education.

Defining cultural and creative industries

The concept of *cultural and creative industries* used in this report is that established by the Australian Bureau of Statistics in the publication *Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09* (cat. 5271.0, 2014), which was commissioned by the Statistics Working Group of the Meeting of Cultural Ministers. In this definition, 43 ANZSIC industry classes are classified as cultural and/or creative (see Appendix A), and these are used in the BCAR publication *Cultural and Creative Activity 2008–09 to 2016–17*. These industry classes are then grouped into twelve creative and/or cultural groups called domains, which are as follows:

- Broadcasting, electronic or digital media, and film
- Design
- Environmental heritage
- Fashion
- Libraries and archives
- Literature and print media
- Museums
- Music composition and publishing
- Other culture goods manufacturing and sales
- Performing arts
- Supporting activities (e.g. arts education and administration)
- Visual arts and crafts

To best understand the impact of COVID-19 on the cultural and creative sector, BCAR has focused the industries that are wholly cultural and/or creative in nature. The ANZSIC classes included for the purpose of the analysis are listed at Appendix A.

Key findings

The number of workers whose main industry of employment is in cultural and creative sectors—those domains listed above—is approximately 645,000 on a 2016 Census basis.[4] This represents the pool of workers whose employment has potentially been disrupted by the impact of COVID-19 on demand and supply for goods and services in these sectors. Based on Census data, around 97 per cent, or around 626,000 of these workers are employed in the private sector.[5]

These employment status of these workers varies due to the nature of their employment. Table 1 presents the status in employment of all workers in cultural and creative sectors.

Table 1: Cultural and creative sector private sector employment by status in employment

Employment status	Number	Percentage (%)
Permanent (full time or part time)	349 800	56
Casuals (> 12 month tenure)	66 600	11
Casuals (< 12 month tenure)	42 400	7
Short-term employees on a fixed contract	9 700	2
Owner managers of incorporated and unincorporated businesses (including sole-traders)	143 700	23
Other	13 400	2
Total	626 000	100

Source/note: BCAR estimates based on 2016 Census data, 2019 ABS Characteristics of Employment data sourced from ABS tablebuilder, and custom extract of February 2020 ABS Labour Force Statistics data. Percentage of those employed in the private sector. Short-term employees on a fixed contract are based on those employed on a fixed contract who also have access to paid entitlements. Those employed on fixed contracts without paid entitlements are included in the casual employee groupings. Figures may not sum due to rounding. See appendix A for the list of ANZSIC classes used. 'Other' includes contributing family workers and missing employment status.

Table 1 is relevant to estimating the proportion of employees who may be able to receive JobKeeper and JobSeeker payments.

This is because JobKeeper eligibility includes employment status. Those employed full or part time, or are casuals employed on a regular and systematic basis for more than 12 months, as at 1 March 2020, may be eligible, depending on meeting other criteria, including age, visa, citizen/residency status for tax purposes and not already in receipt of a JobKeeper payment from another employer.[6]

In addition, their employer must be an eligible entity that:

- has an aggregated turnover of less than $1 billion (for income tax purposes) and estimate their GST turnover has fallen or will likely fall by 30 per cent or more; or
- has an aggregated turnover of $1 billion or more (for income tax purposes) and estimate their GST turnover has fallen or will likely fall by 50 per cent or more and their business is not subject to the Major Bank Levy; or
- is registered with the Australian Charities and Not-for-profits Commission and estimate their GST turnover has fallen or will likely fall by 15 per cent or more relative to a comparable period.[7]

Self-employed individuals may also qualify for JobKeeper payments. Entities that are not eligible include the Australian Government and its agencies, state and territory governments and their agencies, foreign governments and their agencies and local council governments.[8]

Based on their employment status, up to around 90 per cent of the cultural and creative sector workforce could be eligible for JobKeeper, subject to their employer meeting further eligibility criteria.

Most businesses in cultural and creative sectors are classified as small businesses (Table 2). Given the size of these businesses, most are likely to be below the $1 billion aggregated turnover limit applying to the JobKeeper program. Only 1.3 per cent of firms in cultural and creative sectors report a turnover of $10m or more.

Table 2: Cultural and creative sector businesses by turnover range (count at end of June 2019)

Turnover range	Number	Proportion
Zero to less than $50k	46 000	27.0%
$50k to less than $200k	60 600	35.6%
$200k to less than $2m	54 000	31.7%
$2m to less than $5m	5 500	3.2%
$5m to less than $10m	2 000	1.2%
$10m or more	2 100	1.3%

Source/note: BCAR estimates based on ABS (2020) *Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019*, Cat no. 8165.0. Based on ANZSIC classes listed at Appendix A.

Creative and performing arts activities[i] have been particularly affected by the COVID-19 pandemic. According to Australian Taxation Office (ATO) data, 25,370 people in the Creative and Performing Arts subdivision[9] of the ANZSIC Arts and Recreation Services Division received JobKeeper payments in April 2020. As at February 2020, there were 45,400 employees in this subdivision,[10] of whom around 40,000 are employed in the private sector. This means that around 63 per cent of employees in this subdivision were in receipt of JobKeeper payments in April 2020 based on employment levels prior to the pandemic.

Employees who have lost their job or been stood down, and who are not eligible for JobKeeper, may be eligible for JobSeeker.[11]

Methodology and approach

The employment estimates are derived by aggregating the figures for the 43 ANZSIC classes of cultural and creative industries listed at Appendix A. The 2016 Census was the primary source of data, as it provides detailed information on employment at the level of disaggregation necessary to measure employment in cultural and creative industries accurately. Other data are then used to disaggregate the 2016 Census employment figures into the categories of interest—such as using

[i] These include musical and theatre productions, artists and sculptors, and performing arts venue operations, among other activities. It does not include the activities of motion picture or video production.

labour force data to identify casual status in employment and employment tenure. The specific steps and data used are as follows:

- Census data to arrive at the number of employees in each industry class, and then aggregated to determine the total employment pool for cultural and creative industries (645,000).
- Census data to apportion employees in these industry classes to general government sector and private sector employment to arrive at the number of private sector employees (626,000).
- Census data to apportion workers to different employee categories—including owner-managers of incorporated and unincorporated enterprises, employees and those working under other arrangements
- Labour force survey data is used to determine the proportion of casual employees and permanent employees, including whether casual employees have been with their current employer for less than 12 months for the cultural and creative sectors. A key assumption made using this labour force data is apportioning ANZSIC class data from the more aggregated ANZSIC group data (on which labour force data is reported).
- Business counts data to determine the number and percentage of businesses in cultural and creative sectors.

Data used was drawn from survey data from different time periods (e.g. Census data from 2016, labour force data from 2019 and 2020). While employment in cultural and creative industries is likely to have increased since 2016 in level terms, this analysis is focused on the mix of employment arrangements and there is no comprehensive information to suggest that this mix has changed materially since the 2016 Census. This means that analysis based on 2016 Census data is representative to determine the proportion of workers under different employment arrangements as at 1 March 2020, the relevant date for determining JobKeeper eligibility.

Caveats to the analysis

The methodology used in this paper could also be utilised to estimate other impacts for these sectors, or to assist understanding employment and business impacts in other sectors. This may require additional assumptions and data sources. An example is to examine the impacts on other sectors such as tourism, given the importance of cultural and creative sectors to economic activity in some regions.

While this analysis is presented to be consistent with eligibility for the JobKeeper program, the actual level of support depends on assumptions about how many firms are eligible and choose to take it up, and how many eligible employees they have.

Using the analysis to estimate the level of support for the JobSeeker program would also require additional assumptions, such as those who ceased employment, but were not in receipt of JobKeeper. For example, casuals of less than 12 months tenure are not eligible for JobKeeper, so are potentially eligible for JobSeeker (provided they meet its eligibility requirements).

The following are not considered in this analysis:

- other support available to cultural and creative sectors, such as tax incentives and direct support measures;
- analysis at the household level (how receipt of JobKeeper or employment income by others in households impacts on take-up of JobKeeper or JobSeeker by others);

- an assessment of those ineligible for support payments because they are a non-citizen on a temporary visa, due to lack of data at a sufficiently disaggregated level;
- sole-traders or firms that may have missing or incomplete Business Activity Statement data that renders them ineligible for support under the JobKeeper scheme through the inability to demonstrate the required fall in turnover to receive support;
- JobKeeper support that may go to those whose main industry of employment is outside the cultural and creative industries, but who have a secondary job in a cultural and creative industry or occupation;
- disaggregated analysis of eligibility rates for particular industries that make up the cultural and creative sectors.

Estimates may continue to be updated as more granular and updated data become available.

Sensitivity testing

A number of sensitivity tests—scenarios of different assumed levels of take up—have been considered to address some of the caveats above. These include:

- **Scenario 1**: Half of permanent employees do not to take up JobKeeper (for example, in a situation where they are eligible, but where their employer chooses to shut down);
- **Scenario 2:** Half of eligible casual employees choose not to take up JobKeeper (for example, where they may work casual jobs in other industries and choose to take up JobKeeper in those roles instead);
- **Scenario 3:** Half of owner-managers in unincorporated businesses choose not to take-up JobKeeper (for example, reflecting a choice by sole-traders in this group to take up JobSeeker instead).

The results of these scenarios are shown in table 3. Compared to the estimate of 90 per cent of persons being eligible to take up JobKeeper—these scenarios suggest a smaller proportion, but that at least 63 per cent are still potentially eligible. For those that are assumed not to take up JobKeeper under the scenarios, they are potentially eligible for other support payments such as JobSeeker.

Table 3: Sensitivity testing

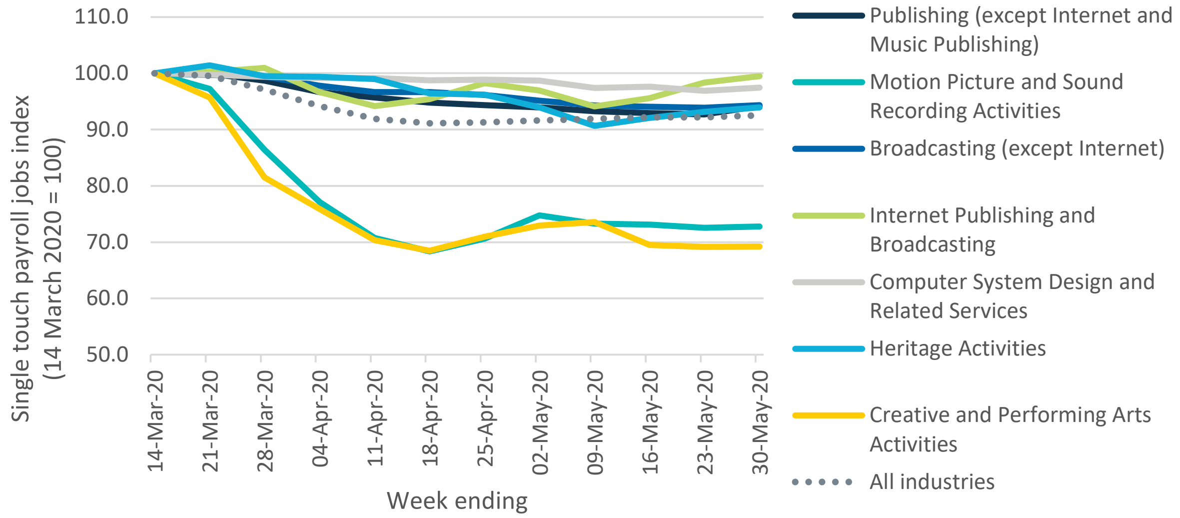
Employment status	Number that remain potentially eligible for JobKeeper	Eligible for JobKeeper as a proportion of the sector
Baseline eligibility	**569 800**	**91%**
Scenario 1: If half of permanent employees take up JobKeeper	395 000	63%
Scenario 2: If half of eligible casual employees take up JobKeeper	536 500	86%
Scenario 3: If half of owner-managers of unincorporated businesses take up JobKeeper	528 800	84%

Source/note: BCAR estimates based on 2016 Census data, 2019 ABS Characteristics of Employment data sourced from ABS tablebuilder, and custom extract of February 2020 ABS Labour Force Statistics data. Percentage of those employed in the private sector. Figures may not sum due to rounding. See appendix A for the list of ANZSIC classes used.

Data on recent employment outcomes during the COVID-19 pandemic are not available at a sufficiently disaggregated level to understand the full impact on the cultural and creative sectors. However, recent information published by the Australian Bureau of Statistics provides an indication of the magnitude of employment changes for some parts of the cultural and creative sectors for those in particular employment arrangements.[12]

Figure 1 shows employment based on single-touch payroll data for some industry subdivisions of the cultural and creative sectors against the employment level of the week ending 14 March 2020 (the 100th reported case of COVID-19 in Australia) and against the employment level for all industries to the week ending 30 May 2020. These data indicate that some of the subdivisions that are wholly cultural and creative have maintained employment at a level commensurate or higher than that of the rest of the economy, while others have experienced a greater decline.

Figure 1: Single-touch payroll employment for selected subdivisions in the cultural and creative sectors, and for all industries



Source/Note: ABS (2020) Weekly Payroll Jobs and Wages in Australia, Week ending 30 May 2020, Cat. No. 6160.0.55.001. Note that single-touch payroll data does not include information on employees in firms that do not have single-touch payroll enabled, nor does it include self-employed owner-managers of unincorporated entities. To that extent, it represents a proportion, rather than the total employment, for those industries presented.

Data sources

ABS 2016 Census.

ABS Labour Force Survey products, including: Labour Force, Australia, Detailed, Quarterly, Feb 2020; Characteristics of Employment, Australia, August 2019.

ABS Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019.

Treasury fact sheets on JobKeeper and JobSeeker eligibility and payment rates.

Appendix A: ANZSIC industry classes

Table A.1 provides the industry classes included in estimating cultural and creative sectors for employment purposes.

Table A.1: Industry classes

ANZSIC Code	ANZSIC class name	Domain
1351	Clothing Manufacturing	Fashion
1352	Footwear Manufacturing	Fashion
1611	Printing	Literature and print media
1612	Printing Support Services	Literature and print media
1620	Reproduction of Recorded Media	Other culture goods manufacturing and sales
2591	Jewellery and Silverware Manufacturing	Visual arts and crafts
3712	Clothing and Footwear Wholesaling	Fashion
3732	Jewellery and Watch Wholesaling	Visual arts and crafts
3735	Book and Magazine Wholesaling	Literature and print media
4242	Entertainment Media Retailing	Other culture goods manufacturing and sales
4244	Newspaper and Book Retailing	Literature and print media
4251	Clothing Retailing	Fashion
4252	Footwear Retailing	Fashion
4253	Watch and Jewellery Retailing	Visual arts and crafts
5411	Newspaper Publishing	Literature and print media
5412	Magazine and Other Periodical Publishing	Literature and print media
5413	Book Publishing	Literature and print media
5419	Other Publishing (except Software, Music and Internet)	Literature and print media
5420	Software Publishing	Broadcasting, electronic or digital media, and film
5511	Motion Picture and Video Production	Broadcasting, electronic or digital media, and film
5512	Motion Picture and Video Distribution	Broadcasting, electronic or digital media, and film
5513	Motion Picture Exhibition	Broadcasting, electronic or digital media, and film
5514	Post-production Services and Other Motion Picture and Video Activities	Broadcasting, electronic or digital media, and film
5521	Music Publishing	Music composition and publishing
5522	Music and Other Sound Recording Activities	Music composition and publishing
5610	Radio Broadcasting	Broadcasting, electronic or digital media, and film
5621	Free-to-Air Television Broadcasting	Broadcasting, electronic or digital media, and film

ANZSIC Code	ANZSIC class name	Domain
5622	Cable and Other Subscription Broadcasting	Broadcasting, electronic or digital media, and film
5700	Internet Publishing and Broadcasting	Broadcasting, electronic or digital media, and film
6010	Libraries and Archives	Libraries and archives
6632	Video and Other Electronic Media Rental and Hiring	Broadcasting, electronic or digital media, and film
6921	Architectural Services	Design
6924	Other Specialised Design Services	Design
6940	Advertising Services	Design
6991	Professional Photographic Services	Visual arts and crafts
7000	Computer System Design and Related Services	Design
8212	Arts Education	Supporting activities
8910	Museum Operation	Museums
8921	Zoological and Botanical Gardens Operation	Environmental heritage
8922	Nature Reserves and Conservation Parks Operation	Environmental heritage
9001	Performing Arts Operation	Performing arts
9002	Creative Artists, Musicians, Writers and Performers	Performing arts
9003	Performing Arts Venue Operation	Performing arts

Source/note: See BCAR (2018) *Cultural and creative activity in Australia 2008–09 to 2016–17* and ABS (2014) *Cultural and Creative Activity Satellite Accounts, Experimental, 2008–09*, Cat. No. 5271.0.

References

[1] BCAR (2018) *Cultural and creative activity in Australia 2008–09 to 2016–17*.
[2] Morrison, S. (2020) $130 billion JobKeeper payment to keep Australians in a job.
[3] BCAR (2018) *Cultural and creative activity in Australia 2008–09 to 2016–17*.
[4] Department of Infrastructure, Transport, Regional Development, and Communications (2019) Cultural Funding by Government, Australia, 2018–19. While employment in cultural and creative industries is likely to have increased since 2016 in level terms, Census data is used as the basis to examine proportions of employment arrangements as it is the most accurate data source to capture all cultural and creative industries.
[5] BCAR analysis of 2016 Census Data, examining sector of employment.
[6] Treasury (2020) JobKeeper Payment—Frequently Asked Questions.
[7] Treasury (2020) JobKeeper Payment—Frequently Asked Questions.
[8] Treasury (2020) JobKeeper Payment—Frequently Asked Questions.
[9] The Creative and Performing Arts subdivision includes the Performing Arts Operation; Creative Artists, Musicians, Writers and Performers; and Performing Arts Venue Operation ANZSIC industry classes. See ABS (2013) Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 2.0).
[10] ABS (2020) Labour Force, Australia, Detailed, Quarterly, Feb 2020, Cat. No. 6291.0.55.003, Data Cube EQ06.
[11] Treasury (2020) Income support for individuals.
[12] ABS (2020) Weekly Payroll Jobs and Wages in Australia, Week ending 30 May 2020, Cat. No. 6160.0.55.001.