

ISIC 59.1 and 59.2 – New Zealand information - turnover

New Zealand Equivalent – Subdivision 55 of ANZSIC 2006 “Motion Picture and Sound recording Activities”

Introduction

This industry has been quite an important one for New Zealand over the last 20 years, with in particular several large movies and movie series being filmed in New Zealand. Obvious notable movies include the Lord of the Rings movies, and the subsequent Hobbit movies. It is an industry there has been a great deal of interest in, even though in the scheme of things it is perhaps not as big an industry as some people might think. Downstream effects like showcasing New Zealand and the potential tourism boost from this are important though.

Coverage and size

The industry is well covered on an annual basis, as it is part of our Annual Enterprise Survey, which collects comprehensive financial information for all industries across the whole economy. In addition we run a separate screen industry survey (http://www.stats.govt.nz/browse_for_stats/industry_sectors/film_and_television/screen-industry-survey-info-releases.aspx), which collects data across the whole screen industry (so includes Television broadcasting in addition to film production etc).

On an annual basis the turnover for this industry has been approximately NZ\$1.7billion for the last 3 years.

On a sub-annual basis, we are currently widening our collection of data in a number of service industries including “Motion picture and sound recording”, using our administrative data first approach. This is where we use administrative (GST data) first and only survey large units where needed. This began in the June 2016 quarter (so only one quarter old). It will take some time before we can establish a good time series for some of the newer industries – although we may be able to backcast using administrative data only for previous quarters.

Issues with Industry

There are a number of problematic areas we have noted about this industry, which may have commonality with other countries experience. These are:

Short-duration companies - Although there are existing companies within the industry, separate companies are often set up for specific movie productions. Sometimes these do not get picked up and included in relevant surveys perhaps as quickly as they need to, so there is potential there for missing some turnover data.

Sub-contracting – A number of smaller businesses within this industry do work for some of the larger businesses so there is a potential for double-counting turnover type information within this industry. It is not problematic for annual data, when you tend to use a value added approach, but for more frequent data collection where you might just collect sales for example double-counting could potential inflate quarterly data and perhaps distort movements.

Irregular revenue – Often unit within this industry appear to receive revenue quite irregularly – this is particularly noticeable when looking at administrative data. There often have consistent purchases, but sales revenue (potentially receipts from overseas movie production houses) are quite

erratic, but large when they do occur. This could cause quite wild and erratic movements in a short-term time series.