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**GAMBLING INDUSTRIES
AUSTRALIA
1994—95**

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- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Tony Ward, on Melbourne (03) 9615 7634.*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

The Australian Bureau of Statistics (ABS) conducted a survey of businesses involved in sport, recreation and gambling activities in respect of the 1994-95 financial year.

The scope of the survey was defined as all employing businesses classified to the following classes of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

- Class 9311 — Horse and Dog Racing;
- Class 9312 — Sports Grounds and Facilities n.e.c.;
- Class 9319 — Sports and Services to Sport n.e.c.;
- Class 9321 — Lotteries;
- Class 9322 — Casinos;
- Class 9329 — Gambling Services n.e.c.;
- Class 9330 — Other Recreation Services;
- Class 5720 — Pubs, Taverns and Bars; and
- Class 5740 — Clubs (hospitality).

The casino, pubs, taverns and bars, and clubs (hospitality) industries have been surveyed before, whereas this is the first time the ABS has collected detailed data for the sport, recreation and gambling industries.

Preliminary results from this survey were released on 2 September 1996 in *Sport, Recreation and Gambling Industries, Australia, 1994-95, Preliminary*, (8692.0). The publication *Casinos, Australia, 1994-95* (8683.0) was released on 3 April 1996, *Recreation Services, Australia, 1994-95* (8688.0) was released on 13 November 1996, *Clubs, Pubs, Taverns and Bars, Australia, 1994-95* (8687.0) was released on 13 December 1996 and *Sports Industries, Australia, 1994-95* (8686.0) was released on 31 January 1997.

This publication brings together data from the survey relating to gambling activity and presents statistics in respect of businesses classified to the following ANZSIC Classes:

- Class 9321, Lotteries. This class includes businesses mainly engaged in operating lotteries or in selling lottery tickets. Examples of businesses in this class are lottery operations, art union operation and lottery agency operation.
- Class 9322, Casinos. This class includes businesses mainly engaged in providing a range of gambling services in addition to totalisator or gaming machine services, and other amusements, in a building to which the general public have access.
- Class 9329, Gambling Services n.e.c. This class includes businesses mainly engaged in providing totalisator, betting or other gambling services (except casinos or lotteries). Examples of businesses in this class are bookmakers, football pools operation, TAB operation, etc.

In addition, this publication also includes data relating to the gambling activities of businesses classified to the other industry classes listed above (notably pubs, taverns and bars and clubs).

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. 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.



OVERVIEW

INTRODUCTION

This publication presents two different statistical views of gambling, namely an *industry* view and an *activity* view.

Industry view

Tables 4–12 of this publication provide financial and employment data for businesses whose predominant activity is the provision of gambling services, i.e. the gambling services industry. The gambling services industry is defined in the Australian and New Zealand Standard Industrial Classification (ANZSIC) group 932 as businesses classified to three industry classes:

- lotteries — which includes the operations of lotteries and lottery agencies;
- casinos; and
- gambling services n.e.c. — which includes bookmaker/betting shop operation, TAB and totalisator operation and TAB/totalisator agencies.

Activity view

However there are many other organisations involved in the provision of gambling services. These include pubs, taverns and bars, hospitality clubs, and sports businesses such as horse and dog racing clubs. Table 13 of the publication provides information on this broader activity view of gambling services and incorporates data for businesses from those industries that provide gambling services as well as those businesses in the gambling services industries.

Due to practical constraints the data in this publication are restricted to employing businesses in the gambling services industry, the pubs, taverns and bars industry, the hospitality clubs industry and the sports industry. As such it does not include data about non-employing businesses, such as some lottery agencies and bookmaker operations, nor does it include the commission income from lottery agency operations of newsagents, etc.

Tables 1,2 and 3 bring together data from both views and summarise gambling activities in Australia for the 1994–95 financial year. They present key aggregates on net takings and commissions from gambling for all employing businesses providing gambling services. The data are provided by:

- industry, including a more detailed breakdown of the gambling services industry;
- by State; and
- by type and location of gambling activity.

NET TAKINGS FROM GAMBLING
BY INDUSTRY

The 6,826 employing businesses providing gambling services at the end of June 1995 generated net takings (i.e. after payouts of winnings) from gambling of \$7,596.7 million. A further \$446.6 million income was earned in commission income from gambling.

The \$7,596.7 million in net takings from gambling accrued to four main industry groups:

- the 2,144 hospitality clubs which provide gambling facilities accounted for \$2,222.4 million or 29% of total net takings;
- the 9 lottery operation businesses accounted for \$1,881.2 million or 25% of total net takings;
- the 15 TAB and totalisator operation businesses accounted for \$1,614.7 million or 21% of total net takings; and
- the 14 casino businesses had net takings of \$1,381.8 million or 18% of total net takings.

1 BUSINESSES WITH GAMBLING ACTIVITY BY INDUSTRY, 1994-95

Type of business	Businesses at end June		Net takings from gambling		Commissions from gambling	
	no.	%	\$m	%	\$m	%
Gambling industries						
Casino	14	0.2	1 381.8	18.2	0.9	0.2
Lottery operation	9	0.1	1 881.2	24.8	n.p.	n.p.
Lottery agency	169	2.5	n.p.	n.p.	n.p.	n.p.
Bookmaker/betting shop	658	9.6	44.2	0.6	—	—
TAB and totalisator operation	15	0.2	1 614.7	21.3	—	—
Totalisator agency	1 163	17.0	—	—	85.2	19.1
Other	*13	0.2	n.p.	n.p.	—	—
<i>Total gambling industries</i>	2 041	29.9	4 923.6	64.8	106.0	23.7
Clubs (hospitality)	2 144	31.4	2 222.4	29.3	132.9	29.8
Pubs, taverns and bars	2 327	34.1	439.9	5.8	136.2	30.5
Sports industries	315	4.6	10.8	0.1	71.5	16.0
Total	6 826	100.0	7 596.7	100.0	446.6	100.0

NET TAKINGS AND
COMMISSIONS FROM
GAMBLING BY STATE

Table 2 presents by State, key aggregates for businesses providing gambling services. The data have been compiled on the basis of where the business operates (see paragraph 7 of the Explanatory Notes). It should be noted that the net takings from gambling of a business in a particular State are not necessarily sourced from residents of that State. For example while businesses operating lotteries, lottos, football pools etc, generally operate only from one State they may have sales, usually through agencies, throughout Australia. Similarly, in the case of casinos, while they are located in a particular State, many of the patrons will be visitors from overseas and interstate.

2 BUSINESSES WITH GAMBLING ACTIVITY BY STATE/TERRITORY,
1994-95

State/Territory	Businesses		Net takings and commissions from gambling	
	no.	%	\$m	%
New South Wales	3 516	51.5	3 239.2	40.3
Victoria	1 034	15.1	2 137.9	26.6
Queensland	1 299	19.0	1 127.7	14.0
South Australia	392	5.7	415.3	5.2
Western Australia	260	3.8	671.1	8.3
Tasmania	n.p.	..	n.p.	..
Northern Territory	n.p.	..	n.p.	..
Australian Capital Territory	101	1.5	149.5	1.9
Australia(a)	6 826	100.0	8 043.3	100.0

(a) Multi-State businesses are counted in each State in which they operate. Hence, States do not sum to the Australian total. The Australia total includes the Christmas Island casino.

Businesses located in New South Wales generated 40% of total net takings and commissions from gambling. This in part reflects the large number of clubs in New South Wales with gambling facilities. Businesses located in Victoria accounted for 27% of net takings and commissions from gambling. Businesses in Queensland, Western Australia, South Australia and Tasmania had relatively small proportions compared to their share of population.

NET TAKINGS FROM GAMBLING
BY TYPE OF GAMBLING AND
LOCATION

Table 3 presents data on gross (where applicable) and net takings from gambling by type of gambling and location of the gambling service. In the gambling industry, not all poker/gaming machines were owned by the businesses that operate them but rather were owned by businesses outside the industry in which the gambling actually occurred. The businesses owning the poker/gaming machines received the takings from those machines, and subsequently paid commissions to the businesses operating the machines.

For the purposes of table 3, net takings from poker/gaming machines have been reallocated to where the machines were located and where the takings were received. Hence, the difference in the figures between tables 1 and 3.

Income from poker/gaming machines	Net takings from poker/gaming machines of \$3,869.1 million accounted for just over 50% of net takings from gambling. The majority of these takings (67%) were from poker/gaming machines located in hospitality clubs, with poker/gaming machines in pubs, taverns and bars contributing the majority of the remainder (23%).
On-course totalisator and off-course TAB sales	Gross takings from on and off-course totalisator and TAB sales were \$8,388.2 million. After the deduction of payouts, these two gambling activities accrued net takings of \$1,300.6 million which accounted for 17% of net takings and represented an 84% rate of return to bettors.
Takings from lotteries etc.	Net takings from lotteries/keno/lotto/football pools/instant money sales (\$1,344.6 million) accounted for 18% of net takings from gambling. Payouts were 61% of gross takings, significantly lower than the 84% paid out on takings by totalisators.
Takings from other casino gambling	Other casino gambling (primarily gaming tables) accounted for \$1,012.7 million in net takings and represented 13% of total net takings.

3

NET AND GROSS TAKINGS FROM GAMBLING(a) BY TYPE OF GAMBLING AND LOCATION, 1994-95

Type of gambling and location	Gross takings from gambling	Net takings from gambling	
	\$m	\$m	%
Takings from poker/gaming machines			
Clubs	n.a.	2 593.9	34.1
Pubs, taverns and bars	n.a.	883.8	11.6
Casinos	n.a.	343.6	4.5
Horse and dog racing tracks	n.a.	37.3	0.5
Other sporting locations	n.a.	*10.5	0.1
Takings from poker/gaming machines	n.a.	3 869.1	50.9
Takings from on-course totalisator sales and off-course TAB sales	8 388.2	1 300.6	17.1
Bookmakers' turnover	839.7	44.2	0.6
Takings from lotteries, keno, lotto, football pools, instant money sales and other gambling	3 439.1	1 344.6	17.7
Takings from casino keno	n.a.	25.5	0.3
Takings from other casino gambling	n.a.	1 012.7	13.3
Total takings from gambling	n.a.	7 596.7	100.0

(a) Takings from gambling in this table excludes commissions income.

SUMMARY OF OPERATIONS: GAMBLING INDUSTRIES

INTRODUCTION

Tables 4–12 provide detailed financial and employment information about businesses classified to the gambling services industries i.e. businesses whose predominant activity is the provision of gambling services.

Business numbers	There were 2,041 employing businesses in the three gambling industries at the end of June 1995, 91% in the gambling services n.e.c. industry (e.g. totalisator and TAB operations, TAB agencies and bookmakers), 9% in the lotteries industry including both operators and agencies, and only 1% in the casinos industry.
Income	<p>In 1994–95, the three gambling industries accrued \$15,511.1 million in total income. After adjusting gross income to a net of payouts basis, the industry had an income of \$5,533.6 million. The contributions being 27% for the lotteries industry, 11% for the gambling services n.e.c. industry and 63% for casinos.</p> <p>Takings from gambling contributed 96% of total income, with a further 1% from sales of meals and alcohol.</p>
Expenses	<p>Businesses in the three gambling industries incurred \$4,247.3 million in expenses net of payouts for the year ending 30 June 1995. Businesses in the casinos industry contributed the largest proportion of these expenses (36%), the gambling services n.e.c. industry contributed 34%, and the lotteries industry 29%.</p> <p>Prize money payouts for the lotteries and gambling services n.e.c. industries were \$9,977.5 million, and represented 63% of total expenses in the lotteries industry and 84% in the gambling services n.e.c. industry.</p> <p>Total gambling taxes and transfer of funds to government bodies paid by businesses in the three gambling industries was \$1,695.2 million.</p>
Operating profit	The gambling industries generated an operating profit before tax of \$1,291.2 million in 1994–95. This represented an operating profit margin of 8.4%. Lotteries with an operating profit margin of 19.4% was the highest of the three industries with casinos recording 6.5% and gambling services n.e.c. recording 4%.
Employment	<p>At the end of June 1995, there were 32,062 paid employees in the three gambling industries, 49% in the casinos industry, with gambling services n.e.c. accounting for 44% and the lotteries industry only 6%.</p> <p>Within the three gambling industries, females represented 54% of the total employment, of whom 61% worked part time. There were almost as many casual employees employed as there were in permanent employment.</p>
Occupations	Of the 32,062 persons employed, almost half were gambling services staff (primarily licensed gaming staff and TAB agency/branch clerks and telephone betting operators), with 19% employed as managers/administrators and clerks.

Business size groupings The three gambling industries were dominated by 33 businesses with more than 50 employees. These 33 businesses (9 in the lotteries industry, 14 casinos and 10 in the gambling services n.e.c. industry) contributed only 2% of businesses but 74% of employment and 91% of gross income.

In the lotteries and gambling services n.e.c. industries, the smaller businesses tended to be bookmakers, lottery and TAB agencies, while the larger businesses tended to be lottery and totalisator operators.

Poker/gaming machines There were 119,346 poker/gaming machines in operation at the end of June 1995 of which only 7% were operated in the three gambling industries. The majority (70%) were located in the hospitality clubs industry and the remainder largely in the pubs, taverns and bars industry.

4

GAMBLING INDUSTRIES: SUMMARY OF OPERATIONS, 1994-95

	Unit	Lotteries	Casinos	Gambling services n.e.c.	Total
Businesses at end June	no.	178	(a)14	1 849	2 041
Employment at end June					
Working proprietors and partners	no.	81	...	1 719	1 800
Salaried directors and other employees entitled to take holidays	no.	1 374	11 281	2 314	14 969
Casual employees	no.	551	4 556	10 186	15 293
<i>Total employment</i>	no.	2 006	15 837	14 219	32 062
Income statement					
Sales of goods and services	\$m	4 099.4	1 643.3	9 698.5	15 441.2
<i>Plus</i>					
Closing trading stocks	\$m	14.9	14.8	7.3	37.0
<i>Less</i>					
Purchases and selected expenses	\$m	3 239.6	996.2	9 113.5	13 349.3
Opening trading stocks	\$m	12.6	12.1	7.4	32.1
<i>Trading profit</i>	\$m	862.2	649.8	584.8	2 096.8
<i>Plus</i>					
Interest income	\$m	34.6	4.6	17.5	56.7
Other income	\$m	*0.4	2.6	10.3	13.3
<i>Less</i>					
Labour costs	\$m	50.4	441.9	162.2	654.5
Depreciation and amortisation	\$m	42.0	63.5	52.1	157.5
Other expenses	\$m	3.1	19.8	4.9	27.7
<i>Earnings before interest and tax</i>	\$m	801.7	131.8	393.5	1 327.0
<i>Less</i>					
Interest expenses	\$m	8.5	24.4	2.8	35.8
<i>Operating profit before tax</i>	\$m	793.2	107.4	390.6	1 291.2
Operating profit margin	%	19.4	6.5	4.0	8.4
Industry gross product	\$m	866.6	649.8	594.4	2 110.8

(a) Includes two casinos which were not opened at end June 1995, but which had incurred operating expenses and/or income during the year.

INCOME AND EXPENDITURE

INCOME — INTRODUCTION

In the 1994–95 survey of the three gambling industries, some income items were accounted for on a gross basis (i.e. before payouts) and some on a net basis. Casino gambling income and income from poker/gaming machines were net of payouts. All other gambling income was on a gross basis and the takings and payouts were included in relevant items.

In 1994–95, the three gambling industries accrued \$15,511.1 million in total income, 63% (\$9,726.3 million in gross income) from the gambling services n.e.c. industry, 27% (\$4,134.4 million in gross income) from the lotteries industry, and 11% (\$1,650.5 million net of payouts) from the casinos industry.

Lotteries In 1994–95, the lotteries industry accrued \$4,134.4 million in total income.

Takings from gambling were obtained from lotteries, keno, lotto, football pools and instant money sales (with gross takings of \$3,439.1 million) and from poker machines (\$538.4 million net of payouts).

Businesses in this industry such as lottery agencies whose main activity is the selling of lottery and lotto tickets on behalf of the lottery operators received \$19.9 million in commissions from gambling. Other businesses (e.g. newsagents, supermarkets) also generate lottery commission sales, but their main activity is not lottery sales and they are not included in these data.

Casinos The casinos industry obtained 84% (\$1,381.8 million) of its net income from gambling. Just over 73% of income from gambling was from other gambling (primarily gaming tables) and 25% from poker/gaming machines.

Takings from meals and alcohol was the largest other source of income in this industry contributing 11% of net income.

Gambling services n.e.c. The gambling services n.e.c. industry generated \$9,726.3 million in gross income during the 1994–95 financial year. Gross takings from gambling contributed 98% (\$9,541.9 million).

Takings from gambling were obtained from four sources, namely off-course TAB sales (with gross takings of \$8,022.7 million), on-course totalisator sales (with gross takings of \$365.5 million), bookmakers' turnover (with gross takings of \$839.7 million) and from poker machines (\$314.0 million net of payouts).

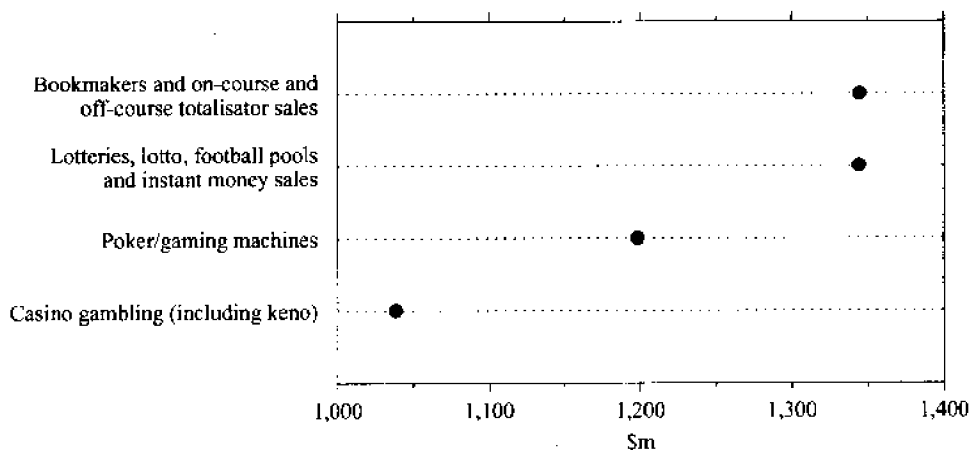
This industry also received \$85.2 million in commissions from gambling. These businesses were mainly TAB agencies.

Sources of income	Lotteries \$m	Casinos \$m	Gambling services n.e.c. \$m	Total \$m
Sales of goods and services				
Gambling takings				
From lotteries, keno, lotto, football pools and instant money sales(a)	3 439.1	..	—	3 439.1
From poker/gaming machines(b)	538.4	343.6	314.0	1 196.0
From on-course totalisator sales(a)	—	—	365.5	365.5
From off-course TAB sales(a)	—	—	8 022.7	8 022.7
Bookmakers turnover(a)	—	—	839.7	839.7
Casino keno(b)	..	25.5	..	25.5
From other casino gambling(b)	—	1 012.7	—	1 012.7
Total gambling takings	3 977.4	1 381.8	9 541.9	14 901.1
Gambling commissions	19.9	0.9	85.2	106.0
Meals and alcohol	—	183.4	—	183.4
Retail sales	n.p.	4.4	n.p.	60.1
Other operating income	n.p.	72.8	n.p.	190.6
Total sales of goods and services	4 099.4	1 643.3	9 698.5	15 441.2
Other sources of income				
Interest income	34.6	4.6	17.5	56.7
Other non-operating income	*0.4	2.6	10.3	13.3
Total non-operating income	35.0	7.2	27.8	70.0
Total income	4 134.4	1 650.5	9 726.3	15 511.1

(a) This income item is gross takings.

(b) This income item is net of payouts.

GAMBLING INDUSTRIES: NET TAKINGS FROM GAMBLING, 1994-95



EXPENSES — INTRODUCTION

For the lotteries and gambling services n.e.c. industries, gambling expenses include prize money and winnings payouts. No such expenses were reported for the operation of poker/gaming machines where income is recorded net of payouts or for the casino industry where their gambling income was also net of payouts.

Prize money payouts for the lotteries and gambling services n.e.c. industries were \$9,977.5 million, and represented 63% of total expenses in the lotteries industry and 84% in the gambling services n.e.c. industry.

Businesses in the three gambling industries incurred \$4,247.3 million in expenses net of payouts for the year ending 30 June 1995. Businesses in the casinos industry contributed the largest proportion of these expenses (36%), the gambling services n.e.c. industry contributed 34%, and the lotteries industry 29%.

Total gambling taxes paid and funds transferred to government by businesses in the three gambling industries was \$1,695.2 million.

Lotteries The largest item of expenditure in the lotteries industry was prize money paid, which amounted to \$2,094.5 million or 63% of total expenditure. This prize money was paid on the \$3,439.1 million received in gross takings from lotteries, keno, lotto, football pools and instant money sales giving net income from this source of \$1,344.6 million. The ratio of prize money paid to takings from lotteries, keno, lotto, football pools and instant money sales was 61%.

Labour costs of \$50.4 million were a small proportion (2%) of total expenses. Labour costs per employee were \$26,200.

Casinos The two largest individual items of expenditure in the casinos industry were labour costs, which contributed 29% (\$441.9 million) and gambling taxes which contributed 19% (\$296.1 million). The fact that winning payouts were included in net takings from gambling should be borne in mind, as this would have been a significant item of expenditure for this industry. Other operating expenses which includes junket commissions and related complimentary expenses and management fees was also significant (\$499.0 million).

Gambling services n.e.c. The largest single expense item for the gambling services n.e.c. industry was winnings paid to bettors (\$7,883.0 million) which accounted for 84% of total expenditure. These winnings were paid on gross totalisator sales, off-course totalisator sales and bookmakers' turnovers of \$9,227.9 million giving net income from this source of \$1,344.9 million.

This represents a ratio of winnings paid to takings from gambling of 85% which was significantly higher than that recorded in the lotteries industry (61%).

Labour costs per employee of \$13,000 were significantly lower in this industry than in the other two industries. This can partly be explained by the proportion of part-time staff to total employment, which was significantly higher (76%) within this industry than in the other two industries.

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ITEMS OF EXPENDITURE, 1994-95

<i>Type of expense</i>	<i>Lotteries</i> \$m	<i>Casinos</i> \$m	<i>Gambling services n.e.c.</i> \$m	<i>Total</i> \$m
Labour costs				
Wages and salaries	46.3	416.7	152.9	615.8
Employer contributions to superannuation funds	3.7	19.9	8.1	31.6
Workers' compensation costs	0.4	5.4	1.2	7.1
<i>Total labour costs</i>	50.4	441.9	162.2	654.5
Selected expenses				
Winnings paid to bettors	7 883.0	7 883.0
Prize money paid from lotteries, keno, lotto, football pools and instant money	2 094.5	2 094.5
Gambling taxes and transfer of funds to government bodies	n.p.	296.1	n.p.	1 695.2
Commissions paid to agencies	142.9	..	238.7	381.6
Rent leasing and hiring	n.p.	21.7	n.p.	97.8
Repair and maintenance	n.p.	14.1	n.p.	49.7
Advertising expenses	n.p.	26.0	n.p.	72.9
Marketing promotion and sponsorship	n.p.	63.9	n.p.	105.9
Other operating expenses	n.p.	499.0	n.p.	817.2
<i>Total selected expenses</i>	3 180.0	920.8	9 097.1	13 197.8
Other costs				
Depreciation and amortisation	42.0	63.5	52.1	157.5
Purchases	n.p.	75.4	n.p.	151.4
Interest expenses	8.5	24.4	2.8	35.8
Bad debts and royalties	n.p.	13.6	n.p.	17.1
Insurance premiums	1.5	6.1	2.9	10.6
<i>Total other costs</i>	113.1	183.1	76.2	372.4
Total expenses	3 343.5	1 545.8	9 335.5	14 224.8

EMPLOYMENT

INTRODUCTION

At the end of June 1995, there were 32,062 paid employees in the three gambling industries. This figure excludes employees of businesses whose predominant activity is outside the three gambling industries e.g. clubs, pubs, taverns and bars, but whose income includes takings from gambling.

Of the 32,062 paid employees, 15,837 (49%) were employed in the casinos industry, with gambling services n.e.c. accounting for 44% (14,219) and the lotteries industry only 6% (2,006).

Within the three gambling industries, females represented 54% of the total employment, of whom 61% worked part time. There were almost as many casual employees (15,293) employed as there were persons in permanent employment (16,769).

Lotteries At the end of June 1995, 2,006 persons were employed in the lotteries industry of which females accounted for 63% (1,254). However the proportion of females in the industry changed between type of employment; females accounted for 86% of casual employees, but only for 41% of working proprietors and partners.

Of the 2,006 persons employed in the industry, 1,313 (65%) were full-time workers. Whilst marginally more females were in full-time employment (54%), most males worked full time (85%). Casual employees comprised 27% (551) of total employment.

Casinos There were 15,837 persons employed in the casinos industry at the end of June 1995. Unlike the other two gambling industries, there were more males employed in this industry (53%) than females (47%).

There were more persons working full time (69%) than part time with males dominating the category of full-time employment (58%).

Casual employees made up less than 29% (4,556) of persons working in the casino industry. A larger proportion (84%) of these casual employees were employed on a part-time basis, with slightly more females (85%) than males (83%) working part time.

Gambling services n.e.c. A total of 14,219 persons were employed in the gambling services n.e.c. industry at the end of June 1995. There were 8,663 (61%) females working in this industry, with a majority of these employees working part time (83%).

Employment in the gambling services n.e.c. industry was mainly on a part-time basis with 76% (10,850) of total employment working part time. This is significantly greater than the proportion of part-time employees in the lotteries industry (35%) and in the casinos industry (31%).

The gambling services n.e.c. industry employed 10,186 (72%) persons on a casual basis.

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CHARACTERISTICS OF EMPLOYMENT, END JUNE 1995

Type of employment	Males			Females			Total		
	Full-time no.	Part-time no.	Total no.	Full-time no.	Part-time no.	Total no.	Full-time no.	Part-time no.	Total no.
LOTTERIES									
Working proprietors and partners	n.p.	n.p.	48	n.p.	n.p.	33	73	*8	81
Salaried directors	109	**8	117	77	*5	82	186	*13	199
Employees entitled to take holidays	484	25	509	554	112	*667	1 038	138	1 176
Casual employees	n.p.	n.p.	78	n.p.	n.p.	472	*16	535	551
Total	642	111	752	671	583	1 254	1 313	693	2 006
CASINOS									
Salaried directors and other employees	6 031	348	6 379	4 252	650	4 902	10 283	998	11 281
Casual employees	342	1 726	2 068	380	2 108	2 488	722	3 834	4 556
Total	6 373	2 074	8 447	4 632	2 758	7 390	11 005	4 832	15 837
GAMBLING SERVICES N.E.C.									
Working proprietors and partners	n.p.	n.p.	1 050	n.p.	n.p.	669	1 146	573	1 719
Salaried directors	280	*29	309	274	*33	307	554	62	615
Employees entitled to take holidays	929	*50	979	540	180	719	1 469	230	1 698
Casual employees	n.p.	n.p.	3 218	n.p.	n.p.	6 968	200	9 986	10 186
Total	1 936	3 620	5 556	1 433	7 230	8 663	3 369	10 850	14 219
TOTAL									
Working proprietors and partners	711	387	1 098	508	193	702	1 219	580	1 800
Salaried directors and other employees entitled to take holidays	7 833	460	8 293	5 696	980	6 677	13 529	1 440	14 969
Casual employees	407	4 957	5 364	531	9 398	9 929	938	14 355	15 293
Total	8 951	5 804	14 755	6 736	10 571	17 307	15 686	16 376	32 062

OCCUPATIONS

Occupation statistics relate to the main occupation of persons working for the business at the end of June 1995. These statistics exclude persons working on a subcontract basis.

There were 32,062 persons employed in the three gambling industries at the end of June 1995. These persons can be grouped into four main categories:

- gambling services staff (53%);
- managers/administrators and clerks (19%);
- food and beverage staff (10%); and
- other (including security and computer service staff) (18%).

Lotteries Administrative assistants/clerical support staff accounted for 29% (585) of the 2,006 persons employed in the lotteries industry. Managers/administrators contributed a further 490 persons (24%) giving a total of 1,075 (54%) of persons with managerial/clerical occupations.

Lottery and lotto ticket sellers employed within the lotteries industry, made up 28% (557) of the total employment. It should be noted a proportion of lottery and lotto ticket sellers were employed by other industries (e.g. newsagents), which are excluded from this survey.

Casinos Licensed gaming staff was the largest occupation grouping in the casinos industry accounting for 38% (6,057 persons) of total employment.

Of the three gambling industries, casinos had the largest number of managers/administrators although within the casinos industry, this was the smallest occupation grouping accounting for 1,809 persons (11%).

This industry employed 3,316 chefs, kitchen hands, waiters/waitresses, and bar managers and attendants. Together they contributed 21% of all persons employed by casinos. Other staff which accounted for 29%, included security officers, cashiers and maintenance staff.

Gambling services n.e.c. Of the 14,219 persons employed in the gambling services n.e.c. industry, the largest proportion were employed as gambling services staff. Within this occupation grouping the two most significant occupations were TAB agency/branch clerks (6,372 persons) and on-course totalisator clerks (2,108 persons) which contributed 45% and 15% of total employment respectively.

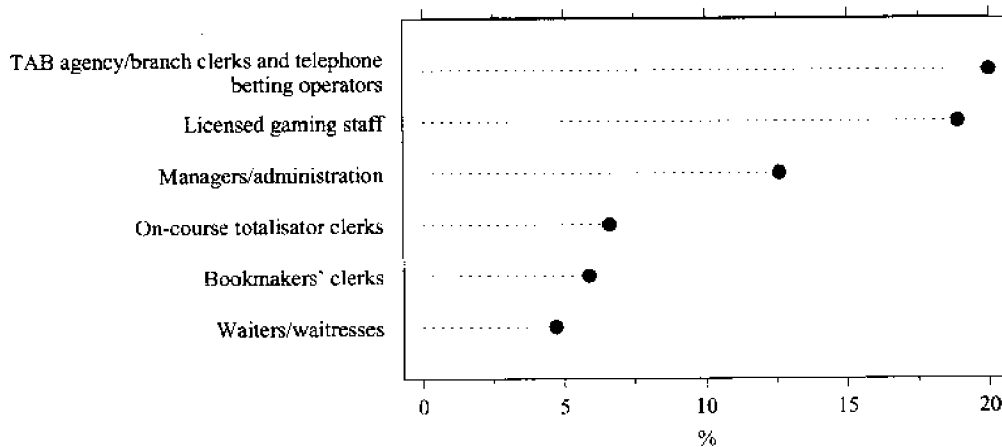
Managers/administrators (1,752 persons), administrative assistants/clerical support staff (808 persons), and bookmakers (599 persons) contributed 22% of persons working in the industry.

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OCCUPATIONS OF STAFF, END JUNE 1995

Occupation	Lotteries		Casinos		Gambling services n.e.c.		Total	
	no.	%	no.	%	no.	%	no.	%
Managers/administrators and clerks								
Managers/administration	490	24.4	1 809	11.4	1 752	12.3	4 052	12.6
Bookmakers	—	—	—	—	599	4.2	599	1.9
Administrative assistants/clerical support staff	585	29.2	—	—	808	5.7	1 393	4.3
Gambling services staff								
Licensed gaming staff	—	—	6 057	38.2	—	—	6 057	18.9
TAB agency/branch clerks and telephone betting operators	*33	1.6	—	—	6 372	44.8	6 404	20.0
On-course totalisator clerks	—	—	—	—	2 108	14.8	2 108	6.6
Bookmakers' clerks	—	—	—	—	1 879	13.2	1 879	5.9
Lottery and lotto ticket sellers	557	27.8	—	—	**20	0.1	577	1.8
Food and beverage staff								
Waiters/waitresses	—	—	1 510	9.5	—	—	1 510	4.7
Bar managers and attendants	—	—	946	6.0	—	—	946	3.0
Chefs	—	—	537	3.4	—	—	537	1.7
Kitchen hands	—	—	323	2.0	—	—	323	1.0
Other staff								
Security officers	—	—	684	4.3	—	—	684	2.1
Computer service staff	137	6.8	—	—	410	2.9	547	1.7
Other	205	10.2	3 971	25.1	271	1.9	4 447	13.9
Total	2 006	100.0	15 837	100.0	14 219	100.0	32 062	100.0

MAJOR OCCUPATIONS WITHIN THE GAMBLING INDUSTRIES, 1994-95



BUSINESS SIZE ANALYSIS

INTRODUCTION

The three gambling industries were dominated by 33 businesses with more than 50 employees. These 33 businesses (9 in the lotteries industry, 10 in the gambling services n.e.c. industry and 14 casinos) contributed only 2% of businesses but 74% of employment and 91% of gross income.

There were 1,359 businesses (67%) in the three gambling industries employing fewer than 5 persons. These businesses which primarily comprised bookmakers, lottery and TAB agencies, accounted for 13% (4,127) of employment and 4% of gross income.

Lotteries The lotteries industry was concentrated in the 9 businesses with employment of 50 or more persons. These 5% of businesses accounted for 60% of total employment, 81% of wages and salaries, 98% of total expenses and 98% of gross income. These large businesses had a profit margin of 19.6%.

The significance of these 9 large businesses is even more evident when they are compared with businesses employing fewer than 5 employees. These small businesses accounted for the largest proportion of businesses (54%) but only 15% of employment and 1% of gross income.

Average wages and salaries in these large businesses were \$31,500 per person, considerably higher than for businesses employing fewer than 5 persons (\$11,300 per person).

Casinos On average the 14 casinos derived an income of \$104,200 per employed person and \$117.9 million per casino. By way of contrast, their expenses averaged \$97,600 per employed person and \$110.4 million per business.

Gambling services n.e.c. The gambling services n.e.c. industry was concentrated in the 10 businesses that employed 100 or more people. This 1% of businesses accounted for 48% of employment and 87% of gross income.

While the majority of businesses (68%) employed fewer than 5 persons, they contributed only 27% of employment and 6% of gross income.

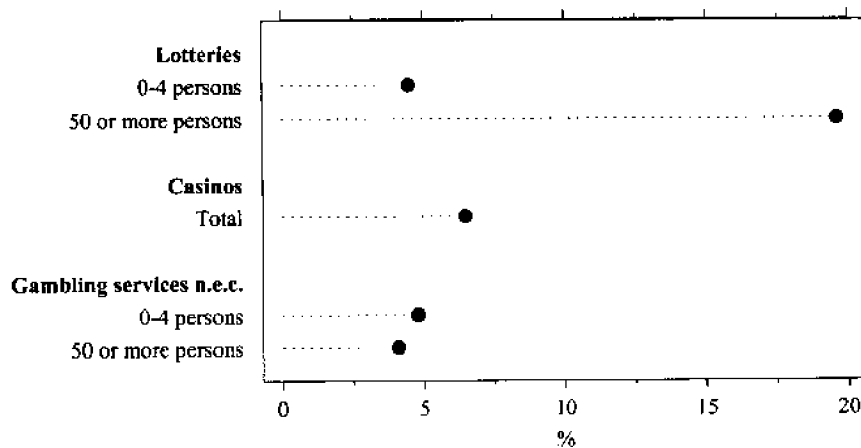
Average wages and salaries were much higher for those businesses employing 100 or more persons (\$15,400) than for all other business size groupings. Businesses employing 5-9 persons reported the lowest average wages and salaries per person employed (\$5,800).

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SELECTED STATISTICS BY BUSINESS SIZE, 1994-95

Business size	Businesses at end June	Employment at end June	Wages and salaries	Gross income	Total expenses	Operating profit margin
	no.	no.	\$m	\$m	\$m	%
LOTTERIES						
0-4 persons	96	293	3.3	28.5	27.1	*4.5
5-19 persons	73	515	5.2	49.2	46.7	*4.7
20-49 persons	—	—	—	—	—	—
50 or more persons	9	1 198	37.7	4 056.7	3 269.7	19.6
Total	178	2 006	46.3	4 134.4	3 343.5	19.4
CASINOS						
Total businesses	14	15 837	416.7	1 650.5	1 545.8	6.5
GAMBLING SERVICES N.E.C.						
0-4 persons	1 263	3 834	26.9	601.3	572.5	4.8
5-9 persons	556	3 318	19.4	453.5	441.4	2.7
10-49 persons	20	291	2.2	197.8	193.6	4.1
50-99 persons	—	—	—	—	—	—
100 or more persons	10	6 776	104.3	8 473.7	8 128.0	4.1
Total	1 849	14 219	152.9	9 726.3	9 335.5	4.0
TOTAL						
Total businesses	2 041	32 062	615.8	15 511.1	14 224.8	8.4

OPERATING PROFIT MARGIN BY BUSINESS SIZE, 1994-95



ASSETS AND LIABILITIES

INTRODUCTION

This section presents assets, liabilities and net worth of businesses (management units) in the gambling industries. 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 these industries.

The three gambling industries owned \$4,340.5 million in assets at the end of June 1995. This compared favourably with total liabilities of \$1,696.3 million resulting in net worth of \$2,644.2 million.

Lotteries At the end of June 1995, the lotteries industry owned \$676.9 million in assets, 64% of which were current assets. The lotteries industry was the only one of the three gambling industries to have current assets greater than non-current assets. Of the \$454.1 million in liabilities incurred by the lotteries industry, 84% were current liabilities. Total assets exceeded total liabilities by 49% producing a net worth of \$222.8 million.

Casinos At the end of June 1995, the casinos industry had total assets of \$2,323.1 million. Non-current assets (\$1,969.9 million) exceeded current assets (\$353.2 million) significantly. Capital expenditure for the year amounted to \$673 million.

Of the \$892.2 million in liabilities incurred by the casinos industry, 42% were current liabilities. The 14 casinos produced a total net worth of \$1,431.0 million, which was greater than the combined total net worth of businesses in the other two gambling industries.

Gambling services n.e.c. At the end of June 1995, total assets in gambling services n.e.c. were \$1,340.5 million, of which 25% were current assets. Total assets exceeded total liabilities by almost 300% producing a net worth of \$990.4 million.

10 ASSETS AND LIABILITIES, 1994-95

Item	Lotteries	Casinos	Gambling services n.e.c.	Total
	\$m	\$m	\$m	\$m
Assets				
Current assets, including trading stocks	430.4	353.2	339.6	1 123.2
Non-current assets	246.4	1 969.9	1 000.9	3 217.3
Total value of assets	676.9	2 323.1	1 340.5	4 340.5
Liabilities				
Current liabilities	380.2	370.6	308.9	1 059.7
Non-current liabilities	73.9	521.6	41.1	636.6
Total value of liabilities	454.1	892.2	350.0	1 696.3
Net worth	222.8	1 431.0	990.4	2 644.2
Total capital expenditure	n.p.	673.0	n.p.	1 498.5

PERFORMANCE MEASURES

INTRODUCTION

The lotteries and gambling services n.e.c. industries comprised both operators of lotteries and TABs and also agencies between whom there were significant differences with regard to operations. For example, agencies pass their takings from gambling on to a lottery/totalisator-TAB operator who was responsible for payment of winnings. Lottery and totalisator-TAB operators therefore had large takings from gambling while the agencies received commissions from the operators.

Tables 11 and 12 present ratios separately for operators and agencies in the lotteries and gambling services n.e.c. industries, as well as for bookmakers in the gambling services n.e.c. industry.

Operators and agencies

Operators When comparing the performance of lottery operators (from the lotteries industry) and totalisator operators (from the gambling services n.e.c. industry), it was the former that reported the higher measures of profitability. For example, the operating profit margin reported by lottery operators was 19.7% compared with only 4.1% for totalisator operators. Also, the net income per person employed was significantly higher for lottery operators than totalisator operators (\$1.7 million and \$249,700 respectively).

Agencies For totalisator agencies, net income per person employed (\$18,400) exceeded net expenses per person employed (\$11,600) by 59%. The relative margin was significantly lower for lottery agencies (5%) even though they reported a substantially higher net income per person employed (\$91,600). As a result, the operating profit margin for totalisator agencies (36.8%) was significantly higher than for lottery agencies (4.4%).

Lotteries industry

Labour costs per employee Labour costs per employee were \$26,200 for the lotteries industry. This ratio, however, was significantly higher for lottery operators (\$35,700) than for agencies (\$12,600). On the other hand, labour costs contributed a relatively small proportion of net expenses (4%) for operators compared with agencies (13%).

Profitability The lottery operators reported high levels of profitability which were reflected in their profitability ratios, e.g. an operating profit margin of 20%, significantly higher than the operating profit margin of 9% which was reported by all industries in the Australian economy over this period.

Lottery agencies with an operating profit margin during 1994-95 of 4% were less profitable than lottery operators.

Casinos The casinos industry reported labour costs per employee of \$27,900. Labour costs contributed 29% of total expenses (net of payouts), which is about the proportion generally reported by service industries.

Net income per person employed was \$104,200, compared with net expenses per person employed of \$97,600.

The operating profit margin for this industry was 7%, below the 9% reported for all businesses in the Australian economy over the same period.

Gambling services n.e.c.

Labour costs Labour costs per employee were \$13,000 for the gambling services n.e.c. industry, although they ranged from \$16,900 totalisator-TAB operators down to only \$10,100 for agencies, and \$4,500 for bookmakers.

Labour costs contributed 11% to net expenses for this industry. Using this ratio as the measure, totalisator agencies were the most labour intensive of the three major groups within the gambling services n.e.c. industry: labour costs contributed 68% to net expenses for totalisator agencies compared with only 9% for operators and 20% for bookmakers.

Profitability For the gambling services n.e.c. industry, net income per person employed was 27% higher than net expenses with an operating profit margin of 4%. In terms of operating profit margin, the totalisator agencies were the most profitable of the three major groups within this industry. Totalisator agencies reported an operating profit margin of 37%, significantly higher than the 4% reported by operators and the 0.3% reported by bookmakers.

11

SELECTED PERFORMANCE RATIOS FOR THE LOTTERIES AND CASINOS INDUSTRIES, 1994-95

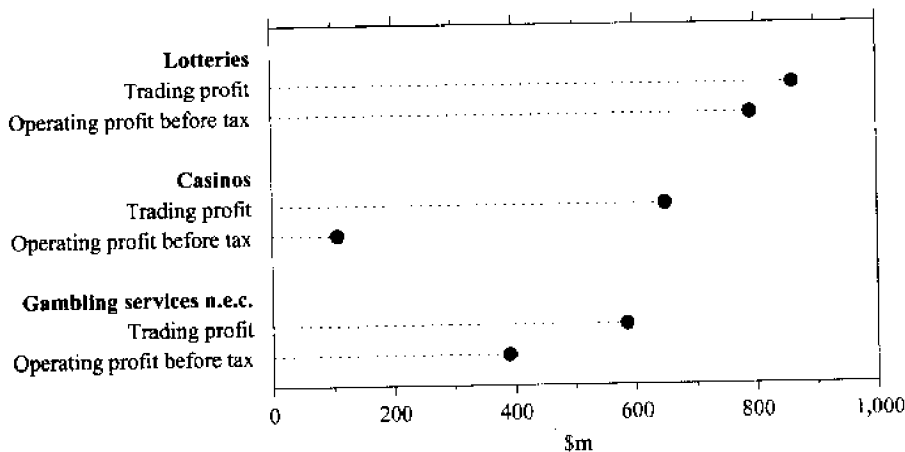
	Unit	Lotteries			Casinos
		Lottery operators	Lottery agencies	Total	
Employment ratios					
Labour costs per employee	\$'000	35.7	12.6	26.2	27.9
Labour costs to net expenses (i.e. net of payouts)	%	3.5	13.1	4.0	28.6
Industry gross product to labour costs	\$	21.0	1.8	17.2	1.5
Net income (i.e. net of payouts) per person employed	\$'000	1 729.9	91.6	1 016.8	104.2
Net expenses (i.e. net of payouts) per person employed	\$'000	1 035.2	87.2	622.6	97.6
Profitability ratios					
Operating profit margin	%	19.7	4.4	19.4	6.5
Return on assets	%	132.6	4.4	117.2	4.6
Return on funds	%	339.2	10.7	270.2	6.8
Leverage ratios					
Debt ratio	%	67.3	65.4	67.1	(a)38.6
Interest coverage	times	n.p.	2.1	94.2	5.4
Short-term debt to equity	%	185.6	182.5	170.6	25.9
Long-term debt to equity	%	20.4	21.0	33.2	36.4
Liquidity ratios					
Current ratio	times	1.2	1.2	1.1	1.0
Turnover ratio					
Asset turnover	times	6.8	6.7	6.1	0.7

(a) Excludes trading stocks.

Gambling services n.e.c.

	Unit	Totalisator and TAB operators	Totalisator agencies	Bookmakers	Other	Total
Employment ratios						
Labour costs per employee	\$'000	16.9	10.1	4.5	9.1	13.0
Labour costs to net expenses (i.e. net of payouts)	%	8.6	67.5	19.8	30.9	11.2
Industry gross product to labour costs	\$	4.4	1.9	1.6	1.3	3.7
Net income (i.e. net of payouts) per person employed	\$'000	249.7	18.4	17.7	29.4	129.6
Net expenses (i.e. net of payouts) per person employed	\$'000	197.5	11.6	16.9	28.0	102.2
Profitability ratios						
Operating profit margin	%	4.1	36.8	**0.3	n.p.	4.0
Return on assets	%	27.8	252.0	n.p.	*22.7	29.1
Return on funds	%	36.3	333.3	n.p.	*23.6	38.1
Leverage ratios						
Debt ratio	%	25.2	50.7	46.3	n.p.	26.1
Interest coverage	times	448.6	52.8	n.p.	n.p.	138.6
Short-term debt to equity	%	31.1	*46.5	*32.0	n.p.	31.2
Long-term debt to equity	%	2.6	*56.1	*54.3	n.p.	4.2
Liquidity ratios						
Current ratio	times	1.1	*0.8	1.4	n.p.	1.1
Turnover ratio						
Asset turnover	times	6.8	6.9	*19.0	*4.8	7.2

MEASURES OF PROFIT BY INDUSTRY, 1994-95



POKER/GAMING MACHINES

POKER/GAMING MACHINES

There were 119,346 poker/gaming machines in operation at the end of June 1995. The majority (70%) were located in hospitality clubs and 23% in the pubs, taverns and bars industry. Relatively small numbers of poker/gaming machines were in operation in casinos (6%) and in businesses in the horse and dog racing industry. Well over 50% of poker/gaming machines were located in New South Wales.

In pubs, taverns, bars and clubs, 64% of poker/gaming machines were located in New South Wales. Victoria and Queensland each had 14% of poker/gaming machines while there were relatively minor numbers in the other States and Territories. No poker/gaming machines outside the casinos were operated in Western Australia and Tasmania.

Pubs, taverns and bars	Approximately 65% of the 27,009 poker/gaming machines operating in pubs, taverns and bars were in New South Wales or Victoria. A further 34% of the total poker/gaming machines were in either Queensland or South Australia.
Hospitality clubs	Of the 83,625 poker/gaming machines in hospitality clubs, 61,862 (74%) were operating in New South Wales.
Horse and dog racing	Only 561 poker/gaming machines were in use in the horse and dog racing industry at the end of June 1995. The majority of these were located in Victoria (86%), with the remaining 14% in either New South Wales or Queensland.

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NUMBER OF POKER/GAMING MACHINES BY INDUSTRY OF LOCATION AND STATE, 1994-95

State/territory	Pubs, taverns and bars		Clubs (hospitality)		Horse and dog racing tracks		Casinos	Sports grounds and facilities	Sports and services to sports
	no.	%	no.	%	no.	%			
New South Wales	9 492	35.1	61 862	74.0	n.p.	n.p.	n.p.	n.p.	*463
Victoria	8 161	30.2	6 897	8.2	483	86.1	n.p.	—	n.p.
Queensland	4 046	15.0	10 910	13.0	n.p.	n.p.	n.p.	*174	n.p.
South Australia	5 216	19.3	*743	1.0	—	—	n.p.	—	n.p.
Western Australia	—	—	—	—	—	—	n.p.	—	—
Tasmania	—	—	—	—	—	—	n.p.	—	—
Northern Territory	45	0.2	167	0.2	—	—	n.p.	—	n.p.
Australian Capital Territory	50	0.2	3 045	3.6	—	—	n.p.	n.p.	—
Australia	27 009	100.0	83 625	100.0	561	100.0	7 282	*214	*655
Percentage contribution	22.6	..	70.1	..	0.5	..	6.1	0.2	0.5

EXPLANATORY NOTES

SURVEY SCOPE, METHODOLOGY AND CLASSIFICATION

1 For 1994-95 a survey was conducted of businesses classified to the seven industries classified to Subdivision 93 of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC). This subdivision includes all units mainly engaged in:

- Class 9311, Horse and Dog Racing;
- Class 9312, Sports Grounds and Facilities n.e.c.;
- Class 9319, Sports and Services to Sports n.e.c.;
- Class 9321, Lotteries;
- Class 9322, Casinos;
- Class 9329, Gambling Services n.e.c.; and
- Class 9330, Other Recreation Services.

2 To ensure a complete coverage of businesses involved in sports and gambling activities, two hospitality industries were also included:

- Class 5720, Pubs, Taverns and Bars; and
- Class 5740, Clubs (hospitality).

3 This publication contains data for the gambling industries (Classes 9321, 9322 and 9323). It also includes limited data in respect of businesses in the clubs (hospitality) and pubs, taverns and bars industries, and businesses in the sports industries involved in gambling activities.

4 In the case of the casinos industry, a census of all businesses was conducted. For the remaining industries a sample of units was drawn from the survey population.

5 The scope of the survey included only businesses which had employees at the time the census population was determined.

STATISTICAL UNIT

6 The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, 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

7 Data were collected from the Australia-wide operations of each business. Businesses which operated in more than one State were asked to provide a dissection of total income, employment, wages and salaries, and number of poker/gaming machines to enable some State statistics to be compiled.

REFERENCE PERIOD

8 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 1995. Counts of businesses include only those businesses that were operating at 30 June 1995.

9 A very small number of businesses ceased operations during the 1994-95 reference period. It is normal ABS procedure to include the contributions of these businesses in the survey output. For TABCORP, which operated for the last 10.5 months of the year, an estimate has been made for the full financial year in order to cover the short period when the Totaliser Agency Board of Victoria operated.

NET/GROSS TAKINGS FROM GAMBLING

10 Takings from gambling in this publication are shown on a net and gross basis. There are three data items that are shown as net figures only i.e. payouts (winnings paid to players) have been netted out:

- takings from poker/gaming machines;
- takings from casino keno; and
- takings from other casino gambling.

Gross takings for these industries are not available. All other takings from gambling are shown on a gross and net basis.

RELIABILITY OF ESTIMATES

11 The estimates presented in this publication are subject to sampling and non-sampling error.

SAMPLING ERRORS

12 Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability, that is, they may differ from figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

13 There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if a census had been conducted, and approximately nineteen chances in twenty that the difference will be less than two standard errors.

14 Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the standard error as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

15 The table below contains estimates of RSEs for a selection of statistics presented in this publication.

RELATIVE STANDARD ERRORS FOR KEY DATA ITEMS BY INDUSTRY, 1994-95

Type of business	Businesses at end June	Net takings from gambling	Commissions from gambling
	%	%	%
Gambling industries			
Casinos	0	0	0
Lottery operation	7	0	11
Lottery agency	8	2	8
Bookmaker/betting shop	8	-13	0
TAB and totalisator operation	14	0	0
Totalisator agency	5	0	6
Other	48	0	0
Total gambling industries	3	0	5
Clubs (hospitality)	3	4	9
Pubs, taverns and bars	4	7	18
Sports industries	23	25	1

16 As an example of the above, an estimate of commissions from gambling for total gambling industries is \$106 million and the RSE is 5% giving a standard error of \$5.3 million. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure within the range of \$100.7 million to \$111.3 million would have been obtained, and 19 chances in 20 that the figure would have been within the range of \$95.4 million to \$116.6 million (a confidence interval of 95%).

17 Where the RSE of an estimate included in this publication exceeds 25%, it has been annotated with an asterisk (*) as a warning to users.

NON-SAMPLING ERROR

18 Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling error and they may occur in any collection, whether it be a census or a sample. 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.

AVAILABILITY OF UNPUBLISHED DATA

19 As well as statistics included in this publication, the ABS has some more detailed data on the gambling industry. For example, more detailed income and expense data may be made available on request.

20 Inquiries on the gambling statistics should be made by telephoning Tony Ward on Melbourne (03) 9615 7634.

OTHER PUBLICATIONS IN THIS SERIES

21 The 1994-95 series of surveys included nine industries. Statistics have been or will be released in five other separate publications:

- *Sport, Recreation and Gambling Industries, Australia, 1994-95 Preliminary*, (8692.0);
- *Casinos, Australia, 1994-95* (8683.0);
- *Sports Industries, Australia, 1994-95* (8686.0);
- *Clubs, Pubs, Taverns and Bars, Australia, 1994-95* (8687.0); and
- *Recreation Services, Australia, 1994-95* (8688.0).

SYMBOLS AND OTHER ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
n.a.	not available
n.e.c.	not elsewhere classified
n.p.	not published
*	subject to sampling variability too high for practical purposes (i.e. relative standard error greater than 25%)
**	subject to sampling variability too high for practical purposes (i.e. relative standard error greater than 50%)
..	not applicable
—	nil or rounded to zero

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

GLOSSARY

Advertising expenses	This includes advertising expenses paid to advertising agencies, and direct payments to the press, radio and television and other advertising expenses. It excludes wages and salaries, and marketing and promotions costs.
Bad debts	Bad debts are uncollectable accounts receivable which have been written off. Doubtful debts are excluded.
Bookmakers turnover	This is the gross turnover of bookmakers before payments of winning bets.
Businesses at end June	The number of management units operating at the end of June 1995. 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 6 of Explanatory Notes for further information regarding management units.)
Casual employees	Employees not entitled to take paid holidays.
Current assets	Is the book value of current assets at the end of the financial year. This includes cash on hand, stocks, trade debts, and other accounts receivable. These are assets that would generally cease to exist or be used up within twelve months.
Current liabilities	This is the book value of current liabilities as at the end of the financial year. It includes provisions for taxation, leave, claims, trade creditors and other accounts payable, and bank overdraft. These are liabilities that would normally be due or payable within twelve months of the end of the last period and excludes provisions for doubtful debts and depreciation and contingent liabilities.
Current ratio	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.
Debt ratio	Total liabilities as a percentage of total assets, i.e. total liabilities times 100 divided by total assets.
Depreciation and amortisation	Are 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.
Earnings before interest and tax (EBIT)	A measure of profit prior to the deduction of interest expense and income tax.
Employer contributions to superannuation funds	This includes all employer contributions to superannuation funds (including the employer productivity contribution) and adjustments made during the year.
Employment at the end of June	This includes working proprietors and partners, working directors, other employees and casuals working for the business during the last pay period ending in June 1995. It excludes volunteers and subcontracted workers.

Gambling commissions

This includes commissions received by agencies for TAB operations; commissions from lotteries, keno, lotto, football pools, and instant money from businesses/clubs who operate on a commission basis and do not have ownership of the machines; commissions for racing clubs from on-course totalisator operators for the right to operate a totalisator on the racetrack; and commissions from poker/gaming machines applicable to businesses/clubs who operate on a commission basis and who do not have ownership of the machines.

Gambling taxes and transfer of funds to government bodies

This expense item includes all taxes/levies paid to the government and funds transferred to government bodies. The latter component applies to lottery and TAB businesses who have an agreement to transfer a percentage of their profit or turnover to government bodies for the right to operate in a particular State or Territory. It includes any franchise or licence fees paid to government where applicable.

This expense item also includes turnover tax paid to government by bookmakers. This is a regulatory fee which bookmakers must pay to the relevant State Government and is based on a percentage of their turnover. This percentage may vary across States.

Gross takings

Gross takings is the sum of all components of income before payment of prize money and winnings are netted off. It should be noted that some gambling income items are gross and some are net as referenced in the table footnotes.

Industry gross product

A measure of the value of unduplicated gross product of businesses. It 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.

Industry gross product to labour costs

Industry gross product divided by labour costs.

Insurance premiums

This includes optional third-party and comprehensive motor vehicle insurance premiums, fire, general, accident and public liability premiums, professional indemnity insurance premiums, premiums made in respect of common law liability, and professional liability insurance. It excludes workers' compensation insurance premiums, and compulsory third-party motor vehicle insurance.

Interest coverage

The number of times over that businesses can meet their interest expenses from their earnings before interest, i.e. EBIT divided by interest expenses.

Interest expenses

This includes interest on bank loans, on loans made from related as well as unrelated businesses/organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.

Interest income

This includes interest from deposits in banks and non-bank financial institutions, and from loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. Excludes capital repayments received.

Labour costs	Includes wages and salaries, employers contributions to superannuation, and workers' compensation and excludes payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer and payments to proprietors/partners of unincorporated businesses.
Labour costs per employee	Persons employed include full-time and part-time permanent, temporary and casual employees. Excludes freelancers from whom PAYE tax is not deducted, freelancers, and working proprietors and partners.
Marketing, promotion and sponsorship expenses	Are those expenses associated with the promotion and publicity of a business or its products. These are the costs to a business of marketing, promotion or sponsorship paid to other organisations. These exclude the costs of servicing an organisation's own sponsors.
Net takings	Net takings is gross income minus the payments of prize money and winnings.
Net worth	Is total assets minus total liabilities and is equal to the interests of shareholders or other owners in the assets of the business.
Non-current assets	These are long-term investments or other assets of the business that would, in the ordinary operations of the business, not be consumed or converted into cash within one year of the end of the last reporting period of the business.
Non-current liabilities	Is the book value of non-current liabilities as at the end of the financial year. These are liabilities that are not due within the next financial period and include bank loans, debentures, and unsecured notes.
Number of poker/gaming machines	Number of poker/gaming machines in use on the premises whether owned or leased.
Operating profit before tax (OPBT)	This is a measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Operating profit margin	The percentage of sales of goods and services available as operating profit, i.e. OPBT times 100 divided by sales of goods and services.
Other non-operating income	This includes net profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations and net profit (loss) on foreign loans as a result of variations in foreign exchange rates/transactions and income from royalties. It excludes extraordinary profit (loss).
Other operating expenses	This includes various expense items which are general in nature and are not included elsewhere e.g. management fees, junket commissions, glass/crockery expenses, cleaning and laundry supplies, staff uniforms and amenities, in-house films, audit, accounting and legal expenses, electricity and gas charges, freight and cartage expenses, other contract, subcontract and commission expenses, etc. It excludes extraordinary losses, income and other direct tax, costs associated with the transfer of real estate, capital repayments, goodwill writedowns, dividends, amortisation, and provisions.

Other operating income	Consists of various income items which are not included elsewhere e.g. car parking income, commissions from vending machines, income from the provision of telephone and laundry services, unredeemed gaming chips, etc.
Purchases	This includes purchases of goods for retail sale and includes sales tax and commissions paid to purchasing agents.
Rent, leasing and hiring expenses	This comprises three components: land, buildings and structures, motor vehicles, and other rent, leasing and hiring expenses. It excludes expenses in respect of finance leases and other business loans, vehicles or equipment hired with a driver/operator, interest expenses, and depreciation and amortisation.
Repair and maintenance expenses	These are expenses associated with work undertaken on plant and machinery to maintain normal business operations. It includes repair and maintenance to machinery and equipment, and other repairs and maintenance expenses. It excludes wages and salaries paid to own employees.
Retail sales	This includes sales of clothing and footwear, souvenirs, cigarettes (except those sold from vending machines), publications and take away food.
Return on assets	Operating profit before tax as a percentage of the total book value of assets, i.e. OPBT times 100 divided by total assets.
Return on funds	Earnings before interest and tax as a percentage of long-term investment funds, i.e. earnings before interest and tax times 100 divided by (net worth plus non-current liabilities).
Royalties	These include payments under the licensing arrangements, payments for the use of copyright, patent, design or model, plan or any other property right.
Selected expenses	This includes all operating expenses excluding labour costs.
Takings from lotteries, keno, lotto, football pools and instant money sales	This item is applicable to TAB and lotteries businesses who sell on their own behalf. It includes sales made through commission agents and player registration fees.
Takings from meals	Includes takings from meals sold for consumption on the premises. Excludes income from catering concessions and takeaway food (included in Retail sales).
Takings from other casino gambling	This includes takings from gambling other than from keno and gaming/poker machines. Primarily includes takings from table games (net of payouts to players).
Takings from poker/gaming machines	This includes takings from poker/gaming machines (including keno gaming machines) reported by the businesses/clubs which own the machines. The takings are net of payouts to players. Takings from poker/gaming machines not owned by the businesses/clubs are referred to as commissions from poker/gaming machines.

Total expenses	Total expenses is the sum of all expense items collected on the survey form. Total expenses includes winnings paid to bettors for the gambling services n.e.c. industry, and prize money paid by the lotteries industry. However, winnings paid to players of poker/gaming machines, takings from casino keno, and other casino gambling (primarily gaming tables) were not collected.
Total income	Total income is the sum of all income items including a combination of gross and net takings from gambling. Takings from poker/gaming machines, casino keno and other casino gambling (primarily gaming tables) are net of payouts to players. Takings from totalisator sales, bookmakers' turnover and takings from lotteries, keno, lotto, football pools, instant money sales and other gambling are gross.
Wages and salaries	Wages and salaries are the gross earnings of all employees before taxation and other deductions. Drawings of working proprietors and working partners of unincorporated practices are excluded.
Winnings paid to bettors	This is applicable to TABs, on-course totalisators and bookmakers and includes on and off-course TAB and bookmaker dividends.
Workers' compensation costs	Includes workers' compensation insurance premiums/levies, non-payroll costs (e.g. medical costs) not reimbursed, and provisions for workers' compensation.



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