



2004-05

8687.0

CLUBS, PUBS, TAVERNS AND BARS

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) TUES 4 JUL 2006

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I N Q U I R I E S

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Sophie Vassiliou on Melbourne (03) 9615 7442.

NOTES

INTRODUCTION

This publication presents results from an Australian Bureau of Statistics (ABS) survey of businesses engaged in pubs, taverns, bars and hospitality club services. The survey was conducted in respect of the 2004–05 financial year. This is the sixth survey of pubs, taverns, bars and hospitality club services. Previous collections were conducted in respect of the 1986–87, 1991–92, 1994–95, 1997–98 and 2000–01 financial years.

COMPARISONS WITH PREVIOUS SURVEY RESULTS

While comparisons are made between the 2004–05 and 2000–01 survey results, it should be noted that the 2004–05 survey was not designed to provide highly accurate estimates of change, so any comparison made to the previous survey should be used with caution. For further information, see paragraphs 19–21 of the Explanatory Notes.

MORE INFORMATION ON ABS SERVICE INDUSTRIES STATISTICS

Information about ABS activities in the field of service industries is available from the Service Industries Statistics theme page on the ABS web site <<http://www.abs.gov.au>>. To access the theme page, select 'Themes' from the menu on the home page.

COMMENTS

The ABS welcomes comments and suggestions from users regarding future surveys of Service Industries. These comments should be addressed to the Director, Service Industries National Statistics Centre, Australian Bureau of Statistics, Locked Bag 10, Belconnen, ACT 2616.

ROUNDING

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



ABBREVIATIONS

\$m	million dollars
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
GDP	gross domestic product
GST	goods and services tax
IVA	industry value added
RSE	relative standard error
SE	standard error
TAB	Totalizator Agency Board
TAU	type of activity unit

Dennis Trewin
Australian Statistician

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INTRODUCTION

This chapter presents results of the 2004–05 Pubs, Taverns and Bars Survey. This survey is conducted periodically by the ABS to provide detailed measures of the performance, structure and activity of pub, tavern and bar businesses operating in Australia. It includes aspects such as: the composition of income earned, details of expenses incurred and the characteristics of the workforce. A state/territory dimension is also presented.

The survey scope included significant employing and non-employing businesses in Australia that generated income predominantly from the provision of alcoholic beverages for consumption on the premises, or in selling alcoholic beverages for consumption on and/or off the premises (e.g. from bottle shops at such premises). Businesses mainly engaged in the provision of accommodation, retailing alcoholic beverages for consumption only off the premises, or organisations mainly engaged in operating licensed clubs were excluded from this survey. Organisations mainly engaged in operating licensed hospitality clubs were included in a separate survey, for which results are presented in Chapter 2 of this publication.

This chapter presents data dissected by businesses with gambling facilities and businesses without gambling facilities. Businesses with gambling facilities are those providing either poker/gaming machines, Totalizator Agency Board (TAB) facilities and/or Keno services to patrons.

SUMMARY OF FINDINGS

At the end of June 2005, there were 3,454 pub, tavern and bar businesses operating in Australia. The total number of premises (4,252) were split almost evenly between capital cities and suburbs (2,108) and non-metropolitan areas (2,144).

During 2004–05, income generated by pub, tavern and bar businesses was \$11,114.3m, which represented an average of \$3.2m per business. Total expenses incurred for the same period were \$10,369.5m.

In 2004–05, pub, tavern and bar businesses provided 194,769 paid live performances.

The total industry value added by these businesses was \$4,394m, which is the equivalent of 0.5% of Australia's gross domestic product (GDP) for 2004–05.

For 2004–05, pub, tavern and bar businesses recorded an operating profit before tax of \$784.2m, which represented an operating profit margin of 7.1%.

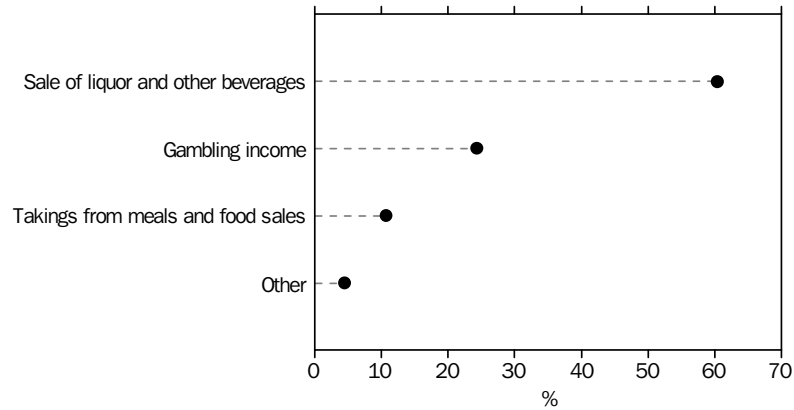
SOURCES OF INCOME
ALL BUSINESSES

During 2004–05, pub, tavern and bar businesses generated a total of \$11,114.3m in income. It should be noted that income in 2004–05 excluded goods and services tax (GST) paid by consumers to pub, tavern and bar businesses.

*ALL BUSINESSES
continued*

The graph below shows that the main source of income was from sales of liquor and other beverages which generated \$6,706.1m (60.3% of total income). Other major income items were gambling income, which accounted for 24.3% (\$2,703.1m) of all income, and takings from meals and food sales, which accounted for 10.8% (\$1,200.6m).

SELECTED SOURCES OF INCOME (a), All businesses



(a) As a percentage of total income.

Of the income from the sale of liquor and other beverages, 53.7% was for consumption on the premises, while the remainder was for consumption off the premises.

*BUSINESSES WITH
GAMBLING FACILITIES*

The total income of businesses with gambling facilities was \$9,565.1m which represented 86.1% of total income for all businesses. The major sources of income for businesses with gambling facilities were the sale of liquor and other beverages of \$5,511.6m (57.6%) and gambling income of \$2,703.1m (28.3%).

The gambling income of these businesses was sourced primarily from poker/gaming machines (96.7%), with the remainder generated from TAB commissions (2.7%) and Keno commissions (0.6%).

*BUSINESSES WITHOUT
GAMBLING FACILITIES*

The total income for pub, tavern and bar businesses without gambling facilities was \$1,549.2m in 2004–05. The major sources of income for these businesses were sales of liquor and other beverages of \$1,194.6m (77.1% of total income) and takings from meals and food sales of \$233.4m (15.1% of total income).

*EXPENDITURE
ALL BUSINESSES*

Pub, tavern and bar businesses incurred \$10,369.5m in expenses during 2004–05. Overall, purchases of liquor and other beverages was the highest single expense item, accounting for 36.7% (\$3,806.5m) of total expenses, followed by labour costs (21.9% or \$2,268m) and gambling taxes and levies (9.1% or \$940.5m). Labour costs represented an average cost per employee of \$28,100.

Other major expenses for pub, tavern and bar businesses in 2004–05 were rent, leasing and hiring (\$641m), purchases of foodstuffs for preparing meals (\$546.5m), interest expenses (\$273.5m), depreciation and amortisation (\$227.9m) and advertising, marketing and promotion expenses (\$199.5m).

**BUSINESSES WITH
GAMBLING FACILITIES**

In 2004–05, pub, tavern and bar businesses with gambling facilities recorded total expenses of \$8,901.5m. The largest expense items incurred by these businesses were purchases of liquor and other beverages (\$3,317.4m) and labour costs (\$1,891.4m).

**BUSINESSES WITHOUT
GAMBLING FACILITIES**

Businesses without gambling facilities incurred expenses totalling \$1,468.0m in 2004–05. Purchases of liquor and other beverages (\$489.1m) contributed 33.3% and labour costs (\$376.6m) contributed 25.7% of total expenses for these businesses.

**EMPLOYMENT
ALL BUSINESSES**

At the end of June 2005, there were 81,675 persons employed in pub, tavern and bar services. Of these, 57,262 persons (70.1%) were casual employees and 43,179 (52.9%) were female employees. Employment also included 18,779 permanent full-time employees and 4,574 part-time employees.

**BUSINESSES WITH
GAMBLING FACILITIES**

Businesses with gambling facilities recorded employment of 64,905 persons, which accounted for 79.5% of total employment in pub, tavern and bar businesses. These businesses had 21,924 staff who were trained as licensed gaming staff (33.8% of total employment for businesses with gambling facilities).

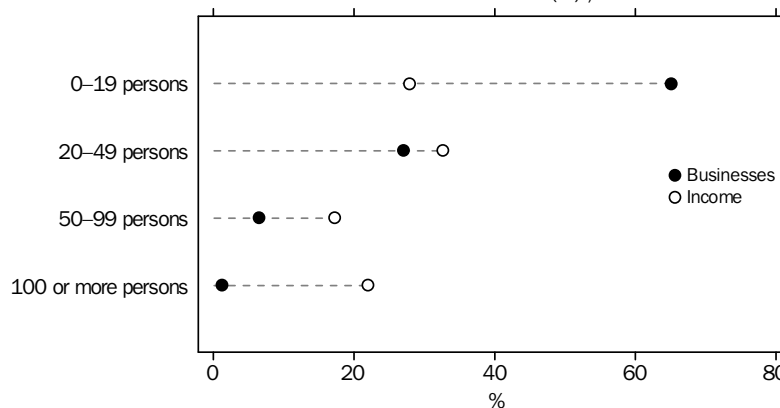
**BUSINESSES WITHOUT
GAMBLING FACILITIES**

Businesses without gambling facilities recorded employment of 16,770 persons, which accounted for 20.5% of total employment in pub, tavern and bar businesses.

**SIZE OF BUSINESSES
ALL BUSINESSES**

The majority (65.1% or 2,247) of pub, tavern and bar businesses employed fewer than 20 persons. These small businesses accounted for 26.9% of total employment in pub, tavern and bar services, 28.4% of income from sales of liquor and other beverages, 28.2% of gambling income and 27.9% of total income.

KEY CHARACTERISTICS BY BUSINESS SIZE(a), All businesses



(a) As a percentage of total for each size category.

In comparison, only 46 pub, tavern and bar businesses (1.3% of total businesses) recorded employment of 100 or more persons. These large businesses accounted for 20.5% of employment in pub, tavern and bar services, 22.9% of income from sales of liquor and other beverages, 20.5% of gambling income and 22% of total income.

**BUSINESSES WITH
GAMBLING FACILITIES**

There were 2,362 pub, tavern and bar businesses with gambling facilities at the end of June 2005 of which 1,401 (59.3%) had less than 20 persons employed. These businesses accounted for 22.3% of total employment, 24.5% of sales from liquor and other beverages and 24.9% of total income.

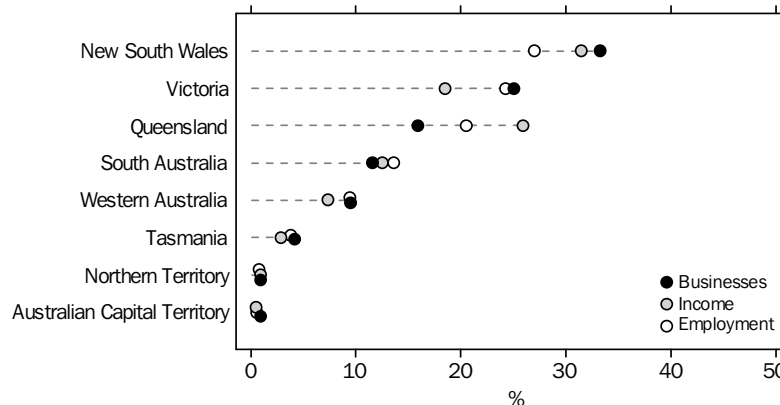
**BUSINESSES WITHOUT
GAMBLING FACILITIES**

There were 1,092 pub, tavern and bar businesses without gambling facilities at the end of June 2005, of which 846 (77.5%) had less than 20 persons employed. These businesses accounted for 44.4% of total employment, 46.7% of sales from liquor and other beverages and 46.7% of total income.

**STATES AND TERRITORIES
ALL BUSINESSES**

The following graph shows that New South Wales accounted for the highest share of key business activity – business counts, income and employment.

STATE AND TERRITORY COMPARISONS (a), All businesses



(a) As a percentage of total for each state/territory.

New South Wales accounted for just over one-third of all pub, tavern and bar businesses (33.3%), while Victoria accounted for 25.1% and Queensland 15.9%. New South Wales accounted for 31.5% of all income, while Queensland accounted for 25.9% and Victoria 18.5%.

Employment in New South Wales comprised 27% of all employment, while Victoria had just under one-quarter (24.3%). Queensland had 20.5% of all employment.

**HISTORICAL
COMPARISONS**

Comparisons with results from earlier surveys are useful as an indication of the extent of change over time. However, the survey was not designed to provide highly accurate estimates of change, so any comparisons with results from previous surveys should be made with caution. Estimates of change can be subject to changes in scope and coverage or question wording, or high levels of sampling error. Further information can be found in paragraphs 19–21 of the Explanatory Notes.

Taking into consideration these limitations, the 2004–05 survey results indicate that pub, tavern and bar businesses experienced growth between 2000–01 and 2004–05 financial years. Income grew by an average 5.8% per year since 2000–01 while expenditure grew at the rate of 6% per year for the same period. The operating profit before tax grew at an average annual rate of 2.3% per year (from \$715.2m in 2000–01 to \$784.2m in 2004–05).

1.1 PUBS, TAVERNS AND BARS, Summary of operations

		<i>Businesses with gambling facilities</i>	<i>Businesses without gambling facilities</i>	<i>All businesses</i>
Businesses at end June	no.	2 362	1 092	3 454
Premises at end June				
Capital cities and suburbs	no.	1 506	603	2 108
Other	no.	1 600	544	2 144
<i>Total</i>	no.	3 105	1 147	4 252
Premises at end June				
With poker/gaming machines	no.	2 421	..	2 421
With Keno	no.	737	..	737
With TAB betting facilities	no.	1 831	..	1 831
Paid live performances	no.	^ 98 369	*96 400	^ 194 769
Employment at end June				
Licensed gaming staff	no.	21 924	..	21 924
Other	no.	42 980	16 770	59 750
<i>Total</i>	no.	64 905	16 770	81 675
Income				
Sale of liquor and other beverages	\$m	5 511.6	1 194.6	6 706.1
Gambling income	\$m	2 703.1	..	2 703.1
Takings from meals and food sales	\$m	967.3	233.4	1 200.6
Other	\$m	383.2	^ 121.3	504.5
<i>Total</i>	\$m	9 565.1	1 549.2	11 114.3
Expenses				
Labour costs	\$m	1 891.4	376.6	2 268.0
Poker/gaming machine and other gambling taxes and levies(a)	\$m	940.5	..	940.5
Purchases	\$m	3 853.3	623.2	4 476.5
Other	\$m	2 436.7	468.2	2 904.9
<i>Total(b)</i>	\$m	8 901.5	1 468.0	10 369.5
Operating profit before tax	\$m	701.7	82.5	784.2
Operating profit margin	%	7.4	5.4	7.1
Industry value added	\$m	3 865.2	528.8	4 394.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

.. not applicable

(a) Includes GST.

(b) As total expenses do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

1.2

PUBS, TAVERNS AND BARS, Historical comparisons

		BUSINESSES WITH GAMBLING FACILITIES		BUSINESSES WITHOUT GAMBLING FACILITIES		ALL BUSINESSES	
		2000-01(a)	2004-05	2000-01(a)	2004-05	2000-01(a)	2004-05
Income							
Sale of liquor and other beverages	\$m	4 593.1	5 511.6	972.9	1 194.6	5 566.0	6 706.1
Gambling income	\$m	2 130.0	2 703.1	..	..	2 130.0	2 703.1
Takings from meals and food sales	\$m	644.3	967.3	^ 170.9	233.4	815.2	1 200.6
Other	\$m	268.8	383.2	^ 102.4	^ 121.3	371.2	504.5
<i>Total</i>	\$m	7 636.2	9 565.1	1 246.2	1 549.2	8 882.4	11 114.3
Expenses							
Labour costs	\$m	1 485.7	1 891.4	274.6	376.6	1 760.3	2 268.0
Poker/gaming machine and other gambling taxes and levies(b)	\$m	593.1	940.5	..	..	593.1	940.5
Purchases	\$m	3 162.7	3 853.3	569.4	623.2	3 732.1	4 476.5
Other	\$m	1 789.5	2 436.7	338.6	468.2	2 128.1	2 904.9
<i>Total(c)</i>	\$m	7 031.0	8 901.5	1 182.6	1 468.0	8 213.6	10 369.5
Operating profit before tax	\$m	652.0	701.7	^ 63.2	82.5	715.2	784.2
Operating profit margin	%	8.5	7.4	^ 5.1	5.4	8.1	7.1
Industry value added	\$m	3 100.2	3 865.2	397.3	528.8	3 497.5	4 394.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

.. not applicable

(a) Data for 2000-01 have been recalculated on a comparable basis to 2004-05 data. For more information see Explanatory Notes paragraph 20.

(b) Includes GST.

(c) As total expenses for 2004-05 do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

1.3 PUBS, TAVERNS AND BARS, Sources of income

	BUSINESSES WITH GAMBLING FACILITIES		BUSINESSES WITHOUT GAMBLING FACILITIES		ALL BUSINESSES	
	<i>Income</i>	<i>Proportion of total income</i>	<i>Income</i>	<i>Proportion of total income</i>	<i>Income</i>	<i>Proportion of total income</i>
	\$m	%	\$m	%	\$m	%
Sale of liquor and other beverages						
For consumption on the premises	2 606.6	27.3	995.8	64.3	3 602.4	32.4
For consumption off the premises	2 905.0	30.4	^ 198.8	12.8	3 103.7	27.9
<i>Total</i>	5 511.6	57.6	1 194.6	77.1	6 706.1	60.3
Gambling income						
Net takings from poker/gaming machines	2 136.1	22.3	..	..	2 136.1	19.2
Commission/venue share from poker/gaming machines	^ 477.6	5.0	..	..	^ 477.6	4.3
Commissions from TAB	72.6	0.8	..	..	72.6	0.7
Commissions from Keno	16.8	0.2	..	..	16.8	0.2
<i>Total</i>	2 703.1	28.3	..	..	2 703.1	24.3
Takings from meals and food sales	967.3	10.1	233.4	15.1	1 200.6	10.8
Takings from accommodation	138.1	1.4	^ 26.0	1.7	164.1	1.5
Rent, leasing and hiring	^ 38.3	0.4	^ 4.4	0.3	^ 42.7	0.4
Interest	*34.1	0.4	^ 1.6	0.1	*35.7	0.3
Other	172.6	1.8	^ 89.3	5.8	262.0	2.4
Total	9 565.1	100.0	1 549.2	100.0	11 114.3	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

.. not applicable

1.4 PUBS, TAVERNS AND BARS, Items of expenditure

	BUSINESSES WITH GAMBLING FACILITIES		BUSINESSES WITHOUT GAMBLING FACILITIES		ALL BUSINESSES	
	<i>Proportion of total expenses</i>		<i>Proportion of total expenses</i>		<i>Proportion of total expenses</i>	
	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>	<i>Expense</i>
	\$m	%	\$m	%	\$m	%
Labour costs						
Wages and salaries	1 627.8	18.3	331.3	22.6	1 959.2	18.9
Employer contributions to superannuation funds(a)	152.3	1.7	29.3	2.0	181.6	1.8
Workers' compensation costs	49.1	0.6	7.8	0.5	57.0	0.5
Fringe benefits tax	3.3	—	**0.3	—	3.6	—
Payroll tax	58.8	0.7	7.8	0.5	66.6	0.6
Total	1 891.4	21.2	376.6	25.7	2 268.0	21.9
Purchases						
Liquor and other beverages	3 317.4	37.3	489.1	33.3	3 806.5	36.7
Foodstuffs used in preparing meals	442.0	5.0	104.6	7.1	546.5	5.3
Other	93.9	1.1	^ 29.5	2.0	123.4	1.2
Total	3 853.3	43.3	623.2	42.5	4 476.5	43.2
Poker/gaming machine and other gambling taxes and levies(b)	940.5	10.6	. .	. .	940.5	9.1
Repair and maintenance	129.0	1.4	20.5	1.4	149.4	1.4
Rent, leasing and hiring						
Land, buildings and other structures	473.7	5.3	95.5	6.5	569.2	5.5
Other	58.4	0.7	13.4	0.9	71.8	0.7
Total	532.1	6.0	108.9	7.4	641.0	6.2
Advertising, marketing and promotion	167.9	1.9	31.6	2.2	199.5	1.9
Sponsorship	14.1	0.2	**3.3	0.2	^ 17.4	0.2
Electricity, gas and water	134.6	1.5	23.8	1.6	158.4	1.5
Land tax and land rates	53.0	0.6	8.0	0.5	61.0	0.6
Payments to employment agencies for staff	^ 17.1	0.2	^ 1.4	0.1	^ 18.5	0.2
Other contract, subcontract and commission expenses	201.1	2.3	50.0	3.4	251.1	2.4
Insurance premiums						
Public liability	42.7	0.5	11.4	0.8	54.1	0.5
Other	49.2	0.6	11.5	0.8	60.7	0.6
Total	91.9	1.0	22.9	1.6	114.8	1.1
Interest	249.3	2.8	24.3	1.7	273.5	2.6
Depreciation and amortisation	207.6	2.3	20.4	1.4	227.9	2.2
Other	639.2	7.2	153.2	10.4	792.3	7.6
Total (c)	8 901.5	100.0	1 468.0	100.0	10 369.5	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

. . not applicable

— nil or rounded to zero (including null cells)

(a) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

(b) Includes GST.

(c) As total expenses do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

1.5 PUBS, TAVERNS AND BARS, Characteristics of employment

	<u>Males</u>		<u>Females</u>		<u>Persons</u>	
	no.	%	no.	%	no.	%
.....						
BUSINESSES WITH GAMBLING FACILITIES						
Working proprietors and partners of unincorporated businesses	^ 372	1.2	^ 306	0.9	^ 678	1.0
Employees						
Permanent full-time	9 177	30.1	5 926	17.2	15 103	23.3
Permanent part-time	1 409	4.6	2 150	6.2	3 559	5.5
Casuals	19 485	64.0	26 079	75.7	45 564	70.2
Total	30 071	98.8	34 156	99.1	64 227	99.0
Employment at end June 2005	30 443	100.0	34 462	100.0	64 905	100.0
Licensed gaming staff(a)	na	na	na	na	21 924	33.8
Total employment at end(b)						
March 2005	na	na	na	na	62 240	..
December 2004	na	na	na	na	63 806	..
September 2004	na	na	na	na	60 549	..
.....						
BUSINESSES WITHOUT GAMBLING FACILITIES						
Working proprietors and partners of unincorporated businesses	^ 246	3.1	135	1.5	^ 382	2.3
Employees						
Permanent full-time	2 379	29.5	1 297	14.9	3 676	21.9
Permanent part-time	^ 395	4.9	^ 620	7.1	1 014	6.0
Casuals	5 033	62.5	6 665	76.5	11 698	69.8
Total	7 807	96.9	8 582	98.5	16 388	97.7
Employment at end June 2005	8 053	100.0	8 717	100.0	16 770	100.0
Licensed gaming staff(a)	..	..	..	..	..	..
Total employment at end(b)						
March 2005	na	na	na	na	15 886	..
December 2004	na	na	na	na	16 541	..
September 2004	na	na	na	na	15 132	..
.....						
ALL BUSINESSES						
Working proprietors and partners of unincorporated businesses	619	1.6	441	1.0	1 059	1.3
Employees						
Permanent full-time	11 557	30.0	7 223	16.7	18 779	23.0
Permanent part-time	1 803	4.7	2 770	6.4	4 574	5.6
Casuals	24 517	63.7	32 745	75.8	57 262	70.1
Total	37 877	98.4	42 738	99.0	80 615	98.7
Employment at end June 2005	38 496	100.0	43 179	100.0	81 675	100.0
Licensed gaming staff(a)	na	na	na	na	21 924	26.8
Total employment at end(b)						
March 2005	na	na	na	na	78 126	..
December 2004	na	na	na	na	80 346	..
September 2004	na	na	na	na	75 681	..

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

.. not applicable

na not available

(a) Licensed gaming staff are included in the employment estimates reported elsewhere in the table.

(b) During last pay period ending in the month indicated.

1.6

PUBS, TAVERNS AND BARS, States and territories

		New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
BUSINESSES WITH GAMBLING FACILITIES										
Businesses at end June(a)	no.	1 097	^ 348	387	331	138	86	^ 12	*7	2 362
	%	46.5	14.7	16.4	14.0	5.9	3.6	0.5	0.3	100.0
Employment at end June	no.	20 991	13 162	14 268	10 362	^ 3 413	2 295	*294	*120	64 905
	%	32.3	20.3	22.0	16.0	5.3	3.5	0.5	0.2	100.0
Gambling income	\$m	1 223.6	^ 423.9	511.2	501.6	^ 6.7	31.5	*4.9	*0.5	2 703.1
	%	45.3	15.7	18.9	18.6	0.2	1.2	0.2	—	100.0
Total income	\$m	3 385.3	1 427.2	2 650.3	1 323.7	^ 444.7	253.9	*62.8	^ 16.9	9 565.1
	%	35.4	14.9	27.7	13.8	4.6	2.7	0.7	0.2	100.0
BUSINESSES WITHOUT GAMBLING FACILITIES										
Businesses at end June(a)	no.	*51	518	163	^ 69	190	^ 60	^ 18	26	1 092
	%	4.7	47.5	14.9	6.3	17.4	5.5	1.7	2.4	100.0
Employment at end June	no.	*1 094	^ 6 649	2 447	752	4 280	^ 813	*396	^ 340	16 770
	%	6.5	39.6	14.6	4.5	25.5	4.8	2.4	2.0	100.0
Gambling income	\$m	..	..	..	..	..	..	..	..	..
	%
Total income	\$m	*120.6	633.0	^ 226.3	^ 64.2	365.3	*66.0	^ 40.1	33.1	1 549.2
	%	7.8	40.9	14.6	4.1	23.6	4.3	2.6	2.1	100.0
ALL BUSINESSES										
Businesses at end June(a)	no.	1 148	^ 866	550	400	328	^ 146	30	33	3 454
	%	33.3	25.1	15.9	11.6	9.5	4.2	0.9	0.9	100.0
Employment at end June	no.	22 085	19 811	16 715	11 114	7 693	3 107	^ 690	460	81 675
	%	27.0	24.3	20.5	13.6	9.4	3.8	0.8	0.6	100.0
Gambling income	\$m	1 223.6	^ 423.9	511.2	501.6	^ 6.7	31.5	*4.9	*0.5	2 703.1
	%	45.3	15.7	18.9	18.6	0.2	1.2	0.2	—	100.0
Total income	\$m	3 505.8	2 060.2	2 876.6	1 387.9	810.0	319.9	^ 102.9	50.0	11 114.3
	%	31.5	18.5	25.9	12.5	7.3	2.9	0.9	0.5	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

.. not applicable

— nil or rounded to zero (including null cells)

(a) As businesses may operate in more than one state or territory, the counts of businesses for each state and territory do not sum to the total.

1.7 PUBS, TAVERNS AND BARS, Summary of operations by employment size

		0-19 persons	20-49 persons	50-99 persons	100 persons or more	Total
.....						
BUSINESSES WITH GAMBLING FACILITIES						
Businesses at end June	no.	1 401	728	^ 193	40	2 362
	%	59.3	30.8	8.2	1.7	100.0
Employment at end June	no.	14 481	22 087	^ 12 898	15 438	64 905
	%	22.3	34.0	19.9	23.8	100.0
Income from sale of liquor and other beverages	\$m	^ 1 347.7	^ 1 750.6	968.0	1 445.2	5 511.6
	%	24.5	31.8	17.6	26.2	100.0
Gambling income	\$m	^ 761.3	894.7	^ 492.3	554.8	2 703.1
	%	28.2	33.1	18.2	20.5	100.0
Total income	\$m	2 382.8	3 103.3	1 749.7	2 329.3	9 565.1
	%	24.9	32.4	18.3	24.4	100.0
Operating profit before tax	\$m	253.5	275.7	114.3	58.2	701.7
	%	36.1	39.3	16.3	8.3	100.0
Operating profit margin	%	^ 10.7	9.0	6.6	2.5	7.4
.....						
BUSINESSES WITHOUT GAMBLING FACILITIES						
Businesses at end June	no.	846	^ 207	^ 32	*7	1 092
	%	77.5	18.9	2.9	0.6	100.0
Employment at end June	no.	7 452	^ 5 824	^ 2 229	*1 265	16 770
	%	44.4	34.7	13.3	7.5	100.0
Income from sale of liquor and other beverages	\$m	557.3	413.6	^ 133.0	*90.6	1 194.6
	%	46.7	34.6	11.1	7.6	100.0
Gambling income	\$m	..	..	..	..	..
	%
Total income	\$m	723.2	533.3	^ 175.2	*117.5	1 549.2
	%	46.7	34.4	11.3	7.6	100.0
Operating profit before tax	\$m	^ 23.6	37.8	*14.3	**6.8	82.5
	%	28.6	45.8	17.3	8.2	100.0
Operating profit margin	%	^ 3.3	7.1	^ 8.2	**5.8	5.4
.....						
ALL BUSINESSES						
Businesses at end June	no.	2 247	935	^ 225	^ 46	3 454
	%	65.1	27.1	6.5	1.3	100.0
Employment at end June	no.	21 933	27 911	^ 15 127	16 704	81 675
	%	26.9	34.2	18.5	20.5	100.0
Income from sale of liquor and other beverages	\$m	1 905.0	2 164.2	1 101.0	1 535.9	6 706.1
	%	28.4	32.3	16.4	22.9	100.0
Gambling income	\$m	^ 761.3	894.7	^ 492.3	554.8	2 703.1
	%	28.2	33.1	18.2	20.5	100.0
Total income	\$m	3 106.0	3 636.7	1 924.9	2 446.7	11 114.3
	%	27.9	32.7	17.3	22.0	100.0
Operating profit before tax	\$m	277.2	313.5	128.5	65.0	784.2
	%	35.3	40.0	16.4	8.3	100.0
Operating profit margin	%	^ 9.0	8.7	6.7	2.7	7.1
.....						

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution
 * estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use
 .. not applicable

CHAPTER 2

CLUBS (HOSPITALITY)

INTRODUCTION

This chapter presents results of the 2004–05 Clubs (Hospitality) Survey. This survey is conducted periodically by the ABS to provide detailed measures of the performance, structure and activity of hospitality club organisations operating in Australia. It includes aspects such as: the composition of income earned, details of expenses incurred and the characteristics of the workforce. A state/territory dimension is also presented.

The survey scope included significant employing and non-employing organisations in Australia that generated income predominantly from the provision of hospitality services (drinking facilities, gambling, meals and other hospitality services) to members. As such, clubs whose main activity was the provision of sporting services were not included within the scope of this industry.

As gambling services are an important aspect of hospitality clubs, this chapter presents data dissected by clubs with gambling facilities and clubs without gambling facilities. Clubs with gambling facilities are those providing either poker/gaming machines, TAB facilities and/or Keno services to patrons.

SUMMARY OF FINDINGS

At the end of June 2005, there were 2,116 hospitality clubs operating in Australia. Of the 2,310 premises, 995 (43.1%) were located in capital cities and suburbs and 1,315 (56.9%) were located in non-metropolitan areas. The 2,116 organisations comprised 1,816 clubs with gambling facilities and 300 clubs without gambling facilities.

During 2004–05, income generated by hospitality clubs was \$7,374.7m which represented an average of \$3.5m per organisation. Total expenses incurred for the same period were \$6,763.9m.

In 2004–05, hospitality clubs provided 114,082 paid live performances.

The total industry value added by these organisations was \$4,086.1m, which is the equivalent of 0.5% of Australia's GDP for 2004–05.

Hospitality clubs in Australia recorded an operating profit/surplus before tax of \$612.7m, which represented an operating profit/surplus margin of 8.4%.

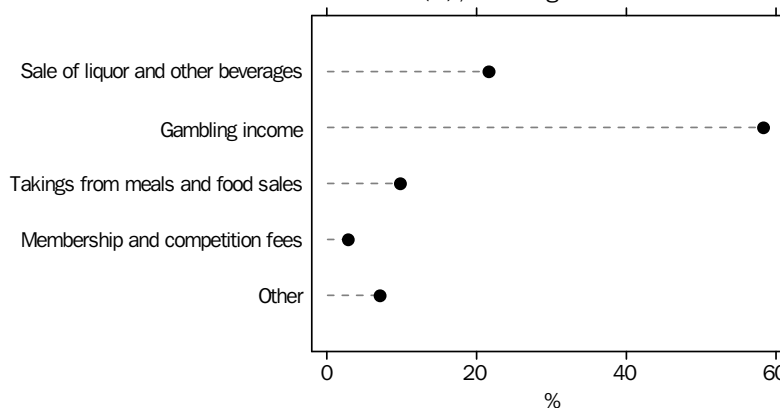
SOURCES OF INCOME ALL ORGANISATIONS

The total income of hospitality clubs in Australia was \$7,374.7m in 2004–05. It should be noted that income in 2004–05 excluded GST paid by consumers to hospitality clubs.

The graph overleaf shows that the main source of income for hospitality clubs was from gambling (\$4,305.1m or 58.4% of total income). Other major income items were sales of liquor and other beverages, which accounted for 21.7% (\$1,600.8m) of total income, and takings from sales of meals and food, which accounted for 9.9% (\$726.4m).

ALL ORGANISATIONS
continued

SELECTED SOURCES OF INCOME (a), All organisations



(a) As a percentage of total income.

Other major sources of income included membership fees (\$210.4m), casual playing fees (\$82.7m), sponsorship and fundraising (\$80.2m), rent, leasing and hiring (\$58.1m) and interest income (\$44.7m).

ORGANISATIONS WITH
GAMBLING FACILITIES

In 2004–05, the total income of hospitality clubs with gambling facilities was \$7,103m. Gambling income accounted for 60.6% of the total income for these organisations. Nearly all the gambling income was generated by poker/gaming machines (\$4,221.8m or 98.1%), with the remainder of gambling income received as commissions for the provision of Keno and TAB facilities (1.4% and 0.6% respectively). Other important sources of income for hospitality clubs with gambling facilities included sales of liquor and other beverages (\$1,503.6m) and takings from meals and food (\$664.9m).

ORGANISATIONS WITHOUT
GAMBLING FACILITIES

The total income for hospitality clubs without gambling facilities was \$271.8m during 2004–05. Income from sales of liquor and other beverages (\$97.2m), takings from sales of meals and food (\$61.5m) and income from membership fees (\$60.6m) were the main sources of income for these organisations.

EXPENDITURE
ALL ORGANISATIONS

Hospitality clubs incurred \$6,763.9m in expenses during 2004–05. Labour costs represented the largest single expense item (\$2,121.6m or 31.4% of total expenses) which represented an average cost per employee of \$33,300.

Other major expense items were poker/gaming machine and other gambling taxes and levies (\$1,104m), purchases of liquor and other beverages (\$731.2m), depreciation and amortisation (\$548.9m), purchases of foodstuffs used in preparing meals (\$329.4m), advertising, marketing and promotional expenses (\$285.3m) and repair and maintenance expenses (\$203.3m).

ORGANISATIONS WITH
GAMBLING FACILITIES

The total expenses of hospitality clubs with gambling facilities were \$6,497.1m in 2004–05. The main expense item for these organisations was labour costs (\$2,022.6m), poker/gaming machine and other gambling taxes and levies (\$1,104m) and purchases of liquor and other beverages (\$685.9m).

**ORGANISATIONS WITHOUT
GAMBLING FACILITIES**

The total expenses of hospitality clubs without gambling facilities were \$266.9m. The main contributors to total expenses incurred by these organisations in 2004–05 were labour costs (\$98.9m), purchases of liquor and other beverages (\$45.4m) and purchases of foodstuffs used in preparing meals (\$26.6m).

EMPLOYMENT**ALL ORGANISATIONS**

At the end of June 2005, there were 63,734 persons employed in hospitality clubs. Of the total employment, 30,897 persons (48.5%) were casual employees, 21,060 persons (33%) were permanent full-time employees and 11,777 persons (18.5%) were employed in a permanent part-time capacity. Female employees accounted for 54.8% of total employees, 39.9% of permanent full-time employees, 65.8% of permanent part-time employees and 60.8% of casuals.

**ORGANISATIONS WITH
GAMBLING FACILITIES**

The total number of employees in clubs with gambling facilities was 60,200 persons or 94.5% of total employment in all hospitality clubs. Clubs with gambling facilities had 19,798 persons employed in a permanent full-time capacity, 11,586 persons employed on a permanent part-time basis and 28,815 persons employed on a casual basis. Of the total number of employees, 23,813 (37.4%) were licensed gaming staff.

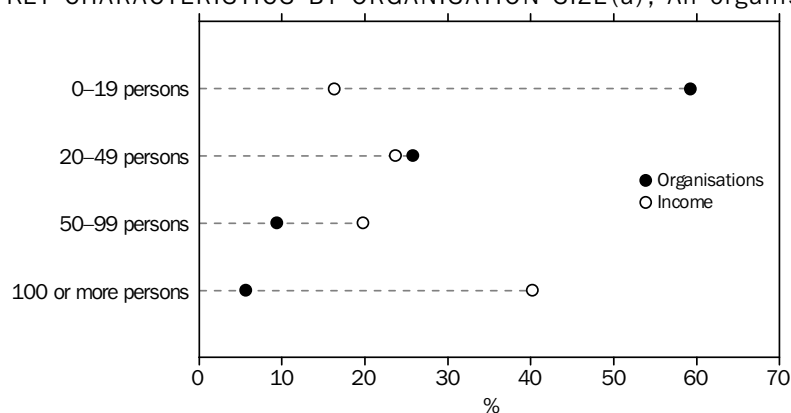
**ORGANISATIONS WITHOUT
GAMBLING FACILITIES**

In comparison, there were 3,534 persons employed in clubs without gambling facilities in 2004–05. Over one-third of all persons employed were female casual employees who accounted for 36.8% of the total employment in these organisations.

**SIZE OF ORGANISATIONS
ALL ORGANISATIONS**

The majority (59.2% or 1,252) of hospitality club organisations employed fewer than 20 persons. These small organisations accounted for 18.7% of total employment in hospitality club services, 30.6% of income from sales of liquor and other beverages, 10.9% of gambling income and 16.3% of total income.

In comparison, there were 120 organisations which recorded employment of 100 or more persons. These large organisations accounted for 34.4% of total employment in hospitality clubs, 24.3% of income generated from sales of liquor and other beverages, 47.3% of gambling income and 40.2% of total income.

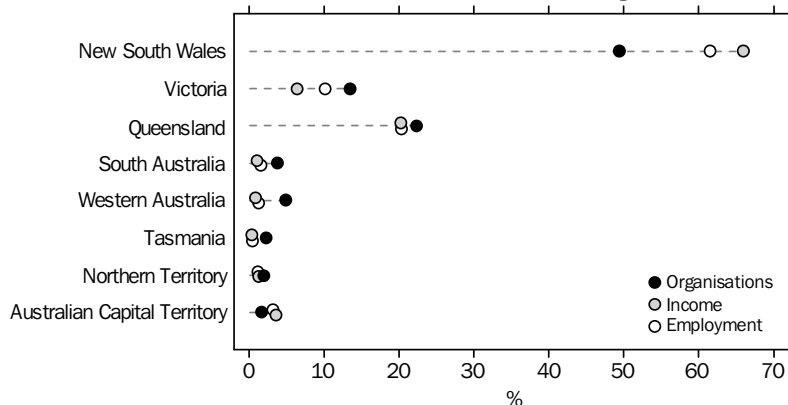
KEY CHARACTERISTICS BY ORGANISATION SIZE(a), All organisations

(a) as a percentage of total for each size category.

STATES AND TERRITORIES
ALL ORGANISATIONS

The following graph shows that New South Wales accounted for the highest share of key business activity – business counts, income and employment.

STATE AND TERRITORY COMPARISONS (a), All organisations



(a) As a percentage of total for each state/territory.

New South Wales accounted for just under half of all hospitality clubs (49.4%), while Queensland accounted for 22.4% and Victoria accounted for 13.5%. New South Wales accounted for two-thirds of all income (65.9%), while Queensland accounted for 20.3% and Victoria 6.5%.

Employment in New South Wales comprised 61.5% of all employment, while Queensland had 20.4% of all employment. Victoria had 10.2% of all employment.

HISTORICAL
COMPARISONS

Comparisons with results from earlier surveys are useful as an indication of the extent of change over time. However, the survey was not designed to provide highly accurate estimates of change, so any comparisons with results from previous surveys should be made with caution. Estimates of change can be subject to changes in scope and coverage or question wording, or high levels of sampling error. Further information can be found in paragraphs 19–21 of the Explanatory Notes.

Taking into consideration these limitations, the 2004–05 survey results indicate that hospitality club organisations experienced growth between 2000–01 and 2004–05 financial years. Income grew by an average 5.1% per year since 2000–01 while expenditure grew at the rate of 4.5% per year for the same period. Operating profit before tax grew at an average annual rate of 13.3% per year (from \$372.1m in 2000–01 to \$612.7m in 2004–05).

2.1 CLUBS (HOSPITALITY), Summary of operations

		Organisations with gambling facilities	Organisations without gambling facilities	All organisations
Organisations at end June	no.	1 816	^ 300	2 116
Premises at end June				
Capital cities and suburbs	no.	804	^ 191	995
Other	no.	1 204	^ 111	1 315
Total	no.	2 008	^ 302	2 310
Premises at end June				
With poker/gaming machines	no.	1 897	. .	1 897
With Keno	no.	1 452	. .	1 452
With TAB betting facilities	no.	979	. .	979
Paid live performances	no.	111 122	*2 960	114 082
Employment at end June				
Licensed gaming staff	no.	23 813	. .	23 813
Other	no.	36 387	3 534	39 922
Total	no.	60 200	3 534	63 734
Income				
Sale of liquor and other beverages	\$m	1 503.6	^ 97.2	1 600.8
Gambling income	\$m	4 305.1	. .	4 305.1
Takings from meals and food sales	\$m	664.9	^ 61.5	726.4
Other	\$m	629.3	^ 113.1	742.4
Total	\$m	7 103.0	271.8	7 374.7
Expenses				
Labour costs	\$m	2 022.6	^ 98.9	2 121.6
Poker/gaming machine and other gambling taxes and levies(a)	\$m	1 104.0	. .	1 104.0
Purchases	\$m	1 053.4	79.4	1 132.8
Other	\$m	2 694.5	88.5	2 783.0
Total(b)	\$m	6 497.1	266.9	6 763.9
Operating profit/surplus before tax	\$m	607.2	**5.5	612.7
Operating profit/surplus margin	%	8.7	**2.1	8.4
Industry value added	\$m	3 967.6	^ 118.4	4 086.1

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution . . not applicable

(a) Includes GST.

* estimate has a relative standard error of 25% to 50% and should be used with caution (b) As total expenses do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

2.2 CLUBS (HOSPITALITY), Historical comparisons

		ORGANISATIONS WITH GAMBLING FACILITIES		ORGANISATIONS WITHOUT GAMBLING FACILITIES		ALL ORGANISATIONS	
		2000-01(a)	2004-05	2000-01(a)	2004-05	2000-01(a)	2004-05
Income							
Sale of liquor and other beverages	\$m	1 207.2	1 503.6	^ 38.5	^ 97.2	1 245.7	1 600.8
Gambling income	\$m	3 810.4	4 305.1	. .	. .	3 810.4	4 305.1
Takings from meals and food sales	\$m	498.7	664.9	^ 31.2	^ 61.5	529.9	726.4
Other	\$m	399.0	629.3	^ 51.2	^ 113.1	450.2	742.4
<i>Total</i>	\$m	5 915.3	7 103.0	^ 120.9	271.8	6 036.2	7 374.7
Expenses							
Labour costs	\$m	1 658.0	2 022.6	^ 44.2	^ 98.9	1 702.2	2 121.6
Poker/gaming machine and other gambling taxes and levies(b)	\$m	766.7	1 104.0	. .	. .	766.7	1 104.0
Purchases	\$m	867.8	1 053.4	^ 34.8	79.4	902.6	1 132.8
Other	\$m	2 255.5	2 694.5	^ 38.8	88.5	2 294.3	2 783.0
<i>Total(c)</i>	\$m	5 548.0	6 497.1	^ 117.8	266.9	5 665.8	6 763.9
Operating profit/surplus before tax	\$m	368.4	607.2	*3.7	**5.5	372.1	612.7
Operating profit/surplus margin	%	6.2	8.7	*3.1	**2.1	6.2	8.4
Industry value added	\$m	3 033.8	3 967.6	^ 64.0	^ 118.4	3 097.8	4 086.1

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

. . not applicable

(a) Data for 2000-01 have been recalculated on a comparable basis to 2004-05 data. For more information see Explanatory Notes paragraph 20.

(b) Includes GST.

(c) As total expenses for 2004-05 do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

2.3 CLUBS (HOSPITALITY), Sources of income

	ORGANISATIONS WITH GAMBLING FACILITIES		ORGANISATIONS WITHOUT GAMBLING FACILITIES		ALL ORGANISATIONS	
	<i>Proportion of total income</i>		<i>Proportion of total income</i>		<i>Proportion of total income</i>	
	<i>Income</i>	<i>%</i>	<i>Income</i>	<i>%</i>	<i>Income</i>	<i>%</i>
	\$m	%	\$m	%	\$m	%
Sale of liquor and other beverages	1 503.6	21.2	^ 97.2	35.8	1 600.8	21.7
Gambling income						
Net takings from poker/gaming machines	4 016.4	56.5	..	..	4 016.4	54.5
Commission/venue share from poker/gaming machines	205.4	2.9	..	..	205.4	2.8
Commissions from TAB	25.1	0.4	..	..	25.1	0.3
Commissions from Keno	58.2	0.8	..	..	58.2	0.8
<i>Total</i>	4 305.1	60.6	..	..	4 305.1	58.4
Takings from meals and food sales	664.9	9.4	^ 61.5	22.6	726.4	9.9
Takings from accommodation	55.1	0.8	*8.4	3.1	63.5	0.9
Membership and competition fees						
Sporting membership and competition fees	89.9	1.3	^ 16.5	6.1	106.4	1.4
Other membership fees	60.0	0.8	^ 44.1	16.2	104.1	1.4
<i>Total</i>	149.9	2.1	60.6	22.3	210.4	2.9
Casual playing fees	^ 78.5	1.1	^ 4.3	1.6	^ 82.7	1.1
Spectator admissions to sporting events	^ 2.9	—	0.2	0.1	^ 3.1	—
Advertising income	^ 2.5	—	^ 0.2	0.1	^ 2.7	—
Rent, leasing and hiring						
Sporting venues and facilities	^ 7.3	0.1	^ 2.7	1.0	9.9	0.1
Other	^ 39.9	0.6	^ 8.2	3.0	48.1	0.7
<i>Total</i>	^ 47.2	0.7	^ 10.9	4.0	58.1	0.8
Government funding						
Commonwealth government	np	np	np	np	1.9	—
State/territory government	np	np	np	np	4.3	0.1
Local government	np	np	np	np	*0.5	—
<i>Total</i>	^ 5.9	0.1	*0.8	0.3	6.7	0.1
Sponsorship and fundraising						
Financial sponsorships	14.1	0.2	^ 1.0	0.4	15.1	0.2
In-kind sponsorships	*1.0	—	*0.2	0.1	*1.2	—
Donations/bequests	^ 2.9	—	*0.6	0.2	3.5	—
Other	58.5	0.8	*2.0	0.7	60.4	0.8
<i>Total</i>	76.4	1.1	^ 3.8	1.4	80.2	1.1
Other grants, distributions and affiliation fees	^ 6.1	0.1	^ 0.4	0.2	^ 6.5	0.1
Interest	41.9	0.6	^ 2.7	1.0	44.7	0.6
Other	163.0	2.3	*20.8	7.7	183.7	2.5
Total	7 103.0	100.0	271.8	100.0	7 374.7	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

.. not applicable

— nil or rounded to zero (including null cells)

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

2.4 CLUBS (HOSPITALITY), Items of expenditure

	ORGANISATIONS WITH GAMBLING FACILITIES		ORGANISATIONS WITHOUT GAMBLING FACILITIES		ALL ORGANISATIONS	
	Expense	Proportion of total expenses	Expense	Proportion of total expenses	Expense	Proportion of total expenses
		\$m		%		\$m	%	$m	%
Labour costs						
Wages and salaries	1 733.0	26.7	^ 87.0	32.6	1 820.0	26.9
Employer contributions to superannuation funds(a)	146.8	2.3	^ 7.3	2.7	154.1	2.3
Workers' compensation costs	65.8	1.0	2.5	0.9	68.3	1.0
Fringe benefits tax	8.1	0.1	0.2	0.1	8.2	0.1
Payroll tax	69.0	1.1	*2.0	0.8	71.0	1.0
<i>Total</i>	<i>2 022.6</i>	<i>31.1</i>	<i>^ 98.9</i>	<i>37.1</i>	<i>2 121.6</i>	<i>31.4</i>
Purchases						
Liquor and other beverages	685.9	10.6	45.4	17.0	731.2	10.8
Foodstuffs used in preparing meals	302.8	4.7	^ 26.6	10.0	329.4	4.9
Merchandise/goods for resale	19.5	0.3	4.9	1.8	24.5	0.4
Other	45.2	0.7	*2.6	1.0	47.8	0.7
<i>Total</i>	<i>1 053.4</i>	<i>16.2</i>	<i>79.4</i>	<i>29.8</i>	<i>1 132.8</i>	<i>16.7</i>
Poker/gaming machine and other gambling taxes and levies(b)	1 104.0	17.0	. .	. .	1 104.0	16.3
Repair and maintenance	193.8	3.0	9.5	3.6	203.3	3.0
Rent, leasing and hiring						
Sporting venues, facilities and equipment	^ 34.1	0.5	^ 0.4	0.1	^ 34.5	0.5
Other	108.3	1.7	*3.2	1.2	111.5	1.6
<i>Total</i>	<i>142.5</i>	<i>2.2</i>	<i>*3.5</i>	<i>1.3</i>	<i>146.0</i>	<i>2.2</i>
Advertising, marketing and promotion	283.5	4.4	^ 1.7	0.6	285.3	4.2
Sponsorship	27.3	0.4	0.2	0.1	27.5	0.4
Grants, distributions and affiliation fees paid to other organisations	98.3	1.5	1.2	0.5	99.5	1.5
Electricity, gas and water	135.3	2.1	7.1	2.6	142.4	2.1
Travelling, accommodation and entertainment	24.6	0.4	0.9	0.3	25.5	0.4
Land tax and land rates	32.5	0.5	^ 3.1	1.2	35.6	0.5
Payments to employment agencies for staff	^ 8.8	0.1	1.8	0.7	^ 10.6	0.2
Contract payments to professional sports persons	^ 8.4	0.1	**0.1	—	^ 8.5	0.1
Other contract, subcontract and commission expenses	155.4	2.4	^ 7.2	2.7	162.6	2.4
Insurance premiums						
Professional indemnity	10.1	0.2	^ 0.8	0.3	10.9	0.2
Public liability	38.4	0.6	^ 1.9	0.7	40.3	0.6
Other	55.7	0.9	^ 3.0	1.1	58.7	0.9
<i>Total</i>	<i>104.2</i>	<i>1.6</i>	<i>5.7</i>	<i>2.1</i>	<i>109.9</i>	<i>1.6</i>
Interest	101.5	1.6	5.4	2.0	106.9	1.6
Depreciation and amortisation	535.3	8.2	^ 13.7	5.1	548.9	8.1
Other	843.2	13.0	27.4	10.3	870.6	12.9
Total(c)	6 497.1	100.0	266.9	100.0	6 763.9	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

. . not applicable

— nil or rounded to zero (including null cells)

(a) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

(b) Includes GST.

(c) As total expenses do not include the GST paid on gambling products, total expenses will not be equal to the sum of the components.

2.5

CLUBS (HOSPITALITY), Characteristics of employment

	<u>Males</u>		<u>Females</u>		<u>Persons</u>	
	no.	%	no.	%	no.	%
ORGANISATIONS WITH GAMBLING FACILITIES						
Employees at end June 2005						
Permanent full-time	11 839	43.6	7 959	24.1	19 798	32.9
Permanent part-time	3 989	14.7	7 597	23.0	11 586	19.2
Casuals	11 343	41.7	17 472	52.9	28 815	47.9
Total	27 172	100.0	33 028	100.0	60 200	100.0
Licensed gaming staff(a)	na	na	na	na	23 813	39.6
Total employees at end(b)						
March 2005	na	na	na	na	59 115	..
December 2004	na	na	na	na	59 168	..
September 2004	na	na	na	na	58 322	..
ORGANISATIONS WITHOUT GAMBLING FACILITIES						
Employees at end June 2005						
Permanent full-time	^ 816	49.7	^ 446	23.5	^ 1 262	35.7
Permanent part-time	*41	2.5	*150	7.9	*191	5.4
Casuals	^ 783	47.8	1 299	68.6	2 082	58.9
Total	^ 1 641	100.0	1 894	100.0	3 534	100.0
Licensed gaming staff(a)	..	..	..	..	..	..
Total employees at end(b)						
March 2005	na	na	na	na	3 147	..
December 2004	na	na	na	na	3 265	..
September 2004	na	na	na	na	3 274	..
ALL ORGANISATIONS						
Employees at end June 2005						
Permanent full-time	12 655	43.9	8 405	24.1	21 060	33.0
Permanent part-time	4 031	14.0	7 746	22.2	11 777	18.5
Casuals	12 127	42.1	18 771	53.8	30 897	48.5
Total	28 813	100.0	34 922	100.0	63 734	100.0
Licensed gaming staff(a)	na	na	na	na	23 813	37.4
Total employees at end(b)						
March 2005	na	na	na	na	62 262	..
December 2004	na	na	na	na	62 433	..
September 2004	na	na	na	na	61 596	..

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

.. not applicable

na not available

(a) Licensed gaming staff are included in the employment estimates reported elsewhere in the table.

(b) During last pay period ending in the month indicated.

2.6 CLUBS (HOSPITALITY), States and territories

		New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory	Australia
ORGANISATIONS WITH GAMBLING FACILITIES										
Organisations at end June	no.	1 011	206	440	42	*32	^ 20	np	np	1 816
	%	55.7	11.3	24.2	2.3	1.7	1.1	np	np	100.0
Employment at end June	no.	38 237	5 944	12 266	728	**261	^ 146	np	np	60 200
	%	63.5	9.9	20.4	1.2	0.4	0.2	np	np	100.0
Gambling income	\$m	3 075.3	208.9	779.2	^ 27.7	*0.7	1.8	35.5	176.0	4 305.1
	%	71.4	4.9	18.1	0.6	—	—	0.8	4.1	100.0
Total income	\$m	4 804.2	427.6	1 433.0	^ 65.5	**16.7	11.2	np	np	7 103.0
	%	67.6	6.0	20.2	0.9	0.2	0.2	np	np	100.0
Operating profit/surplus before tax	\$m	415.3	^ 22.0	^ 149.0	*3.7	**−0.7	^ 0.5	np	np	607.2
	%	68.4	3.6	24.5	0.6	−0.1	0.1	np	np	100.0
ORGANISATIONS WITHOUT GAMBLING FACILITIES										
Organisations at end June	no.	33	*81	**35	*38	*72	^ 28	np	np	^ 300
	%	11.2	26.8	11.6	12.6	23.8	9.5	np	np	100.0
Employment at end June	no.	*934	^ 585	^ 740	318	^ 590	185	np	np	3 534
	%	26.4	16.5	20.9	9.0	16.7	5.2	np	np	100.0
Gambling income	\$m	..	..	..	..	..	..	..	..	..
	%
Total income	\$m	*58.3	^ 48.2	^ 65.3	^ 18.7	^ 46.8	18.4	np	np	271.8
	%	21.4	17.7	24.0	6.9	17.2	6.8	np	np	100.0
Operating profit/surplus before tax	\$m	**−1.5	^ 1.4	**2.0	1.1	*1.5	**0.2	np	np	**5.5
	%	−28.0	25.8	36.0	20.7	26.5	3.0	np	np	100.0
ALL ORGANISATIONS										
Organisations at end June	no.	1 044	287	475	80	103	48	43	^ 36	2 116
	%	49.4	13.5	22.4	3.8	4.9	2.3	2.0	1.7	100.0
Employment at end June	no.	39 170	6 529	13 006	1 047	851	331	750	2 051	63 734
	%	61.5	10.2	20.4	1.6	1.3	0.5	1.2	3.2	100.0
Gambling income	\$m	3 075.3	208.9	779.2	^ 27.7	*0.7	1.8	35.5	176.0	4 305.1
	%	71.4	4.9	18.1	0.6	—	—	0.8	4.1	100.0
Total income	\$m	4 862.5	475.9	1 498.4	84.2	63.5	29.6	92.2	268.5	7 374.7
	%	65.9	6.5	20.3	1.1	0.9	0.4	1.3	3.6	100.0
Operating profit/surplus before tax	\$m	413.7	^ 23.4	^ 151.0	*4.8	**0.8	^ 0.7	*2.3	16.0	612.7
	%	67.5	3.8	24.6	0.8	0.1	0.1	0.4	2.6	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

.. not applicable

— nil or rounded to zero (including null cells)

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

2.7

CLUBS (HOSPITALITY), Summary of operations by employment size

		0-19 persons	20-49 persons	50-99 persons	100 persons or more	Total
ORGANISATIONS WITH GAMBLING FACILITIES						
Organisations at end June	no.	1 010	501	np	np	1 816
	%	55.6	27.6	np	np	100.0
Employment at end June	no.	10 795	15 196	np	np	60 200
	%	17.9	25.2	np	np	100.0
Income from sale of liquor and other beverages	\$m	432.8	407.6	np	np	1 503.6
	%	28.8	27.1	np	np	100.0
Gambling income	\$m	467.8	937.1	864.3	2 035.9	4 305.1
	%	10.9	21.8	20.1	47.3	100.0
Total income	\$m	1 108.9	1 637.0	np	np	7 103.0
	%	15.6	23.0	np	np	100.0
Operating profit/surplus before tax	\$m	^ 61.3	^ 99.9	np	np	607.2
	%	10.1	16.5	np	np	100.0
Operating profit/surplus margin	%	^ 5.6	6.2	np	np	8.7
ORGANISATIONS WITHOUT GAMBLING FACILITIES						
Organisations at end June	no.	^ 242	^ 45	np	np	^ 300
	%	80.6	14.9	np	np	100.0
Employment at end June	no.	^ 1 143	^ 1 364	np	np	3 534
	%	32.3	38.6	np	np	100.0
Income from sale of liquor and other beverages	\$m	^ 57.5	^ 26.9	np	np	^ 97.2
	%	59.2	27.7	np	np	100.0
Gambling income	\$m	..	..	..	..	..
	%
Total income	\$m	^ 91.0	^ 108.4	np	np	271.8
	%	33.5	39.9	np	np	100.0
Operating profit/surplus before tax	\$m	**1.8	** -0.5	np	np	**5.5
	%	32.2	-8.7	np	np	100.0
Operating profit/surplus margin	%	**2.0	** -0.5	np	np	**2.1
ALL ORGANISATIONS						
Organisations at end June	no.	1 252	546	199	120	2 116
	%	59.2	25.8	9.4	5.6	100.0
Employment at end June	no.	11 938	16 560	13 320	21 917	63 734
	%	18.7	26.0	20.9	34.4	100.0
Income from sale of liquor and other beverages	\$m	490.3	434.5	287.4	388.7	1 600.8
	%	30.6	27.1	18.0	24.3	100.0
Gambling income	\$m	467.8	937.1	864.3	2 035.9	4 305.1
	%	10.9	21.8	20.1	47.3	100.0
Total income	\$m	1 199.9	1 745.3	1 463.9	2 965.6	7 374.7
	%	16.3	23.7	19.8	40.2	100.0
Operating profit/surplus before tax	\$m	^ 63.0	^ 99.4	135.6	314.7	612.7
	%	10.3	16.2	22.1	51.4	100.0
Operating profit/surplus margin	%	^ 5.4	^ 5.8	9.4	10.8	8.4

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

.. not applicable

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

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents results from an Australian Bureau of Statistics (ABS) survey of the activities of pub, tavern and bar businesses and hospitality club organisations for the reference year 2004–05. This is the sixth time the ABS has conducted this survey. Previous surveys were conducted in respect of the 1986–87, 1991–92, 1994–95, 1997–98 and 2000–01 financial years.

SCOPE

2 The scope of the 2004–05 Clubs, Pubs, Taverns and Bars Survey was significant employing and non-employing businesses on the ABS Business Register, classified to the Australian and New Zealand Standard Industrial Classification (ANZSIC) Classes 5720 – PUBS, TAVERNS AND BARS and 5740 – CLUBS (HOSPITALITY). For the purposes of these surveys significant employing and non-employing units were defined as those with turnover in 2004–05 of \$400,000 or more. Non-employing units were excluded from previous surveys.

3 The scope included pub, tavern and bar businesses in Australia that generated income predominantly from the provision of alcoholic beverages for consumption on the premises, or in selling alcoholic beverages for consumption on or off the premises (e.g. from bottle shops at such premises) and hospitality club organisations that generated income predominantly from the provision of hospitality services (i.e. drinking facilities, gambling, meals and other hospitality services) to members. Businesses mainly engaged in the provision of accommodation, retailing alcoholic beverages for consumption off the premises, or organisations mainly engaged in operating licensed clubs were excluded from these surveys.

STATISTICAL UNITS DEFINED ON THE ABS REGISTER

4 The ABS uses an economic statistics units model on the ABS Business Register to describe the characteristics of businesses, and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.

5 In mid-2002, to better use the information available as a result of The New Tax System, the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the Australian Taxation Office (ATO) Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

ATO Maintained Population

6 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures; therefore the unit registered for an ABN satisfies ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit is used as the economic statistics unit for all economic collections.

ABS Maintained Population

7 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists typically of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses:

ABS Maintained Population
continued

- **Enterprise Group:** This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.
- **Enterprise:** The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) more than one legal entity or business entity within the same Enterprise Group and in the same institutional subsector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia subsector).
- **Type of Activity Unit (TAU):** The TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar activities. When a minimum set of data items are available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.

8 For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

Comparison Over Time

9 Prior to the 2004–05 survey, the Clubs, Pubs, Taverns and Bars Survey used the management unit as the statistical unit. The statistical unit in the 2004–05 survey was the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN/TAU units concord with the management units used in previous surveys.

COVERAGE

10 The frame used for the Clubs, Pubs, Taverns and Bars Survey, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is updated monthly to take account of new businesses and businesses which have ceased employing.

IMPROVEMENTS TO
COVERAGE

11 Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS Business Register, and the omission of some businesses from the register. The majority of businesses affected, and to which the adjustments apply, are small in size.

12 Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the ABS Business Register. Adjustments of this type will continue to be applied in future periods.

13 For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (cat. no. 1357.0).

COMPARISON WITH OTHER
ABS STATISTICS

14 Annual industry data for clubs, pubs, taverns and bars are also published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Clubs, Pubs, Taverns and Bars* publications and users should exercise caution when making comparisons between the two sets of estimates.

15 The *Australian Industry* publication presents annual summary statistics at the ANZSIC class level. It shows the relative performance of each industry class, and allows patterns of change or growth to be analysed across particular segments of the Australian economy. The industry estimates presented in *Australian Industry* are used in the

COMPARISON WITH OTHER
ABS STATISTICS *continued*

compilation of the National Accounts, and in the derivation of economy-wide indicators such as GDP.

16 The *Clubs, Pubs, Taverns and Bars* publication supplements the annual industry summary statistics with a detailed examination of the performance, structure and activities of pub, tavern and bar businesses and hospitality club organisations for the reference year of the survey.

17 One reason the two sets of estimates vary relates to the use of different industry coding practices. For the *Australian Industry* publication, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN, or for more complex businesses, on the basis of information reported directly to the ABS (see Explanatory Notes paragraphs 4–8). On the other hand, *Clubs, Pubs, Taverns and Bars* presents estimates for ANZSIC Classes 5720 and 5740 based on detailed financial data reported in the survey.

18 Other differences in results relate to scope and coverage variations between the two surveys. All non-employed businesses were included in the scope of *Australian Industry*, however only significant employing and non-employed businesses were in scope of *Clubs, Pubs, Taverns and Bars* (see paragraphs 2–3 of the Explanatory Notes).

HISTORICAL COMPARISONS

19 While comparisons are made between the 2004–05 and 2000–01 survey results, the reader should bear in mind that the 2004–05 survey was not designed to support accurate estimates of change, and should exercise caution when comparing 2004–05 results to the 2000–01 results. The 2004–05 Clubs, Pubs, Taverns and Bars Survey has changed in scope from the 2000–01 survey. The following changes were made to the scope of the 2004–05 survey:

- inclusion of non-employed units with a turnover of over \$400,000
- use of a partial frame for employing units with a turnover of over \$400,000.

20 The 2000–01 financial aggregates have been recalculated on a comparable basis to the 2004–05 aggregates. Each item was recalculated as a proportion of the total using 2004–05 employing and non-employed units splits. This method assumes that every item has the same employing/non-employed split over both time periods. Estimates for individual income and expense items were recalculated using the same proportions estimated for employing units in 2000–01.

21 The inclusion of significant non-employed businesses in the 2004–05 Clubs, Pubs, Taverns and Bars Survey is estimated to have contributed an additional 3.9% to financial estimates for pubs, taverns and bars and 0.2% to financial estimates for hospitality clubs.

RELIABILITY OF DATA

22 When interpreting the results of a survey it is important to take into account factors that may affect the reliability of estimates. Such factors can be classified as either sampling or non-sampling error.

23 The estimates are based on information obtained from a randomly selected stratified sample of clubs, pubs, taverns and bars in the Australian business population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey (that is, if a census was conducted). One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

24 There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census was conducted and approximately 19 chances in 20 that the difference will be less than two SEs.

RELIABILITY OF DATA *continued*

25 Sampling variability can also be measured by the relative standard error (RSE), which is obtained by expressing the SE 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 sampling error in percentage terms, and this avoids the need to refer also to the size of the estimate. The following tables contain estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS FOR TABLE 1.1 PUBS, TAVERNS AND BARS, Summary of operations

	<i>Businesses with gambling facilities</i>	<i>Businesses without gambling facilities</i>	<i>All businesses</i>
	%	%	%
Businesses at end June	4.4	3.3	3.9
Premises at end June			
Capital cities and suburbs	4.3	1.3	3.1
Other	4.4	0.7	3.4
<i>Total</i>	3.6	0.6	2.6
Premises at end June			
With poker/gaming machines	2.8	. .	2.8
With Keno	5.3	. .	5.3
With TAB betting facilities	2.7	. .	2.7
Paid live performances	11.5	38.6	13.3
Employment at end June			
Licensed gaming staff	2.1	. .	2.1
Other	7.0	2.2	4.7
<i>Total</i>	5.0	2.2	3.8
Income			
Sale of liquor and other beverages	6.9	5.5	4.7
Gambling income	5.0	. .	5.0
Takings from meals and food sales	4.7	5.0	4.7
Other	8.9	13.4	9.4
<i>Total</i>	4.3	3.9	3.2
Expenses			
Labour costs	4.1	5.4	2.6
Poker/gaming machine and other gambling taxes and levies	4.3	. .	4.3
Purchases	6.5	3.7	5.2
Other	4.0	3.4	3.0
<i>Total</i>	4.6	3.8	3.4
Operating profit before tax	3.4	6.6	3.5
Operating profit margin	4.1	5.8	3.8
Industry value added	3.2	5.1	2.6

. . not applicable

RELATIVE STANDARD ERRORS FOR TABLE 2.1 CLUBS (HOSPITALITY), Summary of operations

	Organisations with gambling facilities	Organisations without gambling facilities	All organisations
	%	%	%
Organisations at end June	2.2	10.2	3.3
Premises at end June			
Capital cities and suburbs	0.4	17.2	3.6
Other	3.0	14.3	3.6
Total	1.9	10.1	2.9
Premises at end June			
With poker/gaming machines	2.0	. .	2.0
With Keno	4.3	. .	4.3
With TAB betting facilities	1.4	. .	1.4
Paid live performances	3.5	35.4	2.7
Employment at end June			
Licensed gaming staff	3.2	. .	3.2
Other	2.1	3.7	2.1
Total	1.5	3.7	1.4
Income			
Sale of liquor and other beverages	1.3	10.6	1.8
Gambling income	2.5	. .	2.5
Takings from meals and food sales	1.7	16.5	1.7
Other	5.2	10.5	4.6
Total	2.1	9.7	2.0
Expenses			
Labour costs	1.7	11.2	1.5
Poker/gaming machine and other gambling taxes and levies	2.6	. .	2.6
Purchases	1.4	9.0	1.9
Other	2.6	7.8	2.4
Total	2.0	8.9	1.8
Operating profit/surplus before tax	4.3	72.1	4.8
Operating profit/surplus margin	2.7	64.5	3.1
Industry value added	2.7	10.8	2.5

. . not applicable

RELIABILITY OF DATA *continued*

26 As an example of the above, an estimate of total income for pubs, taverns and bars during 2004–05 was \$11,114.3m and the RSE was estimated to be 3.2%, giving a SE of approximately \$355.7m. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$10,758.6m to \$11,470m would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$10,402.9m to \$11,825.7m.

27 The sampling variability for estimates at the state/territory level was higher than for Australian level aggregates. Within states/territories, the sampling variability, and therefore the RSEs of estimates for smaller states/territories are higher than for larger states. Survey estimates for the smaller states/territories should therefore be viewed with more caution than those for other states.

28 Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. For this survey, non-sampling error may result from such things as deficiencies in the register of businesses from which the sample was drawn, non-response, imperfections in reporting and/or errors made in compiling results. The extent to which non-sampling error affects the results of the survey is not precisely quantifiable. Every effort was made to minimise non-sampling error by careful design and testing of the questionnaire, efficient operating procedures and systems and

RELIABILITY OF DATA <i>continued</i>	<p>the use of appropriate methodology. Survey estimates subject to a high level of non-sampling error have been suppressed or provided with relevant cautions.</p> <p>29 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use.</p>
ROUNDING	<p>30 Where figures have been rounded, discrepancies may occur between the sum of the components and the total. Similar discrepancies may occur between a proportion or ratio, and the ratio of the separate components.</p>
REFERENCE PERIOD	<p>31 Data contained in the tables in this publication relate to pub, tavern and bar businesses and hospitality club organisations in Australia during the year ended June 2005. Financial estimates included the activity of any business or organisation that ceased or commenced operations during the year. Counts of businesses/organisations and premises included only those that were operating at 30 June 2005. Employment included only those persons working for a club, pub, tavern or bar during the last pay period ending in June 2005.</p>
ACKNOWLEDGMENT	<p>32 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the <i>Census and Statistics Act 1905</i>.</p>
DATA AVAILABLE ON REQUEST	<p>33 Inquiries about these statistics and more detailed statistics than those presented in this publication should be made by telephoning the contact shown on the front page.</p>

GLOSSARY

Advertising income	This item includes income received by an organisation for promotional and publicity campaigns aimed at bringing the activities of the organisation to the attention of consumers for the purpose of increasing sales.
Advertising, marketing and promotion expenses	Advertising expenses include all costs incurred by the business for promotional and publicity campaigns aimed at bringing the activities and services of the business to the attention of consumers for the purpose of increasing sales. Marketing expenses are the costs incurred in the long-range promotion of the business and its goods or services. Promotion expenses are those costs associated with generating public awareness of the business and/or its products.
Average annual percentage change	<p>A percentage change, p, from 2000–01 to 2004–05 is converted into an average annual change, a, as follows:</p> $a = (1 + p)^{1/4} - 1$ <p>The average annual percentage change is not an arithmetic average of the actual percentage changes from year to year. It is labelled the 'average' change because if any value increases by $a\%$ every year for four years, then at the end of the four years it will have grown by a total $p\%$.</p>
Capital cities and suburbs	Capital cities and suburbs are the metropolitan areas of Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Canberra and Darwin.
Casual employees	This item refers to employees who are not entitled to paid leave.
Casual playing fees	This item includes green fees and income from hire of equipment when charged as part of the playing fee. It excludes membership fees.
Commissions from Keno	This item includes commissions received by businesses acting as agents for the sale of Keno products.
Commissions from TAB	This item includes commissions received by businesses acting as agents for the sale of TAB products.
Commission/venue share from poker/gaming machines	This item includes income received by businesses for the operation of poker/gaming machines on their premises. Businesses receiving this commission are located in Victoria and Tasmania where the clubs, pubs, taverns or bars do not own the machines operated on their premises.
Commissions from vending machines and amusement machines	This item includes commissions received from vending machines and amusement machines owned by other entities.
Contract payments to professional sports persons	This expense items refers to payments made to a person in return for the provision of sports related services. This items includes payments made to sports persons by commission without a retainer.
Depreciation and amortisation	This item refers to regularly recurring financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
Electricity, gas and water charges	These charges relate to the consumption of electricity, gas and/or water during the normal operations of the business.

Employees	This item represents all employees on the payroll for the last pay period ending in June 2005. Employees absent on paid or prepaid leave are included. Subcontractors and persons solely paid by commission without a retainer are excluded.
Employer contributions to superannuation funds	This item represents the cost of the employer's contributions during the reference period, made on behalf of employees, including salary sacrificed amounts.
Employment at end June	This item represents all working proprietors and partners and employees on the payroll of the business during the last pay period ending in June 2005. Permanent, temporary and casual employees and employees absent on paid or prepaid leave are included. Non-salaried directors, self-employed persons such as consultants and contractors, persons paid by commission only and volunteers are excluded.
Fringe benefits tax	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associated employees) in connection with their employment.
Gambling income	This item refers to income from poker/gaming machines, TAB and Keno commissions.
Government funding	This item refers to project or program payments made by federal, state/territory or local government in the form of operational funds for ongoing operations and capital funds to purchase or improve equipment or property.
Grants, distribution and affiliation fees paid to other organisations	This item includes payments to in-house groups or clubs, affiliated sporting clubs, community groups in clubs and associations and peak bodies. It excludes sponsorship expenses and donations.
Income from sale of liquor and other beverages	This item includes beer, wine, spirits, and other beverages sold for consumption on the premises with or without meals, and for consumption off the premises.
Industry value added (IVA)	<p>IVA represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by businesses, in the selected industry, to gross domestic product.</p> <p>The derivation of IVA for market producers is as follows:</p> <p>sales and service income</p> <p><i>plus</i> funding from federal, state and/or local government for operational costs</p> <p><i>plus</i> capital work done for own use</p> <p><i>plus</i> closing inventories</p> <p><i>less</i> opening inventories</p> <p><i>less</i> intermediate input expenses</p> <p><i>less</i> capitalised purchases</p> <p><i>equals</i> IVA.</p> <p>Wage and salary expenses and most other labour costs are not taken into account in its calculation and nor are most insurance premiums, interest expenses or depreciation and a number of lesser expenses including bad debts, computer software expensed and state gambling taxes.</p> <p>The derivation of IVA for non-market producers is as follows:</p> <p>labour costs</p> <p><i>plus</i> depreciation</p> <p><i>plus</i> land tax</p> <p><i>plus</i> capital work done for own use</p> <p><i>less</i> capitalised purchases</p> <p><i>equals</i> IVA.</p> <p>However, it should be noted that IVA is not a measure of operating profit before tax.</p>

Insurance premiums	Insurance premiums are expenses incurred by a business/organisation in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	These are outflows of funds related to the cost of borrowing money.
Interest income	This item represents income earned through the lending out of funds owned by the business.
Labour costs	These include staff related costs such as wages and salaries (including moneys paid directly to freelancers via the payroll), fringe benefits tax and payroll tax, employer contributions to superannuation funds, workers' compensation premiums, and provision expenses for employee entitlements.
Land tax and land rates	Land tax is an annual tax assessed to the owner of the land. Land rates are annual charges levied by local government for the provision of local government services. This is a combination of these two items.
Licensed gaming staff	Licensed gaming staff refers to those employees employed as either gaming machine managers or gaming machine operators. They are normally approved or licensed by the relevant state board or department. This allows these employees to work within gaming areas containing poker and other gaming machines.
Net takings from poker/gaming machines	This item includes takings from poker/gaming machines net of payouts to players. For businesses operating in Victoria and Tasmania, it represents venue share or commission from poker/gaming machines. For businesses operating in other states or territories, it represents takings from poker/gaming machines net of payouts to players.
Operating profit/surplus before tax	This item is a measure of profit/surplus (or loss/deficit) during the reference period, taken before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (i.e. dividends paid, drawings). It is derived by subtracting total expenses from total income, and adding the difference between closing inventory and opening inventory for the period.
Operating profit/surplus margin	This represents the percentage of businesses' sales of goods and services which becomes profit/surplus after all operating expenses have been deducted. It is derived by expressing total operating profit/surplus before tax as a percentage of total sales of goods and services.
Other contract, subcontract and commission expenses	This item includes payments to other businesses and self-employed persons for work done or sales made on a contract or commission basis and not elsewhere covered.
Other grants, distributions and affiliation fees	This item includes affiliation fees received from related sporting clubs and organisations, payments from peak bodies and funding from international, national or state sporting bodies. It excludes funding from government, sponsorship and donations.
Paid live performances	This item represents appearances or gigs by any performer or group before a live audience.
Payments to employment agencies for staff	This item includes payment to employment agencies for procuring the services of staff. This is commonly a temporary contract between the client and the employment agency.
Payroll tax	Payroll tax is a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
Permanent full-time employees	This item refers to permanent employees who work 35 hours or more per week and were entitled to paid leave.
Permanent part-time employees	This item refers to permanent employees who work less than 35 hours per week and were entitled to paid leave.
Poker/gaming machine and other gambling taxes and levies	This expense item includes all taxes/levies paid to the government and funds transferred to government bodies in accordance with gambling regulations. These taxes and levies are paid by the owners of the poker/gaming machines and other gambling facilities.

Purchases	This includes purchases of liquor and other beverages, foodstuffs for use in preparing meals and takeaway food, merchandise/goods for resale and other non-capitalised purchases.
Rent, leasing and hiring expenses	Rent, leasing and hiring expenses are the costs for the rent, leasing (excluding finance leases) and hiring of land, buildings and other structures, sporting venues, facilities and equipment, vehicles, machinery and any other property from other businesses/organisations or individuals.
Rent, leasing and hiring income	Rent, leasing and hiring income is revenue derived from the renting, leasing or hiring of assets such as land, buildings, vehicles, machinery or equipment to other businesses or individuals.
Repair and maintenance expenses	This item includes costs associated with work undertaken on plant and machinery etc. to maintain normal business operations.
Sponsorship and fundraising income	This item includes income received from sponsors either on a financial or on a value-in-kind basis. The item also includes donations and bequests received and income from other fundraising sources such as raffles.
Sponsorship expenses	Sponsorship expenses are the costs incurred in the public support/promotion of sporting, arts or cultural activities.
Takings from accommodation	This item refers to income received from the provision of short-term accommodation. All takings from meals are excluded, including the meals component where meals and accommodation are a combined charge.
Takings from meals and food sales	This item includes the total income derived from the provision of bistro/restaurant services and snack bars owned and operated by the business/organisation.
Takings from subscriptions/membership fees	This item refers to the amount received in respect of participants and players' fees, social members and members' subscriptions.
Wages and salaries	This item refers to the gross wages and salaries (including capitalised wages and salaries) of all employees of the business. It includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included. Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer, are excluded.
Workers' compensation costs	Workers' compensation is a compulsory insurance cover taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of, or arising out of, employment.
Working proprietors and partners of unincorporated businesses	A working proprietor operates his or her own business (a sole proprietorship), while a partner, along with one or more other partners, operates a partnership. Working proprietors and partners are the owners of their business and as such, they are not considered to be employees of that business.

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ISBN 0 642 47820 1

RRP \$26.00