



GAMBLING INDUSTRIES AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) MON 28 JUNE 1999

CONTENTS

| | <i>page</i> |
|--|-------------|
| Notes | 2 |
| List of tables..... | 3 |
| Overview | 4 |
| | |
| SECTIONS | |
| 1 Gambling activities | 6 |
| 2 Gambling services industries..... | 12 |
| | |
| ADDITIONAL INFORMATION | |
| Explanatory notes | 20 |
| Glossary..... | 23 |

- For further information about these and related statistics, contact Annette Scott on Melbourne 03 9615 7977, or any ABS office shown on the back cover of this publication.

NOTES

ABOUT THIS PUBLICATION

This publication presents final results, in respect of the 1997–98 financial year, from an Australian Bureau of Statistics (ABS) survey of employing businesses in a range of industries involved in the provision of gambling services. This is the second ABS survey of gambling industries, with the previous collection being conducted in respect of 1994–95. This publication updates and expands on the preliminary results released in *Gambling Industries, Australia, Preliminary, 1997–98* (Cat. no. 8647.0).

This publication is one of a series to be issued in respect of 1997–98 covering the hospitality and gambling industries. Other publications in this series are:

Accommodation Industry, Australia, 1997–98

(Cat. no. 8695.0)—expected to be released 23 July 1999

Casinos, Australia, 1997–98 (Cat. no. 8683.0)—issued 17 December 1998

Clubs, Pubs, Taverns and Bars, Australia, 1997–98 (Cat. no. 8687.0)

—issued 24 June 1999

Gambling Industries, Australia, Preliminary, 1997–98 (Cat. no. 8647.0)

—issued 8 April 1999

COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future service industries surveys. These comments should be addressed to the Director, Service Industries Surveys, ABS, PO Box 10, Belconnen, ACT, 2616.

SYMBOLS AND OTHER USAGES

| | |
|--------|---|
| 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 available for publication but included in totals where applicable |
| PAYE | pay as you earn |
| r | figures revised since previous issue |
| RSE | relative standard error |
| SE | standard error |
| TAB | Totalisator Agency Board |
| * | subject to sampling variability too high for most practical purposes |
| ** | subject to sampling variability too high for practical purposes |
| . . | not applicable |
| — | nil or rounded to zero |

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

W. McLennan
Australian Statistician

LIST OF TABLES

| | | Page | |
|------------------------------|------------|---|----|
| GAMBLING ACTIVITIES | 1.1 | Businesses with gambling activity, by industry, 1994–95 and 1997–98 | 6 |
| | 1.2 | Net takings from gambling, by type of gambling and venue, 1994–95 and 1997–98 | 7 |
| | 1.3 | Gross and net takings from gambling, by type of gambling | 8 |
| | 1.4 | Businesses with gambling activity, by State and Territory | 9 |
| | 1.5 | Net takings from gambling per head of adult population, by State and Territory, 1994–95 and 1997–98 | 10 |
| | 1.6 | Gambling taxes and levies, by type of gambling | 11 |
| GAMBLING SERVICES INDUSTRIES | 2.1 | Sources of income and other key aggregates | 13 |
| | 2.2 | Items of expenditure | 14 |
| | 2.3 | Characteristics of employment, end June | 16 |
| | 2.4 | Main occupation of persons employed, end June | 17 |
| | 2.5 | Business size | 18 |
| | 2.6 | Selected performance ratios, lotteries and casinos | 19 |
| | 2.7 | Selected performance ratios, gambling services n.e.c. | 19 |

OVERVIEW

INTRODUCTION

Data in this publication are from a survey of employing businesses classified to the following Australian and New Zealand Standard Industrial Classification (ANZSIC) classes:

- Class 5720—Pubs, Taverns and Bars
- Class 5740—Clubs (hospitality)
- Class 9321—Lotteries
- Class 9322—Casinos
- Class 9329—Gambling Services n.e.c.

which derived some part of their income, in the form of takings or commissions, from the provision of gambling services.

There are other businesses providing minor gambling services, such as sporting clubs which have poker machines on their premises; newsagencies which sell lottery or lotto tickets; and non-employing gambling businesses, e.g. some bookmakers. These businesses were excluded from the survey, as they were not significant in terms of total gambling activity.

This publication presents two different statistical views of gambling as outlined below.

GAMBLING ACTIVITIES

Section 1 of the publication presents aggregates on the gambling activity for all employing businesses classified to the five ANZSIC classes listed above (i.e. regardless of the main activity of the business).

The main aggregates presented in respect of gambling activity are gross takings from gambling, net takings from gambling and commissions from gambling. Net takings from gambling represent gross gambling income minus the payments of prize money and winnings. Commissions from gambling may be received by businesses for acting as agents in the sale of lottery and lotto type tickets; as agents for TAB operators; and in some States for providing the venue for the operation of poker/gaming machines owned by another business.

GAMBLING ACTIVITIES

continued

The tables presented in respect of gambling activities are:

- counts of businesses providing gambling services classified by their predominant industry (table 1.1);
- net takings by type of gambling and venue of the activity (table 1.2);
- gross and net takings by type of gambling (table 1.3);
- net takings and commissions from gambling by State and Territory (table 1.4);
- net takings per head of adult population by State and Territory (table 1.5); and
- gambling taxes paid by type of gambling (table 1.6).

It should be noted in analysing the data, particularly tables 1.4 and 1.5, that they have been compiled on the basis of where the business operates (see paragraph 9 of the Explanatory Notes). As a result the net takings from gambling of a business in a particular State or Territory may not necessarily be sourced from residents of that State or Territory. For example, while businesses operating lotteries, lottos, football pools, etc. generally operate from one State, they have sales, usually through agencies, throughout Australia. Similarly, the net takings from gambling, particularly for casinos, will include a proportion attributable to overseas visitors.

GAMBLING SERVICES INDUSTRIES

Section 2 of the publication presents detailed information on employment, income, expenses and profitability of businesses whose predominant activity is the provision of gambling services and are classified to the following ANZSIC classes:

- Class 9321—Lotteries
- Class 9322—Casinos
- Class 9329—Gambling Services n.e.c.

This section excludes the activities of businesses classified to the pubs, taverns and bars industry and the clubs (hospitality) industry. Information about these industries are available in *Clubs, Pubs, Taverns and Bars, Australia, 1997–98* (Cat. no. 8687.0).

SECTION 1

INTRODUCTION

GAMBLING ACTIVITIES

At the end of June 1998, there were 7,072 employing businesses in the selected hospitality and gambling industries which were involved in the provision of gambling services, an increase of 9% since June 1995. The only industries with an increased number of businesses involved in the provision of gambling services were the pubs, taverns and bars industry (24%) and the clubs (hospitality) industry (12%).

1.1 BUSINESSES WITH GAMBLING ACTIVITY, BY INDUSTRY

| | 1994-95 | 1997-98 | Change |
|--------------------------|--------------|--------------|------------|
| | <i>no.</i> | <i>no.</i> | <i>%</i> |
| Pubs, taverns, and bars | 2 327 | 2 888 | 24.1 |
| Clubs (hospitality) | 2 144 | 2 408 | 12.3 |
| Casinos | 14 | 13 | -7.1 |
| Lotteries | 178 | 134 | -24.7 |
| Gambling services n.e.c. | 1 849 | 1 629 | -11.9 |
| Total | 6 512 | 7 072 | 8.6 |

NET TAKINGS FROM GAMBLING

The total net takings from gambling during 1997-98 were \$11,091 million, which represented a 42% increase on net takings in 1994-95. This increase represented a growth rate of 12% per year over the period.

Poker/gaming machines were the major source of net takings from gambling in 1997-98, accounting for \$6,401 million (an increase of 62% since 1994-95), which represents an increase of 17% per year over the three-year period. Poker/gaming machines accounted for 58% of total net takings from gambling in 1997-98 compared with 51% in 1994-95. While the net takings from poker/gaming machines for 1997-98 were highest in clubs (\$3,595 million), the greatest increase in net takings from poker/gaming machines since 1994-95 has occurred in casinos (104%) and pubs, taverns and bars (113%). The latter reflected the changed legislation in some States in respect of the operation of poker/gaming machines at clubs, pubs, taverns and bars.

Other major sources of net takings from gambling were:

- \$1,432 million net takings from casino gaming tables. These net takings have increased by 41% since 1994-95 and their contribution to total net takings from gambling has remained the same at 13%.
- \$1,430 million net takings from off-course TAB sales. The net takings from this source have increased by 8% since 1994-95 but the proportion of total net takings from gambling has decreased from 17% in 1994-95 to 13% in 1997-98.

NET TAKINGS FROM
GAMBLING *continued*

- \$1,179 million net takings from lotteries, lotto style games and football pools. This source represents 11% of the total net takings from gambling.

Other sources of net takings were instant money sales (\$246 million), club keno (\$176 million), on-course totalisator (\$129 million), bookmakers (\$65 million) and casino keno (\$33 million).

1.2 NET TAKINGS FROM GAMBLING, BY TYPE OF GAMBLING AND VENUE

| | 1994-95 | | 1997-98 | | Change |
|--|----------------|--------------|-----------------|--------------|-------------|
| | \$m | % | \$m | % | |
| Poker/gaming machines | | | | | |
| Clubs | 2 621.0 | 33.4 | 3 595.0 | 32.4 | 37.2 |
| Pubs, taverns and bars | 990.3 | 12.6 | 2 105.7 | 19.0 | 112.6 |
| Casinos | 343.6 | 4.4 | 700.1 | 6.3 | 103.8 |
| <i>Total</i> | 3 954.9 | 50.5 | 6 400.8 | 57.7 | 61.8 |
| On-course totalisator | 129.6 | 1.7 | 129.4 | 1.2 | -0.2 |
| Off-course TAB | | | | | |
| Thoroughbred, harness and greyhound betting | n.a. | .. | 1 416.5 | 12.8 | .. |
| Other gambling | n.a. | .. | 13.1 | 0.1 | .. |
| <i>Total</i> | 1 327.2 | 16.9 | 1 429.7 | 12.9 | 7.7 |
| Bookmakers | | | | | |
| On-course | | | | | |
| Thoroughbred, harness and greyhound betting | n.a. | .. | 49.6 | 0.4 | .. |
| Other gambling | n.a. | .. | 0.8 | 0.0 | .. |
| <i>Total</i> | n.a. | .. | 50.3 | 0.5 | .. |
| Off-course | | | | | |
| Thoroughbred, harness and greyhound betting | n.a. | .. | 4.7 | 0.0 | .. |
| Other gambling | n.a. | .. | 9.5 | 0.1 | .. |
| <i>Total</i> | n.a. | — | 14.2 | 0.1 | .. |
| <i>Total</i> | 44.2 | 0.6 | 64.5 | 0.6 | 45.9 |
| Lotteries, lotto style games, football pools, instant money and club keno | | | | | |
| Lotteries, lotto style games and football pools | n.a. | .. | 1 179.1 | 10.6 | .. |
| Instant money | n.a. | .. | 246.4 | 2.2 | .. |
| Club keno | n.a. | .. | 175.7 | 1.6 | .. |
| <i>Total</i> | 1 344.6 | 17.2 | 1 601.3 | 14.4 | 19.1 |
| Casino keno | 25.5 | 0.3 | 33.4 | 0.3 | 31.0 |
| Casino gaming tables | 1 012.7 | 12.9 | 1 431.6 | 12.9 | 41.4 |
| Total | 7 838.7 | 100.0 | 11 090.7 | 100.0 | 41.5 |

GROSS AND NET TAKINGS

Some sources of gambling are only measured on a net takings basis (i.e. poker/gaming machines, casino keno and casino table games) and therefore an average percentage of payouts cannot be derived. However, for all other sources of gambling the gross and net takings are available.

Of the sources of gambling measured, on-course bookmakers had the highest percentage payout at 96.3%. A similar percentage payout (95.2%) was recorded for off-course bookmakers.

For the major gambling activities, the on-course totalisator and off-course TAB recorded the highest payouts with 84.4% and 84.2% respectively. The gambling sources with the lowest percentage payouts were lotteries, lotto style games and football pools (56.1%) and instant money sales (59.1%).

1.3 GROSS AND NET TAKINGS FROM GAMBLING, BY TYPE OF GAMBLING

| | <i>Gross takings</i> | <i>Less payouts</i> | <i>Net takings</i> | <i>Payouts</i> |
|---|----------------------|---------------------|--------------------|----------------|
| | <i>\$m</i> | <i>\$m</i> | <i>\$m</i> | <i>%</i> |
| Poker/gaming machines | n.a. | n.a. | 6 400.8 | n.a. |
| On-course totalisator | 827.0 | 697.6 | 129.4 | 84.4 |
| Off-course TAB | | | | |
| Thoroughbred, harness and greyhound betting | 8 977.5 | 7 561.0 | 1 416.5 | 84.2 |
| Other gambling | 73.7 | 60.6 | 13.1 | 82.2 |
| <i>Total</i> | 9 051.2 | 7 621.6 | 1 429.7 | 84.2 |
| Bookmakers | | | | |
| On-course | | | | |
| Thoroughbred, harness and greyhound betting | 1 339.1 | 1 289.5 | 49.6 | 96.3 |
| Other gambling | 19.4 | 18.6 | 0.8 | 95.9 |
| <i>Total</i> | 1 358.5 | 1 308.2 | 50.3 | 96.3 |
| Off-course | | | | |
| Thoroughbred, harness and greyhound betting | 92.7 | 88.0 | 4.7 | 94.9 |
| Other gambling | 204.3 | 194.9 | 9.5 | 95.4 |
| <i>Total</i> | 297.0 | 282.8 | 14.2 | 95.2 |
| <i>Total</i> | 1 655.5 | 1 591.0 | 64.5 | 96.1 |
| Lotteries, lotto style games, football pools, instant money and club keno | | | | |
| Lotteries, lotto style games and football pools | 2 685.2 | 1 506.1 | 1 179.1 | 56.1 |
| Instant money | 602.1 | 355.7 | 246.4 | 59.1 |
| Club keno | 705.4 | 529.7 | 175.7 | 75.1 |
| <i>Total</i> | 3 992.7 | 2 391.4 | 1 601.3 | 59.9 |
| Casino keno | n.a. | n.a. | 33.4 | n.a. |
| Casino gaming tables | n.a. | n.a. | 1 431.6 | n.a. |
| Total | n.a. | n.a. | 11 090.7 | n.a. |

STATE AND TERRITORY
DIMENSION

The net takings from gambling of businesses operating in New South Wales (\$4,498 million) and Victoria (\$3,262 million) accounted for 70% of the total net takings from gambling. Net takings in New South Wales and Victoria were 41% and 29% of the total respectively, which was higher than their proportions of the Australian adult population of 34% and 25% respectively. In contrast, net takings from gambling in Western Australia accounted for only 6% of the total net takings, whereas it accounts for 10% of the Australian adult population.

The largest increases in net takings since 1994–95 have occurred in South Australia (66%) and Victoria (57%), which were both higher than the Australian increase of 42%, reflecting the greatly increased availability of poker/gaming machines in clubs, pubs, taverns and bars in those States.

There was also a large increase in the commissions received from gambling in Victoria, which increased from \$225 million in 1994–95 to \$460 million in 1997–98. The main component of these commissions is from poker/gaming machines, reflecting the system in Victoria where the clubs, pubs, taverns and bars receive commissions for providing the venue for poker/gaming machines which are operated by other businesses.

1.4 BUSINESSES WITH GAMBLING ACTIVITY, BY STATE AND TERRITORY(a)

| | NSW | Vic. | Qld | SA | WA | Tas. | NT | ACT | Aust. |
|---|---------|---------|---------|-------|-------|------|------|-------|-----------------|
| Businesses at end June | | | | | | | | | |
| 1995 (no.) | 3 411 | 956 | 1 231 | 363 | 243 | 147 | 68 | 95 | 6 512 |
| 1998 (no.) | 3 541 | 1 073 | 1 307 | 531 | 278 | 197 | 63 | 93 | 7 072 |
| Change (%) | 3.8 | 12.2 | 6.2 | 46.3 | 14.4 | 34.0 | -7.4 | -2.1 | 8.6 |
| Net takings from gambling | | | | | | | | | |
| 1994–95 (\$m) | 3 181.5 | 2 083.4 | 1 079.8 | 402.5 | 650.1 | n.p. | n.p. | 146.3 | 7 838.7 |
| 1997–98 (\$m) | 4 497.7 | 3 262.2 | 1 609.6 | 668.9 | 639.5 | n.p. | n.p. | 168.1 | 11 090.7 |
| Change (%) | 41.4 | 56.6 | 49.1 | 66.2 | -1.6 | n.p. | n.p. | 14.9 | 41.5 |
| Commissions from gambling | | | | | | | | | |
| 1994–95 (\$m) | 97.5 | 224.9 | 24.9 | 7.4 | 12.1 | n.p. | n.p. | 2.2 | 375.1 |
| 1997–98 (\$m) | 114.1 | 460.2 | 34.7 | 7.3 | 13.7 | n.p. | n.p. | 2.0 | 646.5 |
| Change (%) | 17.0 | 104.6 | 39.4 | -1.4 | 13.2 | n.p. | n.p. | -9.1 | 72.4 |
| Net takings and commissions from gambling | | | | | | | | | |
| 1994–95 (\$m) | 3 279.0 | 2 308.3 | 1 104.7 | 409.9 | 662.2 | n.p. | n.p. | 148.4 | 8 213.8 |
| 1997–98 (\$m) | 4 611.9 | 3 722.4 | 1 644.3 | 676.2 | 653.2 | n.p. | n.p. | 170.0 | 11 737.2 |
| Change (%) | 40.6 | 61.3 | 48.8 | 65.0 | -1.4 | n.p. | n.p. | 14.6 | 42.9 |

(a) Net takings from gambling by State and Territory have been compiled on the basis of the State or Territory in which the business operates.
See paragraph 9 of Explanatory Notes.

NET TAKINGS PER HEAD OF
ADULT POPULATION

Based on the Australian adult population of 14,032,609 at the end of June 1998, the \$11,091 million in net takings from gambling in 1997–98 represented a loss of \$790 per head of adult population during 1997–98, a 35% increase since 1994–95.

During 1997–98, the net takings from casino gaming tables from overseas premium and rated players were \$537 million. Adjusting for these net takings, reduced the average loss per head of Australian adult population to \$752. The impact of overseas players in casinos on the net takings per head of population will vary from State to State.

New South Wales (\$945 per adult) and Victoria (\$927 per adult) were well above the Australian average of \$790 per adult. The lowest expenditure per adult was recorded in Western Australia (\$472 per adult) reflecting the fact that Western Australia was the only State that did not have poker/gaming machines in clubs, pubs, taverns and bars.

The largest increase in gambling expenditure per adult since 1994–95 occurred in South Australia (63%) and Victoria (51%).

1.5 NET TAKINGS FROM GAMBLING PER HEAD OF ADULT POPULATION

| <i>State and Territory</i> | 1994–95 | 1997–98 | Change |
|------------------------------|--------------|--------------|-------------|
| | \$ | \$ | % |
| New South Wales | 695.8 | 944.5 | 35.7 |
| Victoria | 615.4 | 926.7 | 50.6 |
| Queensland | 450.1 | 629.4 | 39.8 |
| South Australia | 362.2 | 591.4 | 63.3 |
| Western Australia | 512.5 | 472.3 | -7.8 |
| Tasmania | n.p. | n.p. | n.p. |
| Northern Territory | n.p. | n.p. | n.p. |
| Australian Capital Territory | 656.7 | 734.4 | 11.8 |
| Australia | 583.8 | 790.4 | 35.4 |

GAMBLING TAXES AND
LEVIES

In 1997–98 businesses providing gambling services paid \$3,717 million in gambling taxes and levies. This represented 34% of the net takings from gambling of these businesses. The largest contributors by type of gambling were poker/gaming machines located in clubs, pubs, taverns and bars, with \$1,725 million or 46% of all gambling taxes and levies. Lotteries, lotto style games and football pools accounted for \$786 million in gambling taxes and levies.

1.6 GAMBLING TAXES AND LEVIES BY TYPE OF GAMBLING

| <i>Type of gambling</i> | <i>\$m</i> |
|--|----------------|
| Poker/gaming machines located in clubs, pubs, taverns and bars | 1 724.9 |
| TAB/totalisator sales | 550.0 |
| Bookmakers' turnover | 25.0 |
| Lotteries, lotto style games and football pools | 785.5 |
| Instant money sales | 160.0 |
| Club keno | 45.2 |
| Casinos(a) | 425.9 |
| Total | 3 716.6 |

(a) Includes taxes on poker machines located in casinos.

SECTION 2

GAMBLING SERVICES INDUSTRIES

INTRODUCTION

The gambling services industries are defined by the Australian and New Zealand Standard Industrial Classification (ANZSIC) as businesses whose predominant activity is the provision of gambling services and classified to the following ANZSIC classes:

- Class 9321—Lotteries—including lottery and lotto operators, lottery and lotto agencies, art union operators and club keno operators;
- Class 9322—Casinos; and
- Class 9329—Gambling Services n.e.c.—including TAB and totalisator operators, TAB agencies, bookmakers and sports betting shops.

This part of the publication, in tables 2.1–2.7, shows employment, income and expense details for each of these industries.

SUMMARY OF INCOME AND OTHER KEY AGGREGATES

Business numbers and employment

At 30 June 1998 there were 1,776 employing businesses in the gambling services industries, a fall of 13% since June 1995. These businesses employed 37,035 persons at the end of June 1998. This represented an increase of 16% since June 1995.

Income and operating profit

In 1997–98 businesses in the gambling industries generated a total income (net of payouts) of \$7,935 million, of which 91% was sourced from gambling. However, the proportion of gambling income to total income varied by industry. The gambling income of \$2,457 million in the lotteries industry and \$2,580 million in the gambling services n.e.c. industry was 97% and 96% respectively of total income.

In comparison, gambling income represented 80% of casino industry income, with the remaining 20% being attributable to the sale of liquor and other beverages, takings from accommodation and meals.

After expenses, the operating profit before tax of the gambling industries was \$419 million which represented an operating profit margin of 5.3%. The profit margin varied markedly from industry to industry, with the casino industry recording a negative operating profit margin of –10.8% while the lotteries industry recorded a profit margin of 8.6% and the gambling n.e.c. industry had a profit margin of 18.4%.

2.1 SOURCES OF INCOME AND OTHER KEY AGGREGATES

| | <i>Lotteries</i> | <i>Casinos</i> | <i>Gambling services n.e.c.</i> | Total |
|---|------------------|----------------|-------------------------------------|----------------|
| Businesses at end June | | | | |
| 1994-95 (no.) | 178 | 14 | 1 849 | 2 041 |
| 1997-98 (no.) | 134 | 13 | 1 629 | 1 776 |
| Change (%) | -24.7 | -7.1 | -11.9 | -13.0 |
| Total employment at end June | | | | |
| 1994-95 (no.) | 2 006 | 15 837 | 14 219 | 32 062 |
| 1997-98 (no.) | 2 782 | 20 531 | 13 722 | 37 035 |
| Change (%) | 38.7 | 29.6 | -3.5 | 15.5 |
| Net takings from gambling | | | | |
| 1994-95 (\$m) | 1 885.1 | 1 381.8 | r 1 909.5 | 5 176.4 |
| 1997-98 (\$m) | 2 440.3 | 2 165.1 | 2 480.8 | 7 086.2 |
| Change (%) | 29.5 | 56.7 | 29.9 | 36.9 |
| Commissions from gambling | | | | |
| 1994-95 (\$m) | 19.9 | 0.9 | 85.2 | 106.0 |
| 1997-98 (\$m) | 17.0 | 1.5 | 99.4 | 117.9 |
| Change (%) | -14.5 | 66.7 | 16.7 | 11.2 |
| Total income (net of payouts to players) | | | | |
| 1994-95 (\$m) | 2 039.9 | 1 650.5 | r 2 093.9 | 5 784.3 |
| 1997-98 (\$m) | 2 545.1 | 2 709.7 | 2 680.5 | 7 935.3 |
| Change (%) | 24.8 | 64.2 | 28.0 | 37.2 |
| Operating profit before tax | | | | |
| 1994-95 (\$m) | r 250.2 | 107.4 | r 405.4 | 762.9 |
| 1997-98 (\$m) | 217.2 | -287.9 | 489.7 | 419.0 |
| Change (%) | -13.2 | -368.2 | 20.8 | -45.1 |
| Operating profit margin | | | | |
| 1994-95 (%) | r 12.5 | 6.5 | r 19.6 | 13.4 |
| 1997-98 (%) | 8.6 | -10.8 | 18.4 | 5.3 |

EXPENDITURE

The total expenses (excluding gambling payouts) of the three gambling industries in 1997–98 were \$7,518 million.

The largest single item of expenditure was gambling taxes and levies of \$2,650 million which accounted for 35% of the total expenses.

Other major expenses included labour costs (\$989 million) and commission expenses paid to agencies (\$957 million), which each represented 13% of total expenses. Labour costs of the lotteries industry (\$79 million) and the gambling services n.e.c. industry (\$207 million) were a lower proportion of their respective industry total expenses at 3% and 9%, because most of the operators' gambling activities is carried out by agencies and not their own employees.

Other selected expenses of \$1,371 million were not separately itemised in the survey and the major components were abnormal expense items in the casino industry and payments to racing clubs for the gambling services n.e.c. industry.

2.2 ITEMS OF EXPENDITURE

| | Lotteries | | Casinos | | Gambling services n.e.c. | | Total | |
|--|----------------|--------------|----------------|--------------|-----------------------------|--------------|----------------|--------------|
| | \$m | % | \$m | % | \$m | % | \$m | % |
| Labour costs | | | | | | | | |
| Wages and salaries | 72.3 | 3.1 | 650.4 | 21.7 | 192.3 | 8.8 | 915.0 | 12.2 |
| Employer contributions to superannuation funds | 6.7 | 0.3 | 37.9 | 1.3 | 12.5 | 0.6 | 57.1 | 0.8 |
| Workers compensation | 0.4 | 0.0 | 15.0 | 0.5 | 1.7 | 0.1 | 17.1 | 0.2 |
| <i>Total</i> | 79.3 | 3.4 | 703.3 | 23.4 | 206.5 | 9.4 | 989.2 | 13.2 |
| Selected expenses | | | | | | | | |
| Gambling/gaming taxes/levies | 1 320.9 | 56.8 | 425.9 | 14.2 | 903.0 | 41.2 | 2 649.7 | 35.2 |
| Commission expenses paid to agencies | 535.8 | 23.1 | 0.0 | 0.0 | 420.7 | 19.2 | 956.6 | 12.7 |
| Rent, leasing and hiring expenses | 30.2 | 1.3 | 58.9 | 2.0 | 44.4 | 2.0 | 133.6 | 1.8 |
| Repair and maintenance | 19.3 | 0.8 | 19.7 | 0.7 | 14.9 | 0.7 | 53.9 | 0.7 |
| Advertising, marketing, promotion and sponsorship expenses | 88.1 | 3.8 | 458.8 | 15.3 | 26.6 | 1.2 | 573.5 | 7.6 |
| Other contract and subcontract expenses | 10.5 | 0.5 | 12.6 | 0.4 | 33.5 | 1.5 | 56.6 | 0.8 |
| Other selected expenses(a) | 132.0 | 5.7 | 808.8 | 26.9 | 430.4 | 19.6 | 1 371.2 | 18.2 |
| <i>Total</i> | 2 136.8 | 91.9 | 1 784.7 | 59.4 | 1 873.5 | 85.5 | 5 795.1 | 77.1 |
| Other costs | | | | | | | | |
| Depreciation and amortisation | 57.8 | 2.5 | 193.3 | 6.4 | 70.6 | 3.2 | 321.6 | 4.3 |
| Purchases | 42.4 | 1.8 | 142.7 | 4.8 | 27.3 | 1.2 | 212.4 | 2.8 |
| Interest expenses | 4.4 | 0.2 | 163.9 | 5.5 | 5.0 | 0.2 | 173.2 | 2.3 |
| Insurance premiums | 1.3 | 0.1 | 6.5 | 0.2 | 3.0 | 0.1 | 10.8 | 0.1 |
| Other | 2.4 | 0.1 | 8.5 | 0.3 | 5.0 | 0.2 | 16.0 | 0.2 |
| <i>Total</i> | 108.3 | 4.7 | 514.9 | 17.1 | 110.9 | 5.1 | 734.0 | 9.8 |
| Total | 2 324.5 | 100.0 | 3 002.9 | 100.0 | 2 190.9 | 100.0 | 7 518.2 | 100.0 |

(a) For the casino industry, includes abnormal items of \$329 million.

EMPLOYMENT

At the end of June 1998, total employment in the three industries was 37,035 persons, which represented an increase of 16% since the end of June 1995.

While most (58%) of the employees of the three industries worked on a permanent basis, the composition varied between the industries. The lotteries industry employed 1,547 (56%) persons and the casinos industry employed 15,920 (78%) persons on a permanent basis. However, the gambling services n.e.c. industry had proportionally far less permanent employees (30%). The gambling services n.e.c. industry was far more reliant on casual employees, employing 8,236 casuals which represented 60% of the industry's employment.

The large number of casuals in the gambling services n.e.c. industry is reflected in the average labour cost per employee for the industry of \$16,800, compared to the lotteries industry (\$29,200) and the casino industry (\$34,300).

In total, the employment gender mix was almost equal with 18,289 males and 18,746 females. However, most casual employees (64%) were females.

There were four broad categories of employment in the three industries at the end of June 1998:

- 5,763 managers, administrators and clerical staff, which accounted for 16% of total employment;
- 20,627 gambling services staff (56% of total employment)—the largest component of these staff were 8,542 licensed casino gaming staff;
- 5,692 food and beverage staff (15% of total employment), all of whom worked in the casino industry; and
- 4,449 other staff (12% of total employment), which included 1,072 security staff and 1,867 maintenance, cleaning and housekeeping staff.

2.3 CHARACTERISTICS OF EMPLOYMENT—END JUNE

| | <i>Males</i> | | <i>Females</i> | | <i>Persons</i> | |
|--|---------------|--------------|----------------|--------------|----------------|--------------|
| | <i>no.</i> | <i>%</i> | <i>no.</i> | <i>%</i> | <i>no.</i> | <i>%</i> |
| <i>Lotteries</i> | | | | | | |
| Working proprietors and partners | *55 | 5.3 | 12 | 0.7 | *67 | 2.4 |
| <i>Employees</i> | | | | | | |
| Permanent full-time employees | 716 | 69.0 | 644 | 36.9 | 1 360 | 48.9 |
| Permanent part-time employees | *26 | 2.5 | 162 | 9.3 | 187 | 6.7 |
| Casual employees | 241 | 23.2 | 927 | 53.1 | 1 168 | 42.0 |
| <i>Total employees</i> | 982 | 94.7 | 1 733 | 99.3 | 2 715 | 97.6 |
| <i>Total employment at end June 1998</i> | 1 037 | 100.0 | 1 745 | 100.0 | 2 782 | 100.0 |
| Total employment at end June 1995 | 752 | .. | 1 254 | .. | 2 006 | .. |
| <i>Casinos</i> | | | | | | |
| <i>Employees</i> | | | | | | |
| Permanent full-time employees | 7 771 | 68.2 | 4 941 | 54.1 | 12 712 | 61.9 |
| Permanent part-time employees | 1 429 | 12.5 | 1 779 | 19.5 | 3 208 | 15.6 |
| Casual employees | 2 194 | 19.3 | 2 417 | 26.5 | 4 611 | 22.5 |
| <i>Total employees</i> | 11 394 | 100.0 | 9 137 | 100.0 | 20 531 | 100.0 |
| <i>Total employment at end June 1998</i> | 11 394 | 100.0 | 9 137 | 100.0 | 20 531 | 100.0 |
| Total employment at end June 1995 | 8 447 | .. | 7 390 | .. | 15 837 | .. |
| <i>Gambling services n.e.c.</i> | | | | | | |
| Working proprietors and partners | 890 | 15.2 | 504 | 6.4 | 1 395 | 10.2 |
| <i>Employees</i> | | | | | | |
| Permanent full-time employees | 1 555 | 26.5 | 1 068 | 13.6 | 2 624 | 19.1 |
| Permanent part-time employees | 757 | 12.9 | 710 | 9.0 | 1 467 | 10.7 |
| Casual employees | 2 655 | 45.3 | 5 581 | 71.0 | 8 236 | 60.0 |
| <i>Total employees</i> | 4 968 | 84.8 | 7 359 | 93.6 | 12 327 | 89.8 |
| <i>Total employment at end June 1998</i> | 5 858 | 100.0 | 7 864 | 100.0 | 13 722 | 100.0 |
| Total employment at end June 1995 | 5 556 | .. | 8 663 | .. | 14 219 | .. |
| <i>All businesses</i> | | | | | | |
| Working proprietors and partners | 945 | 5.2 | 516 | 2.8 | 1 462 | 3.9 |
| <i>Employees</i> | | | | | | |
| Permanent full-time employees | 10 042 | 54.9 | 6 654 | 35.5 | 16 696 | 45.1 |
| Permanent part-time employees | 2 212 | 12.1 | 2 651 | 14.1 | 4 863 | 13.1 |
| Casual employees | 5 090 | 27.8 | 8 925 | 47.6 | 14 015 | 37.8 |
| <i>Total employees</i> | 17 344 | 94.8 | 18 229 | 97.2 | 35 573 | 96.1 |
| Total employment at end June 1998 | 18 289 | 100.0 | 18 746 | 100.0 | 37 035 | 100.0 |
| Total employment at end June 1995 | 14 755 | .. | 17 307 | .. | 32 062 | .. |

2.4 MAIN OCCUPATION OF PERSONS EMPLOYED—END JUNE

| | no. | % |
|--|---------------|--------------|
| Managers/administrators and staff | | |
| Managers/administration | 2 566 | 6.9 |
| Administrative assistants/clerical support staff | 3 197 | 8.6 |
| <i>Total</i> | 5 763 | 15.6 |
| Bookmakers | 503 | 1.4 |
| Gambling services staff | | |
| Licensed casino gaming staff | 8 542 | 23.1 |
| TAB agency/branch terminal operators | 4 795 | 12.9 |
| Telephone betting operators | 2 279 | 6.2 |
| On-course totalisator clerks | 2 018 | 5.4 |
| Bookmakers' clerks | 2 156 | 5.8 |
| Lottery and lotto ticket sellers | 450 | 1.2 |
| Computer services staff | 387 | 1.0 |
| <i>Total</i> | 20 627 | 55.7 |
| Food and beverage staff | | |
| Waiters and waitresses | 2 255 | 6.1 |
| Bar managers and attendants | 1 814 | 4.9 |
| Chefs | 839 | 2.3 |
| Kitchen hands | 784 | 2.1 |
| <i>Total</i> | 5 692 | 15.4 |
| Other staff | | |
| Security officers/surveillance staff | 1 072 | 2.9 |
| Maintenance/cleaning/housekeeping staff | 1 867 | 5.0 |
| Other | 1 510 | 4.1 |
| <i>Total</i> | 4 449 | 12.0 |
| Total | 37 035 | 100.0 |

BUSINESS SIZE ANALYSIS

The 3 gambling industries were dominated by 27 businesses with more than 100 employees and comprised 5 lottery operators, 9 businesses in the gambling services n.e.c. industry and 13 casinos. These 27 businesses contributed 77% of total employment and 94% of total income.

While the operating profit margin for these 27 large businesses was 8.9% for lotteries and 18.4% for businesses in the gambling services n.e.c. industry, the operating profit margin of casinos was -10.8%.

There were 1,737 businesses with employment of less than 20 persons, which accounted for 98% of all businesses in the three industries. These businesses were mainly lottery agencies, TAB agencies and bookmakers.

The average income of the businesses in the lottery industry with employment of less than 20 persons was \$191,200, which resulted in an operating profit margin of 9.5%. This operating profit margin was affected by the incidence of working proprietors and partners in these small businesses who make drawings from profits, which are not deducted as an expense in the calculation of operating profit.

The average income of businesses in the gambling services n.e.c. industry with employment of less than 20 persons was \$99,300. The operating profit before tax of these businesses was \$29 million, which represented an operating profit margin of 18.2%.

2.5

BUSINESS SIZE

| | <i>Businesses at end June</i> | <i>Employment at end June</i> | <i>Income (net of payouts to players)</i> | <i>Operating profit before tax</i> | <i>Operating profit margin</i> |
|---------------------------------|-----------------------------------|-----------------------------------|---|--|--|
| | <i>no.</i> | <i>no.</i> | <i>\$m</i> | <i>\$m</i> | <i>%</i> |
| Lotteries | | | | | |
| 0–19 persons | 125 | 559 | 23.9 | *2.3 | 9.5 |
| 20–99 persons | 4 | 286 | 193.7 | 10.3 | 5.4 |
| 100 persons or more | 5 | 1 937 | 2 327.5 | 204.6 | 8.9 |
| <i>Total</i> | <i>134</i> | <i>2 782</i> | <i>2 545.1</i> | <i>217.2</i> | <i>8.6</i> |
| Casinos | | | | | |
| <i>Total businesses</i> | <i>13</i> | <i>20 531</i> | <i>2 709.7</i> | <i>–287.9</i> | <i>–10.8</i> |
| Gambling services n.e.c. | | | | | |
| 0–19 persons | 1 612 | 7 341 | 160.1 | 29.0 | 18.2 |
| 20–99 persons | 8 | 243 | 84.2 | 14.5 | 17.2 |
| 100 persons or more | 9 | 6 138 | 2 436.2 | 446.2 | 18.4 |
| <i>Total</i> | <i>1 629</i> | <i>13 722</i> | <i>2 680.5</i> | <i>489.7</i> | <i>18.4</i> |
| Total businesses | 1 776 | 37 035 | 7 935.3 | 419.0 | 5.3 |

PERFORMANCE MEASURES

The lotteries and gambling services n.e.c. industries comprised both operators of the lotteries and TABs and also agencies selling the gambling product on behalf of the operator. The mode of operations of these types of businesses are different, and performance measures are shown separately in tables 2.6 and 2.7.

The operating profit margins of lottery operators and TAB operators were 8.6% and 18.5% respectively. Their respective ratios of income per person employed were \$1,126,100 and \$396,600, indicating that the TAB and totalisator operators are more labour intensive. The labour costs per employee were also vastly different with the average labour cost per employee of a lottery operator being \$32,400 compared to \$22,800 per employee of TAB and totalisator operators.

The operating profit margins of lottery agencies and TAB agencies were 10.1% and 29.2% respectively in spite of the labour costs per employee of these types of agencies being similar at \$13,900 and \$13,400 respectively. The ratio of labour costs to total expenses of lottery agencies was 38% compared to 72% for TAB agencies.

In terms of employment, bookmakers are small businesses. Their operating profit margin was 4.6%. Casinos are large businesses but had an even lower operating profit margin of –10.8%. The total income per person employed in casinos was \$132,000 and the labour costs per employee was \$34,300.

2.6

SELECTED PERFORMANCE RATIOS, LOTTERIES AND CASINOS

| | <i>Lottery/lotto operators</i> | <i>Lottery/lotto agencies</i> | <i>Total lottery/lotto businesses</i> | <i>Casinos</i> |
|--|--------------------------------|-------------------------------|---------------------------------------|----------------|
| Total income (net of payouts) per person employed (\$'000) | 1 126.1 | 36.0 | 914.7 | 132.0 |
| Labour costs per employee (\$'000) | 32.4 | 13.9 | 29.2 | 34.3 |
| Total expenses (net of payouts) per person employed (\$'000) | 1 028.5 | 32.3 | 835.4 | 146.3 |
| Operating profit margin (%) | 8.6 | *10.1 | 8.6 | -10.8 |
| Operating profit before tax per person employed (\$'000) | 96.0 | *3.6 | 78.1 | -14.0 |
| Net takings and commissions from gambling to total income (net of payouts) (%) | 96.6 | 84.6 | 96.6 | 80.0 |
| Labour costs to total expenses (net of payouts) (%) | 3.2 | 37.7 | 3.4 | 23.4 |

2.7

SELECTED PERFORMANCE RATIOS, GAMBLING SERVICES N.E.C.

| | <i>Totalisator and TAB operators</i> | <i>TAB agencies</i> | <i>Bookmakers</i> | <i>Other</i> | <i>All businesses</i> |
|--|--------------------------------------|---------------------|-------------------|--------------|-----------------------|
| Total income (net of payouts) per person employed (\$'000) | 396.6 | 21.6 | 26.0 | n.p. | 195.3 |
| Labour costs per employee (\$'000) | 22.8 | 13.4 | 6.2 | n.p. | 16.8 |
| Total expenses (net of payouts) per person employed (\$'000) | 323.9 | 15.3 | 24.9 | n.p. | 159.7 |
| Operating profit margin (%) | 18.5 | 29.2 | **4.6 | n.p. | 18.4 |
| Operating profit before tax per person employed (\$'000) | 72.7 | 6.3 | **1.2 | n.p. | 35.7 |
| Net takings and commissions from gambling to total income (net of payouts) (%) | 97.0 | 98.1 | 87.1 | n.p. | 96.3 |
| Labour costs to total expenses (net of payouts) (%) | 7.0 | 71.8 | 20.1 | n.p. | 9.4 |

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents final results, in respect of 1997–98 financial year, from an Australian Bureau of Statistics (ABS) survey of employing businesses in a range of industries involved in the provision of gambling services. This publication updates and expands on the preliminary results released in *Gambling Industries, Australia, Preliminary, 1997–98* (Cat. no. 8647.0).

SCOPE

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

- Pubs, Taverns and Bars (ANZSIC 5720) consists of businesses (except licensed clubs) mainly engaged in selling alcoholic beverages for consumption on the premises.
- Clubs (hospitality) (ANZSIC 5740) consists of organisations mainly providing hospitality services to members, such as gambling, sporting or other social and entertainment facilities.
- Lotteries (ANZSIC 9321) consists of businesses mainly engaged in operating lotteries or in selling lottery tickets.
- Casinos (ANZSIC 9322) consists of 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 has access.
- Gambling Services n.e.c. (ANZSIC 9329) consists of businesses mainly engaged in providing totalisator, betting or other gambling services (except casinos and lotteries).

3 This publication presents data for employing businesses in the above industries which sourced some part of their income in the form of net takings or commissions from the provision of gambling services.

IMPROVEMENTS TO COVERAGE

4 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 business register. The majority of businesses affected and to which the adjustments apply are small in size.

5 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 business register. Adjustments of this type will continue to be applied in future periods.

6 Further adjustments have been made for businesses which had been in existence for several years, but, for various reasons, were not previously added to the ABS register. The ABS is remedying these omissions.

IMPROVEMENTS TO
COVERAGE *continued*

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

STATISTICAL UNIT

8 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 AND TERRITORY
DATA

9 Data were collected in respect of the Australia-wide operations of each business. Where the business operates in only one State or Territory all the activities of the business are attributed to that State or Territory. For example, businesses operating lotteries, lottos, football pools etc. generally operate from one State or Territory, though they may have sales, usually through agencies, throughout Australia. Businesses which operated in more than one State or Territory were asked to provide a dissection of key data items by State and Territory to enable State and Territory statistics to be compiled.

RELIABILITY OF ESTIMATES

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

Sampling errors

11 A sample of 3,700 management units (including all units with more than 50 employees) was selected for this survey. Consequently, the estimates in this publication 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 (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

12 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 had been conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

13 Sampling variability can 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 percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

14 The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS, GAMBLING SERVICES INDUSTRIES

| | Lotteries | Casinos | Gambling services n.e.c. | Total |
|--|-----------|---------|-----------------------------|-------|
| | % | % | % | % |
| Businesses at end June | 17 | 0 | 5 | 4 |
| Total employment at end June | 4 | 0 | 3 | 1 |
| Net takings from gambling | 0 | 0 | 0 | 0 |
| Commissions from gambling | 20 | 0 | 7 | 6 |
| Total income (net of payouts to players) | 0 | 0 | 0 | 0 |
| Operating profit before tax | 0 | 0 | 1 | 1 |
| Operating profit margin | 0 | 0 | 2 | 2 |

15 As an example of the above, an estimate of total employment for the lotteries industry is 2,782 persons and the RSE is 4%, giving a SE of 111 persons. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of 2,671 persons to 2,893 persons 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 2,560 persons to 3,004 persons.

Non-sampling error

16 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 errors 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, and efficient operating procedures and systems used to compile the statistics.

REFERENCE PERIOD

17 Data contained in the tables in this publication relate to all businesses and organisations within the survey scope (see paragraph 2) which operated in Australia at any time during the year ended June 1998. Counts of businesses and organisations include only those that were operating at 30 June 1998.

BUSINESSES CEASED
DURING THE YEAR

18 A very small number of organisations ceased operations during the 1997-98 reference period. As is normal ABS procedure, the contributions of these organisations were included in the survey output.

GLOSSARY

| | |
|---|--|
| Advertising, marketing, promotion and sponsorship expenses | This item includes those expenses associated with the promotion and publicity of a business or its products. It includes advertising expenses paid to advertising agencies, and direct payments to the press, radio and television, and other advertising expenses. |
| Businesses at end June | The number of management units operating at the end of June 1998. A management unit is the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. |
| Casual employees | Employees not entitled to take paid holidays. |
| Commissions from gambling | <p>This item includes commissions received by businesses acting as agents for the sale of:</p> <ul style="list-style-type: none">▪ off-course TAB products;▪ on-course totalisator sales; and▪ lotteries, keno, lotto, football pools, and instant money. <p>This item also includes commissions/venue share received by businesses in Victoria and Tasmania from poker/gaming machines, where the businesses provide the venue for the machines, but the poker/gaming machines are owned/operated by other businesses.</p> |
| Depreciation and amortisation | These 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. |
| Employer contributions to superannuation funds | This includes all employer contributions to superannuation funds (including the employer productivity contribution). It excludes employee contributions. |
| Employment at end June | This item includes working proprietors and partners, working directors, other employees and casuals working for the business during the last pay period ending in June 1998. It excludes volunteers and subcontracted workers for whom PAYE tax is not deducted. |
| Gambling/gaming taxes/levies | <p>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.</p> <p>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.</p> |

| | |
|--|--|
| Gross takings | Gross takings are the total sales of the gambling product received before payment of prize money and winnings are netted off. |
| Insurance premiums | This item 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 expenses | This item 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. It excludes capital repayments received. |
| Labour costs | This item 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. |
| Net takings from gambling | This item includes: <ul style="list-style-type: none"> ■ takings from poker/gaming machines net of payouts to players; ■ takings from on-course totalisator sales and off-course TAB sales net of winnings/dividends paid to bettors; ■ on-course and off-course bookmakers' turnover net of winnings/dividends paid to bettors; ■ takings from lotteries, lotto style games, football pools, instant money sales and club keno net of prize money paid; and ■ takings from casino keno and casino gaming tables net of payouts to players. |
| 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 contract and subcontract expenses | This item includes payments to other businesses and self-employed persons for work done and sales made on a contract or commission basis not included elsewhere as expenses. Examples include contract payments for security and cleaning services. |

| | |
|--|---|
| Other selected expenses | This item includes items such as fringe benefits tax, land and payroll taxes, telecommunications, paper and printing costs, racing industry fees and abnormal casino expense items. |
| Purchases | This item includes purchases of goods for resale and other non-capitalised purchases. |
| Rent, leasing and hiring expenses | This item includes operating lease payments and all expenses paid/payable to landlords for the rent, leasing and hiring of land, buildings and structures, facilities and equipment. This item 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. |
| Rent, leasing and hiring income | This item includes revenue derived from the rent, leasing or hiring of assets such as land, buildings, vehicles or equipment to other businesses or individuals. It excludes income from finance leases. |
| Repair and maintenance expenses | This item includes repair and maintenance to machinery and equipment to maintain normal business operations. It excludes wages and salaries paid to own employees. |
| Takings from meals | This item includes takings from meals sold for consumption on the premises. It excludes income from catering concessions and takeaway food. |
| Total expenses | This is the sum of all expense items after prize money and winnings/dividends have been paid. |
| Total income | This is the sum of all income items after prize money and winnings/dividends have been paid. |
| 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. |
| Workers compensation costs | Includes workers compensation insurance premiums/levies, non-payroll costs (e.g. medical costs) not reimbursed, and provisions for workers compensation. |

SELF-HELP ACCESS TO STATISTICS

DIAL-A-STATISTIC For current and historical Consumer Price Index data, call 1902 981 074.
For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400.
These calls cost 75c per minute.

INTERNET www.abs.gov.au

LIBRARY A range of ABS publications is available from public and tertiary libraries Australia wide. Contact your nearest library to determine whether it has the ABS statistics you require.

WHY NOT SUBSCRIBE?

PHONE +61 1300 366 323

FAX +61 3 9615 7848

CONSULTANCY SERVICES

ABS offers consultancy services on a user pays basis to help you access published and unpublished data. Data that are already published and can be provided within 5 minutes are free of charge. Statistical methodological services are also available. Please contact:

| <i>City</i> | <i>By phone</i> | <i>By fax</i> |
|-------------|-----------------|---------------|
| Canberra | 02 6252 6627 | 02 6207 0282 |
| Sydney | 02 9268 4611 | 02 9268 4668 |
| Melbourne | 03 9615 7755 | 03 9615 7798 |
| Brisbane | 07 3222 6351 | 07 3222 6283 |
| Perth | 08 9360 5140 | 08 9360 5955 |
| Adelaide | 08 8237 7400 | 08 8237 7566 |
| Hobart | 03 6222 5800 | 03 6222 5995 |
| Darwin | 08 8943 2111 | 08 8981 1218 |

POST Client Services, ABS, PO Box 10, Belconnen ACT 2616

EMAIL client.services@abs.gov.au



2868400007979
ISBN 0 642 27583 1

RRP \$17.50