



1994-95

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Clubs, Pubs, Taverns and Bars

Australia



**CLUBS, PUBS, TAVERNS AND BARS
AUSTRALIA
1994-95**

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- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Tony Ward, on Melbourne (03) 9615 7634.*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

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

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

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

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

Preliminary results from the sport, recreation and gambling survey were released on 2 September 1996 in *Sport, Recreation and Gambling Industries, Australia, 1994-95, Preliminary* (8692.0).

The publication *Casinos, Australia, 1994-95* (8683.0) was released in April 1996, while the publication *Recreation Services, Australia, 1994-95* (8688.0) was released on 13 November 1996.

This publication presents detailed statistics in respect of businesses classified to ANZSIC Classes 5720 and 5740:

- Class 5720 — Pubs, Taverns and Bars, includes hotels, bars or similar businesses (except licensed clubs) mainly engaged in selling alcoholic beverages for consumption mainly on the premises.
- Class 5740 — Clubs (hospitality), includes businesses mainly engaged in providing hospitality services (gambling, meals, entertainment and other social facilities) to members.

The first part of this publication contains data specifically on Pubs, Taverns and Bars, while the second part focuses on Clubs (hospitality).

Other publications to be released from this survey are:

- *Gambling Industries, Australia, 1994-95* (8684.0); and
- *Sports Industries, Australia, 1994-95* (8686.0).

The ABS is committed to providing more information on the service industries sector of the economy. However, the breadth of activities encompassed in the sector poses the problem of selecting which industries to include. To this end the ABS welcomes comments and suggestions from users recommending industries, and data items for inclusion in future surveys. These comments should be addressed to: The Director, Service Industries Surveys, PO Box 10, Belconnen, ACT, 2616.

CLUBS, PUBS, TAVERNS AND BARS — OVERVIEW

INTRODUCTION

This publication contains the results of a survey of employing businesses in the clubs, pubs, taverns and bars industries in respect of 1994–95.

This publication complements the other publications (which have already been released or which will be released over the next two months) covering the sports, gambling and recreation industries.

SIZE

There were 7,609 businesses in the clubs, pubs, taverns and bars industries at 30 June 1995. This reflected a decline of 6.7% since 1991–92 and a decline of 8.4% since 1986–87. The decline since 1991–92 was mainly due to the 14% decrease in the number of clubs.

In 1994–95, total sales of goods and services were valued at \$11,041 million with pubs, taverns and bars generating \$6,376.2 million (58%) and clubs \$4,665.0 million (42%). Takings from the sale of alcohol, the provision of gambling facilities and the sale of meals were the major contributors to income with \$6,047.8 million (55%), \$2,931.4 million (27%) and \$960.3 million (9%) respectively.

Businesses located in New South Wales dominated the industries accounting for 48% of the industries' gross income. This domination was most pronounced in the clubs industry where New South Wales businesses accounted for 72% of gross income.

In contrast Victoria accounted for only 15% of gross income overall. However, while businesses in Victoria accounted for 20% of gross income in the pubs, taverns and bars industry, they only accounted for 7% of gross income in the clubs industry. Similarly Western Australia generated 10% of gross income in the pubs, taverns and bars industry, but only 2% of gross income in the clubs industry.

PROFITABILITY

The pubs, taverns and bars, and clubs industries recorded an operating profit before tax of \$687.3 million for the year ended 30 June 1995. The clubs industry recorded an operating profit before tax of \$429.1 million which represented an operating profit margin of 9.2%. This contrasted with a lower level of profitability in the pubs, taverns and bars industry which recorded an operating profit before tax of \$258.2 million and which represented an operating profit margin of 4.1%.

Combined, the two industries recorded an operating profit margin of 6.2%, a significant increase on the 2.9% operating profit margin recorded in 1991–92 and the 4.7% margin recorded in 1986–87.

EMPLOYMENT

Total employment in these two industries was 133,973 persons with 71,437 (53%) employed in the pubs, taverns and bars industry and 62,536 (47%) employed in the clubs industry.

The majority (63%) of persons were employed on a part-time basis. Employment was virtually unchanged from that recorded in 1991–92 and has increased only 2% on that recorded in 1986–87.

There was a total of 63,826 males and 70,147 females employed in these industries. There were more females in the pubs, taverns and bars industry (39,374 females and 32,063 males), while there were marginally more males in the clubs industry, (31,763 males and 30,773 females).

POKER/GAMING MACHINES

Clubs, pubs, taverns and bars had a total 110,633 poker/gaming machines as at 30 June 1995 (27,009 in pubs, taverns and bars and 83,625 in hospitality clubs). Of these 64% were located in New South Wales, while Queensland and Victoria each accounted for 14%.

1 CLUBS, PUBS, TAVERNS AND BARS: HISTORICAL DATA

	<i>Unit</i>	1986-87	1991-92	1994-95
PUBS, TAVERNS AND BARS				
Businesses at end June	no.	4 704	4 347	4 325
Employment at end June	no.	79 425	73 526	71 437
Operating profit margin	%	2.9	1.7	4.1
CLUBS (HOSPITALITY)				
Businesses at end June	no.	3 601	3 811	3 284
Employment at end June	no.	52 336	60 424	62 536
Operating profit margin	%	8.0	4.8	9.2
TOTAL				
Businesses at end June	no.	8 305	8 158	7 609
Employment at end June	no.	131 761	133 950	133 973
Operating profit margin	%	4.7	2.9	6.2

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CLUBS, PUBS, TAVERNS, AND BARS: SUMMARY OF OPERATIONS, 1994-95

<i>Item</i>	<i>Unit</i>	<i>Pubs, taverns and bars</i>	<i>Clubs (hospitality)</i>	<i>Total</i>
Businesses at end June	no.	4 325	3 284	7 609
Number of poker machines	no.	27 009	83 625	110 633
Number of coin-operated amusement machines	no.	6 530	2 515	9 044
Employment				
Full-time	no.	23 623	26 510	50 132
Part-time	no.	47 815	36 026	83 841
Total	no.	71 437	62 536	133 973
Income statement				
Sales of goods and services				
Sales of beer, wine and spirits	\$m	4 708.0	1 339.7	6 047.8
Takings from meals	\$m	570.2	390.1	960.3
Takings from gambling	\$m	439.9	2 222.4	2 662.3
Commissions from gambling	\$m	136.2	132.9	269.1
Other sales of goods and services	\$m	521.8	579.8	1 101.6
Plus				
Closing trading stocks	\$m	247.4	93.8	341.3
Less				
Purchases of goods for resale	\$m	3 014.5	876.8	3 891.3
Selected expenses	\$m	1 641.3	1 785.9	3 427.2
Opening trading stocks	\$m	240.1	89.9	330.0
Trading profit	\$m	1 727.6	2 006.3	3 733.9
Plus				
Other income	\$m	**13.9	64.4	78.4
Less				
Labour costs	\$m	1 105.5	1 248.6	2 354.2
Depreciation and amortisation	\$m	120.3	262.4	382.7
Other expenses	\$m	46.4	46.6	93.0
Earnings before interest and tax	\$m	469.3	513.1	982.4
Less				
Interest expenses	\$m	211.2	84.0	295.1
Operating profit before tax	\$m	258.2	429.1	687.3
Operating profit margin	%	4.1	9.2	6.2
Industry gross product	\$m	1 728.0	2 012.7	3 740.7

PUBS, TAVERNS AND BARS

OVERVIEW

The pubs, taverns and bars industry (ANZSIC Class 5720) consists of hotels, bars or similar businesses (except licensed clubs) mainly engaged in selling alcoholic beverages for consumption on the premises.

This publication presents data on the pubs, taverns and bars industry dissected by businesses with gambling facilities and businesses without gambling facilities. For the purposes of this publication businesses with gambling facilities are those providing poker/gaming machines, TAB facilities and/or keno services to patrons.

Size of industry At the end of June 1995, there were 4,325 businesses in the pubs, taverns and bars industry, 2,327 (54%) had gambling facilities and 1,997 (46%) did not.

Businesses varied significantly with respect to size, income and wage ratios between the States and Territories. Most businesses (32%) were based in New South Wales and employment per business was highest in the Northern Territory (22).

Businesses with and without gambling facilities

The profile of businesses in these two categories is significantly different, for example:

- businesses with gambling facilities accounted for 54% of businesses but a larger proportion (68%) of total employment and (74%) of sales of goods and services; and
- businesses with gambling facilities were on average significantly larger than those without facilities e.g. average employment per business was 21 compared with 11, and sales of goods and services per business was \$2 million compared with \$838,700.

Profitability During 1994-95, operating profit before tax for the industry was \$258.2 million with an operating profit margin for the industry of 4.1%.

Sources of income During 1994-95, gross income for the industry was \$6,390.1 million which was mainly generated by sales of alcohol (74%), takings and commissions from gambling (9%) and takings from meals (9%).

Businesses located in New South Wales accounted for 29% of gross income, while businesses located in Queensland accounted for 23%. In contrast businesses in Victoria accounted for only 20% of gross income.

Employment Of the 71,437 persons employed in the industry, 48,618 persons were employed by businesses with gambling facilities and 22,820 persons by businesses without gambling facilities. The majority of people employed (77%) were in occupations directly related to the delivery of food and alcohol services.

Females comprised 55% (39,374) of people employed in the industry. Of these, there were 28,927 (73%) working part time. This compares with 18,888 or 59% of males working part time.

Business size Of the 4,325 businesses in the industry, 78% had employment of less than 20 persons. These businesses, however, contributed only 38% to total employment and 39% to gross income.

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PUBS, TAVERNS AND BARS: SUMMARY OF OPERATIONS, 1994-95

<i>Item</i>	<i>Unit</i>	<i>With gambling facilities</i>	<i>Without gambling facilities</i>	<i>Total</i>
Businesses at end June	no.	2 327	1 997	4 325
Number of poker machines	no.	27 009	—	27 009
Number of coin-operated amusement machines	no.	4 650	1 880	6 530
Employment				
Full-time	no.	15 242	8 380	23 623
Part-time	no.	33 376	14 439	47 815
<i>Total</i>	no.	48 618	22 820	71 437
Income statement				
<i>Sales of goods and services</i>				
Sales of beer, wine and spirits	\$m	3 385.2	1 322.8	4 708.0
Takings from meals	\$m	352.7	217.5	570.2
Takings from gambling	\$m	439.9	—	439.9
Commissions from gambling	\$m	136.2	—	136.2
Other sales of goods and services	\$m	387.2	134.5	521.8
<i>Plus</i>				
Closing trading stocks	\$m	184.5	62.9	247.4
<i>Less</i>				
Purchases of goods for resale	\$m	2 220.1	794.4	3 014.5
Selected expenses	\$m	1 226.8	414.5	1 641.3
Opening trading stocks	\$m	182.8	57.3	240.1
<i>Trading profit</i>	\$m	1 256.1	471.5	1 727.6
<i>Plus</i>				
Other income	\$m	**4.3	*9.7	**13.9
<i>Less</i>				
Labour costs	\$m	798.0	307.5	1 105.5
Depreciation and amortisation	\$m	89.6	30.7	120.3
Other expenses	\$m	31.6	14.8	46.4
<i>Earnings before interest and tax</i>	\$m	341.2	128.2	469.3
<i>Less</i>				
Interest expenses	\$m	158.6	52.5	211.2
<i>Operating profit before tax</i>	\$m	182.5	75.7	258.2
Operating profit margin	%	3.9	4.5	4.1
Industry gross product	\$m	1 256.5	471.5	1 728.0

HISTORICAL DATA

Size The total number of businesses in the pubs, taverns and bars industry declined from 4,704 in 1986-87 to 4,325 in 1994-95, a decrease of 379 (8%). However, since 1991-92 there has only been a marginal (22 businesses) decline in the number of businesses.

There were 71,437 persons employed in the industry at 30 June 1995, which represents a 10% decrease in employment from 1986-87 (79,425). Most of this decline in industry employment occurred between 1986-87 and 1991-92, when employment decreased by 5,899 (8%) from 79,425 to 73,256. Employment per business has remained fairly constant during the period.

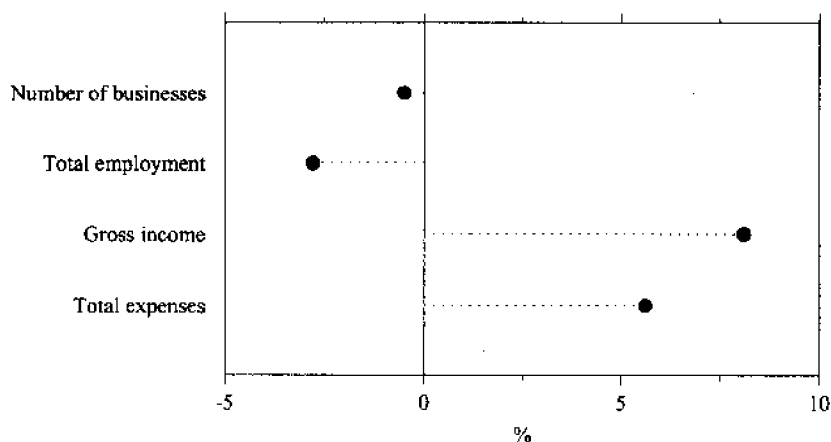
Operating profit margin Operating income rose from \$5,834.2 million in 1991-92 to \$6,376.2 million in 1994-95 (up 9%) while total expenses increased from \$5,813.7 million to \$6,139.2 million over this period. This was reflected in an increase in the operating profit margin from 1.7% in 1991-92 to 4.1% in 1994-95.

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PUBS, TAVERNS AND BARS: HISTORICAL DATA

	Unit	1986-87	1991-92	1994-95
Businesses at end June	no.	4 704	4 347	4 325
Employment at end June	no.	79 425	73 526	71 437
Wages and salaries	\$m	768.6	928.6	1 034.5
Total operating income	\$m	4 667.9	5 834.2	6 376.2
Gross income	\$m	4 683.8	5 911.6	6 390.1
Purchases and selected expenses	\$m	3 459.7	4 385.7	4 655.9
Total expenses	\$m	4 461.7	5 813.7	6 139.2
Operating profit before tax	\$m	136.2	97.9	258.2
Operating profit margin	%	2.9	1.7	4.1

PUBS, TAVERNS AND BARS: CHANGE BETWEEN 1991-92 AND 1994-95 IN KEY DATA ITEMS



INCOME AND EXPENDITURE

Income — Introduction

In 1994-95, total income from the 4,325 businesses in the pubs, taverns and bars industry was \$6,390.1 million. Over 70% (\$4,705.5 million) of this income was generated by 2,327 businesses with gambling facilities.

Average income from businesses with gambling facilities was \$2 million, the major source of which was from sales of beer, wine and spirits (\$1.5 million), compared with \$844,000 for businesses without gambling facilities, of which \$662,000 was from the sale of beer, wine and spirits.

Alcohol and meals

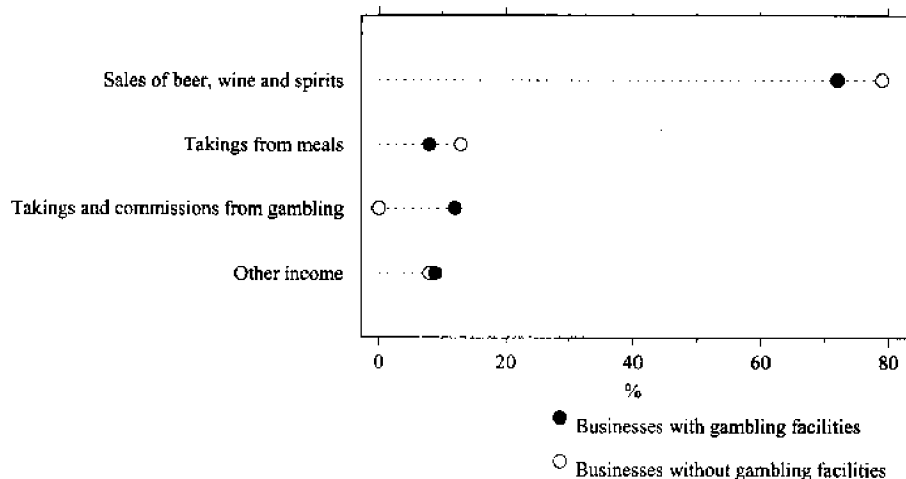
The major source of income in the pubs, taverns and bars industry was alcohol sales which accounted for \$4,708 million (74%). Takings from meals accounted for a further \$570.2 million (9%).

Income from gambling facilities

The provision of gambling services generated \$576 million (9%) of income for the industry. For those businesses with gambling facilities this represented 12% of their income. The majority of this income came from takings and commissions from poker/gaming machines (\$543.3 million).

It should be noted that in some States/Territories, the poker/gaming machines are owned by the pub, tavern or bar and this income is recorded as 'takings from poker/gaming machines'. This is offset to a degree by the payment of poker machine and other gambling taxes. In other States, the poker/gaming machines are not owned by the pub, tavern or bar, and the income accruing from this gambling service is recorded as 'commissions from poker/gaming machines'. As a result businesses which own poker/gaming machines will generally have a higher level of gross income.

PUBS, TAVERNS AND BARS: CONTRIBUTION TO TOTAL INCOME BY SOURCE OF INCOME FOR BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994-95

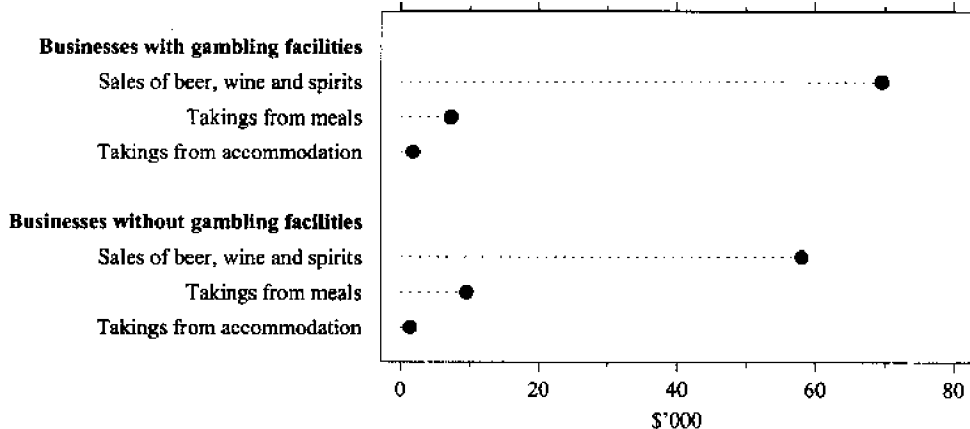


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PUBS, TAVERNS AND BARS: SOURCES OF INCOME, 1994-95

Source of income	Businesses with gambling facilities			Businesses without gambling facilities			Total businesses		
	no.	\$m	%	no.	\$m	%	no.	\$m	%
Sales of goods and services									
Sales of beer, wine and spirits	2 327	3 385.2	71.9	1 997	1 322.8	78.5	4 325	4 708.0	73.7
Takings from meals	1 705	352.7	7.5	1 563	217.5	12.9	3 268	570.2	8.9
Takings from accommodation	1 338	88.0	1.9	856	32.8	1.9	2 194	120.8	1.9
Takings from the provision of entertainment	268	32.0	0.7	198	24.7	1.5	467	56.7	0.9
Takings from poker/gaming machines	1 739	439.9	9.3	—	—	—	1 739	439.9	6.9
Commissions from poker/gaming machines	135	103.4	2.2	—	—	—	135	103.4	1.6
Commissions from keno	251	4.2	0.1	—	—	—	251	4.2	0.1
Commissions from TAB	1 137	28.5	0.6	—	—	—	1 137	28.5	0.4
Takings from coin-operated amusement machines	680	12.0	0.3	259	*3.6	0.2	939	15.7	0.2
Commissions from coin-operated amusement machines	752	11.5	0.2	387	2.5	0.1	1 139	14.1	0.2
Rent, leasing and hiring income	533	25.3	0.5	270	8.0	0.5	802	33.2	0.5
Income from other retail sales	1 190	76.2	1.6	864	37.9	2.2	2 054	114.1	1.8
Income from sponsors and advertising	113	n.p.	n.p.	*50	n.p.	n.p.	163	8.2	0.1
Other operating income	1 189	n.p.	n.p.	647	n.p.	n.p.	1 836	159.0	2.5
Total sales of goods and services	2 327	4 701.3	99.9	1 997	1 674.9	99.4	4 325	6 376.2	99.8
Other income									
Other non-operating income	1 167	**4.3	0.1	728	*9.7	0.6	1 896	*13.9	0.2
Total income	2 327	4 705.5	100.0	1 997	1 684.6	100.0	4 325	6 390.1	100.0

PUBS, TAVERNS AND BARS: TAKINGS PER PERSONS EMPLOYED, 1994-95



Expenses — Introduction Total expenses incurred by the pubs, taverns and bars industry were \$6,139.2 million. Businesses with gambling facilities, accounted for \$4,524.8 million (74%) and those without gambling facilities \$1,614.5 million (26%) of the industry's total expenses.

Purchases Purchases were the largest item of expenditure (\$3,014.5 million) accounting for 49% of total expenses. The major area of purchases was goods for resale which accounted for \$2,704 million.

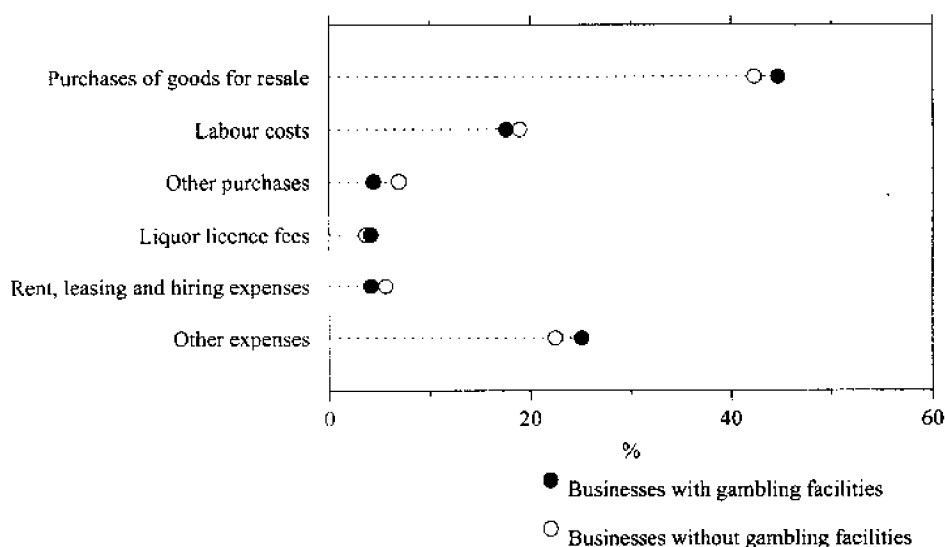
Purchases per business were higher in businesses with gambling facilities (\$954,000) than businesses without gambling facilities (\$397,800).

Labour costs Labour costs were \$1,105.5 million or 18% of total expenses. Average labour costs per employee in the industry were \$15,500. Labour costs per employee in businesses with gambling facilities were \$16,400, compared with businesses without gambling facilities where the average cost was \$13,500.

Gambling and liquor taxes/fees Government taxes on gambling and liquor license fees totalled \$416.8 million. Liquor licence fees of \$243.5 million constituted the major (58%) area of government charges, while gambling taxes represented \$173.3 million (42%) of government charges.

It should be noted that gambling taxes only related to the pubs, taverns and bars which owned the gambling facilities (i.e. pubs, taverns and bars only receiving a commission for the provision of gambling services do not pay the gambling tax).

PUBS, TAVERNS AND BARS: TOTAL EXPENSES BY TYPE OF EXPENSE FOR BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994-95



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PUBS, TAVERNS AND BARS: ITEMS OF EXPENDITURE, 1994-95

Type of expense	Businesses with gambling facilities			Businesses without gambling facilities			Total businesses		
	no.	\$m	%	no.	\$m	%	no.	\$m	%
Labour costs									
Wages and salaries	2 327	746.3	16.5	1 997	288.2	17.9	4 325	1 034.5	16.9
Employers contribution to superannuation fund	2 230	36.2	0.8	1 804	13.5	0.8	4 034	49.7	0.8
Workers' compensation	2 241	15.5	0.3	1 854	5.8	0.4	4 095	21.3	0.3
<i>Total labour costs</i>	2 327	798.0	17.6	1 997	307.5	19.0	4 325	1 105.5	18.0
Selected expenses									
Liquor licence fees	2 315	184.1	4.1	1 997	59.4	3.7	4 312	243.5	4.0
Poker machine and other gambling taxes/levies	1 777	173.3	3.8	1 777	173.3	2.8
Fares and other travelling expenses	739	4.0	0.1	410	*1.5	0.1	1 149	5.5	0.1
Advertising expenses	2 083	49.8	1.1	1 789	19.0	1.2	3 872	68.9	1.1
Contract payments to entertainers	1 276	56.8	1.3	798	33.0	2.0	2 074	89.8	1.5
Repair and maintenance	2 300	79.5	1.8	1 930	30.9	1.9	4 230	110.4	1.8
Rent, leasing and hiring expenses	1 873	187.4	4.1	1 570	90.6	5.6	3 444	278.0	4.5
Other operating expenses	2 327	491.9	10.9	1 976	180.0	11.1	4 303	671.9	10.9
<i>Total selected expenses</i>	2 327	1 226.8	27.1	1 997	414.5	25.7	4 325	1 641.3	26.7
Other costs									
Purchases of goods for resale	2 327	2 020.8	44.7	1 997	683.2	42.3	4 325	2 704.0	44.0
Other purchases	1 805	199.3	4.4	1 662	111.2	6.9	3 467	310.5	5.1
Interest expenses	2 040	158.6	3.5	1 566	52.5	3.3	3 606	211.2	3.4
Depreciation and amortisation	2 138	89.6	2.0	1 687	30.7	1.9	3 825	120.3	2.0
Insurance premiums	2 262	27.8	0.6	1 898	14.3	0.9	4 159	42.1	0.7
Bad debts written off and royalty expenses	528	3.8	0.1	283	0.5	—	811	4.3	0.1
<i>Total other costs</i>	2 327	2 499.9	55.2	1 997	892.5	55.3	4 325	3 392.3	55.3
Total expenses	2 327	4 524.8	100.0	1 997	1 614.5	100.0	4 325	6 139.2	100.0

EMPLOYMENT

Male and female Total employment in the pubs, taverns and bars industry at 30 June 1995 was 71,437 persons. Females comprised 55% (39,374) of people employed in the industry. Of these, there were 28,927 (73%) working part time. This compares with 59% (18,888) of males working part time.

Type Employment in the industry was mainly on a casual basis with 67% of employees working on a casual basis. Most (91%) of these casual employees were employed on a part-time basis.

The largest category of employment was female part-time casual employees (26,375 persons) which accounted for 37% of all employment.

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PUBS, TAVERNS AND BARS: CHARACTERISTICS OF EMPLOYMENT, END JUNE 1995

Type of employment	Males			Females			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Working proprietors and partners	1 012	*186	1 199	952	207	1 159	1 964	*394	2 358
Salaried directors of incorporated companies and trusts	2 265	200	2 465	1 479	286	1 765	3 743	486	4 230
Employees entitled to take paid holidays	8 269	1 295	9 564	5 262	2 058	7 320	13 531	3 354	16 884
Casual employees	1 629	17 206	18 835	2 755	26 375	29 130	4 384	43 581	47 965
Total	13 175	18 888	32 063	10 448	28 927	39 374	23 623	47 815	71 437

Occupations Of the 71,437 people employed in the industry, the most prevalent occupation (46%) was that of bar managers and attendants. Overall the majority of people 55,245 (77%) were employed in occupations directly related to the delivery of food and alcohol services.

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PUBS, TAVERNS AND BARS: MAIN OCCUPATIONS OF PERSONS EMPLOYED, END JUNE 1995

	Number no.	Contribution %
Managers/administrators	8 538	12.0
Bar managers and attendants	33 066	46.3
Chefs	4 642	6.5
Waiters/waitresses	12 597	17.6
Kitchen hands	4 940	6.9
Caretakers	960	1.3
Security officers	1 129	1.6
Other	5 566	7.8
Total	71 437	100.0

BUSINESS SIZE ANALYSIS

Dominance of smaller businesses

Of the 4,325 businesses in the industry, 3,370 (78%) had employment of less than 20 persons. Although these smaller businesses dominated in terms of numbers, their contribution to total employment 27,207 (38%) and gross income \$2,497.8 million (39%) were significantly lower.

For those businesses with gambling facilities, small businesses were a little less dominant accounting for 71% of businesses, 30% of employment and 31% of gross income. While for those businesses without gambling facilities, small businesses accounted for 86% of businesses, 55% of employment and 61% of gross income.

Impact of medium and large businesses

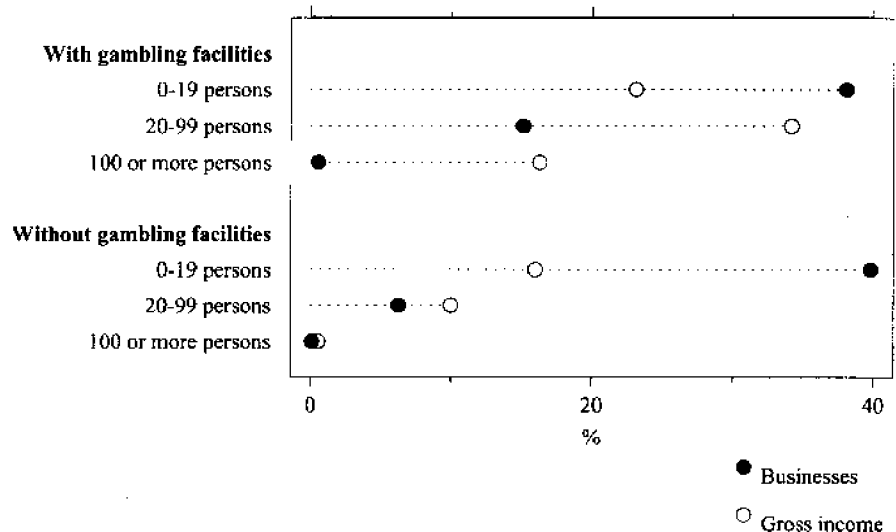
Medium-sized businesses, employing between 20 and 99 persons, accounted for 925 (21%) businesses, 34,785 (49%) of persons employed and \$2,826 million (44%) of gross income in the industry.

Large businesses, employing 100 or more persons, were few in number accounting for 1% of total businesses, but generated a high proportion of employment (13%) and income (17%).

Most of the medium (71%) and large businesses (90%) in the industry provided gambling facilities. Only 49% of small businesses had gambling facilities.

Medium-sized businesses, provided the major source of business profitability generating \$165.8 million (64%) of operating profit in the industry. Large businesses in the industry recorded a small loss of \$5 million for the year.

PUBS, TAVERNS AND BARS: CONTRIBUTIONS TO KEY DATA ITEMS BY BUSINESS SIZE, 1994-95

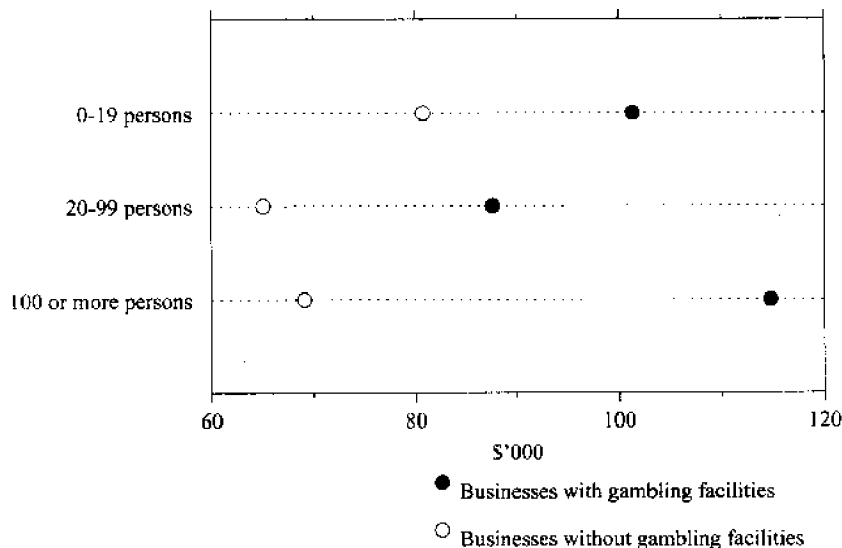


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PUBS, TAVERNS AND BARS: SELECTED STATISTICS BY BUSINESS SIZE, 1994-95

Employment size category at end June	Businesses at end June		Employment at end June		Gross income		Operating profit before tax
	no.	%	no.	%	\$m	%	\$m
WITH GAMBLING FACILITIES							
0-19 persons	1 648	70.8	14 584	30.0	1 478.2	31.4	64.1
20-99 persons	653	28.1	24 983	51.4	2 188.3	46.5	n.p.
100 or more persons	27	1.2	9 051	18.6	1 039.1	22.1	n.p.
Total	2 327	100.0	48 618	100.0	4 705.5	100.0	182.5
WITHOUT GAMBLING FACILITIES							
0-19 persons	1 722	86.2	12 623	55.3	1 019.6	60.5	33.3
20-99 persons	272	13.6	9 801	42.9	637.6	37.8	n.p.
100 or more persons	3	0.2	395	1.7	27.3	1.6	n.p.
Total	1 997	100.0	22 820	100.0	1 684.6	100.0	75.7
TOTAL							
0-19 persons	3 370	77.9	27 207	38.1	2 497.8	39.1	97.4
20-99 persons	925	21.4	34 785	48.7	2 825.9	44.2	165.8
100 or more persons	30	0.7	9 446	13.2	1 066.4	16.7	*-5.0
Total	4 325	100.0	71 437	100.0	6 390.1	100.0	258.2

PUBS, TAVERNS AND BARS: GROSS INCOME PER PERSONS EMPLOYED BY BUSINESS SIZE, 1994-95



STATE DATA

Businesses with and without gambling facilities

For pubs, taverns and bars with gambling facilities, New South Wales dominated, accounting for 1,261 (54%) of businesses and 18,795 persons employed (39%). Whereas, New South Wales contribution to pubs, taverns and bars without gambling facilities was small, with only 126 (6%) businesses and 2,177 persons employed (10%) in this category.

In contrast Victoria accounted for 42% (847) of pubs, taverns and bars without gambling facilities but only 11% (259) of businesses with gambling facilities.

Key characteristics per business

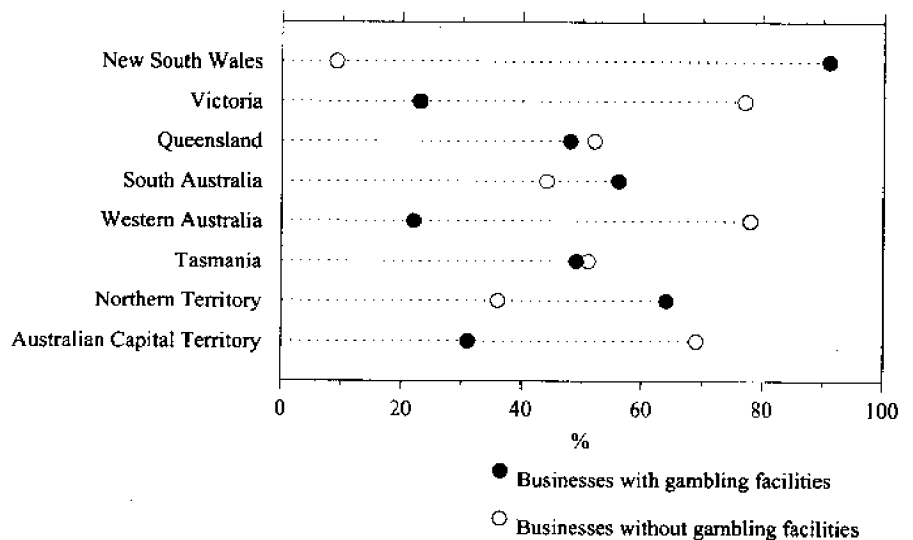
The average employment per business was 16.5. The highest ratio was 22 in the Northern Territory, and the lowest, 14 in Tasmania.

Gross income per employee varied from \$135,000 in the Northern Territory to \$88,900 in New South Wales and only \$62,100 in the Australian Capital Territory.

Wages and salaries per employee varied from \$17,610 in the Northern Territory to \$10,600 in the Australian Capital Territory. Most other States averaged between \$14,500 and \$15,000 per employee.

Gross income per business was significantly higher in the Northern Territory with \$2.9 million per business, followed by an average gross income of \$2.1 million per business in Queensland. The lowest gross income per business was in the Australian Capital Territory with \$926,000.

PUBS, TAVERNS AND BARS: BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994-95



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PUBS, TAVERNS AND BARS: SELECTED STATISTICS BY STATE, 1994-95

State/Territory	Businesses at end June(a)		Employment at end June		Wages and salaries		Gross income	
	no.	%	no.	%	\$m	%	\$m	%
WITH GAMBLING FACILITIES								
New South Wales	1 261	54.2	18 795	38.7	281.8	37.8	1 758.4	37.4
Victoria	259	11.1	8 112	16.7	132.0	17.7	642.7	13.7
Queensland	344	14.8	10 144	20.9	156.8	21.0	1 160.8	24.7
South Australia	270	11.6	7 171	14.7	104.0	13.9	612.8	13.0
Western Australia	92	4.0	2 260	4.6	37.7	5.1	230.5	4.9
Tasmania	90	3.9	1 646	3.4	25.2	3.4	238.9	5.1
Northern Territory	14	0.6	389	0.8	6.9	0.9	50.7	1.1
Australian Capital Territory	8	0.3	100	0.2	1.9	0.3	10.5	0.2
Australia	2 327	100.0	48 618	100.0	746.3	100.0	4 705.5	100.0
WITHOUT GAMBLING FACILITIES								
New South Wales	*126	6.3	*2 177	9.6	*25.7	8.9	*106.4	6.3
Victoria	847	42.4	9 128	40.0	112.4	39.0	648.8	38.5
Queensland	369	18.5	3 509	15.4	47.9	16.6	325.2	19.3
South Australia	209	10.5	2 025	8.9	20.7	7.2	110.3	6.5
Western Australia	326	16.3	4 724	20.7	65.4	22.7	399.4	23.7
Tasmania	94	4.7	881	3.9	12.3	4.3	67.1	4.0
Northern Territory	8	0.4	88	0.4	1.5	0.5	13.8	0.8
Australian Capital Territory	19	1.0	288	1.3	2.2	0.8	13.5	0.8
Australia	1 997	100.0	22 820	100.0	288.2	100.0	1 684.6	100.0
TOTAL								
New South Wales	1 387	32.1	20 973	29.4	307.5	29.7	1 864.9	29.2
Victoria	1 105	25.5	17 241	24.1	244.4	23.6	1 291.6	20.2
Queensland	713	16.5	13 652	19.1	204.7	19.8	1 486.0	23.3
South Australia	480	11.1	9 195	12.9	124.7	12.1	723.1	11.3
Western Australia	418	9.7	6 984	9.8	103.1	10.0	629.9	9.9
Tasmania	184	4.3	2 527	3.5	37.6	3.6	306.1	4.8
Northern Territory	22	0.5	477	0.7	8.4	0.8	64.4	1.0
Australian Capital Territory	26	0.6	388	0.5	4.1	0.4	24.1	0.4
Australia	4 325	100.0	71 437	100.0	1 034.5	100.0	6 390.1	100.0

(a) Multi-State businesses are counted in each State in which they operated. Hence States do not sum to the total for Australia.

PERFORMANCE MEASURES

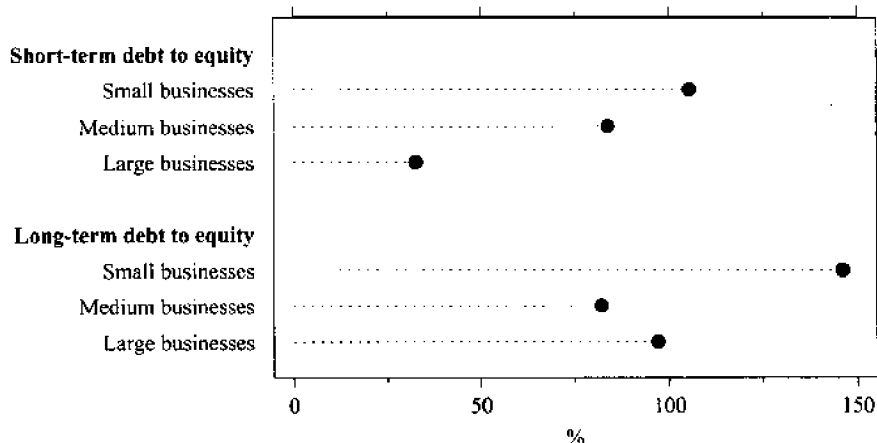
Business size definitions	This section presents statistics for pubs, taverns and bars broken down into three size categories, defined on the basis of the following employment ranges: less than 20 persons, 20 to 99 persons, and 100 or more persons. For ease of reference, these are referred to as small, medium and large businesses in the following table.
Labour costs per employee	Labour costs per employee for all pubs, taverns and bars were \$16,000, ranging from \$15,200 for small businesses to \$17,200 for large businesses.
Gross income per person employed	Gross income per person employed by businesses in the industry was \$89,500. Gross income per person employed was 39% higher for large businesses (\$112,900) than for medium-sized businesses (\$81,200) and 23% higher than for small businesses (\$91,800).
Total expenses per person employed	Total expenses per person employed were \$85,900. Large businesses (\$112,600) were 46% higher than medium-sized businesses (\$76,900). For all industry categories, gross income per person exceeded total expenses per person employed. This ratio was much higher for medium businesses (5.6%) and small businesses (4%) than for large businesses where income and expenses were almost evenly matched.
Operating profit margin	The operating profit margin for businesses in this industry (4.1%) varied significantly between small businesses (3.9%), medium businesses (5.9%) and large businesses (-0.5%).
Return on assets	The industry showed the same return on assets (5%) as the average for all businesses in the Australian economy. However large businesses obtained a poor return on assets employed (-0.6%) when compared to medium businesses (7.1%) and small businesses (5.4%).
Interest coverage	Interest coverage measures the ability of an industry to meet periodic interest payments from current profits—the higher the ratio, the lower is the risk of businesses not being able to meet their interest obligations. Interest coverage was highest for medium businesses (3.2) and lowest for large businesses (0.9).

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PUBS, TAVERNS AND BARS: SELECTED PERFORMANCE RATIOS, 1994-95

	<i>Unit</i>	<i>Small</i>	<i>Medium</i>	<i>Large</i>	<i>Total</i>
Employment ratios					
Operating profit before tax per person employed	\$'000	3.6	4.8	*-0.5	3.6
Labour costs per employee	\$'000	15.2	16.3	17.2	16.0
Labour costs to total expenses	%	15.9	21.0	15.3	18.0
Total assets per person employed	\$'000	65.9	67.1	89.1	69.5
Industry gross product per person employed	\$'000	23.1	24.6	25.9	24.2
Industry gross product to labour costs	\$	1.7	1.5	1.5	1.6
Gross income per person employed	\$'000	91.8	81.2	112.9	89.5
Total expenses per person employed	\$'000	88.3	76.9	112.6	85.9
Profitability ratios					
Operating profit margin	%	3.9	5.9	*-0.5	4.1
Return on assets	%	5.4	*7.1	*-0.6	5.2
Return on funds	%	15.2	*15.2	5.0	13.1
Leverage ratios					
Debt ratio	%	71.6	62.4	56.5	64.7
Interest coverage	times	2.1	3.2	0.9	2.2
Short-term debt to equity	%	105.5	*83.8	32.6	79.4
Long-term debt to equity	%	146.1	*82.1	97.1	103.8
Capital expenditure ratios					
Capital expenditure to assets	%	5.5	5.1	3.6	5.0
Liquidity ratios					
Liquidity ratio	times	35.4	44.9	66.4	43.1
Current ratio	times	0.5	0.6	1.0	0.6
Turnover ratio					
Asset turnover	times	1.4	1.2	1.3	1.3

PUBS, TAVERNS AND BARS: LEVERAGE RATIOS, 1994-95



ASSETS AND LIABILITIES

Introduction	This section presents assets, liabilities and net worth of businesses (management units) in the industry. It is the aggregation of data reported by the businesses and no attempt has been made to identify and eliminate financial claims between businesses in the industry.
Assets	Total assets at the end of June 1995 were \$4,966 million, of which 17% were current assets and 83% non-current assets.
Liabilities	Of the \$3,213 million liabilities incurred by the industry, 43% were current liabilities and 57% were non-current liabilities.
Capital expenditure	Capital expenditure (\$247.4 million) was 5% of total assets.

12 PUBS, TAVERNS AND BARS: ASSETS, LIABILITIES AND NET WORTH, END JUNE 1995

<i>Item</i>	<i>Value</i>
	<i>\$m</i>
Assets	
Current assets including trading stocks	847.2
Non-current assets	4 118.8
<i>Total value of assets</i>	<i>4 966.1</i>
Liabilities	
Current liabilities	1 392.4
Non-current liabilities	1 820.3
<i>Total value of liabilities</i>	<i>3 212.7</i>
Net worth	1 753.4
Disposal of assets	116.6

13 PUBS, TAVERNS AND BARS: CAPITAL EXPENDITURE, 1994-95

<i>Item</i>	<i>Value</i>	<i>Contribution</i>
	<i>\$m</i>	<i>%</i>
Poker/gaming machines	45.9	18.6
Other machinery and equipment	81.2	32.8
Land	36.4	14.7
Dwellings	18.4	7.4
Other building and structures		
New	14.7	5.9
Second hand	*3.2	1.3
Intangible assets	47.6	19.2
Total capital expenditure	247.4	100.0

GAMBLING AND AMUSEMENT MACHINES

Gaming/poker machines At the end of June 1995, there were a total of 27,009 gaming/poker machines located in the premises of pubs, taverns and bars. These machines were mainly located in New South Wales (35%) and Victoria (30%).

Four states (New South Wales, Victoria, Queensland and South Australia) accounted for almost all (99.6%) of the gaming/poker machines in this industry.

Coin-operated amusement machines New South Wales had the highest concentration (40%) of coin-operated amusement machines located on the premises of pubs, taverns and bars.

14 PUBS, TAVERNS AND BARS: GAMING/POKER MACHINES AND COIN-OPERATED AMUSEMENT MACHINES IN USE, END JUNE 1995

State/Territory	Gaming/poker machines		Coin-operated amusement machines	
	no.	%	no.	%
New South Wales	9 492	35.1	2 640	40.4
Victoria	8 161	30.2	1 172	17.9
Queensland	4 046	15.0	1 104	16.9
South Australia	5 216	19.3	655	10.0
Western Australia	—	—	578	8.9
Tasmania	—	—	275	4.2
Northern Territory	45	0.2	77	1.2
Australian Capital Territory	50	0.2	29	0.4
Australia	27 009	100.0	6 530	100.0

CLUBS (HOSPITALITY)

OVERVIEW

The clubs (hospitality) industry (ANZSIC Class 5740) comprises businesses mainly engaged in providing hospitality services (gambling, meals, entertainment and other social facilities) to members.

Of the 3,284 employing businesses in the clubs (hospitality) industry, 2,061 (63%) were sporting clubs and 1,223 (37%) were social and community clubs.

Businesses with and without gambling facilities

Businesses in the clubs (hospitality) industry are categorised in this publication on the basis of whether or not they provide gambling facilities; 65% do have gambling facilities and 35% do not. The profile of businesses in these two categories is significantly different, for example:

- businesses with gambling facilities accounted for 65% of businesses but a larger proportion (85%) of total employment and sales of goods and services (91%);
- businesses without gambling facilities in total made an operating loss before tax of \$10.4 million while businesses with gambling facilities in total made an operating profit before tax of \$439.5 million;
- businesses with gambling facilities had an average operating profit margin of 10.3% while businesses without gambling facilities had an average profit margin of -2.5%; and
- businesses with gambling facilities were significantly larger than those without gambling facilities e.g. average employment per business was 25 persons compared with eight persons for businesses without gambling facilities and sales of goods and services per business was \$2 million compared with \$360,000.

Size of industry

During 1994-95, gross income for the industry was \$4,729.4 million, which was mainly generated by takings and commissions from gambling (\$2,355.4 million) and from meal and alcohol sales (\$1,729.8 million).

Businesses in this industry were heavily concentrated in New South Wales. The 1,403 businesses in New South Wales accounted for 66% of employment and 72% of gross income.

Profitability

During 1994-95, operating profit before tax for the industry was \$429.1 million with an operating profit margin for the industry of 9.2%.

Employment

Of the 62,536 people employed in the clubs industry, 53,181 persons were employed by clubs with gambling facilities and 9,355 persons by clubs without gambling facilities. The majority of people employed (61%) were in occupations directly related to the delivery of food and alcohol services.

Employment in the clubs industry was mainly on a part-time basis with 58% of employees working part-time.

Business size

Of the 3,284 businesses in the clubs industry, 77% were clubs with employment of less than 20 persons. These businesses contributed only 28% to total employment and 26% to gross income.

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CLUBS (HOSPITALITY): SUMMARY OF OPERATIONS, 1994-95

Item	Unit	With gambling facilities	Without gambling facilities	Total
Businesses at end June				
Sporting clubs	no.	1 308	753	2 061
Other clubs (e.g. community and social)	no.	836	387	1 223
<i>Total businesses</i>	<i>no.</i>	<i>2 144</i>	<i>1 140</i>	<i>3 284</i>
Number of poker machines	no.	83 625	—	83 625
Number of coin-operated amusement machines	no.	1 935	580	2 515
Employment				
Full-time	no.	23 214	3 295	26 510
Part-time	no.	29 966	6 060	36 026
<i>Total</i>	<i>no.</i>	<i>53 181</i>	<i>9 355</i>	<i>62 536</i>
Income statement				
Sales of goods and services				
Sales of beer, wine and spirits	\$m	1 177.7	162.1	1 339.7
Takings from meals	\$m	329.0	61.1	390.1
Takings from gambling	\$m	2 222.4	—	2 222.4
Commissions from gambling	\$m	132.9	—	132.9
Other sales of goods and services	\$m	392.5	187.3	579.8
<i>Plus</i>				
Closing trading stocks	\$m	77.9	15.9	93.8
<i>Less</i>				
Purchases of goods for resale	\$m	754.9	121.9	876.8
Selected expenses	\$m	1 652.7	133.2	1 785.9
Opening trading stocks	\$m	74.3	15.6	89.9
<i>Trading profit</i>	<i>\$m</i>	<i>1 850.5</i>	<i>155.8</i>	<i>2 006.3</i>
<i>Plus</i>				
Interest income	\$m	30.4	4.9	35.3
Other income	\$m	18.6	10.5	29.1
<i>Less</i>				
Labour costs	\$m	1 111.2	137.4	1 248.6
Depreciation and amortisation	\$m	240.0	22.4	262.4
Other expenses	\$m	40.2	6.5	46.6
<i>Earnings before interest and tax</i>	<i>\$m</i>	<i>508.1</i>	<i>**4.9</i>	<i>513.1</i>
<i>Less</i>				
Interest expenses	\$m	68.6	15.3	84.0
<i>Operating profit before tax</i>	<i>\$m</i>	<i>439.5</i>	<i>*-10.4</i>	<i>429.1</i>
Operating profit margin	%	10.3	*-2.5	9.2
Industry gross product	\$m	1 855.3	157.4	2 012.7

Businesses in the clubs industry

As at 30 June 1995, the 3,284 hospitality clubs consisted of 2,061 sporting hospitality clubs and 1,223 social and community clubs; these two types of clubs differed significantly in terms of size, employment and profitability.

Sporting hospitality clubs were the major type of employing business (63%). However social and community clubs accounted for the greater proportion of employment (57%) and higher levels of employment per business (29) than sporting clubs (13).

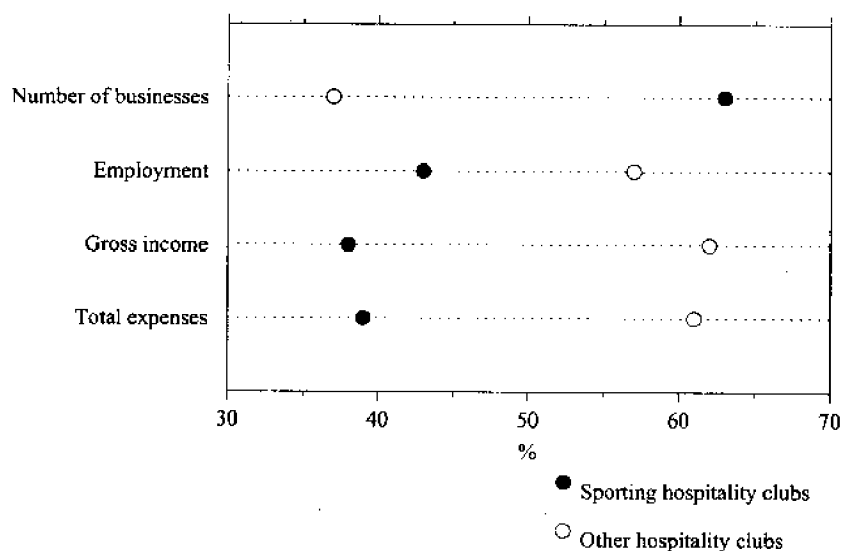
Gross income per employee was \$82,300 in social or community clubs compared to \$66,600 in sporting clubs. However expenses per employee (\$73,200) were 16% higher in social clubs. These differences in income and expenditure were reflected in a higher operating profit margin for social and community clubs (11.3%) than sporting clubs (5.7%).

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CLUBS (HOSPITALITY): NUMBER OF EMPLOYING BUSINESSES BY TYPE, 1994-95

Type of club (hospitality)	Businesses	Employment	Gross income	Total expenses	Operating profit margin
	no.	no.	\$m	\$m	%
Sporting hospitality clubs	2 061	26 759	1 783.6	1 684.2	5.7
Other hospitality clubs (e.g. social and community clubs, etc.)	1 223	35 777	2 945.8	2 620.1	11.3
Total clubs (hospitality)	3 284	62 536	4 729.4	4 304.3	9.2

CLUBS (HOSPITALITY): CONTRIBUTIONS TO KEY DATA ITEMS BY TYPE OF CLUB, 1994-95



HISTORICAL DATA

Size At the end of June 1995 there were 3,284 businesses in the clubs industry which represented a decrease in business numbers of 9% and 14% compared to June 1987 (3,601 businesses) and June 1992 (3,811 businesses) respectively.

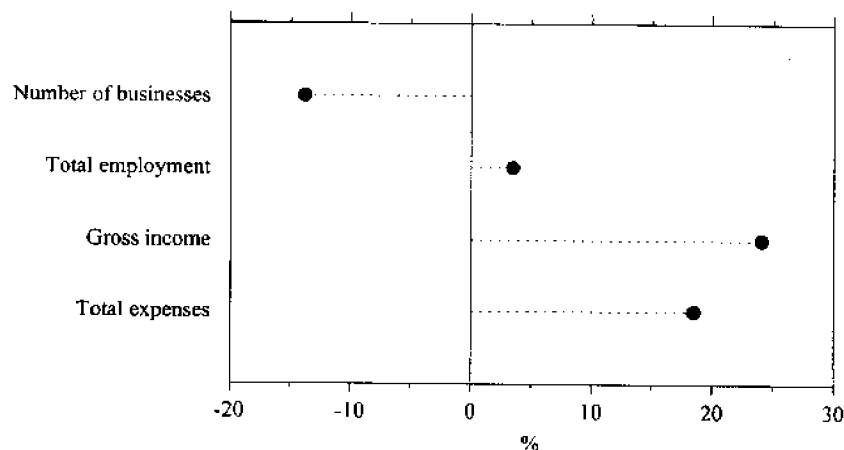
There were 62,536 persons employed in the clubs industry at the end of June 1995 which represented a 3.5% increase since 1991-92. The average employment per business increased by 20% over this period.

Operating profit margin Operating income rose from \$3,757 million in 1991-92 to \$4,668.6 million in 1994-95 (up 24%) while total expenses increased by 19% from \$3,632.3 million to \$4,304.3 million over this period. This was reflected in an increase in the operating profit margin from 4.8% in 1991-92 to 9.2% in 1994-95.

17 CLUBS (HOSPITALITY): HISTORICAL DATA

	Unit	1986-87	1991-92	1994-95
Businesses at end June	no.	3 601	3 811	3 284
Employment at end June	no.	52 336	60 424	62 536
Wages and salaries	\$m	687.6	1 012.4	1 173.3
Total operating income	\$m	2 615.3	3 757.0	4 668.6
Gross income	\$m	2 662.9	3 810.5	4 729.4
Purchases and selected expenses	\$m	1 547.6	2 248.8	2 662.6
Total expenses	\$m	2 438.1	3 632.3	4 304.3
Operating profit before tax	\$m	209.6	178.2	429.1
Operating profit margin	%	8.0	4.8	9.2

CLUBS (HOSPITALITY): CHANGE BETWEEN 1991-92 AND 1994-95 IN KEY DATA ITEMS



INCOME AND EXPENDITURE

Income — introduction

In 1994–95 total income for the clubs (hospitality) industry was \$4729.4 million. Almost 91% (\$4,303.5 million) of this income was generated by clubs with gambling facilities.

Average income per club business was \$1.4 million, however average income for clubs with gambling facilities (\$2 million) was over five times higher (\$373,000) than clubs without gambling facilities.

The components of total income differed significantly between clubs with gambling facilities and without gambling facilities. Clubs with gambling facilities received \$2,355.4 million (55%) of their income from takings and commissions from gambling. Clubs without gambling facilities, however received a higher proportion (52%) of income from meals and alcohol than clubs with gambling facilities (35%). Takings from subscriptions and fees were also a major source (24%) of income for clubs without gambling facilities.

Takings and commissions from gambling

Clubs may receive either takings from poker/gaming machines they own or commissions on poker/gaming machines which are owned/operated on their premises by other businesses. Clubs that operate TAB agencies also receive commissions.

Takings and commissions from poker/gaming machines was \$2,309.2 million which accounted for 49% of total income by the clubs industry.

CLUBS (HOSPITALITY): CONTRIBUTION TO TOTAL INCOME BY SOURCE OF INCOME FOR BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994–95

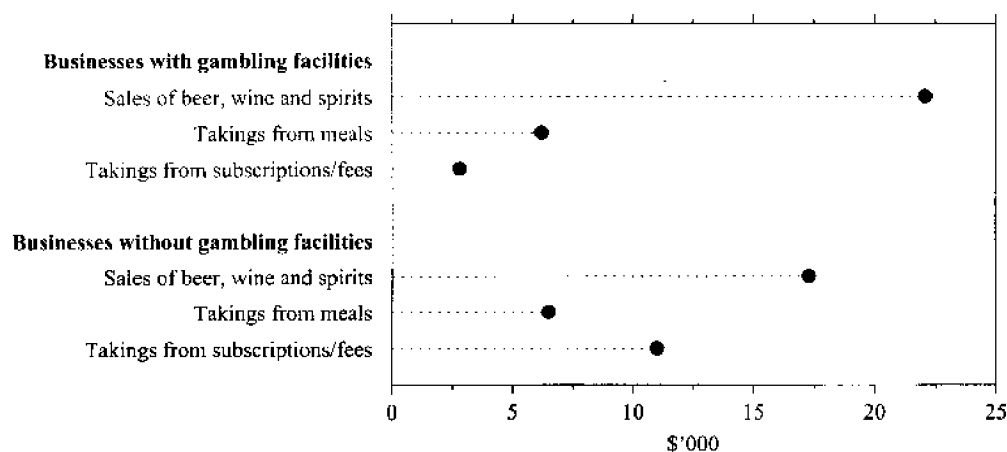


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CLUBS (HOSPITALITY): SOURCES OF INCOME, 1994-95

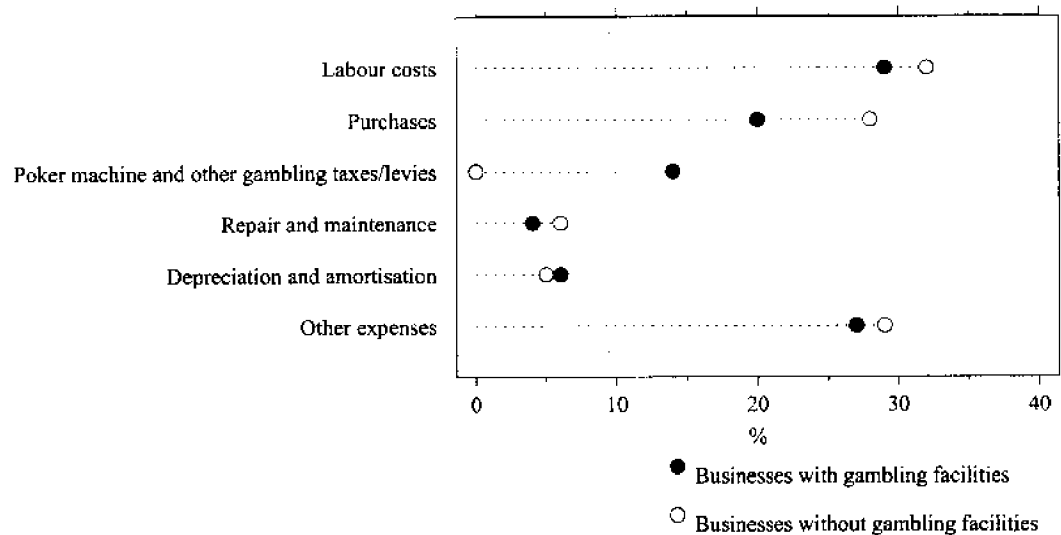
Source of income	Businesses with gambling facilities			Businesses without gambling facilities			Total businesses		
	no.	\$m	%	no.	\$m	%	no.	\$m	%
Sales of goods and services									
Sales of beer, wine and spirits	2 142	1 177.7	27.4	1 098	162.1	38.1	3 239	1 339.7	28.3
Takings from meals	921	329.0	7.6	962	61.1	14.3	1 883	390.1	8.2
Takings from admissions	217	14.6	0.3	286	8.1	1.9	503	22.7	0.5
Takings from accommodation	*66	*28.3	0.7	46	4.3	1.0	112	32.6	0.7
Takings from provision of entertainment	444	31.0	0.7	275	*5.7	1.3	719	36.7	0.8
Takings from subscriptions/fees	2 075	149.7	3.5	1 081	103.3	24.3	3 156	253.1	5.4
Takings from other fund raising	1 332	49.3	1.1	853	14.1	3.3	2 185	63.4	1.3
Takings from poker/gaming machines	1 962	2 222.4	51.6	—	—	—	1 962	2 222.4	47.0
Commissions from poker/gaming machines	162	86.8	2.0	—	—	—	162	86.8	1.8
Commissions from keno	742	35.5	0.8	—	—	—	742	35.5	0.8
Commissions from TAB	377	10.7	0.2	—	—	—	377	10.7	0.2
Rent, leasing and hiring income	1 290	32.4	0.8	630	20.9	4.9	1 920	53.3	1.1
Income from sponsors and advertising	605	14.6	0.3	517	7.4	1.7	1 121	22.0	0.5
Retail sales	767	20.6	0.5	619	12.9	3.0	1 386	33.5	0.7
Other operating income	1 635	51.8	1.2	649	10.6	2.5	2 284	62.4	1.3
Total sales of goods and services	2 144	4 254.4	98.9	1 140	410.5	96.4	3 284	4 665.0	98.6
Other income									
Interest income	1 716	30.4	0.7	820	4.9	1.2	2 536	35.3	0.7
Other non-operating income	1 200	16.6	0.4	535	8.8	2.1	1 735	25.4	0.5
Government funding	336	2.0	-	162	*1.7	0.4	499	3.7	0.1
Total other income	1 954	49.1	1.1	924	15.4	3.6	2 878	64.4	1.4
Total income	2 144	4 303.5	100.0	1 140	425.9	100.0	3 284	4 729.4	100.0

CLUBS (HOSPITALITY): TAKINGS PER PERSONS EMPLOYED, 1994-95



Expenditure — introduction	Total expenses incurred by the clubs (hospitality) industry were \$4,304.3 million. Clubs with gambling facilities, accounted for \$3,867.6 million (90%) of the industry's total expenses.
Labour costs	Labour costs were the largest item of expenditure accounting for 29% of total expenses. Average labour costs per employee for the industry was \$20,000 (\$20,900 for clubs with gambling facilities and \$14,700 for clubs without gambling facilities).
Gambling and liquor taxes/fees	Government taxes and fees totalled \$581 million and 13.5% of total expenses. Gambling taxes of \$521.3 million, constituted 90% of government charges while liquor licence fees represented \$59.7 million (10%) of government charges.
Purchases	Purchases were the second largest item of expenditure accounting for 20% of total expenses. Average purchases were significantly higher in clubs with gambling facilities (\$352,400) than in clubs without gambling facilities (\$107,000).

CLUBS (HOSPITALITY): TOTAL EXPENSES BY TYPE OF EXPENSE FOR BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994-95



Type of expense	Businesses with gambling facilities			Businesses without gambling facilities			Total businesses		
	no.	\$m	%	no.	\$m	%	no.	\$m	%
Labour costs									
Wages and salaries	2 144	1 044.2	27.0	1 140	129.1	29.6	3 284	1 173.3	27.3
Employers contribution to superannuation fund	2 120	45.1	1.2	892	5.7	1.3	3 012	50.9	1.2
Workers' compensation	2 134	21.9	0.6	991	2.5	0.6	3 125	24.5	0.6
<i>Total labour costs</i>	2 144	1 111.2	28.7	1 140	137.4	31.5	3 284	1 248.6	29.0
Selected expenses									
Liquor licence fees	2 140	53.2	1.4	1 079	6.5	1.5	3 219	59.7	1.4
Poker machine, and other gambling taxes/levies	2 026	521.3	13.5	—	—	—	2 026	521.3	12.1
Prizemoney and trophy expenses	1 216	28.8	0.7	739	6.1	1.4	1 955	34.9	0.8
Payments to affiliated clubs/organisations	1 148	29.1	0.8	644	3.2	0.7	1 792	32.3	0.8
Fares and other travelling expenses	785	4.3	0.1	247	0.9	0.2	1 033	5.2	0.1
Advertising expenses	1 824	46.3	1.2	692	2.0	0.5	2 516	48.3	1.1
Contract payments to entertainers	1 053	72.7	1.9	319	3.5	0.8	1 372	76.2	1.8
Repair and maintenance	2 119	150.8	3.9	1 088	27.2	6.2	3 207	178.0	4.1
Rent, leasing and hiring expenses	1 186	54.3	1.4	554	7.8	1.8	1 740	62.0	1.4
Marketing, promotion and sponsorship	1 117	103.7	2.7	301	3.3	0.8	1 418	107.0	2.5
Other operating expenses	2 114	588.2	15.2	1 115	72.8	16.7	3 229	661.0	15.4
<i>Total selected expenses</i>	2 144	1 652.7	42.7	1 140	133.2	30.5	3 284	1 785.9	41.5
Other costs									
Purchases	2 142	754.9	19.5	1 139	121.9	27.9	3 280	876.8	20.4
Interest expenses	1 456	68.6	1.8	541	15.3	3.5	1 997	84.0	2.0
Depreciation and amortisation	1 986	240.0	6.2	673	22.4	5.1	2 659	262.4	6.1
Insurance premiums	2 125	37.9	1.0	1 086	6.2	1.4	3 211	44.1	1.0
Bad debts written off and royalty expenses	603	2.3	0.1	84	0.3	0.1	687	2.6	0.1
<i>Total other costs</i>	2 144	1 103.7	28.5	1 140	166.1	38.0	3 284	1 269.8	29.5
Total expenses	2 144	3 867.6	100.0	1 140	436.7	100.0	3 284	4 304.3	100.0

EMPLOYMENT

Male and female In this industry, male employment accounted for 51% of total employment. There was a higher level of male participation in full-time work (52%) compared with 33% of females employed full time. Males also represented a higher proportion of permanent employees (62%).

Casual Employment in the clubs industry was mainly on a casual basis with 58% of employees working on a casual basis. The majority (88%) of casual employees worked on a part-time basis.

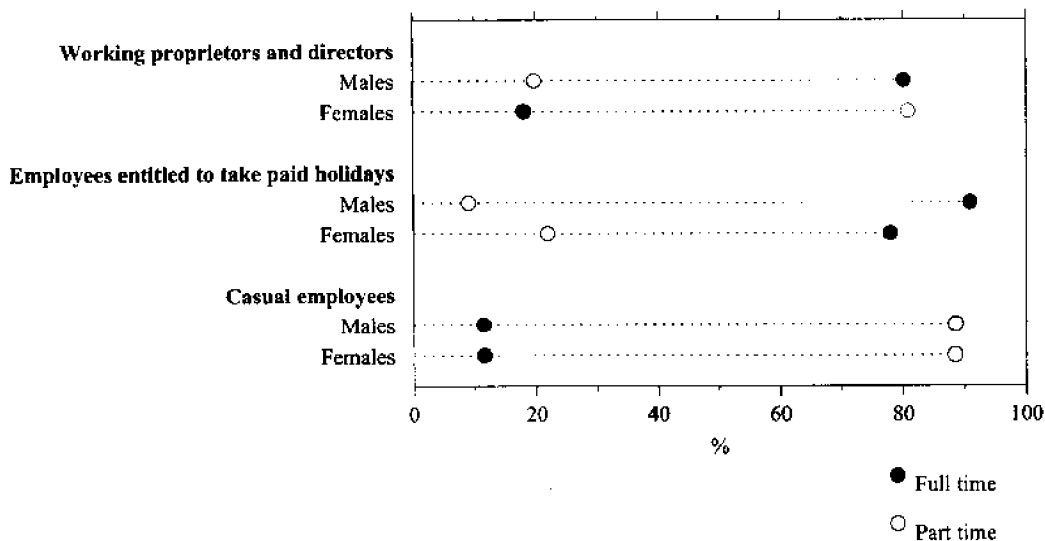
In total there were 36,026 persons (58%) who worked on a part-time basis.

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CLUBS (HOSPITALITY): CHARACTERISTICS OF EMPLOYMENT, END JUNE 1995

Type of employment	Males			Females			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Working proprietors and partners and salaried directors of incorporated companies	154	*38	192	*15	*67	*83	170	*105	275
Employees entitled to take paid holidays	14 415	1 426	15 841	7 726	2 185	9 911	22 141	3 611	25 752
Casual employees	1 801	13 929	15 730	2 398	18 381	20 779	4 199	32 310	36 509
Total	16 370	15 393	31 763	10 139	20 633	30 773	26 510	36 026	62 536

CLUBS (HOSPITALITY): EMPLOYMENT BY TYPE AND SEX, JUNE 1995

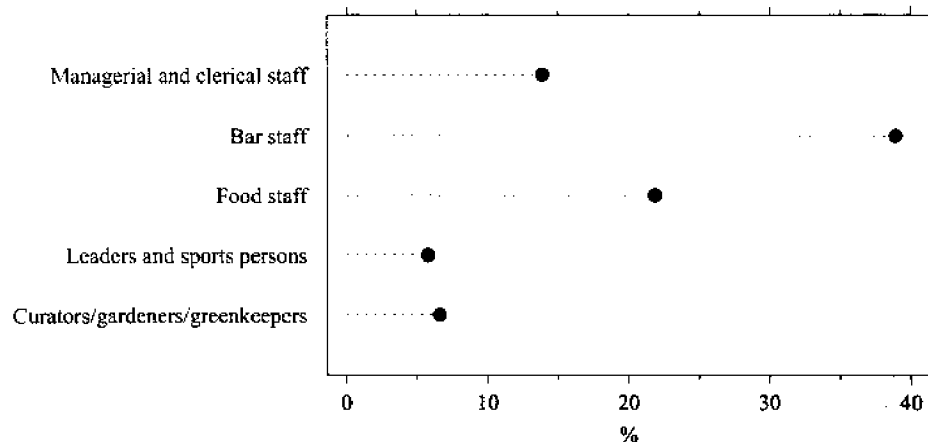


Occupations Of the 62,536 persons employed in the clubs industry, the most common occupation (39%) was that of bar managers and attendants. Overall the majority of people (61%) were employed in occupations directly related to the delivery of food and alcohol services.

21 CLUBS (HOSPITALITY): MAIN OCCUPATION OF PERSONS EMPLOYED, END JUNE 1995

Occupation	Number	Contribution
	no.	%
Managers/administrators	3 929	6.3
Administrative assistants/clerical support staff	4 750	7.6
Bar managers and attendants	24 299	38.9
Waiters/waitresses	8 478	13.6
Chefs	2 153	3.4
Kitchen hands	3 038	4.9
Coaches/development officers	551	0.9
Instructors/leaders/teachers	405	0.6
Professional sports persons	2 079	3.3
Sport officials	*301	0.5
Medical staff	95	0.2
Other sporting fixture staff	315	0.5
Curators/gardeners/greenkeepers	4 103	6.6
Security officers	770	1.2
Other	7 270	11.6
Total	62 536	100.0

CLUBS (HOSPITALITY): CONTRIBUTIONS OF MAJOR OCCUPATION GROUPINGS, 1994-95



BUSINESS SIZE ANALYSIS

Dominance of smaller businesses

Of the 3,284 businesses in the clubs industry, 2,537 (77%) had employment of less than 20 persons. Although these smaller businesses dominated in terms of numbers, their contribution to total employment 17,714 (28%) and gross income \$1,206.7 million (26%) was significantly lower.

For those businesses with gambling facilities, small businesses were less dominant accounting for 71% of businesses, 25% of employment and 23% of gross income. While for those businesses without gambling facilities, small businesses accounted for 90% of businesses, 47% of employment and 55% of gross income.

Impact of medium and large businesses

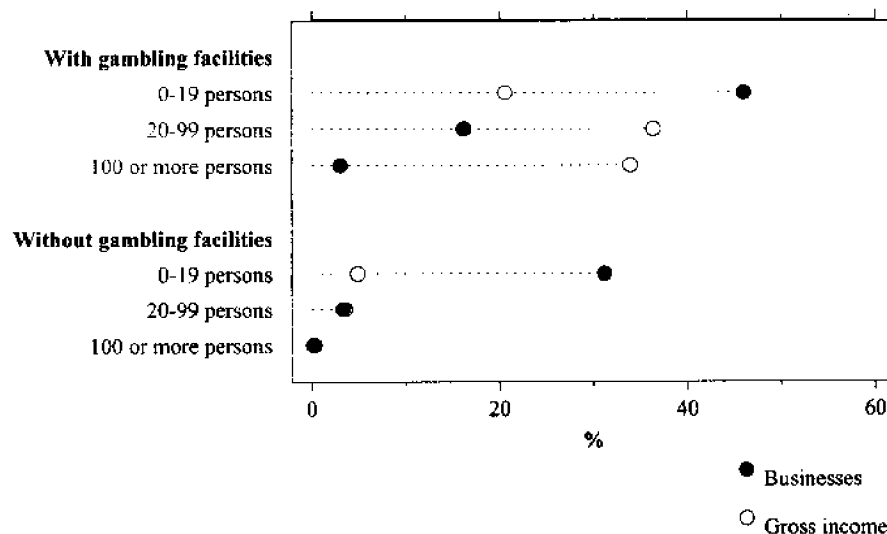
Medium-sized businesses employing between 20 and 99 persons, accounted for 20% of businesses and 40% of both gross income and employment in the industry.

Large businesses, employing 100 or more persons, totalled 105, which was relatively small (3%) in proportion to total businesses. However these businesses generated a high proportion of employment (31%) and income (35%).

Most of the medium (83%) and almost all the large businesses (95%) in the industry provided gambling facilities. Similarly the majority (60%) of small businesses also provided gambling facilities.

Medium and large businesses, provided the major source of business profitability, with gross income exceeding total expenses by \$179 million for medium businesses and by \$185.5 million for large businesses. Medium and large businesses with gambling facilities generated profits, with gross income exceeding total expenses by \$189.8 million for medium businesses and by \$186 million for large businesses. However medium and large businesses without gambling facilities incurred losses with expenses exceeding income by \$10.8 million and \$500,000 respectively.

CLUBS (HOSPITALITY): CONTRIBUTIONS TO KEY DATA ITEMS BY BUSINESS SIZE, 1994-95



Employment size category at end June	Businesses at end June		Employment at end June		Gross income		Total expenses	
	no.	%	no.	%	\$m	%	\$m	%
WITH GAMBLING FACILITIES								
0-19 persons	1 512	70.5	13 277	25.0	972.5	22.6	912.4	23.6
20-99 persons	532	24.8	21 003	39.5	1 721.4	40.0	1 531.6	39.6
100 or more persons	100	4.7	18 900	35.5	1 609.6	37.4	1 423.6	36.8
Total	2 144	100.0	53 181	100.0	4 303.5	100.0	3 867.6	100.0
WITHOUT GAMBLING FACILITIES								
0-19 persons	1 026	90.0	4 437	47.4	234.3	55.0	233.7	53.5
20-99 persons	109	9.6	4 249	45.4	171.6	40.3	182.4	41.8
100 or more persons	5	0.4	669	7.2	20.1	4.7	20.6	4.7
Total	1 140	100.0	9 355	100.0	425.9	100.0	436.7	100.0
TOTAL								
0-19 persons	2 537	77.3	17 714	28.3	1 206.7	25.5	1 146.1	26.6
20-99 persons	641	19.5	25 252	40.4	1 893.0	40.0	1 714.0	39.8
100 or more persons	105	3.2	19 570	31.3	1 629.7	34.5	1 444.2	33.6
Total	3 284	100.0	62 536	100.0	4 729.4	100.0	4 304.3	100.0

STATE DATA

Concentration of businesses in New South Wales

Businesses in this industry were concentrated in New South Wales. The 1,403 businesses operating in New South Wales (43% of all businesses) accounted for 66% of employment and 72% of gross income.

New South Wales clubs generated an income of \$2.4 million per club compared with the Australian average of \$1.4 million.

Businesses with and without gambling facilities

For clubs with gambling facilities, New South Wales was even more dominant, accounting for 1,320 (62%) of businesses and 39,979 persons employed (75%). Whereas, New South Wales contribution to clubs without gambling facilities was small, with only 83 (7%) businesses and 1,366 persons employed (15%) in this category.

In contrast Victoria accounted for 28% (321) of clubs without gambling facilities but only 7% (157) of businesses with gambling facilities.

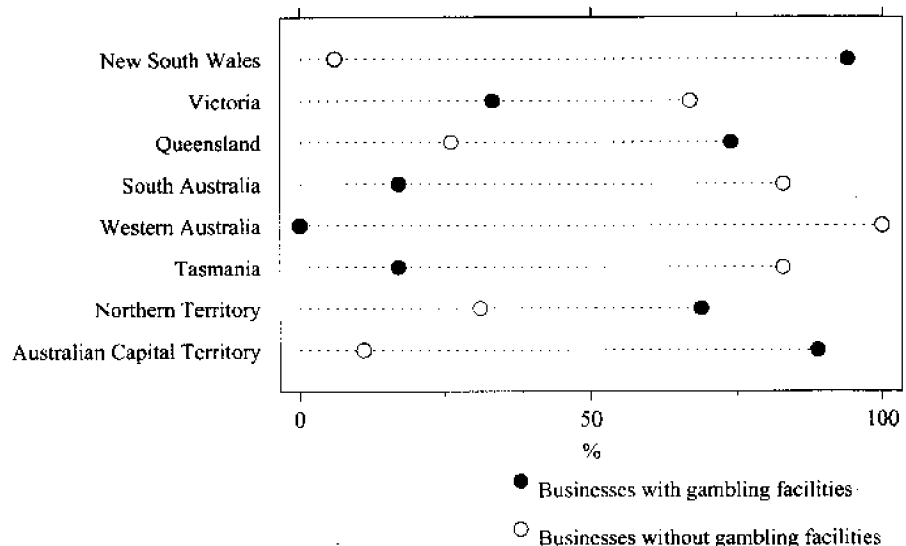
Key characteristics per business

Clubs varied significantly with respect to size, income and wage ratios. Employment per business was highest in New South Wales (30) compared with 14 persons in Victoria and only five in Tasmania.

Income per employee varied from \$93,400 in the Northern Territory to \$47,900 in Victoria.

Wages per employee ranged from \$20,200 in New South Wales to \$13,100 in South Australia.

CLUBS (HOSPITALITY): BUSINESSES WITH AND WITHOUT GAMBLING FACILITIES, 1994-95

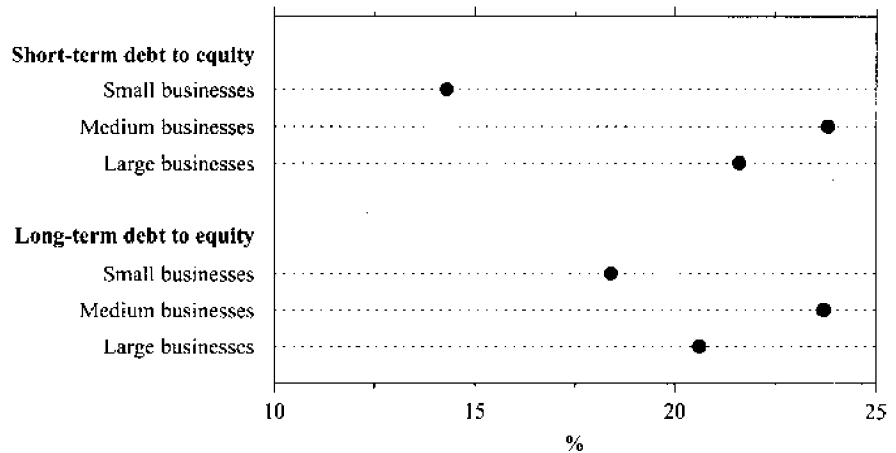


State/Territory	Businesses at end June		Employment at end June		Wages and salaries		Gross income	
	no.	%	no.	%	\$m	%	\$m	%
WITH GAMBLING FACILITIES								
New South Wales	1 320	61.6	39 979	75.2	810.1	77.6	3 352.8	77.9
Victoria	157	7.3	3 650	6.9	66.4	6.4	205.9	4.8
Queensland	521	24.3	6 946	13.1	122.9	11.8	535.1	12.4
South Australia	48	2.2	553	1.0	7.8	0.7	33.1	0.8
Western Australia	—	—	—	—	—	—	—	—
Tasmania	*14	0.7	*133	0.3	*2.5	0.2	*9.4	0.2
Northern Territory	29	1.4	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	54	2.5	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia	2 144	100.0	53 181	100.0	1 044.2	100.0	4 303.5	100.0
WITHOUT GAMBLING FACILITIES								
New South Wales	83	7.3	1 366	14.6	25.3	19.6	66.4	15.6
Victoria	321	28.2	3 058	32.7	36.1	28.0	115.7	27.2
Queensland	184	16.1	1 274	13.6	19.5	15.1	63.6	14.9
South Australia	235	20.6	1 296	13.9	16.5	12.8	58.5	13.8
Western Australia	226	19.8	1 934	20.7	26.0	20.1	95.2	22.4
Tasmania	71	6.2	285	3.0	3.4	2.6	15.9	3.7
Northern Territory	13	1.1	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	*7	0.6	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia	1 140	100.0	9 355	100.0	129.1	100.0	425.9	100.0
TOTAL								
New South Wales	1 403	42.7	41 345	66.1	835.5	71.2	3 419.2	72.3
Victoria	478	14.6	6 707	10.7	102.5	8.7	321.6	6.8
Queensland	705	21.5	8 220	13.1	142.4	12.1	598.6	12.7
South Australia	283	8.6	1 849	3.0	24.2	2.1	91.6	1.9
Western Australia	226	6.9	1 934	3.1	26.0	2.2	95.2	2.0
Tasmania	84	2.6	418	0.7	5.9	0.5	25.3	0.5
Northern Territory	42	1.3	316	0.5	5.8	0.5	29.5	0.6
Australian Capital Territory	61	1.9	1 746	2.8	30.9	2.6	148.4	3.1
Australia	3 284	100.0	62 536	100.0	1 173.3	100.0	4 729.4	100.0

PERFORMANCE MEASURES

Business size definitions	This section presents statistics for clubs broken down into three size categories, defined on the basis of the following employment ranges: less than 20 persons, 20 to 99 persons, and 100 or more persons. For ease of reference, these are referred to as small, medium and large businesses in the following table.
Labour costs per employee	Labour costs per employee for clubs were \$20,000 for all businesses. These costs were the lowest in small businesses at \$18,200, compared with an average of \$20,300 for medium and an average of \$21,200 for large businesses.
Gross income per person employed	Gross income per person employed by businesses in the clubs industry was \$75,600. Gross income per person employed was 22% higher for large businesses (\$83,300) than for small businesses (\$68,100), and 11% higher than for medium businesses (\$75,000).
Total expenses per person employed	Total expenses per person employed averaged \$68,800. This ratio was lowest for small businesses (\$64,700) and highest for large businesses (\$73,800).
Operating profit margin	As with the other ratios, the 105 larger clubs dominated the operating profit margin. Large businesses had a margin of 11.5% while small and medium-sized had operating profit margins of 5% and 10% respectively.
Return on assets	The clubs industry showed a relatively high return on assets (7%) compared with the average for all businesses in the Australian economy (5%).
Interest coverage	Interest coverage measures the ability of an industry to meet periodic interest payments from current profits. Interest coverage in the clubs industry was highest for large businesses (7.4) and lowest for small businesses (4.5).

CLUBS (HOSPITALITY): LEVERAGE RATIOS, 1994-95



	<i>Unit</i>	<i>Small</i>	<i>Medium</i>	<i>Large</i>	<i>Total</i>
Employment ratios					
Operating profit before tax per person employed	\$'000	3.4	7.3	9.5	6.9
Labour costs per employee	\$'000	18.2	20.3	21.2	20.0
Labour costs to total expenses	%	28.0	29.8	28.8	29.0
Total assets per person employed	\$'000	81.3	96.0	98.2	92.5
Industry gross product per person employed	\$'000	25.1	33.1	37.4	32.2
Industry gross product to labour costs	\$	1.4	1.6	1.8	1.6
Gross income per person employed	\$'000	68.1	75.0	83.3	75.6
Total expenses per person employed	\$'000	64.7	67.9	73.8	68.8
Profitability ratios					
Operating profit margin	%	5.1	9.8	11.5	9.2
Return on assets	%	4.2	7.6	9.7	7.4
Return on funds	%	6.0	10.9	13.2	10.4
Leverage ratios					
Debt ratio	%	24.6	32.2	29.7	29.5
Interest coverage	times	4.5	5.9	7.4	6.1
Short-term debt to equity	%	14.3	23.8	21.6	20.5
Long-term debt to equity	%	18.4	23.7	20.6	21.3
Capital expenditure ratios					
Capital expenditure to assets	%	9.8	11.5	15.3	12.4
Liquidity ratios					
Liquidity ratio	times	1.7	1.1	0.8	1.1
Current ratio	times	2.0	1.2	0.8	1.2
Turnover ratio					
Asset turnover	times	0.8	0.8	0.8	0.8

ASSETS AND LIABILITIES

Introduction	This section presents assets, liabilities and net worth of businesses (management units) in the industry. It is the aggregation of data reported by the businesses and no attempt has been made to identify and eliminate financial claims between businesses in the industry.
Assets	Total assets at the end of June were \$5,784.2 million, 17% of which were current assets and 83% non-current assets.
Liabilities	Of the \$1,704.6 million liabilities incurred by the clubs industry, 49% were current liabilities and 51% were non-current liabilities.
Capital expenditure	Capital expenditure (\$714.5 million) was 12% of total assets.

25 CLUBS (HOSPITALITY): ASSETS, LIABILITIES AND NET WORTH, END JUNE 1995

Item	Value	
	\$m	
Assets		
Current assets including trading stocks		996.0
Non-current assets		4 788.2
Total value of assets		5 784.2
Liabilities		
Current liabilities		837.3
Non-current liabilities		867.3
Total value of liabilities		1 704.6
Net worth		4 079.6
Disposal of assets		35.0

26 CLUBS (HOSPITALITY): CAPITAL EXPENDITURE, 1994-95

Item	Value	Contribution
	\$m	%
Sporting venues, facilities and equipment	85.9	12.0
Computers and other peripherals	12.0	1.7
Other machinery and equipment	268.0	37.5
Land	70.7	9.9
Dwellings	80.1	11.2
Other building and structures		
New	157.7	22.1
Second hand	33.6	4.7
Intangible assets	6.5	0.9
Total	714.5	100.0

GAMBLING AND AMUSEMENT MACHINES

Gaming/poker machines At the end of June 1995, there were a total of 83,625 gaming/poker machines located on the premises of clubs. These machines were mainly located in New South Wales (74%).

Three states (New South Wales, Victoria, and Queensland) accounted for almost all (95%) of the gaming/poker machines in this industry.

Coin-operated amusement machines There were 2,515 coin-operated amusement machines located on the premises of clubs.

27 CLUBS (HOSPITALITY): GAMING/POKER MACHINES AND COIN-OPERATED AMUSEMENT MACHINES, END JUNE 1995

<i>State/Territory of head office</i>	<u>Gaming/poker machines</u>		<u>Coin-operated amusement machines</u>	
	no.	%	no.	%
New South Wales	61 862	74.0	731	29.1
Victoria	6 897	8.2	362	14.4
Queensland	10 910	13.0	502	20.0
South Australia	*743	0.9	238	9.5
Western Australia	—	—	*133	5.3
Tasmania	—	—	*350	13.9
Northern Territory	167	0.2	55	2.2
Australian Capital Territory	3 045	3.6	143	5.7
Australia	83 625	100.0	2 515	100.0

EXPLANATORY NOTES

SURVEY SCOPE, METHODOLOGY AND CLASSIFICATION

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

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

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

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

2 This publication contains data for the pubs, taverns and bars industry, and the clubs (hospitality) industry.

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

STATISTICAL UNIT

4 The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard for industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, sole operator, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.

STATE DATA

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

REFERENCE PERIOD

6 Data contained in the tables of this publication relate to all businesses which operated in Australia at any time during the year ended 30 June 1995. Counts of businesses included only those businesses that were operating at 30 June 1995.

BUSINESSES CEASED DURING THE YEAR

7 A very small number of businesses ceased operations during the 1994-95 reference period. It is normal ABS procedure to include the contributions of these businesses in the survey output.

RELIABILITY OF ESTIMATES

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

SAMPLING ERRORS

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

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

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

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

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

<i>Item</i>	<i>Pubs, taverns and bars</i>	<i>Clubs (hospitality)</i>	<i>Total</i>
	%	%	%
Businesses at end June	2	2	2
Number of poker machines	7	3	3
Number of coin-operated amusement machines	5	10	5
Employment			
Full-time	3	3	2
Part-time	3	3	2
<i>Total</i>	3	3	2
Income statement			
Sales of goods and services			
Sales of beer, wine and spirits	3	3	2
Takings from meals	3	3	2
Takings from gambling	7	4	3
Commissions from gambling	18	9	10
Other sales of goods and services	4	4	3
<i>Plus</i>			
Closing trading stocks	4	4	3
<i>Less</i>			
Purchases of goods for resale	3	3	2
Selected expenses	3	3	2
Opening trading stocks	4	4	3
<i>Trading profit</i>	3	3	2
<i>Plus</i>			
Other income	138	6	25
<i>Less</i>			
Labour costs	3	3	2
Depreciation and amortisation	4	5	3
Other expenses	3	3	2
<i>Earnings before interest and tax</i>	6	4	3
<i>Less</i>			
Interest expenses	5	5	4
<i>Operating profit before tax</i>	10	4	4
Operating profit margin	9	3	4
Industry gross product	10	3	2

13 As an example of the above, an estimate of total employment for the pubs, taverns and bars industry is 71,437 persons and the RSE is 3% giving a standard error of 2,143 persons. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure within the range of 69,294 persons to 73,580 persons would have been obtained, and nineteen chances in twenty that the figure would have been within the range of 67,151 persons to 75,723 persons (a confidence interval of 95%).

14 Where the RSE of an estimate included in this publication exceeds 25%, it has been annotated with an asterisk (*) as a warning to users. Where the RSE of an estimate exceeds 50% it has been annotated with a double asterisk (**).

NON-SAMPLING ERROR

15 Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling error and they may occur in any collection, whether it be a census or a sample. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems used to compile the statistics.

AVAILABILITY OF UNPUBLISHED DATA

16 As well as statistics included in this publication, the ABS has some more detailed data on the clubs, pubs, taverns and bars industries. For example, more detailed income and expense data may be made available on request.

17 Inquiries on statistics relating to the clubs, pubs, taverns and bars industries should be made by telephoning Tony Ward on (03) 9615 7634.

OTHER PUBLICATIONS IN THIS SERIES

18 Two publications providing detailed statistics for each industry and additional activity information covered in this survey will be released over the next few months.

- *Gambling Industries, Australia, 1994-95* (8684.0); and
- *Sports Industries, Australia, 1994-95* (8686.0);

Publications *Sport, Recreation and Gambling, Australia, Preliminary, 1994-95* (8692.0), *Casinos, Australia, 1994-95* (8683.0) and *Recreation Services, Australia, 1994-95* (8688.0) have already been released.

**SYMBOLS AND OTHER
ABBREVIATIONS**

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

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

UNPUBLISHED DATA

AVAILABLE DATA

The amount of data collected from the survey of pubs, taverns and bars and clubs (hospitality) industries is much greater than the data contained in this publication.

The release of this additional data is subject to the ABS provisions for maintaining the confidentiality of respondents and their information.

SIZE OF BUSINESS

The tables in the publication can be provided cross classified by the employment size groupings used in this publication or by size groupings tailored to meet the user's requirements, for example, a finer breakdown of businesses in the smallest size groupings.

In addition, other data items can be used to classify businesses by size, for example:

- gross income;
- income from a specific source;
- operating profit margin; and
- operating profit/loss before tax.

QUANTILES

A range of data items and performance ratios can be provided by quantile e.g. by decile. Mean and median values are also available.

CROSS CLASSIFICATIONS

Statistics are available for a range of cross classifications e.g. for businesses with and without gambling facilities, and businesses with and without alcohol sales, etc.

INDIVIDUAL BUSINESS TYPES

More detailed income, expenses and employment statistics are available for individual business types. These business types include:

- Licensed hotels;
- Licensed restaurants;
- Night clubs; and
- Taverns.

FOR MORE INFORMATION

Please contact Tony Ward on Melbourne (03) 9615 7634 or write to:

The Assistant Director

Service Industries Surveys
Australian Bureau of Statistics
PO Box 2796Y
MELBOURNE VIC 3001

GLOSSARY

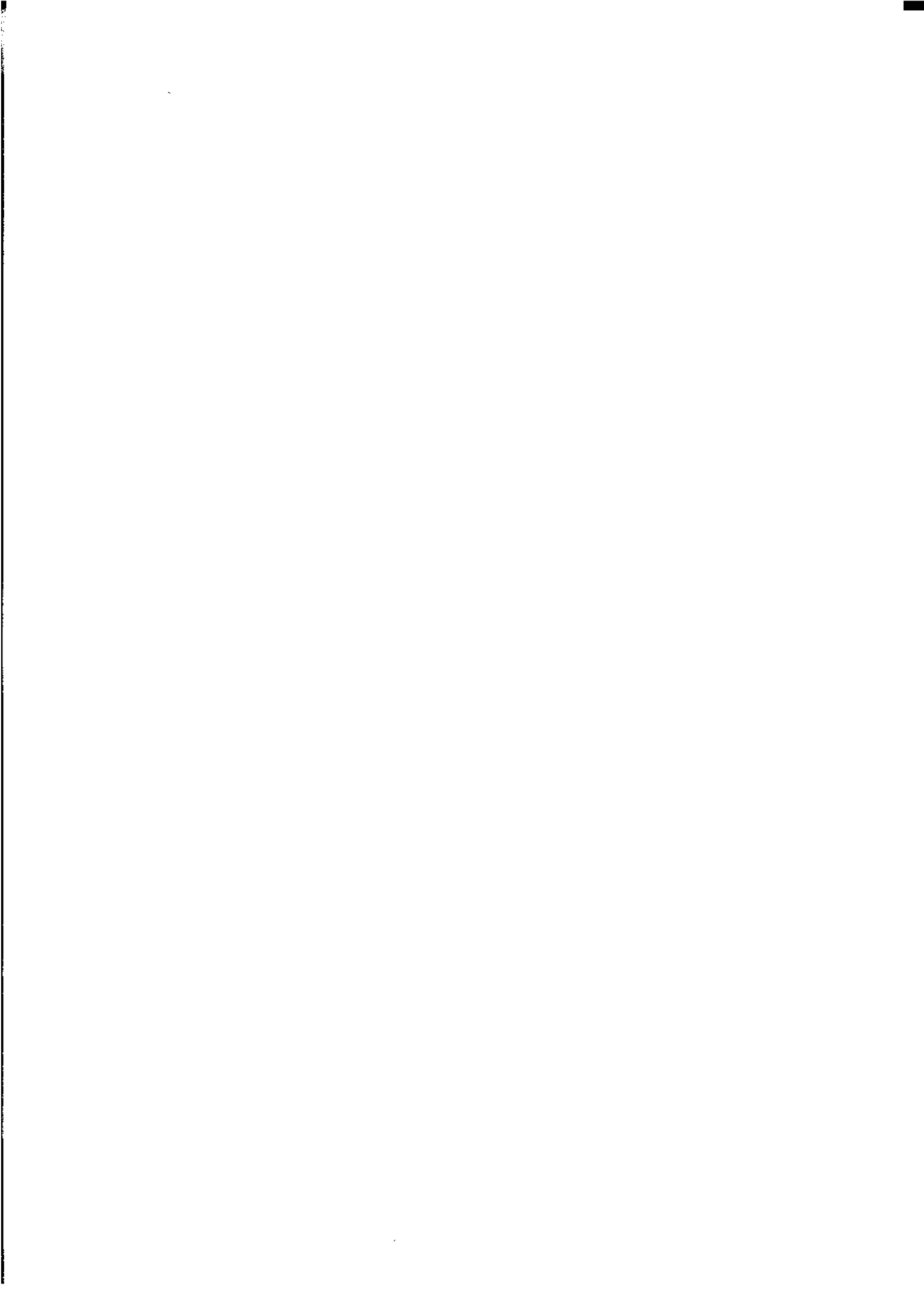
Advertising expenses	This includes advertising expenses paid to advertising agencies, and direct payments to the press, radio and television and other advertising expenses. It excludes wages and salaries, and marketing and promotions costs.
Asset turnover ratio	The number of times the value of sales exceeds the value of assets, i.e. sales of goods and services divided by the total value of assets.
Bad debts written off	Uncollected accounts receivable which have been written off. Doubtful debts are excluded.
Businesses at end June	The number of management units operating at the end of June 1995. A management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. (Refer to paragraph 5 of Explanatory Notes for further information regarding management units.)
Casual employees	Employees not entitled to take paid holidays.
Commissions from keno	Commissions received by businesses/clubs for the operation of keno on their premises.
Commissions from poker/gaming machines	Commissions received by businesses/clubs for the operation of poker/gaming machines on their premises (i.e. the business/club receives a commission and does not own the machines).
Commissions from TAB	Commissions received from TAB agency operations.
Contract payments to entertainers	Payments made to entertainers on a contract basis excluding payments to entertainers for whom PAYE tax and other payroll deductions are withdrawn.
Current ratio	The number of times current assets exceed current liabilities, i.e. current assets divided by current liabilities. This liquidity measure indicates ability to meet immediate financial obligations from current assets.
Depreciation and amortisation	Financial charges made to the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period.
Earnings before interest and tax (EBIT)	A measure of profit prior to the deduction of interest expense and income tax.
Employer contributions to superannuation funds	This includes all employer contributions to superannuation funds (including the employer productivity contribution). Excludes employee contributions.
Employment at the end of June	This includes working proprietors and partners, working directors, other employees and casuals working for the business during the last pay period ending in June 1995. Excludes volunteers and subcontracted workers.

Fares and other travelling expenses	This item includes transport costs incurred during business activities which occur away from the normal place of business but excludes accommodation expenses.
Government funding	This includes recurrent funding for operational costs (e.g. wages and salaries, rent,), bounties, subsidies and export grants, Jobstart, apprenticeship schemes and funding provided for specific capital items or on a once-off basis.
Gross income	Sum of all income items.
Income from accommodation	This item is the income received from the provision of accommodation and excludes takings from meals.
Income from entertainment	This item includes takings from the provision of entertainment and excludes takings from meals.
Income from sponsors advertising and television and radio rights	This item includes corporate box income but excludes income received from parent business for sponsorship and television and radio rights.
Income from subscriptions	This item includes participants and players fees, social members' subscriptions and members' subscriptions.
Industry gross product	A measure of the value of unduplicated gross product of businesses. It is defined as sales of goods and services plus government subsidies plus capital work done by own employees for own use or for rental or lease minus purchases and selected expenses.
Industry gross product per person employed	This is the industry gross product divided by the number of persons employed.
Industry gross product to labour costs	Industry gross product divided by labour costs.
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. Excludes workers' compensation insurance premiums, and compulsory third-party motor vehicle insurance.
Interest coverage	The number of times over that businesses can meet their interest expenses from their earnings before interest, i.e. EBIT divided by interest expenses.
Interest expenses	This 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. Excludes bank charges and capital repayments.
Interest income	This item includes interest from deposits in banks and non-bank financial institutions, interest from loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. 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.
Labour costs per person employed	Labour costs divided by number of persons employed.
Labour costs to total expenses	Labour costs divided by total expenses.
Marketing, promotion and sponsorship expenses	This item includes those expenses associated with the promotion and publicity of a business or its products. These costs are paid to other clubs/organisations but are not the costs of servicing a clubs/organisations own sponsors.
Net takings from poker/gaming machines	Takings from poker/gaming machines are net figures i.e. payouts (winnings paid to players) have been netted out. Gross takings for these industries were not collected.
Net worth	This item is current assets, including trading stocks plus non-current assets, minus current liabilities and non-current liabilities.
Operating profit before tax per person employed	Operating profit before tax divided by number of persons employed.
Operating profit margin	The percentage of sales of goods and services available as operating profit, i.e. (operating profit before tax times 100) divided by sales of goods and services.
Operating profit margin before tax (OPBT)	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).
Other expenses	This item includes bad debts written off, insurance premiums and interest expenses.
Other non-operating income	This item includes interest, royalties income and other non-operating income namely net profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, and donations.
Other operating expenses	This item includes various expense items which are general in nature and are not included elsewhere e.g. management fees, glass/crockery expenses, cleaning and laundry supplies, staff uniforms and amenities, in-house films, audit, accounting and legal expenses, electricity and gas charges, freight and cartage expenses, other contract, subcontract and commission expenses, etc.
Other operating income	For pubs, taverns and bars industry this item includes commissions from vending machines and operating income items not included elsewhere. For the clubs (hospitality) industry, this item includes prize money, commissions from vending machines, takings and commissions from coin-operated amusement machines and income from affiliated clubs/organisations.

Payments to affiliated clubs/organisations	This includes payments made to other sporting clubs/organisations.
Persons employed	This item includes working proprietors and working partners of unincorporated businesses, working directors of incorporated companies and other employees (including freelancers paid via the payroll).
Poker machine, keno and other gambling taxes/levies	This item includes taxes/levies paid to the Government by the owners of poker/gaming machines and other gambling facilities.
Prize money and trophy expenses	For sporting associations/leagues and clubs this is the cost of providing prize money and trophies for awards, team premierships, etc.
Purchases	This item includes purchases of goods for resale, other purchases such as foodstuffs for use in preparing meals and takeaway meals, and purchase of containers, packaging materials etc.
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, sporting venues, 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	Includes takings from rental of facilities and equipment, payments by other businesses operating within the facility (e.g. catering concessions), and income from operating leases. Excludes income from finance leases and corporate box income.
Repair and maintenance expenses	Includes repair and maintenance to machinery and equipment, and sporting venues, facilities and equipment. Excludes wages and salaries paid to own employees.
Return on assets	Operating profit before tax as a percentage of the total book value of assets, i.e. OPBT times 100 divided by total assets.
Return on funds	Earnings before interest and tax as a percentage of long-term investment funds, i.e. earnings before interest and tax times 100 divided by (net worth plus non-current liabilities).
Royalties expenses	Includes payments under licensing arrangements, payments for the use of copyright, patent, design or model, plan, secret formula or process, trademark or any other like property or right, payments for the use of, or the right to use industrial, commercial or scientific equipment, payments for the supply of scientific, technical, industrial or commercial knowledge or information, payment made for the right to use motion picture or television films or video tapes, or tapes for radio broadcasting, royalties paid on mineral production, and payments made under franchise agreements. Excludes royalties paid under mineral lease arrangements.
Sales of beer, wine and spirits	Includes beer, wine and spirits sold for consumption on the premises with and without meals, and for consumption off the premises.
Takings from admissions	This includes gate takings and takings from the sale of season's tickets.

Takings from meals	Includes meals sold for consumption on the premises and excludes takeaway food.
Takings from poker/gaming machines	Includes takings from poker/gaming machines (including keno gaming machines) reported by the businesses/clubs which own the machines. The takings are net of payouts to players. Takings from poker/gaming machines not owned by the businesses/clubs are referred to as commissions from poker/gaming machines.
Total assets	Sum of asset items. This item includes current assets, trading stocks and non-current assets.
Total assets per person employed	Total assets divided by total number of persons employed.
Total expenses	Sum of expense items. This includes wages and salaries, employer contributions to superannuation funds, workers' compensation costs, depreciation and amortisation, fares and other travelling expenses, repair and maintenance, rent, leasing and hiring, advertising, contract payments to entertainers, liquor licence fees, poker machine, keno and other gambling taxes/levies, prize money and trophy expenses, payments to affiliated clubs/organisations, purchases, interest, insurance premiums, royalties, bad debts written off and other operating expenses.
Total workforce	Sum of total employment and total number of volunteers.
Volunteers	Volunteers are people who provide assistance where no payment, either monetary or in kind, is received. Includes members of boards of management, advisory councils, fund raising committees, persons receiving honorariums, etc.
Volunteers to total workforce	This ratio is the number of volunteers divided by the total workforce.
Wages and salaries	Wages and salaries are gross earnings of all employees before taxation and other deductions.
Workers' compensation	This expense item includes workers' compensation insurance premiums/levies, non-payroll costs (e.g. medical costs) not reimbursed, and provisions for workers' compensation.



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