



# **GAMBLING INDUSTRIES** AUSTRALIA

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Ann Santo on Melbourne 03 9615 7910.

## NOTES

### INTRODUCTION

This publication presents results, in respect of the 2000–01 financial year, from surveys conducted by the Australian Bureau of Statistics (ABS) of employing businesses involved in the provision of gambling services. This is the third time that the ABS has surveyed these industries, with previous surveys conducted in respect of 1994–95 and 1997–98.

This publication is one of a series to be issued in respect of 2000–01 for a range of hospitality, sporting, recreation and gambling service industries. Other publications in this series are:

*Casinos, Australia, 2000–01* (cat. no. 8683.0) — issued 7 December 2001

*Selected Amusement and Leisure Industries, Australia, 2000–01*  
(cat. no. 8688.0) — issued 30 April 2002

*Clubs, Pubs, Taverns and Bars, Australia, 2000–01* (cat. no. 8687.0)  
— issued 25 June 2002

*Sports Industries, Australia, 2000–01* (cat. no. 8686.0)

*Accommodation Industry, Australia, 2000–01* (cat. no. 8695.0)

### 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, Australian Bureau of Statistics, Locked Bag 10, Belconnen, ACT, 2616.

### SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
GE	Group Employer
n.a.	not available
n.e.c.	not elsewhere classified
n.p.	not published
OPBT	operating profit before tax
PAYGW	Pay As You Go Withholding
r	revised
RSE	relative standard error
TNTS	The New Tax System
\$m	million dollars
—	nil or rounded to zero (including null cells)

Dennis Trewin  
Australian Statistician

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## CHAPTER 1

### INTRODUCTION

## OVERVIEW

Data in this publication have been drawn from a number of ABS surveys conducted in respect of 2000–01. These surveys included employing businesses classified to the following Australian and New Zealand Standard Industrial Classification (ANZSIC) classes:

5710	ACCOMMODATION
5720	PUBS, TAVERNS AND BARS
5740	CLUBS (HOSPITALITY)
9311	HORSE AND DOG RACING
9312	SPORTS GROUNDS AND FACILITIES N.E.C.
9319	SPORTS AND SERVICES TO SPORTS N.E.C.
9321	LOTTERIES (PART — EXCLUDING LOTTERY AGENCIES)
9322	CASINOS
9329	GAMBLING SERVICES N.E.C.

For the purposes of this publication, data have been presented for businesses which derived some part of their income from the provision of gambling services (i.e. in the form of gambling takings or commissions).

While the ANZSIC classification delineates gambling to businesses classified to classes 9321 LOTTERIES, 9322 CASINOS and 9329 GAMBLING SERVICES N.E.C., the provision of gambling services in many other types of businesses necessitated a much wider view.

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

- Chapter 2 presents aggregates on gambling activity for all employing businesses classified to the nine ANZSIC classes listed above (regardless of the main activity of the business).
- Chapter 3 presents detailed information on employment, income, expenses and profitability of businesses whose main activity is the provision of gambling services (i.e. businesses classified to ANZSIC classes 9321, 9322, and 9329).

In order to allow historical comparisons, it has been necessary to revise the 1997–98 data so that the basis for the estimates is consistent with that used for the 2000–01 survey. For more details, see paragraphs 4 to 6 of the Explanatory Notes in this publication. However, users should still take care in comparing the results contained in this publication with results for 1997–98, as there are some scope differences between the two series of statistics.

INTRODUCTION *continued*

Based on the scope detailed above, there were 6,012 employing businesses in Australia involved in the provision of gambling services, at the end of June 2001. A large proportion (75%) of these businesses were hospitality clubs, pubs, taverns and bars.

1.1 BUSINESSES WITH GAMBLING ACTIVITY, BY INDUSTRY(a)

	<i>Businesses at end June 2001</i>
	<i>no.</i>
Pubs, taverns and bars	2 566
Hospitality clubs	1 952
Thoroughbred, harness and greyhound racing clubs	28
Other sporting clubs and venues	279
Casinos	13
Lottery operators	10
Gambling services n.e.c.	1 069
Accommodation	95
<b>Total</b>	<b>6 012</b>
(a) Excluding lottery agencies.	

## CHAPTER 2

## GAMBLING ACTIVITY

### INTRODUCTION

This chapter presents aggregates of gambling activity of employing businesses involved in the provision of gambling services (regardless of the main activity of the business).

### NET TAKINGS FROM GAMBLING

The total net takings from gambling during 2000–01 were \$13,839m, which represented an increase of 26% since 1997–98.

The major source of net takings from gambling was from poker/gaming machines (\$8,752m), which represented 63% of the total net takings from gambling. Since 1997–98, the net takings from poker/gaming machines have increased by 39%. This increase is particularly marked in the net takings from poker/gaming machines in pubs, taverns and bars (\$3,280m), which have increased by 57% since 1997–98.

Other major venues for net takings from poker/gaming machines included those in hospitality clubs (\$4,238m) and casinos (\$1,021m). While poker/gaming machine takings have increased in hospitality clubs by 21% since 1997–98, the net takings from poker/gaming machines in casinos have increased by 46% during the same three year period.

Other major sources of net takings included off-course TAB takings of \$1,692m, casino gaming tables of \$1,464m and lotteries, lotto style games and football pools of \$1,342m.

Since 1997–98, the structure of gambling activity has changed with net takings from poker/gaming machines increasing from 57% of total net takings from gambling in 1997–98 to 63% in 2000–01. In contrast, net takings from off-course TAB decreased from 13% of total net takings in 1997–98 to 12% in 2000–01, net takings from casino table games decreased from 13% to 11% of total net takings, and net takings from lotteries, lotto style games and football pools decreased from 11% to 10% of total net takings over the three year period.

While the total net takings from all these major sources of gambling have increased since 1997–98, there has been an 18% decrease in net takings from instant money, a 21% decrease in net takings from on-course totalisator sales and a 43% decrease in casino keno since 1997–98.

Although there was some online gambling via the Internet during 2000–01, the total net takings of \$764m represented less than 6% of the total net takings from gambling.

### STATE AND TERRITORY DIMENSION

Net takings from gambling for businesses operating in New South Wales (\$5,712m) and Victoria (\$4,216m) represented 72% of the total net takings from gambling. The New South Wales and Victorian contributions to total net takings from gambling were 41% and 30% respectively which was higher than their respective proportions of the Australian estimated resident adult population of 34% and 25%.

STATE AND TERRITORY  
DIMENSION *continued*

In contrast, the state proportions from net takings from gambling by businesses operating in Queensland (14%), South Australia (5%) and Western Australia (4%) were below their respective state's proportion of the Australian adult population of 19%, 8% and 10%. However, it should be noted that poker/gaming machines are the largest contributor to net takings from gambling and they are not present in Western Australian business premises, outside the casino.

NET TAKINGS PER HEAD OF  
ADULT POPULATION

Based on the Australian estimated resident adult population at the end of June 2001, the \$13,839m net takings from gambling represented an expenditure of \$944 per head of adult population for 2000–01. This is an increase of 21% since 1997–98. However, it has been estimated in these surveys that the net takings from overseas bettors received by these Australian gambling businesses was \$635m. Thus, excluding these overseas bettors, a truer expenditure of gambling per head of Australian adult population was \$901.

Four states and territories had higher than average net takings per head of adult population, with New South Wales (\$1,154 per adult) and Victoria (\$1,144 per adult) being 22% and 21% respectively above the Australian average. Northern Territory (\$1,079 per adult) and the Australian Capital Territory (\$951 per adult) were also above the Australian average.

In contrast, Queensland (\$718 per adult), Tasmania (\$706 per adult), South Australia (\$636 per adult) and Western Australia (\$427 per adult) were below the Australian average. In interpreting the figures for Western Australia it should be noted that there are no poker/gaming machines outside the casino in that state.

GAMBLING TAXES AND  
LEVIES

Revenue paid to Governments in gambling taxes and levies was \$4,397m in 2000–01. This represented 32% of the net takings from gambling and a 19% increase overall since 1997–98

The largest source of gambling taxes and levies was poker/gaming machines (in premises other than casinos), which accounted for 55% of total gambling taxes and levies. Other major sources of gambling taxes and levies were lotteries, lotto style games and football pools (19%), casinos (11%) and TAB/totalisator sales (10%).

NUMBER OF POKER/GAMING  
MACHINES

At the end of June 2001, there were 185,512 poker/gaming machines in the premises of businesses in-scope of these surveys, representing an increase of 20% since June 1998. The large majority of these poker/gaming machines were located in premises of hospitality clubs (60%) and pubs, taverns and bars (30%).

The average net takings per poker/gaming machine in 2000–01 were \$47,200 with the average being \$37,800 in hospitality clubs and \$58,900 in pubs, taverns and bars.

## 2.1 GAMBLING ACTIVITY — NET TAKINGS FROM GAMBLING, BY TYPE OF GAMBLING AND VENUE

	1997-98		2000-01		Change
	\$m	%	\$m	%	%
Poker/gaming machines in					
Pubs, taverns and bars	r 2 085.0	19.0	3 279.6	23.7	57.3
Clubs					
Hospitality clubs	r 3 498.4	r 31.9	4 237.5	30.6	21.1
Thoroughbred, harness and greyhound racing clubs	n.a.	n.a.	51.6	0.4	..
Other sporting clubs and venues	n.a.	n.a.	122.3	0.9	..
<i>Total</i>	r 3 498.4	r 31.9	4 411.3	31.9	26.1
Casinos	700.1	r 6.4	1 020.5	7.4	45.8
Accommodation businesses	10.3	0.1	41.0	0.3	298.2
<i>Total</i>	r 6 293.7	r 57.4	8 752.4	63.2	39.3
On-course totalisator	129.4	1.2	102.9	0.7	-20.5
Off-course TAB					
Thoroughbred, harness and greyhound betting	1 416.5	r 12.9	1 654.1	12.0	16.8
Other	13.1	0.1	37.4	0.3	185.6
<i>Total</i>	1 429.7	r 13.0	1 691.5	12.3	18.3
Thoroughbred, harness and greyhound betting bookmakers	r 42.1	0.4	43.7	0.3	3.8
Lotteries and lotto style games					
Lotteries, lotto style games and football pools	r 1 179.2	r 10.7	1 342.4	9.7	13.8
Instant money	246.4	2.2	202.4	1.5	-17.9
Keno in clubs, pubs, taverns and bars	175.7	1.6	181.3	1.3	3.2
<i>Total</i>	1 601.3	r 14.6	1 726.1	12.5	7.8
Casino gaming tables	1 431.6	r 13.0	1 463.7	10.6	2.2
Casino keno	33.4	0.3	19.2	0.1	-42.5
Other gambling(a)	r 10.2	0.1	39.0	0.3	n.a.
<b>Total(b)</b>	<b>r 10 971.4</b>	<b>100.0</b>	<b>13 838.6</b>	<b>100.0</b>	<b>26.1</b>

(a) Includes bookmakers' takings other than on thoroughbred, harness and greyhound betting and, for 2000-01, casino games via the Internet.

(b) Of the total net takings, \$763.8m was received online.

## 2.2 GAMBLING ACTIVITY — BUSINESSES WITH GAMBLING ACTIVITY, BY STATE/TERRITORY

	Businesses at end June	Net takings from gambling
	no.	\$m
New South Wales	2 924	5 712.0
Victoria	729	4 215.5
Queensland	1 087	1 947.4
South Australia	511	732.9
Western Australia	431	609.5
Tasmania	229	248.3
Northern Territory	75	148.4
Australian Capital Territory	94	224.8
<b>Australia</b>	<b>(a)6 012</b>	<b>(b)13 838.6</b>

(a) Multi-state businesses are counted in each state/territory in which they operate. Hence, the counts of businesses for states and territories do not sum to the total for Australia.

(b) Includes net takings received during 2000-01 from overseas bettors of \$634.9m.



## 2.3 GAMBLING ACTIVITY — NET TAKINGS PER HEAD OF ADULT POPULATION

	2000–01	Percentage difference from average
	\$	%
New South Wales	1 154.0	22.2
Victoria	1 143.6	21.1
Queensland	718.4	-23.9
South Australia	636.2	-32.6
Western Australia	426.6	-54.8
Tasmania	706.1	-25.2
Northern Territory	1 079.4	14.3
Australian Capital Territory	950.8	0.7
<b>Australia</b>	<b>944.3</b>	<b>—</b>

## 2.4 GAMBLING ACTIVITY — GAMBLING TAXES AND LEVIES, BY TYPE OF GAMBLING

	1997–98	2000–01	Change
	\$m	\$m	%
Poker/gaming machines in			
Pubs, taverns and bars	r 783.2	1 284.2	64.0
Clubs			
Hospitality clubs	r 912.3	1 068.6	17.1
Thoroughbred, harness and greyhound racing clubs	n.a.	21.9	n.a.
Other sporting clubs and venues	n.a.	42.4	n.a.
<i>Total</i>	<i>r 912.3</i>	<i>1 133.0</i>	<i>24.2</i>
Accommodation businesses	n.a.	9.9	n.a.
<i>Total</i>	<i>r 1 695.5</i>	<i>2 427.1</i>	<i>43.1</i>
TAB/totalisator sales	550.0	455.2	-17.2
Lotteries, lotto style games and football pools	785.5	834.1	6.2
Instant money sales	160.0	111.3	-30.4
Keno in clubs, pubs, taverns and bars	45.2	51.9	14.7
Casinos(a)	425.9	502.8	18.1
Other(b)	r 19.1	14.0	-26.8
<b>Total</b>	<b>r 3 681.3</b>	<b>4 396.5</b>	<b>19.4</b>

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

(b) Includes taxes on bookmakers' turnover and, for 2000–01, online casino games.

## 2.5 GAMBLING ACTIVITY — NUMBER OF POKER/GAMING MACHINES IN USE AT END JUNE

	1998	2001	Change
	no.	no.	%
Pubs, taverns and bars	r 52 751	55 662	5.5
Hospitality clubs	r 91 905	112 127	22.0
Thoroughbred, harness and greyhound racing clubs	n.a.	882	n.a.
Other sporting clubs and venues	n.a.	4 790	n.a.
Casinos	10 575	10 853	2.6
Accommodation businesses	n.a.	1 198	n.a.
<b>Total</b>	<b>r 155 232</b>	<b>185 512</b>	<b>19.5</b>

## CHAPTER 3

## GAMBLING INDUSTRIES

### INTRODUCTION

This chapter of the publication presents results, in respect of the 2000–01 financial year, from an ABS survey of employing businesses in the Gambling Services industry. These businesses are classified to Classes 9321 LOTTERIES, 9322 Casinos and 9329 GAMBLING SERVICES N.E.C., of the Australian and New Zealand Standard Industrial Classification (ANZSIC).

These industry classes include businesses mainly engaged in operating lotteries, casinos, and those providing other gambling services such as bookmaking services and totalisator services and agencies. Businesses operating lottery agencies, however, were excluded from this survey.

### SIZE OF INDUSTRY

At the end of June 2001, there were 1,092 employing businesses operating in the gambling services industry in Australia. These businesses comprised 10 lottery operators, 13 casinos and 1,069 other businesses providing gambling services. The 1997–98 business counts of lottery operators have been revised to exclude lottery agencies, which were excluded from the scope of the 2000–01 survey.

The number of businesses in the three gambling industries has decreased by 16% since 1997–98. Changes in the number of businesses and associated statistics for each of the three industries have been affected by business structural changes since 1997–98.

### SOURCES OF INCOME

The total income (net of payouts to players) of businesses in the three gambling industries was \$9,543m in 2000–01, which was a 21% increase since 1997–98. The total income (net of payouts to players) of Casinos (\$3,137m) increased by 16%, while total income of businesses classified to Gambling Services n.e.c. (\$4,776m) increased by 81%. However, the total income of Lottery operators (\$1,630m) decreased by 36%.

In 2000–01, net takings from gambling contributed 90% of the total income (net of payouts to players) of the three gambling industries. Each individual type of gambling business received at least 90% of their income from gambling services, with the exception of casinos (80% of income from gambling services), which also received income from hospitality services.

### EXPENSES

The total expenses (excluding payouts) of businesses in the three gambling industries were \$8,179m in 2000–01. This represented an increase of 9.3% since 1997–98. The main expense item was gambling/gaming taxes/levies of \$3,017m, which accounted for 37% of the total. Other major expense items were labour costs of \$1,154m and poker/gaming machine commissions paid of \$683m, which represented 14% and 8% respectively of the total industry expenses. The labour costs (\$1,154m) represented an average labour cost per employee of \$35,400, which ranged from \$22,200 for employees of bookmakers to \$53,700 for employees of lottery operators.

## EXPENSES *continued*

Businesses operating lotteries incurred total expenses (excluding payouts) of \$1,517m, which was 19% of the total expenses of the three industries. The main expense items of these businesses were gambling/gaming taxes/levies of \$954m (63% of total) and commission expenses paid to agencies of \$243m (16% of total).

The total expenses of casinos (excluding payouts) were \$2,599m, which was 32% of the total expenses of the three industries. The total expenses of casinos have decreased by 13% since 1997–98. The major contributors to the total expenses for 2000–01 were labour costs of \$842m (32% of total expenses) and gambling/gaming taxes/levies of \$503m (19% of total expenses).

Businesses providing other gambling services recorded total expenses (excluding payouts) of \$4,063m, which was 50% of the total expenses of the three industries. The largest expense items of these businesses were gambling/gaming taxes/levies of \$1,560m (38% of total) and poker/gaming machine commission expenses paid to agencies of \$683m (17% of total). The labour costs (\$259m) represented an average labour cost per employee of \$23,100, indicating the high incidence of casual employees in this sector of the industry.

## PROFITABILITY

For 2000–01, businesses in the three gambling industries recorded an operating profit before tax of \$1,358m, which represented an operating profit margin of 14.3%. Lottery operators recorded an operating profit before tax of \$110m, casinos recorded an operating profit before tax of \$537m and businesses providing other gambling services recorded an operating profit before tax of \$711m, representing operating profit margins of 6.8%, 17.4% and 14.9% respectively.

## EMPLOYMENT

At the end of June 2001, employment of the three gambling industries was 32,591 persons, which was 7% less than at the end of June 1998.

Excluding TAB agency staff, 52% of employment in the three gambling industries worked on a permanent full-time basis. There was an equal proportion of males and females employed in the three industries. However, the characteristics of employment varied across the different types of businesses.

At the end of June 2001, of the total persons employed by lottery operators, 71% were employed on a permanent full-time basis, with 13% and 16% employed on a permanent part-time and casual basis respectively. Females accounted for 60% of the total employment by lottery operators.

The total number of persons employed by casinos at the end of June 2001 was 20,413, which comprised 12,319 (60%) persons employed on a permanent full-time basis, 3,609 (18%) persons employed on a permanent part-time basis, and 4,485 persons employed on a casual basis. These proportions are very similar to those at the end of June 1998.

EMPLOYMENT *continued*

Businesses providing other gambling services had employment of 8,121 persons at the end of June 2001. Persons employed on a permanent full-time and permanent part-time basis accounted for 30% and 3% respectively of total employment, with persons employed on a casual basis (5,414 persons) accounting for 67% of total employment in the three gambling industries.

As expected, most persons working for businesses in the three gambling industries had gambling related occupations. Such employment included 7,546 licensed gaming staff in casinos and 3,753 telephone betting operators of TABs. The three gambling industries also employed 4,477 staff working in management and administration.

## 3.1 GAMBLING INDUSTRIES — SOURCES OF INCOME AND OTHER KEY AGGREGATES

		<i>Lottery operators</i>	<i>Casinos</i>	<i>Gambling services n.e.c.(a)</i>	<i>Total</i>
Businesses at end June					
1997-98	no.	r 11	13	r 1 282	r 1 306
2000-01	no.	10	13	1 069	1 092
Change	%	-9.1	—	-16.6	-16.4
Total employment at end June					
1997-98	no.	r 2 243	20 531	r 12 180	r 34 954
2000-01	no.	984	20 413	11 194	32 591
Change	%	-56.1	-0.6	-8.1	-6.8
Net takings from gambling					
1997-98	\$m	2 440.3	2 165.1	r 2 468.5	r 7 073.9
2000-01	\$m	1 565.5	2 503.5	4 485.1	8 554.1
Change	%	-35.8	15.6	81.7	20.9
Commissions from gambling					
1997-98	\$m	..	1.5	r 75.9	r 77.4
2000-01	\$m	..	1.8	98.7	100.5
Change	%	..	18.1	30.1	29.8
Total income (net of payouts to players)					
1997-98	\$m	r 2 525.8	2 709.7	r 2 646.2	r 7 881.6
2000-01	\$m	1 630.1	3 136.8	4 776.2	9 543.0
Change	%	-35.5	15.8	80.5	21.1
Operating profit before tax					
1997-98	\$m	r 215.3	-287.9	r 482.1	r 409.4
2000-01	\$m	110.0	536.8	710.9	1 357.7
Change	%	-48.9	..	43.7	227.2
Operating profit margin					
1997-98	%	r 4.5	-10.8	r 4.0	2.1
2000-01	%	6.8	17.4	14.9	14.3

(a) Includes TAB agencies.

### 3.2 GAMBLING INDUSTRIES — ITEMS OF EXPENDITURE

	Lottery operators		Casinos		Gambling services n.e.c.(a)		Total	
	\$m	%	\$m	%	\$m	%	\$m	%
Labour costs								
Wages and salaries	45.8	3.0	732.5	28.2	228.6	5.6	1 006.9	12.3
Employer contributions to superannuation funds	3.4	0.2	52.2	2.0	13.6	0.3	69.2	0.8
Workers' compensation costs	0.3	—	13.0	0.5	1.6	—	14.9	0.2
Fringe benefits tax	0.5	—	2.3	0.1	4.1	0.1	6.9	0.1
Payroll tax	2.8	0.2	41.8	1.6	10.9	0.3	55.5	0.7
<i>Total</i>	52.8	3.5	841.8	32.4	258.9	6.4	1 153.5	14.1
Lottery commissions paid to agencies	242.6	16.0	—	—	—	—	242.6	3.0
Poker/gaming machine commissions paid to								
Hotels	—	—	—	—	429.9	10.6	429.9	5.3
Clubs	—	—	—	—	252.9	6.2	252.9	3.1
<i>Total</i>	—	—	—	—	682.8	16.8	682.8	8.3
TAB/totalisator commissions paid to								
Hotels	—	—	—	—	70.0	1.7	70.0	0.9
Clubs	—	—	—	—	22.2	0.5	22.2	0.3
Agencies	—	—	—	—	98.7	2.4	98.7	1.2
Other TAB/totalisator commissions	—	—	—	—	15.1	0.4	15.1	0.2
<i>Total</i>	—	—	—	—	206.1	5.1	206.1	2.5
Keno commissions paid to clubs, pubs, taverns and bars	n.p.	n.p.	—	—	n.p.	n.p.	58.4	0.7
Gambling/gaming taxes/levies	954.1	62.9	502.8	19.3	1 560.1	38.4	3 017.0	36.9
Other expenses								
Depreciation and amortisation	31.2	2.1	194.0	7.5	149.9	3.7	375.2	4.6
Purchases	16.1	1.1	145.3	5.6	12.9	0.3	174.4	2.1
Advertising, marketing, promotion and sponsorship expenses	66.7	4.4	404.5	15.6	110.9	2.7	582.1	7.1
Rent, leasing and hiring expenses								
Land, buildings and other structures	1.5	0.1	23.2	0.9	35.7	0.9	60.4	0.7
Other rent, leasing and hiring expenses	n.p.	n.p.	8.3	0.3	n.p.	n.p.	48.5	0.6
<i>Total</i>	n.p.	n.p.	31.5	1.2	n.p.	n.p.	108.9	1.3
Telecommunication services	12.4	0.8	7.5	0.3	36.3	0.9	56.2	0.7
Other	127.8	8.4	471.3	18.1	922.8	22.7	1 521.9	18.6
<i>Total</i>	n.p.	n.p.	1 254.1	48.3	n.p.	n.p.	2 818.7	34.5
<b>Total</b>	<b>1 517.4</b>	<b>100.0</b>	<b>2 598.7</b>	<b>100.0</b>	<b>4 063.0</b>	<b>100.0</b>	<b>8 179.1</b>	<b>100.0</b>

(a) Includes expenses of TAB agencies.

### 3.3 GAMBLING INDUSTRIES — CHARACTERISTICS OF EMPLOYMENT AT END JUNE

	<i>Permanent staff</i>				<i>Casuals</i>	<i>Proportion of total</i>	<i>Total persons</i>	<i>Proportion of total</i>
	<i>Full-time</i>	<i>Proportion of total</i>	<i>Part-time</i>	<i>Proportion of total</i>				
	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>				
Lottery operators								
Males	330	83.5	14	3.5	51	12.9	395	100.0
Females	365	62.0	115	19.5	109	18.5	589	100.0
Persons	695	70.6	129	13.1	160	16.3	984	100.0
Casinos								
Males	7 593	66.2	1 597	13.9	2 272	19.8	11 462	100.0
Females	4 726	52.8	2 012	22.5	2 213	24.7	8 951	100.0
Persons	12 319	60.3	3 609	17.7	4 485	22.0	20 413	100.0
Gambling services n.e.c.(a)								
Males	1 521	52.5	111	3.8	1 264	43.6	2 896	100.0
Females	944	18.1	130	2.5	4 150	79.4	5 225	100.0
Persons	2 465	30.4	241	3.0	5 414	66.7	8 121	100.0
Total								
Males	9 444	64.0	1 722	11.7	3 587	24.3	14 753	100.0
Females	6 035	40.9	2 257	15.3	6 472	43.8	14 765	100.0
Persons	<b>15 479</b>	<b>52.4</b>	<b>3 979</b>	<b>13.5</b>	<b>10 059</b>	<b>34.1</b>	<b>29 518</b>	<b>100.0</b>

(a) Excludes 3,073 persons working in TAB agencies.

### 3.4 GAMBLING INDUSTRIES — MAIN OCCUPATION OF PERSONS EMPLOYED AT END JUNE

	<i>Persons(a)</i>	<i>Percentage contribution</i>
	<i>no.</i>	<i>%</i>
Managers and administrative staff	4 477	15.2
Gambling services staff		
Telephone betting operators	3 753	12.7
Computer service and information technology staff	1 244	4.2
Totalisator operator staff	1 191	4.0
Bookmakers and bookmakers' clerks	564	1.9
Licensed gaming staff at casinos	7 546	25.6
Licensed cashiers, tellers and counters at casinos	807	2.7
Total	15 105	51.2
Food and beverage staff		
Waiters and waitresses	2 099	7.1
Bar staff and bar managers	1 939	6.6
Catering staff	1 500	5.1
Total	5 538	18.8
Other staff		
Security officers/surveillance staff	989	3.4
Maintenance/cleaning and housekeeping staff	1 922	6.5
Other	1 486	5.0
Total	4 397	14.9
<b>Total</b>	<b>29 518</b>	<b>100.0</b>

(a) Excludes 3,073 persons working in TAB agencies.

### 3.5 GAMBLING INDUSTRIES — SELECTED RATIOS

		<i>Lottery operators</i>	<i>Totalisator and TAB operators</i>	<i>Casinos</i>	<i>Bookmakers</i>	<i>Other gambling operators(a)</i>	<i>Total</i>
Total income (net of payouts to players) per person employed	\$'000	1 656.6	488.6	153.7	98.0	1 352.2	320.0
Labour costs per employee	\$'000	53.7	26.0	41.2	22.2	40.9	38.0
Labour costs to total expenses (net of payouts)	%	3.5	6.7	32.4	27.3	3.2	13.8
Net takings from gambling to total income (net of payouts)	%	96.0	96.1	79.8	93.5	95.6	90.6
Total expenses (net of payouts) per person employed	\$'000	1 542.0	389.7	127.3	81.3	1 294.2	274.4
Operating profit before tax per person employed	\$'000	111.8	99.0	26.3	16.7	55.3	45.4
Operating profit margin	%	6.8	20.3	17.4	17.0	4.1	14.3

(a) Excludes TAB agencies.

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents results, in respect of the 2000–01 financial year, from surveys conducted by the ABS of employing businesses in a range of industries involved in the provision of gambling services.

### SCOPE

**2** The scope of the survey was all employing businesses classified, on the ABS Business Register, to the following nine classes of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

- 5710 ACCOMMODATION
- 5720 PUBS, TAVERNS AND BARS
- 5740 CLUBS (HOSPITALITY)
- 9311 HORSE AND DOG RACING
- 9312 SPORTS GROUNDS AND FACILITIES N.E.C.
- 9319 SPORTS AND SERVICES TO SPORTS N.E.C.
- 9321 LOTTERIES (PART — EXCLUDING LOTTERY AGENCIES)
- 9322 CASINOS
- 9329 GAMBLING SERVICES N.E.C.

**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.

### COVERAGE

**4** The frame used for the Gambling industry surveys, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is primarily based on registrations to the Australian Taxation Office's Pay As You Go Withholding (PAYGW) scheme (and prior to 1 July 2000 the Group Employer (GE) scheme). The frame is updated quarterly to take account of new businesses and businesses which have ceased employing.

**5** Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their GE registration). In addition, from July 1999, businesses which did not remit under the GE scheme for the previous five quarters were removed from the frame. A similar process will be adopted to remove businesses which do not remit under the PAYGW scheme. The changes resulted in a shift in the level of the gambling activity and gambling industry estimates. Historic data in this publication have been revised to take account of these changes.

**6** The introduction of The New Tax System (TNTS) has a number of significant implications for ABS business statistics, and these are discussed in *Information Paper: ABS Statistics And The New Tax System* (cat. no. 1358.0) and *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).



IMPROVEMENTS TO  
COVERAGE

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

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

**9** 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 Business Register.

**10** 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

**11** 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

**12** 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.

REFERENCE PERIOD

**13** Data contained in the tables in this publication relate to all gambling industries within the survey scope (see paragraphs 2 and 3) which operated in Australia at any time during the year ended June 2001. Counts of businesses and organisations include only those that were operating at 30 June 2001.

BUSINESSES CEASED  
DURING THE YEAR

**14** A very small number of businesses ceased operations during the 2000–01 reference period. As is normal ABS procedure, the contributions of these businesses were included in the survey output.

**15** Since the estimates in this publication include information obtained from a sample drawn from units in the survey 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.

**16** 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 19 chances in 20 that the difference will be less than two standard errors.

**17** 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.

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

RELATIVE STANDARD ERRORS FOR TABLE 1.1 BUSINESSES WITH GAMBLING ACTIVITY, BY INDUSTRY

	%
Pubs, taverns and bars	3
Hospitality clubs	3
Thoroughbred, harness and greyhound racing clubs	12
Other sporting clubs and venues	13
Casinos	—
Lottery operators	—
Gambling services n.e.c.	—
Accommodation	23
<b>Total</b>	<b>1</b>

**19** As an example of the above, an estimate of total number of pubs, taverns and bars with gambling activity is 2,566 and the RSE is 3%, giving a standard error of 77 pubs, taverns and bars. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of 2,489 to 2,643 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 2,412 to 2,720.

**20** 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 (\*\*).

RELIABILITY OF DATA  
*continued*

**21** 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.

RELEASE OF ADDITIONAL  
INFORMATION

**22** As well as the statistics included in this publication, other data on the gambling industries are also available on request. Such data include gross and net takings, by type of gambling. For information on the provision of additional data please contact Ann Santo in Melbourne on 03 9615 7910.

ACKNOWLEDGEMENT

**23** ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

## GLOSSARY

<b>Advertising, marketing, promotion and sponsorship expenses</b>	This item refers to costs incurred by a business for promotional and publicity campaigns aimed at bringing the activities of the business to the attention of consumers for the purpose of increasing sales. This does not include the wages and salaries of employees for the distributor who is engaged in promotional activities. However, it does include commissions paid to advertising agencies and the cost of advertising in the press. Sponsorship expenses are the costs incurred in the public support/promotion of sporting, arts or cultural activities.
<b>Casual employees</b>	This item refers to employees who are not entitled to take paid holidays or sick leave days.
<b>Closing inventories</b>	See Inventories.
<b>Commissions from gambling</b>	This item includes commissions received by businesses acting as agents for the sale of off-course TAB products.
<b>Depreciation and amortisation</b>	This item refers to the financial charges made in the accounts to reflect that part of the value of an asset which may be regarded as having been used up in producing revenue in a particular accounting period. They represent the accounting process of systematically allocating the cost of a non-current asset over its expected useful life.
<b>Employees</b>	This item includes all persons working for the business who receive remuneration in any part of the reference period, excluding working proprietors and partners.
<b>Employer contributions to superannuation funds</b>	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
<b>Employment</b>	This item includes working proprietors and partners of unincorporated businesses, permanent full-time and part-time employees and casual employees.
<b>Fringe benefits tax</b>	This item includes the tax payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associated employees) in connection with their employment.
<b>Gambling/gaming taxes/levies</b>	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 that have an agreement to transfer a percentage of their profit or turnover to government bodies for the right to operate in a particular state or territory. It includes any franchise or licence fees paid to government where applicable. This expense item also includes turnover tax paid to government by bookmakers. This is a regulatory fee which bookmakers must pay to the relevant state Government and is based on a percentage of their turnover. This percentage may vary across states.

<b>Inventories</b>	The reported total book value of inventories as at the beginning (for Opening inventories) and at the end (for Closing inventories) of the reporting period. The values reported are those as reported on business balance sheets.
<b>Labour costs</b>	This item includes those expenses involved in the production of goods and services and includes such items as wages, salaries, employer contributions to superannuation funds, workers' compensation costs, fringe benefits tax and payroll tax.
<b>Net takings from gambling</b>	This item includes: <ul style="list-style-type: none"> <li>■ takings from poker/gaming machines net of payouts to players;</li> <li>■ takings from on-course totalisator sales and off-course TAB sales net of winnings/dividends paid to bettors;</li> <li>■ on-course and off-course bookmakers' turnover net of winnings/dividends paid to bettors;</li> <li>■ takings from lotteries, lotto style games, football pools, instant money sales and club keno net of prize money paid; and</li> <li>■ takings from casino keno and casino gaming tables net of payouts to players.</li> </ul>
<b>Opening inventories</b>	See Inventories.
<b>Operating profit before tax (OPBT)</b>	This item is a measure of profit (or loss) before extraordinary items are brought to account and prior to the deduction of income tax and appropriation to owners. It is derived as total income minus total expenses, plus closing inventories minus opening inventories.
<b>Operating profit margin</b>	Operating profit margin of a business represents that percentage of its sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax (OPBT) as a percentage of total sales of goods and services (i.e. $OPBT \times 100 / \text{Sales of goods and services}$ ).
<b>Other (other expenses)</b>	This item includes expenses that aren't separately itemised (e.g. land tax and land rates and computer software expensed).
<b>Other gambling</b>	This item includes net takings from casino games via the internet, and bookmakers' net takings other than from thoroughbred, harness and greyhound betting.
<b>Other income</b>	This item includes those income items not included elsewhere, such as net profit (loss) on the sale of non-current assets, dividend income and net profit (loss) on share trading.
<b>Payroll tax</b>	This item refers to a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
<b>Permanent full-time employees</b>	This item refers to permanent employees who work 35 hours per week or more and are entitled to paid holidays and sick leave.

<b>Permanent part-time employees</b>	This item refers to permanent employees who work less than 35 hours per week and are entitled to paid holidays and sick leave.
<b>Purchases</b>	This includes purchases of finished goods for resale, and other non-capitalised purchases.
<b>Rent, leasing and hiring expenses</b>	These are the costs from the rent, leasing and hiring of vehicles, land, buildings, machinery, equipment and other property from other businesses or individuals. They exclude expenses relating to finance leases.
<b>Telecommunication services expenses</b>	This item includes all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission.
<b>Wages and salaries</b>	This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments. It excludes drawings of working principals and partners of unincorporated businesses.
<b>Workers' compensation costs</b>	This item refers to the compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.



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