

Chapter 9

Commerce

Photo:

Southbank precinct with boats on river

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OVERVIEW

The Retail industry is a major contributor to the Victorian economy, accounting for almost \$28.8 billion annually in turnover and over 300,000 of the State's employees. Data from the Monthly Retail Trade survey are included in this chapter, supplemented by information from the Retail Census.

Prices are a key factor in the operation of an economy. Price Indexes provide summary measures of the movements in various categories of prices and are used extensively to analyse and monitor price behaviour and to adjust government payments such as pensions. The Consumer Price Index, together with the two price indexes relating to Materials Used in Building and the House Price Indexes are covered in this chapter.

Estimates of the level and patterns of expenditure by households in different regions of Australia are derived from the Household Expenditure Survey. This information provides a platform for the CPI; from the survey results items are selected for inclusion in the CPI and relative 'weights' are established between items.

Monthly Retail Trade Survey

The monthly Retail Trade Survey has been conducted in various forms since 1962. The principal objective of the collection is to show the month to month movement of retail turnover. The survey is one of the main economic indicators, providing an 'early' indication of changes in the economic climate. Retail spending is also a very important component of the Australian National Accounts, contributing around 40% of Private Final Consumption Expenditure (PFCE).

Industry analysis

In Victoria, in the retail industry, total turnover increased by 5.0% between 1995-96 and 1996-97, with Clothing and soft goods retailing (-1.1%) and the Hospitality and services group (-0.3%) being the only industry groups to show a decline.

Department stores increased turnover by 1.6% between 1995-96 and 1996-97, down on the 4.9% growth of the previous twelve months. Food retailing, which grew by 6.2%, is the largest industry group, contributing 43 per cent of total retail turnover. The industry to show the strongest growth in 1996-97 was Household goods retailing (9.8%). The next strongest increase (7.8%) was in Other retailing (which includes pharmacies, second-hand stores, nurseries and jewellers). The increase in Recreational goods retailing (5.7%) was again down on the growth recorded in previous years.

9.1 TURNOVER OF RETAIL ESTABLISHMENTS(a) AT CURRENT PRICES BY INDUSTRY, VICTORIA

Industry group	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m	1995-96 \$m	1996-97 \$m
Food	9 725.6	9 856.8	9 989.7	10 723.8	11 738.0	12 467.6
Department stores	2 423.9	2 507.3	2 468.5	2 554.4	2 680.4	2 724.0
Clothing and soft goods	2 157.4	2 140.1	1 965.6	1 873.0	1 828.5	1 807.6
Household goods	2 837.8	3 089.7	3 160.0	3 169.6	3 392.9	3 727.5
Recreational goods	1 096.4	1 106.3	1 227.0	1 517.0	1 682.7	1 778.7
Other retailing	1 803.1	1 973.0	2 202.5	2 509.4	2 526.3	2 723.8
Hospitality and services	3 111.0	3 037.8	3 158.6	3 571.8	3 576.1	3 564.1
Total	23 155.2	23 711.0	24 171.9	25 919.0	27 424.9	28 793.3

(a) Excludes establishments which retail motor vehicles, parts, petrol etc. but includes non-petrol sales of identified convenience stores of petrol stations.

Source: Retail Trade Australia (Cat. no. 8501.0).

PERCENTAGE CHANGE IN RETAIL TURNOVER, VICTORIA AND AUSTRALIA



Source: Retail Trade, Australia (Cat. no. 8501.0).

9.2 QUARTERLY TURNOVER OF RETAIL ESTABLISHMENTS, SEASONALLY ADJUSTED(a) AT CURRENT PRICES BY INDUSTRY, VICTORIA

Industry group	March 1996 \$m	June 96 \$m	Sept 96 \$m	Dec 96 \$m	Mar 1997 \$m	June 97 \$m
Food	2 962.5	2 989.1	3 013.1	3 076.4	3 194.7	3 208.1
Department stores	669.3	665.3	677.5	669.5	721.3	660.2
Clothing and soft goods	455.1	447.2	446.0	449.0	461.0	454.3
Household goods	846.4	874.9	900.2	903.5	976.9	955.7
Recreational goods	447.3	411.1	410.7	464.1	438.8	454.9
Other retailing	622.9	609.4	634.6	670.4	700.4	725.6
Hospitality and services	898.7	917.0	869.4	878.0	930.0	891.6
Total	6 902.2	6 914.1	6 951.6	7 111.0	7 423.0	7 350.6

(a) Excludes establishments which retail motor vehicles, parts, petrol etc. but includes non-petrol sales of identified convenience stores of petrol stations.

Source: Retail Trade Australia (Cat. no. 8501.0).

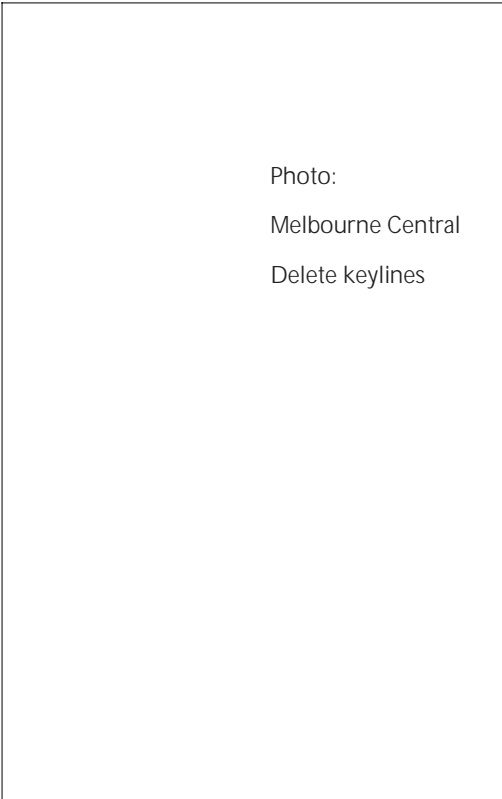
Growth in the estimate of seasonally adjusted retail turnover continued to strengthen during most of 1996–97, although there was a decline in the June quarter 1997. Retail turnover in four of the seven industry groups declined in this quarter.

1991–92 Retail Census

At 30 June 1992 there were 44,882 shopfront retailing locations operating in Victoria (about one quarter of the Australian total) which occupied floorspace of 9.3 million square metres. During 1991–92 these locations recorded turnover of \$23.7 billion, which was \$5,338 per head of population, slightly below the Australian average of \$5,463 per head.

There were 266,346 people employed in shopfront retailing locations in Victoria. The turnover per person employed was about \$89,000, slightly below the national average.

In Victoria, \$11.5 billion (48% of the total shopfront retailing turnover) was spent in Personal and household goods retailing outlets and a further \$10.5 billion (44%) in Food retailing stores. The remaining expenditure of \$1.7 billion (7%) was on selected personal services.



Direct comparison of the 1991–92 census with the 1979–80 and 1985–86 censuses was not possible due to differences in scope and coverage and because a revised industry classification was used in 1991–92.

9.3 RETAILING VICTORIA, 1991–92

Description	Locations at 30 June no.	Persons employed			Wages and salaries \$m	Turnover \$m	Turnover per person employed \$
		Full-time no.	Part-time no.	Total no.			
Food retailing	14 552	54 326	54 857	109 183	982	10 458	784
Personal and household goods retailing	20 896	63 357	48 137	111 494	1 351	11 482	102 979
Selected personal services	9 434	26 925	18 744	45 669	415	1 739	38 078
Total shopfront retailing	44 882	144 608	121 738	266 346	2 748	23 678	88 901
Motor vehicle retailing and services	9 448	42 266	7 780	50 046	833	9 653	192 888

Source: *Retailing in Victoria* (Cat. no. 8623.2).

The Consumer Price Index

Price Indexes measure the changes in prices over time of a constant list of goods and/or services. The items are allocated 'weights' which represent their relative consumer importance. From time to time indexes are reviewed and new fixed weights are introduced to reflect up-to-date expenditure patterns.

9.4 CONSUMER PRICE INDEX, ALL GROUPS, EIGHT CAPITAL CITIES(a)

Year	Eight capitals (b)	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
1991–92	107.3	106.7	108.1	107.0	108.9	105.9	107.1	108.0	107.8
1992–93	108.4	107.7	108.9	108.5	111.2	106.2	108.5	109.5	109.5
1993–94	110.4	109.2	111.1	110.6	113.4	108.5	111.7	111.5	111.4
1994–95	113.9	113.0	114.1	114.7	116.9	112.3	115.2	114.7	115.1
1995–96	118.7	118.7	118.4	119.1	121.2	116.7	119.6	119.5	120.3
1996–97	120.3	120.4	119.9	121.0	122.3	118.3	121.4	121.6	121.2
ALL GROUPS PERCENTAGE CHANGES									
1991–92	1.9	1.7	2.2	2.0	2.5	0.8	2.1	2.2	2.6
1992–93	1.0	0.9	0.7	1.4	2.1	0.3	1.3	1.4	1.6
1993–94	1.8	1.4	2.0	1.9	2.0	2.2	2.9	1.8	1.7
1994–95	3.2	3.5	2.7	3.7	3.1	3.5	3.1	2.9	3.3
1995–96	4.2	5.0	3.8	3.8	3.7	3.9	3.8	4.2	4.5
1996–97	1.3	1.4	1.3	1.6	0.9	1.4	1.5	1.8	0.7

(a) Base year: 1989–90=100.0

Source: *Consumer Price Index (Cat. no. 6401.0)*.

Prices of all goods and services are sought to be measured at constant quality, thus identifying 'pure' price movement. To do this, identical or equivalent items are priced in successive time periods as far as possible. Changes in quality are taken into account to ensure that the price indexes reflect only pure price change.

The Consumer Price Index is sometimes referred to as a measure of inflation, a measure of changes in purchasing power or a measure of changes in the cost of living. It is in fact, 'a measure of change, over time, in the retail prices of a constant basket of goods and services'.

In 1996–97, the all groups Consumer Price Index for Melbourne stood at 119.9 (base year 1989–90=100.0). The annual increase in the Melbourne CPI was 1.3%, with the highest rise being in the Health and personal care group (5.6%). The increase in the Melbourne CPI between 1991–92 and 1996–97 was 10.9%, with the largest increases being in Tobacco and alcohol (35.7%) and Health and personal care (24.4%). The Housing group showed a decrease over this period of –3.9% and an annual decrease of –6.3%.

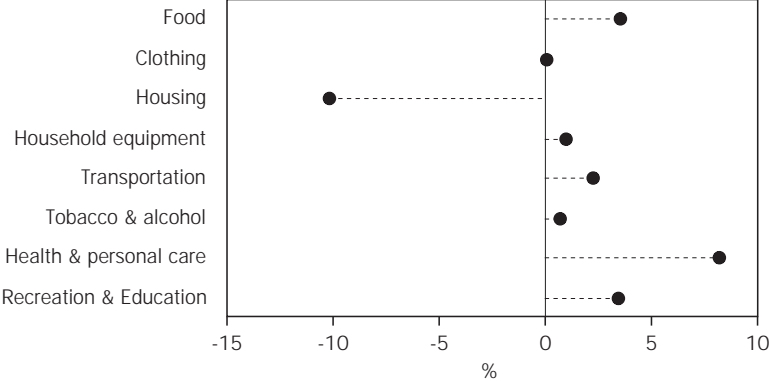
9.5 CONSUMER PRICE INDEX, MELBOURNE(a)

Group	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	Percentage change	
							1991–92 to 1996–97	1995–96 to 1996–97
Food	104.9	106.3	107.9	110.1	114.1	118.6	13.1	3.9
Clothing	106.8	107.8	107.3	107.4	108.0	108.4	1.5	0.4
Housing	98.9	93.1	92.7	97.5	101.4	95.0	–3.9	–6.3
Household equipment	108.3	108.3	110.0	111.1	113.0	114.7	5.9	1.5
Transport	109.8	112.7	115.8	118.8	122.6	124.0	12.9	1.1
Tobacco and alcohol	116.8	122.7	132.1	137.3	154.2	158.5	35.7	2.8
Health and personal care	126.3	129.8	135.4	142.4	148.7	157.1	24.4	5.6
Recreation and Education	108.6	110.8	113.6	116.7	120.3	123.3	13.5	2.5
All groups	108.1	108.9	111.1	114.1	118.4	119.9	10.9	1.3

(a) Base year: 1989–90=100.0.

Source: *Consumer Price Index (Cat. no. 6401.0)*.

CONSUMER PRICE INDEX, PERCENTAGE CHANGE BY GROUP, VICTORIA, JUNE
QUARTER 1996 TO JUNE QUARTER 1997



(a) Base year: 1989-90 = 100.0
Source: Consumer Price Index (Cat. no. 6401.0).

Average retail prices Over the five years to June 1997, the rate and direction of prices changes of food and other items have differed markedly. For some items such as milk, prices have steadily increased, whilst for other items such as beef, prices have dropped.

Photo:

Shopping centre strip

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9.6 AVERAGE RETAIL PRICES OF SELECTED FOOD AND OTHER ITEMS, MELBOURNE

		June quarter					
Item	Unit	1992 cents	1993 cents	1994 cents	1995 cents	1996 cents	1997 cents
Dairy products							
Milk, carton, supermarket sales	1 litre	96	101	104	113	121	130
Cheese, processed, sliced, wrapped	500g	329	302	349	337	373	357
Butter	500g	182	178	184	164	194	199
Cereal products							
Bread, white loaf, sliced, supermarket sales	680g	159	160	153	160	174	192
Flour, self-raising	2kg	302	303	315	330	342	340
Meat and Seafoods							
Beef							
Rump steak	1kg	1 124	1 057	1 102	1 120	1 116	1 033
Chuck steak	1kg	633	586	623	594	607	547
Lamb							
Leg	1kg	512	554	549	558	597	577
Loin chops	1kg	746	783	792	801	900	859
Chicken, frozen	1kg	328	291	323	321	348	387
Bacon, middle rashers	250g pkt	284	287	293	286	302	308
Salmon, pink	210gm can	234	261	232	221	226	227
Fruit and vegetables							
Potatoes	1kg	82	95	70	137	99	130
Onions	1kg	66	127	100	103	87	88
Peaches, canned	825g	190	197	203	198	179	186
Oranges	1kg	135	114	105	124	142	139
Other food							
Eggs	55g dozen	178	190	200	196	245	271
Sugar, white	2kg	174	171	199	192	202	201
Jam, strawberry	500g jar	224	226	247	233	240	245
Tea	250g	167	171	182	177	176	193
Coffee, instant	150g jar	425	402	428	561	569	554
Margarine, poly-unsaturated	500g	160	153	159	163	141	144
Other items							
Beer, full strength, unchilled	24 x 375ml bottles	2 252	2 280	2 395	2 469	2 608	2 665
Pet food	410g	87	92	93	91	94	99
Laundry detergent	1kg	442	439	429	439	484	498
Toilet soap	2 x 125 gm	152	156	159	165	165	159
Petrol, super grade	1 litre	67.2	66.5	70.2	71.1	74.1	73.5

Source: Average Retail Prices of Selected Items, Eight Capital Cities (Cat. no. 6403.0).

Imported items

Since 1991–92 the price of wholly or predominantly imported goods included in the CPI increased by 7.1% (weighted average of the eight capital cities). By comparison the price of non-imported goods increased by 12.2% over the same period. The annual change between 1995–96 and 1996–97 was –0.9% for imported goods and 1.7% for non-imported goods.

9.7 CONSUMER PRICE INDEX IMPORTED AND NON-IMPORTED ITEMS, WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES(a)

	Imported items			Non-imported items			All Groups
	Motor vehicles	Other goods	Total goods	Goods	Services	Total	
1991-92	105.1	102.0	103.1	108.5	106.7	107.9	107.3
1992-93	111.0	103.4	105.1	111.5	105.4	109.0	108.4
1993-94	119.7	105.6	108.5	114.0	106.3	110.9	110.4
1994-95	130.3	106.6	110.5	116.5	111.3	114.4	113.9
1995-96	133.5	107.7	111.4	121.1	117.0	119.2	118.7
1996-97	124.3	108.1	110.4	124.2	117.8	121.2	120.3

(a) Base year: 1989-90=100.0.

Source: *Average Retail Prices of Selected Items, Eight Capital Cities (6403.0)*.

Producer price indexes

During the 1960s, the ABS began producing a range of price indexes covering materials used and articles produced by defined sectors of the Australian economy. The following Producer Price Indexes (previously known as Wholesale Prices Indexes) were published monthly until June 1997. From September quarter 1997 they are being published quarterly. Price Index of Materials Used in House Building; Price Index of Materials Used in Building Other Than House Building; Price Indexes of Materials Used in Manufacturing Industries; Price Indexes of Articles Produced by Manufacturing Industry; Price Indexes of Copper Materials; Import Price Index; Export Price Index; and Price Indexes of Materials Used in Coal Mining. Only the Building Indexes are produced on a State basis, while the remaining Indexes are produced on a national basis.

Materials Used in House Building

The Materials Used in House Building Index measures changes in prices of selected materials used in the construction of houses in each capital city Statistical Division. A house is defined as a detached building predominantly used for long term residential purposes and consisting of only one dwelling unit. The index does not purport to represent buildings of any kind other than detached houses.

The All Groups index number for the Price Index of Materials Used in Housing Building for Melbourne in 1996-97 was 115.3, a 0.1 % decrease on 1995-96. The weighted average of the six state capital cities increased by 0.3% for the same period.

9.8 PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING, MELBOURNE AND OTHER CAPITAL CITIES, ALL GROUPS(a)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Melbourne	102.8	105.7	112.1	115.9	115.4	115.3
Sydney	105.0	106.8	111.3	115.0	115.9	116.3
Brisbane	107.9	110.2	113.5	115.9	115.1	115.3
Adelaide	104.5	106.3	117.1	118.8	118.2	120.6
Perth	106.0	106.9	109.1	112.7	114.7	115.3
Hobart	108.0	109.9	112.8	117.3	120.7	120.2
Weighted average of six State capital cities	104.9	106.9	112.0	115.4	115.7	116.1

(a) Base year: 1989-90=100.0.

Source: *Price Index of Materials Used in House Building, Six State Capital Cities and Canberra (Cat. no. 6408.0)*.

Materials Used in Building Other than House Building

This index measures changes in prices of selected materials used in the construction of buildings (other than houses) in the Melbourne metropolitan area. The building types directly represented in the index include flats, hotels and motels, shops, factories, offices, schools etc.

The 1996-97 All Groups index number for Melbourne, was 110.9. This represented a -0.2% decrease over 1995-96. For the weighted average of the six State Capital Cities, the increase recorded was 0.4%.

Prices for some materials used in building other than house building decreased in 1996–97. Decreases in Melbourne occurred in structural timber (–5.2%), ready mixed concrete (–6.0%), and all electrical materials (–6.2%). These price reductions were contrasted by increases in other materials, the largest increases occurring in paint and other coatings (3.3%) and fabricated steel products (3.2%).

9.9 PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING, MELBOURNE(a)

Selected major materials	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97
Structural timber	97.2	103.2	119.5	123.0	116.1	110.1
Clay bricks	106.9	108.5	109.3	112.3	112.1	113.1
Ready mixed concrete	94.0	108.2	123.4	124.2	118.6	111.5
Precast concrete products	102.8	99.5	99.2	104.8	108.1	110.3
Steel decking, and cladding	107.5	109.0	104.7	106.5	109.9	109.2
Structural steel	93.3	91.3	93.3	95.3	100.9	104.2
Reinforcing steel bar, mesh, etc.	97.3	99.2	102.0	101.8	102.7	100.7
Aluminium windows	96.4	96.0	96.5	98.8	100.8	100.6
Fabricated steel products	109.5	108.4	109.4	110.7	113.1	116.7
Builders' hardware	112.6	117.2	116.2	113.7	114.5	116.5
Sand, and aggregate	119.0	113.8	119.5	118.5	114.6	115.9
Carpet	100.4	98.8	98.3	98.5	101.6	101.6
Paint and other coatings	119.2	118.8	125.0	131.2	141.2	145.8
Non-ferrous pipes and fittings	89.4	90.9	86.5	100.8	112.2	111.5
All groups excluding electrical materials and mechanical services	101.8	103.4	106.6	108.5	109.7	110.0
All electrical materials	110.7	108.9	107.3	113.5	119.4	112.0
All mechanical services	105.6	105.5	106.8	108.9	114.1	114.9
All plumbing materials	104.1	104.0	105.3	112.6	118.9	120.1
All groups	103.4	104.4	106.7	108.9	111.1	110.9
All groups, weighted average of six State capital cities	105.7	106.0	107.5	110.4	112.7	113.2

(a) Base year: 1989–90=100.0.

Source: *Price Index of Materials Used in Building Other Than House Building, Six State Capital Cities and Canberra (Cat. no. 6407.0)*.

House Price Indexes

These indexes provide estimates of changes in housing prices for the eight capital cities. They measure price movements over time in each city. They do not measure differences in price levels between cities.

In 1996–97 the Price Index for Established Houses for Melbourne increased by 3.9% after experiencing an decrease of –0.6% in 1995–96. The cumulative increase from 1992–93 was 8.9%.

The Project Home Price Index for Melbourne continued to exhibit a slowing of growth, rising by 3.5% between 1992–93 and 1993–94, by 1.8% between 1993–94 and 1994–95, by 1.4% between 1994–95 and 1995–96 and by 0.4% between 1995–96 and 1996–97.

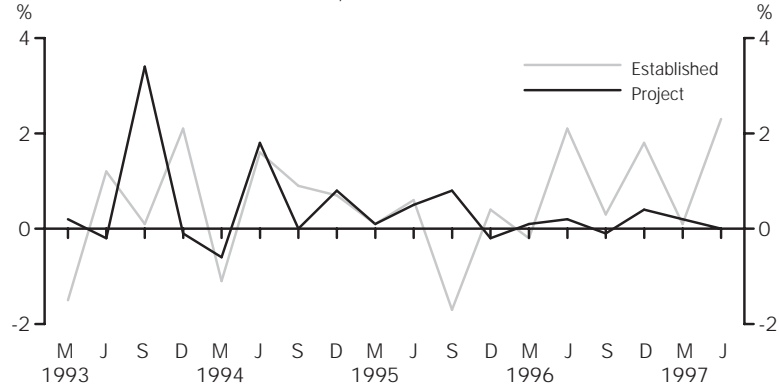
9.10 HOUSE PRICE INDEXES: EIGHT CAPITAL CITIES AND AUSTRALIA(a)(b)

	Established houses					Project homes				
	1992-93	1993-94	1994-95	1995-96	1996-97	1992-93	1993-94	1994-95	1995-96	1996-97
Melbourne	93.1	95.2	97.9	97.6	101.4	100.4	103.9	105.8	107.3	107.7
Sydney	105.3	108.8	113.7	115.8	118.9	103.6	105.8	107.9	110.2	110.4
Brisbane	134.9	138.0	139.3	136.8	137.2	108.8	110.1	112.5	113.7	112.7
Adelaide	110.1	109.1	111.7	108.3	108.2	105.4	111.4	114.6	112.8	108.3
Perth	98.4	104.7	109.0	108.2	109.2	92.8	96.2	100.0	101.6	101.3
Hobart	116.6	122.5	129.0	129.8	128.5	114.1	117.7	121.3	123.4	123.3
Darwin	133.6	155.7	178.1	188.0	196.9	111.4	118.6	125.2	129.9	136.0
Canberra	134.2	134.4	130.4	127.8	126.4	131.8	132.7	129.2	124.7	123.6
Australia (b)	106.0	109.1	112.6	112.7	115.1	103.0	105.8	108.1	109.5	109.2

(a) Base of each index: 1989-90=100.0. (b) Weighted average of eight capital cities.

Source: House Price Indexes: Eight Capital Cities (Cat. no. 6416.0).

HOUSE PRICE INDEXES, QUARTERLY PERCENTAGE CHANGE: ESTABLISHED HOUSE AND PROJECT HOME PRICE INDEXES, MELBOURNE



Source: Household Price Indexes: Eight Capital Cities (Cat. no. 6416.0).

Household expenditure

Household Expenditure Surveys are primarily conducted in order to measure expenditure patterns of Australian households. These expenditure patterns are then used to establish and revise the weights used in the compilation of the Consumer Price Index.

In 1993-94 the total average household expenditure per week in Victoria was \$601.76, compared with an Australian average of \$602.11.

The four largest items of weekly household expenditure were Food and non-alcoholic beverages an average of \$111.10 per week, Transport (\$93.62 per week), Current housing costs (\$83.11 per week) and Recreation (\$80.65 per week). These items represented respectively 18.5%, 15.6%, 13.8% and 13.4% of Victorian households' average weekly spending. These were also the four largest items of expenditure nationally.

9.11 AVERAGE WEEKLY HOUSEHOLD EXPENDITURE, 1993-94

Commodity or service	Victoria		Australia	
	\$	%	\$	%
Current housing costs (selected dwelling)	83.11	13.8	85.38	14.2
Fuel and power	21.25	3.5	16.77	2.8
Food and non-alcoholic beverages				
Bakery products, flour and other cereals	13.14	2.2	12.74	2.1
Meat and seafood	18.10	3.0	17.91	3.0
Dairy products, eggs, edible oils and fats	11.22	1.9	11.04	1.8
Fruits, nuts and vegetables	13.15	2.2	13.74	2.3
Miscellaneous food	17.57	2.9	18.10	3.0
Non-alcoholic beverages	7.56	1.3	7.98	1.3
Meals out and take-away food	30.34	5.0	29.49	4.9
Alcoholic beverages	16.52	2.7	17.46	2.9
Tobacco	8.67	1.4	9.19	1.5
Clothing and footwear	37.61	6.3	33.71	5.6
Household furnishings and equipment	34.55	5.7	39.56	6.6
Household services and operation	30.49	5.0	31.58	5.2
Medical care and health expenses	26.41	4.4	27.14	4.5
Transport	93.62	15.6	93.58	15.5
Recreation	80.65	13.4	79.34	13.2
Personal care	11.27	1.9	11.37	1.9
Miscellaneous commodities and services	46.51	7.7	46.02	7.6
Total	601.76	100.0	602.11	100.0

Source: Household Expenditure Survey, Australia: States and Territories (Cat. no. 6533.0).

The greatest proportion of expenditure on Food and non-alcoholic beverages went on Meals out and take away food (\$30.34 a week or 27.3%) followed by spending on Meat and seafood (\$18.10 a week or 16.3%), and Miscellaneous food items (\$17.57 a week or 15.8%).

The greatest proportion of money spent on Transport was spent on Motor vehicle fuel, lubricants and additives (\$27.85 per week or 30%) followed by the purchase of Motor vehicles (\$25.37 per week or 27%). Victorian households spent an average of \$15.24 per week on Vehicle registration and insurance. In contrast, only \$3.14 was spent each week on Public transport fares.

Average weekly household expenditure by Victorians was similar to the national average on most items. However, Victorians spent significantly more than the national average on Fuel and power (\$21.25 per week compared with a national average of \$16.77) and Clothing and footwear (\$37.61 compared with \$33.71). The only item on which Victorians spent significantly less than the national average was Household furnishings and equipment (\$34.55 compared with \$39.56).

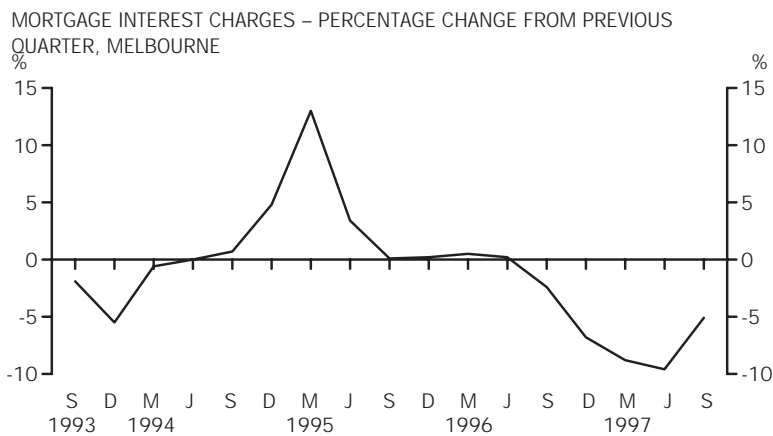
Although the Victorian average household expenditure on housing of \$83.11 per week was below the national average of \$85.38 per week, Victorians spent more on housing than residents of any other State except NSW. The Northern Territory and the Australian Capital Territory both had total expenditure significantly higher than the States.

Victorians spent more on Recreation than residents of any other State, although the Northern Territory and the ACT both had significantly higher expenditures. Victorians' expenditure on recreation averaged \$80.65 per week compared with \$78.27 in NSW and \$75.17 in Queensland.

9.12 TOP FOUR HOUSEHOLD EXPENDITURE ITEMS BY STATES AND AUSTRALIA, 1993-94

Commodity or service	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aust
AVERAGE WEEKLY HOUSEHOLD EXPENDITURE (\$)									
Current housing costs (selected dwelling)	95.40	83.11	81.44	70.43	78.02	62.92	116.20	112.29	85.38
Food and non-alcoholic beverages	118.16	111.10	103.32	99.09	108.03	102.10	127.07	126.81	111.00
Transport	94.17	93.62	95.45	83.88	92.10	76.72	93.18	127.73	93.58
Recreation	78.27	80.65	75.17	76.38	78.28	77.98	98.24	102.33	79.34

Source: Household Expenditure Survey, Australia: States and Territories (Cat. no. 6533.0).



Source: Consumer Price Index (Cat. no. 6401.0).

Gambling

The development of a data base of statistics on gambling on a national basis was first formally proposed at the 1983 Conference of Government Racing Officials. At the Racing and Gaming Ministers' Conference held later that year, it was resolved that each State and Territory submit all available racing and gaming statistics to the Tasmanian Racing and Gaming Commission for collation and analysis. The Tasmanian Gaming Commission, in association with the Centre for Regional Economic Analysis, University of Tasmania, has continued to compile Australian Gambling Statistics on an annual basis.

9.13 GAMBLING TURNOVER, VICTORIA AND AUSTRALIA, 1995–96

Gambling form	Victoria \$m	Australia \$m	Per capita Victoria(a) \$
TAB	2 283.5	8 739.6	671.86
On-course totaliser	235.1	950.0	69.16
On-course bookmakers	443.3	1 911.3	130.44
Total racing gambling	2 961.9	11 604.3	871.47
Lottery	12.5	163.6	3.67
Tattslotto, lotto	702.8	2 244.1	206.77
Pools	3.5	19.7	1.04
Bingo and minor gambling	188.7	523.5	55.51
Gaming machines	13 367.2	45 194.5	3 933.04
Casino	3 991.8	12 066.1	1 174.52
Instant lottery	72.4	557.8	21.31
Keno	31.3	497.7	9.22
Total gaming	18 370.3	61 267.0	5 405.09
Total all gambling	21 332.2	72 871.3	6 276.56

(a) Excludes all persons under the age of 18 years.

Source: *Tasmanian Gaming Commission, Australian Gambling Statistics 1972–73 to 1995–96.*

It should be noted that in analysing gambling statistics, it is not accurate to make comparisons between turnovers generated by different forms of gambling, except as a single indication of the amount of money wagered on each gambling form.

Photo:

Casino

Delete keylines

Of importance in such a comparative analysis is the conversion of turnover into expenditure. There is expenditure data on casino gaming in all States and the Northern Territory, and for gaming machine (poker machine) operations in Victoria. For other forms of gambling, expenditure is calculated by multiplying the turnover by a certain retention rate which is indicative of the proportion of the original gambling outlay which is not returned to the gambler in the form of winnings. For the various types of gambling, the amounts 'lost' or not returned to the gambler vary significantly.

9.14 GAMBLING EXPENDITURE, VICTORIA AND AUSTRALIA, 1995-96

Gambling form	Victoria \$m	Australia \$m	Per capita Victoria(a) \$
TAB	365.4	1 419.6	107.50
On-course totalisator	37.6	154.5	11.07
On-course bookmakers	26.6	103.3	7.83
Total racing gambling	429.6	1 677.6	126.39
Lottery	5.0	57.7	1.47
Tattslotto, lotto	281.1	897.7	82.71
Pools	1.8	9.9	0.52
Bingo and minor gambling	52.7	226.2	15.52
Gaming machines	1 246.3	4 607.6	366.70
Casino	490.9	1 798.4	144.44
Instant lottery	29.0	215.8	8.52
Keno	6.8	119.9	2.01
Total gaming	2 113.6	7 933.2	621.89
Total all gambling	2 543.2	9 610.7	748.28

(a) Excludes all persons under the age of 18 years.

Source: Tasmanian Gaming Commission, Australian Gambling Statistics 1972-73 to 1995-96.

The following table provides an indication of the increase in gambling turnover in Victoria over the four years to 1995-96. Whilst turnover on racing gambling increased by only 2.5% and actually fell between 1994-95 and 1995-96, gaming turnover increased by a massive 392.7%.

9.15 GAMBLING TURNOVER: VICTORIA

Year	Total racing \$m	Total gaming \$m	Total gambling \$m
1993-94	2 945.5	8 205.4	11 150.9
1994-95	2 972.0	14 048.4	17 020.4
1995-96	2 961.9	18 370.3	21 332.2

Source: Tasmanian Gaming Commission, Australian Gambling Statistics 1972-73 to 1995-96.

Table 9.16 illustrates the changing market share between racing and gaming in relation to gambling expenditure. It is notable that over the period 1992-93 to 1995-96, the racing share of total gambling expenditure decreased from 37.2% to 16.9%.

9.16 GAMBLING EXPENDITURE, VICTORIA: SHARE OF MARKET

Year	Racing \$m	Gaming \$m	Racing share %	Gaming share %
1993-94	409.2	1 099.8	27.1	72.9
1994-95	412.2	1 703.8	19.5	80.5
1995-96	429.6	2 113.6	16.9	83.1

Source: Tasmanian Gaming Commission, Australian Gambling Statistics 1972-73 to 1995-96.

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