

CASINOS

AUSTRALIA

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- For more information about these and related statistics, contact Graham Boxsell on Canberra 02 6252 5633 or refer to the back cover of this publication.

NOTES

INTRODUCTION

This publication presents results, in respect of the 1997–98 financial year, from an Australian Bureau of Statistics (ABS) census of Australian casino businesses. It is the fifth census of this industry with previous collections being conducted in respect of 1991–92, 1994–95, 1995–96 and 1996–97.

The census of casinos included businesses classified to Class 9322, Casinos, of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Class 9322 includes units mainly engaged in providing a range of gambling services in addition to totalisator or gaming machine services, and other amusements, in a building to which the general public have access.

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CHANGES IN THIS ISSUE

This issue incorporates a number of changes in the presentation and content of some income and expense items — see paragraphs 3–5 of the Explanatory Notes.

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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, PO Box 10, Belconnen, ACT, 2616.

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SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
EBIT	earnings before interest and tax
OPBT	operating profit before tax
n.a.	not available
n.p.	not available for publication but included in totals where applicable

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

W. McLennan
Australian Statistician

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1997–98 financial year, from an Australian Bureau of Statistics (ABS) census of Australian casino businesses. Previous ABS censuses of casino businesses were conducted in respect of 1991–92, 1994–95, 1995–96 and 1996–97.

SIZE OF INDUSTRY

At the end of June 1998 there were 13 casinos in Australia. These casino businesses employed a total of 20,531 persons and generated \$2,710 million in income. However, the industry recorded an operating loss before tax of \$288 million in 1997–98. A contributing factor to the loss was abnormal expense items of \$329 million.

The industry gross product of the industry for 1997–98 was \$744 million compared to \$920 million in 1996–97.

SOURCES OF INCOME

The casino industry generated total income of \$2,710 million during 1997–98, which was a 17% increase on 1996–97. Takings from gambling of \$2,165 million was 80% of the total industry income, which represented an 11% increase since 1996–97 and a 15% increase since 1995–96.

The \$2,165 million in takings from gambling consisted of \$1,432 million from gaming tables, \$700 million from poker/gaming machines and \$33 million from keno. Of the takings from gaming tables (\$1,432 million), overseas 'premium' players contributed \$395 million, while other 'rated' players from overseas contributed a further \$142 million. In total, overseas 'premium' and other 'rated' players accounted for 37% of takings from gaming tables and 25% of the casino industry's total gambling income.

While takings from gaming tables has increased by only 6% since 1996–97, takings from poker/gaming machines increased by 26% in the same period.

Other major sources of income for the casino industry were takings from meals of \$161 million, sales of beer, wine and spirits of \$148 million and takings from accommodation of \$78 million.

EXPENSES

Total expenses for the casino industry were \$3,003 million in 1997–98. The major components of these expenses were labour costs of \$703 million, gambling taxes and levies of \$426 million and market, promotion and sponsorship expenses of \$413 million. A substantial component of market, promotion and sponsorship expenses was costs associated with attracting 'premium' and other 'rated' players to casinos. These expenses were previously included in 'Other selected expenses'.

Another major expense for 1997–98 was 'Other selected expenses' of \$530 million which included \$329 million of abnormal expense items and accounted for 18% of total expenses.

SUMMARY OF FINDINGS *continued*

EXPENSES *continued*

While the proportion of labour costs to total expenses has reduced from 30% in 1996–97 to 23% in 1997–98, the average labour cost per person employed has increased from \$30,000 to \$34,300 during the same period. Some of the increase in labour cost per person employed related to redundancy payments during 1997–98.

OPERATING PROFIT BEFORE TAX

In 1997–98, the casino industry incurred an operating loss before tax of \$288 million, which represented an operating profit margin of –10.8%. In 1995–96 and 1996–97, the operating profit margins for the industry were 8.9% and 1.2% respectively.

Part of the loss for the industry in 1997–98 can be attributed to the unusually high abnormal expenses for 1997–98.

GAMBLING FACILITIES

At the end of June 1998, there were 10,575 poker/gaming machines and 1,107 gaming tables located in the 13 casinos. The 10,575 poker/gaming machines represented a 12% increase since June 1997. In contrast, the number of gaming tables at 30 June 1998 had declined 5% from the 1,171 gaming tables in operation at 30 June 1997.

In addition to the significant increase in the number of poker/gaming machines, the takings per poker/gaming machine also increased from \$59,100 during 1996–97 to \$66,200 during 1997–98. Takings per gaming table increased from \$1.2 million in 1996–97 to \$1.3 million in 1997–98.

EMPLOYMENT

At the end of June 1998, there were 20,531 persons employed by casinos in Australia, comprising 12,712 permanent full-time employees (62% of total employment), 3,208 permanent part-time employees (16%) and 4,611 casual employees (22%). Since June 1997, there has been a 9% decrease in the number of employees in the industry.

Of the 20,531 persons employed, 8,542 worked as licensed gaming staff. Gambling takings per licensed gaming staff member for 1997–98 was \$253,500 compared to \$208,900 in 1996–97. The significant increase in this ratio results from a 9% reduction in licensed gaming staff and an 11% increase in gambling takings.

Other major employment groupings in the industry at the end of June 1998 were 2,255 waiters and waitresses, 1,814 bar managers and attendants, 1,649 clerical and administrative staff and 1,072 security and surveillance staff.

SUMMARY OF FINDINGS *continued*

CONCENTRATION STATISTICS

Casinos operated by the four largest enterprise groups (i.e. casino businesses under common ownership and control) accounted for 84% of employment at the end of June 1998 and 88% of total income during 1997–98. While this represented an increased concentration by the four largest enterprise groups from 82% of employment at June 1997 and 82% of total income during 1996–97, these enterprise groups recorded an operating loss for 1997–98.

These four largest enterprise groups had an operating loss before tax of \$316 million which represented an operating profit margin of –13.6%. The remaining enterprise groups in the casino industry recorded an operating profit margin of 8.6% during 1997–98. In comparison, during 1996–97, the operating profit margins of the four largest enterprise groups and the remaining enterprise groups were 2.1% and –2.9% respectively.

NET WORTH

At the end of June 1998, the net worth of the casino industry was \$2,655 million which was a slight increase on the net worth of \$2,623 million recorded in 1996–97. During the year there was an 8% increase in the value of assets to \$5,420 million and a 15% increase in liabilities to \$2,765 million.

In 1997–98, the short-term debt to equity ratio was 22.1%, which was similar to 1996–97 (22.3%). However, since 1996–97, the long-term debt to equity has increased from 69.6% to 82.0%.

The return on assets and the return on funds have been decreasing since 1995–96. In 1997–98, the return on assets was –5.3% compared to 0.5% in 1996–97 and 5.1% in 1995–96. In 1997–98, the return on funds was –2.6% which was a decrease from 2.4% in 1996–97 and 7.8% in 1995–96.

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KEY FIGURES

	1995-96	1996-97	1997-98
Casinos at end June (no.)	14	14	13
Employment at end June			
Permanent employees (no.)	14 038	17 490	15 920
Casual employees (no.)	4 452	5 018	4 611
<i>Total (no.)</i>	18 490	22 508	20 531
Gambling equipment at end June			
Gaming/poker machines (no.)	8 225	9 408	10 575
Gaming tables (no.)	993	1 171	1 107
Income			
Takings from gambling (\$m)	1 881.2	1 951.4	2 165.1
Other income (\$m)	349.5	356.7	544.5
<i>Total (\$m)</i>	2 230.7	2 308.1	2 709.7
Expenses			
Labour costs (\$m)	595.2	674.3	703.3
Poker machine, keno and other gambling taxes/levies (\$m)	374.8	371.8	425.9
Other expenses (\$m)	1 066.1	1 241.3	1 873.7
<i>Total (\$m)</i>	2 036.1	2 287.4	3 002.9
Operating profit before tax (\$m)	198.0	27.4	-287.9
Operating profit margin (%)	8.9	1.2	-10.8
Industry gross product (\$m)	982.1	920.1	743.9

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SOURCES OF INCOME

	1995-96.....		1996-97.....		1997-98.....	
Sources of income	\$m	%	\$m	%	\$m	%
Sales of goods and services						
Takings from gambling						
Poker/gaming machines	462.7	20.7	556.3	24.1	700.1	25.8
Keno	37.0	1.7	38.7	1.7	33.4	1.2
Gaming tables						
Overseas premium players	n.a.	n.a.	n.a.	n.a.	394.5	14.6
Other rated players from overseas	n.a.	n.a.	n.a.	n.a.	142.0	5.2
Other players	n.a.	n.a.	n.a.	n.a.	895.1	33.0
Total takings from gaming tables	1 381.5	61.9	1 356.5	58.8	1 431.6	52.8
Total	1 881.2	84.3	1 951.4	84.5	2 165.1	79.9
Commissions from TAB operations/sports betting operations	1.2	0.1	1.2	0.1	1.5	0.1
Income from the provision of entertainment	9.0	0.4	7.9	0.3	14.2	0.5
Takings from meals	112.8	5.1	126.7	5.5	161.0	5.9
Sales of beer, wine and spirits	118.1	5.3	115.1	5.0	147.6	5.4
Takings from accommodation	48.2	2.2	47.5	2.1	77.6	2.9
Other retail sales	5.3	0.2	7.4	0.3	23.7	0.9
Rent, lease and hiring income	4.5	0.2	4.3	0.2	20.8	0.8
Takings from car parking operations(a)	n.a.	n.a.	17.7	0.8	26.8	1.0
Other operating income	43.7	2.0	13.8	0.6	27.6	1.0
Total	2 224.0	99.7	2 293.0	99.3	2 666.0	98.4
Interest income	4.6	0.2	6.4	0.3	6.8	0.3
Other non-operating income	2.0	0.1	8.8	0.4	36.8	1.4
Total	2 230.7	100.0	2 308.1	100.0	2 709.7	100.0

(a) Takings from car parking operations for 1995-96 included in 'Other operating income'.

Type of expense	1995-96.....		1996-97.....		1997-98.....	
	\$m	%	\$m	%	\$m	%
Labour costs						
Wages and salaries	554.5	27.2	627.4	27.4	650.4	21.7
Employer contributions to superannuation funds	32.1	1.6	34.4	1.5	37.9	1.3
Workers' compensation costs	8.6	0.4	12.6	0.6	15.0	0.5
<i>Total</i>	595.2	29.2	674.3	29.5	703.3	23.4
Selected expenses						
Rent, leasing and hiring expenses	54.0	2.6	55.5	2.4	58.9	2.0
Advertising expenses	38.2	1.9	41.0	1.8	45.5	1.5
Poker machine, keno and other gambling taxes/levies						
Community benefit levy	n.a.	n.a.	n.a.	n.a.	18.1	0.6
Other gambling taxes/levies	n.a.	n.a.	n.a.	n.a.	407.8	13.6
<i>Total</i>	374.8	18.4	371.8	16.3	425.9	14.2
Casino licence fees(a)	n.a.	n.a.	n.a.	n.a.	9.8	0.3
Fringe benefit tax	} 42.4	2.1	} 50.4	2.2	3.5	0.1
Payroll and land tax					40.2	1.3
Land tax and land rates					20.3	0.7
Contract payments to entertainers	8.4	0.4	8.9	0.4	11.4	0.4
Fares and other travelling expenses	9.5	0.5	10.4	0.5	15.4	0.5
Accommodation and hospitality expenses	9.8	0.5	19.7	0.9	66.6	2.2
Marketing, promotion and sponsorship expenses	68.0	3.3	88.6	3.9	413.3	13.8
Repair and maintenance	14.3	0.7	15.6	0.7	19.7	0.7
Electricity, gas and water charges	16.2	0.8	18.4	0.8	23.5	0.8
Telecommunication services	5.1	0.3	6.3	0.3	7.5	0.2
Cleaning services provided by other businesses	10.4	0.5	16.1	0.7	18.5	0.6
Paper, printing and stationery	9.0	0.4	8.9	0.4	13.0	0.4
Management fees/charges paid to related and unrelated businesses	60.1	3.0	61.4	2.7	61.6	2.1
Other selected expenses(b)(c)	436.9	21.5	490.6	21.4	530.4	17.7
<i>Total</i>	1 157.1	56.8	1 263.6	55.2	1 785.0	59.4
Other costs						
Purchases of goods for resale						
Foodstuffs for use in preparing meals	46.8	2.3	52.8	2.3	63.0	2.1
Liquor and other beverages	31.3	1.6	35.6	1.6	43.4	1.4
Other purchases	10.1	0.5	14.2	0.6	36.3	1.2
<i>Total</i>	88.2	4.3	102.6	4.5	142.7	4.8
Depreciation and amortisation	110.9	5.4	127.7	5.6	193.3	6.4
Insurance premiums	7.8	0.4	n.p.	n.p.	6.5	0.2
Interest expenses	63.8	3.1	78.0	3.4	163.9	5.5
Bad debts	13.1	0.6	n.p.	n.p.	8.3	0.3
<i>Total</i>	283.7	13.9	349.4	15.3	514.6	17.1
Total	2 036.1	100.0	2 287.4	100.0	3 002.9	100.0
Total cost of training employees(d)						
	n.a.	n.a.	n.a.	n.a.	7.2	0.2

(a) Included in 'Other selected expenses' in 1995-1996 and 1996-97.

(b) Includes expenses associated with attracting 'premium' and other 'rated' players from overseas for 1995-96 and 1996-97. For 1997-98 expenses associated with attracting 'premium' and other 'rated' players from overseas are shown against the relevant expense items (refer Explanatory Notes — Changes in this issue).

(c) Includes abnormal items of \$329 million for 1997-98.

(d) Included in a variety of expense items above.

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CHARACTERISTICS OF EMPLOYMENT

Type of employment	Males	Females	Persons
Permanent full-time employees (no.)	7 771	4 941	12 712
Permanent part-time employees (no.)	1 429	1 779	3 208
Total permanent employees (no.)	9 200	6 720	15 920
Casual employees (no.)	2 194	2 417	4 611
Total employment end June 1998 (no.)	11 394	9 137	20 531
Proportion of total (%)	55.5	44.5	100.0
Total employment end June 1997 (no.)	12 184	10 324	22 508
Proportion of total (%)	54.1	45.9	100.0
Total employment end June 1996 (no.)	10 155	8 335	18 490
Proportion of total (%)	54.9	45.1	100.0

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MAIN OCCUPATIONS

	Persons at end June 1996	Proportion of total	Persons at end June 1997	Proportion of total	Persons at end June 1998	Proportion of total
	no.	%	no.	%	no.	%
Managers/administrators	1 049	5.7	1 049	4.7	887	4.3
Other clerical and administrative staff	1 822	9.9	2 001	8.9	1 649	8.0
Licensed gaming staff	7 799	42.2	9 341	41.5	8 542	41.6
Chefs	681	3.7	1 003	4.5	839	4.1
Bar managers and attendants	1 442	7.8	2 349	10.4	1 814	8.8
Waiters/waitresses	1 932	10.4	2 373	10.5	2 255	11.0
Kitchen hands	463	2.5	622	2.8	784	3.8
Security officers/surveillance staff	990	5.4	1 050	4.7	1 072	5.2
Maintenance staff	313	1.7	343	1.5	332	1.6
Cleaning staff	1 030	5.6	688	3.1	680	3.3
Housekeeping staff	284	1.5	580	2.6	855	4.2
Other	685	3.7	1 109	4.9	822	4.0
Total	18 490	100.0	22 508	100.0	20 531	100.0

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CONCENTRATION STATISTICS

	Enterprise groups at end June	Employment at end June	Wages and salaries	Total income	Total expenses	Operating profit before tax	Operating profit margin
Enterprise groups ranked by total income	no.	no.	\$m	\$m	\$m	\$m	%
1997-98							
Largest four	4	17 268	544.0	2 372.0	2 695.7	-316.4	-13.6
Remainder	6	3 263	106.4	337.6	307.2	28.4	8.6
Total	10	20 531	650.4	2 709.7	3 002.9	-287.9	-10.8
1996-97							
Largest four	4	18 356	485.0	1 896.3	1 865.9	39.1	2.1
Remainder	6	4 152	142.3	411.8	421.5	-11.7	-2.9
Total	10	22 508	627.4	2 308.1	2 287.4	27.4	1.2
1995-96							
Largest four	4	13 607	410.8	1 781.8	1 596.0	190.6	10.7
Remainder	6	4 883	143.7	448.9	440.0	7.4	1.7
Total	10	18 490	554.5	2 230.7	2 036.1	198.0	8.9

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ASSETS AND LIABILITIES

	1995-96	1996-97	1997-98
	\$m	\$m	\$m
Assets			
Current assets	389.0	478.3	419.2
Non-current assets	3 483.8	4 553.4	5 000.8
Total	3 872.7	5 031.7	5 419.9
Liabilities			
Current liabilities	495.6	583.8	587.7
Non-current liabilities	1 201.5	1 824.7	2 177.3
Total	1 697.1	2 408.5	2 765.0
Net worth	2 175.6	2 623.2	2 654.9

	1995-96	1996-97	1997-98
Employment ratios			
Operating profit before tax per person employed (\$'000)	10.7	1.2	-14.0
Labour costs per person employed (\$'000)	32.2	30.0	34.3
Labour costs to total expenses (%)	29.2	29.5	23.4
Total assets per person employed (\$'000)	209.5	223.5	264.0
Industry gross product per person employed (\$'000)	53.1	40.9	36.2
Industry gross product to labour costs (times)	1.6	1.4	1.1
Profitability ratios			
Operating profit margin (%)	8.9	1.2	-10.8
Return on assets (%)	5.1	0.5	-5.3
Return on funds (%)	7.8	2.4	-2.6
Gambling ratios			
Takings per poker/gaming machine (\$'000)	56.3	59.1	66.2
Takings per gaming table (\$'000)	1 391.3	1 158.4	1 293.2
Takings from gambling per licensed gaming staff (\$'000)	241.2	208.9	253.5
Gambling taxes to gambling income (%)	19.9	19.1	19.7
Other ratios			
Short-term debt to equity (%)	22.8	22.3	22.1
Long-term debt to equity (%)	55.2	69.6	82.0
Current ratio (times)	0.7	0.7	0.7
Asset turnover (times)	0.6	0.5	0.5

EXPLANATORY NOTES

SCOPE

1 The scope of the census included all businesses classified to class 9322, Casinos, of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC). This class consisted of units mainly engaged in providing a range of gambling services in addition to totalisator or gaming machine services, and other amusements, in a building to which the general public has access. Included are units providing food, liquor and accommodation services in addition to a full range of gambling services.

2 The scope of the census excluded businesses not classified to the casino industry e.g. property developers engaged in the construction of casinos; units mainly engaged in providing food or liquor and gaming machine services only are included in one of the ANZSIC Groups 572 Pubs, Taverns and Bars; 573 Cafes and Restaurants; or 574 Clubs (Hospitality).

CHANGES IN THIS ISSUE

3 This issue incorporates a number of changes in the presentation and content of some income and expense items. The changes in income items mainly reflect the provision of greater detail whereas the changes in expense items relate to changes in presentation of certain expense items.

4 For the income item 'takings from gaming tables' this issue provides, for the first time, a breakdown into takings from 'overseas premium players', 'other rated players from overseas' and 'other'.

5 The major change to the expense items has been a revised treatment of the expenses incurred in attracting 'premium' and 'other rated' players from overseas to casinos. Previously these expenses were included in 'other selected expenses'. However, from 1997–98 such expenses have been included against each of the relevant expense items, with a significant component being recorded against 'marketing, promotion and sponsorship expenses', 'fares and other travelling expenses' and 'accommodation and hospitality expenses'.

STATISTICAL UNIT

6 The unit for which statistics are produced in this publication is operating casino sites. Where the ownership of the casino site operation is the same as the ownership of the attached accommodation unit, then the total operations of the statistical unit has been included. Conversely, if the accommodation unit is separately operated, then data for the accommodation unit have not been included.

REFERENCE PERIOD

7 Data contained in the tables in this publication relate to all casinos which operated in Australia at any time during the year ended June 1998.

RELIABILITY OF DATA

8 Because the census does not have a sample component, the data are not subject to sampling variability. However, other inaccuracies collectively referred to as non-sampling error may affect the data. These non-sampling errors may arise from a number of sources, including:

- errors in the reporting of data by respondents;
- errors in the capturing or processing of data;
- estimation for missing or mis-reported data; and
- definition and classification errors.

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, and appropriate methodology.

GLOSSARY

Advertising expenses	This includes expenses paid to advertising agencies, direct payments to the press, radio and television stations, and other advertising expenses. It excludes marketing, promotion and sponsorship expenses.
Asset turnover	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	Bad debts is the actual amount of bad debt written off, net of bad debts previously written off but recovered.
Casinos at end June	At the end of June 1997–98, there were 13 casinos operating in Australia. The ABS defines operating as those with current income and/or expenses.
Casual employees	Employees not entitled to take paid holidays.
Community benefit levy	As part of gambling taxes and levies, casinos in most States and Territories pay a community benefit levy, which is generally a levy on gaming revenue and is used to fund community service organisations and groups.
Current assets	The book value of current assets at the end of the financial year. This includes cash on hand, stocks, trade debtors, and other accounts receivable. These are assets that would generally cease to exist or be used up within a period of 12 months.
Current liabilities	The book value of current liabilities as at the end of the financial year. This includes provisions for taxation, leave, claims, trade creditors and other accounts payable, and bank overdraft. These are liabilities that would normally be due or payable within a period of 12 months.
Current ratio	The number of times current assets exceed current liabilities, i.e. current assets divided by current liabilities. This liquidity measure indicates the ability to meet immediate financial obligations from current assets.
Depreciation and amortisation	The financial charges made to the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period.
Employer contributions to superannuation funds	The costs of the employer's superannuation contributions during the reference period (including contributions made by the employer on behalf of employees).
Employment at end June	This includes working directors, and other employees (including casual employees) working for a business during the last pay period ending in June.
Enterprise group	An enterprise group is defined as a unit covering all the operations in Australia of one or more legal entity under common ownership or control.
Fringe benefit tax	Fringe benefit tax is paid by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods) are received by their employees in connection with their employment.
Full-time employees	Employees who work 35 hours per week or more.
Gambling taxes to gambling income	Poker machines, keno and other gambling taxes and levies times 100 divided by income from gambling.
Industry gross product	This is trading profit plus own account capital works.

GLOSSARY *continued*

Interest expenses	This includes interest on bank loans, loans made from related as well as unrelated businesses/organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.
Interest income	This includes interest from deposits in banks and non-bank financial institutions, loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. It excludes capital repayments received.
Labour costs	Labour costs include wages and salaries, employers' contribution to superannuation funds and workers' compensation.
Land tax and land rates	Land tax is an annual tax assessed to the owner of the land.
Long-term debt to equity	Non-current liabilities times 100 divided by net worth.
Main occupation	The main occupation of persons working for a business during the last pay period ending in June.
Management fees/charges paid to related and unrelated businesses	These are payments made to businesses for other management and administrative services.
Marketing, promotion and sponsorship expenses	Marketing and promotion expenses are the costs incurred in the long-range promotion of a business and its goods or services. It may include expenses associated with attracting 'premium' and other 'rated' players to the casino. It includes cash give-aways for competitions as well as printing costs. Sponsorship expenses are the costs incurred in the public support/promotion of sporting, arts or cultural activities.
Net worth	This is total assets minus total liabilities.
Non-current assets	The book value of non-current assets at the end of the financial year. These are assets of a long-term (longer than 12 months) nature and include property, plant and machinery needed for normal operations, capitalised interest and goodwill.
Non-current liabilities	The book value of non-current liabilities as at the end of the financial year. These are liabilities that are not due within the next financial period and include bank loans, debentures, and unsecured notes.
Operating profit before tax (OPBT)	A measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Operating profit margin	The percentage of sales of goods and services available as operating profit, i.e. OPBT times 100 divided by sales of goods and services.
Other costs	This includes purchases of goods for resale, depreciation and amortisation, insurance premiums, interest expenses, bad debts and software expensed.
Other non-operating income	This includes net profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations, and net profit (loss) on foreign loans as a result of variation in foreign exchange rates/transactions. Excludes extraordinary profit (loss), i.e. not associated with the normal operations of the business and of a non-recurring nature.

Other operating expenses	Various expense items which are general in nature and are not included elsewhere (e.g. glass/crockery expenses, cleaning and laundry supplies, staff uniforms and amenities, in-house films as well as abnormal expense items).
Other operating income	Various income items which are not included elsewhere e.g. commissions from vending machines, income from the provision of telephone and laundry services, unredeemed gaming chips, etc.
Other rated players from overseas	Other rated players from overseas do not receive rebates as such, but may have some or all of their expenses (accommodation, travel, etc.) paid by the casino.
Other retail sales	This includes sales of souvenirs, cigarettes (except those sold from vending machines), clothing and footwear, publications and takeaway food. It excludes income under licensing arrangements.
Other selected expenses	This includes motor vehicle running expenses, bank charges other than interest, periodical, magazine and journal expenses, payments for staff training services, waste handling expenses, other contract, sub-contract and commission expenses, postal expenses, legal and audit expenses.
Overseas premium players	Overseas premium players (commonly referred to as 'junket' or 'high roller' players) are those players brought from overseas to participate in rebate programs, under which a percentage of their total amount bet is returned to them, usually as a cash rebate. As well, 'premium' players may have some or all of their expenses (accommodation, travel, etc.) paid by the casino.
Payroll tax	Payroll tax includes a payroll tax surcharge and payroll tax minus rebate adjustments made during the year.
Part-time employees	Employees who work less than 35 hours per week.
Poker machine, keno and other gambling taxes/levies	These are taxes/levies paid to the Government for poker machines, keno and other gambling facility operations. They exclude casino licence fees.
Purchases of goods for resale	This includes purchases of finished goods for resale, foodstuffs for use in preparing meals and takeaway food, liquor and other beverages, and other non-capitalised purchases such as containers and packaging materials.
Rent, leasing and hiring expenses	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.
Royalties	Royalties include payments under licensing arrangements, payments for the use of copyright, patent, design or model, plan or any other property or right. Royalties were included with bad debts in 1995–96 and 1996–97 and are included in selected expenses for 1997–98.
Return on assets	OPBT 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. EBIT times 100 divided by (net worth plus non-current liabilities).

GLOSSARY *continued*

Short-term debt to equity	Current liabilities times 100 divided by net worth.
Takings from car park operations	This includes all takings from car parks operated by a casino business.
Takings from gambling	This consists of takings from gaming/poker machines, takings from keno, and takings from other gambling, such as table games.
Takings from keno	Takings from keno net of payouts to players. Excludes takings from keno gaming machines (included in 'takings from poker/gaming machines').
Takings from meals	Takings from meals sold for consumption on the premises. Excludes income from catering concessions and takeaway food (included in 'other retail sales').
Takings from other gambling	Takings from gambling other than from keno and poker/gaming machines. Primarily includes takings from table games (net of payouts to players).
Takings from poker/gaming machines	Takings from poker/gaming machines net of payouts to players.
Total employment	This includes permanent, part-time and casual employees, managerial and executive employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave and contract personnel from whom PAYE tax is deducted are included.
Trading profit	A measure of profit directly attributable to trading in goods and services. It is derived by subtracting the purchases and selected expenses (excluding software expensed), from the value of sales of goods and services.
Wages and salaries	This includes severance, termination and redundancy payments and provision expenses for employee entitlements. It excludes payments to entertainers and contractors.

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