

NEW ISSUE



1994-95

EMBARGOED UNTIL 11:30 AM WED 13 NOVEMBER 1996

# Recreation Services

## Australia

Statistics



**RECREATION SERVICES  
AUSTRALIA  
1994-95**

**W. McLennan  
Australian Statistician**

**AUSTRALIAN BUREAU OF STATISTICS**

**CATALOGUE NO. 8688.0**

© Commonwealth of Australia 1996

Produced by the Australian Government Publishing Service

# CONTENTS

	Page
Introduction	iv
An overview	1
Income and expenditure	3
Employment	7
Business size analysis	9
State data	10
Assets and liabilities	11
<b>TABLES</b>	
<b>1</b> Summary of operations, 1994-95	2
<b>2</b> Sources of income, 1994-95	4
<b>3</b> Items of expenditure, 1994-95	6
<b>4</b> Characteristics of employment, end June 1995	7
<b>5</b> Employment at end of each month, 1994-95	8
<b>6</b> Selected statistics by business size, 1994-95	9
<b>7</b> Selected statistics by State, 1994-95	10
<b>8</b> Assets, liabilities and net worth, 1994-95	11
<b>ADDITIONAL INFORMATION</b>	
Explanatory notes	12
Glossary	16

---

INQUIRIES

- *for further information about statistics in this publication and the availability of related unpublished statistics, contact Tony Ward, on Melbourne (03) 9615 7634.*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

---

## INTRODUCTION

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

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

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

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

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

The publication *Casinos, Australia, 1994-95* (8683.0) was released on 3 April 1996.

This publication presents detailed statistics in respect of businesses classified to ANZSIC Class 9330 — other recreation services. This class includes businesses mainly engaged in providing recreation and entertainment services (e.g. amusement parks and arcades, circuses and agricultural shows).

Other publications to be released from this survey are:

- *Gambling Industries, Australia, 1994-95* (8684.0);
- *Sports Industries, Australia, 1994-95* (8686.0); and
- *Clubs, Pubs, Taverns and Bars, Australia, 1994-95* (8687.0).

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

## AN OVERVIEW

### INTRODUCTION

Statistics in this publication relate to the other recreation services industry as defined in the Australian and New Zealand Standard Industrial Classification (ANZSIC).

This publication compliments three other publications (which will be released over the next couple of months) covering the sports and gambling industries and which will complete the release of information collected by the ABS on sport and recreation for 1994-95 (see paragraph 3 of Explanatory Notes for titles).

The other recreation services industry is a composite of a range of businesses mainly engaged in providing recreation and entertainment services. These services include amusement and theme parks, circuses, dance halls, agricultural shows, family entertainment centres/amusement arcades, historic railways and recreation clubs.

### SIZE OF THE INDUSTRY

At the end of June 1995, there were 666 businesses (management units) in the industry. Two hundred and eleven of these businesses (32%) were non-profit organisations i.e. businesses whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.

These 666 businesses employed a total of 10,138 persons at the end of June 1995, and generated \$610.1 million in gross income.

### TAKINGS FROM ADMISSIONS

The major source of income for the industry was takings from admissions. The 16.6 million paid admissions generated income of \$170.8 million or 28% of total income.

### AMUSEMENT MACHINES

There were some 14,000 coin-operated amusement machines operated by businesses in the industry.

### PROFITABILITY

Earnings before interest and tax for the industry was \$60.5 million. With the deduction of interest expenses of \$8.2 million, the industry had an operating profit before tax of \$52.4 million. This represented an operating profit margin of almost 9%.

### EMPLOYMENT

The industry was characterised by a very large proportion (60%) of persons working part time and a large proportion of persons employed on a casual basis (58%).

### VOLUNTEERS

The industry had a further 3,518 persons working as unpaid volunteers, accounting for 26% of persons working in the industry.

### INDUSTRY GROSS PRODUCT

Total industry gross product for this industry was \$272.4 million.

## 1

## SUMMARY OF OPERATIONS, 1994-95

<i>Item</i>	<i>Unit</i>	<i>Value</i>
<b>Businesses at end of June 1995</b>		
Profit	no.	454
Non-profit	no.	211
<i>Total</i>	<i>no.</i>	<i>666</i>
Paid admissions	no.	16 645 467
Coin-operated amusement machines	no.	13 944
<b>Employment</b>		
Full-time	no.	4 094
Part-time	no.	6 044
<i>Total employment end June 1995</i>	<i>no.</i>	<i>10 138</i>
<b>Volunteers</b>	no.	3 518
<b>Income statement</b>		
Sales of goods and services	\$m	591.7
<i>Plus</i>		
Closing trading stocks	\$m	26.6
<i>Less</i>		
Purchases	\$m	93.1
Selected expenses	\$m	238.2
Opening trading stocks	\$m	23.9
<i>Trading profit</i>	<i>\$m</i>	<i>263.2</i>
<i>Plus</i>		
Government funding	\$m	8.0
Other income	\$m	*10.4
<i>Less</i>		
Labour costs	\$m	167.4
Depreciation and amortisation	\$m	44.1
Other expenses	\$m	9.5
<i>Earnings before interest and tax</i>	<i>\$m</i>	<i>60.5</i>
<i>Less</i>		
Interest expenses	\$m	8.2
<i>Operating profit before tax</i>	<i>\$m</i>	<i>52.4</i>
<i>Operating profit margin</i>	<i>%</i>	<i>8.9</i>
<i>Industry gross product</i>	<i>\$m</i>	<i>272.4</i>



## INCOME AND EXPENDITURE

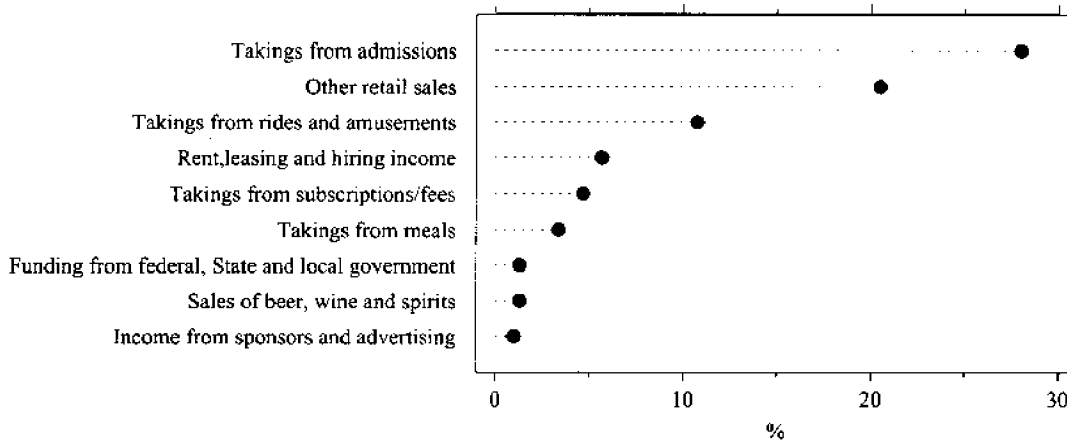
MAJOR SOURCES OF INCOME	Gross income for the other recreation services industry in 1994-95 was \$610.1 million. Takings from admissions of \$170.8 million (28%) and other retail sales (e.g. sales of souvenirs, clothing etc.) of \$124.8 million (20%) were the major components of income.
DIVERSE ACTIVITIES WITHIN THE INDUSTRY	The diversity of the industry is demonstrated in the relatively small proportion of businesses accruing income from each source. For example, although takings from admissions accounted for 28% of the industry's gross income, only 33% (223) of businesses accrued income from this source.
TAKINGS FROM ADMISSIONS	Takings from admissions was the largest source of income in the other recreation services industry, contributing 28% (\$170.8 million) to gross income. Takings from admissions per business was \$765,900 for the 223 businesses that accrued income from this source. This was the largest ratio of income per business from a single source.
TAKINGS FROM RIDES AND AMUSEMENTS	<p>For many businesses, the price of admission includes access to the rides and amusements within the business establishment. Where takings from rides and amusements was not included in the admission price, a further \$65.9 million was received by these businesses.</p> <p>Together takings from admissions and takings from rides and amusements accounted for 39% of gross takings.</p>
RETAIL SALES	Takings from meals and alcohol contributed \$20.9 million (3%) and \$8.1 million (1%) respectively to gross income. Other retail sales (e.g. sales of souvenirs, clothing, etc.) accounted for \$124.8 million (20%) of gross income. More businesses accrued income from this single source (42%) than from any other.
RENT, LEASING AND HIRING	Rent, leasing and hiring activities accounted for 6% (\$35.0 million) of gross income. Of this amount \$6.3 million came from rent, leasing and hiring of retail outlets, e.g. food concessions.
AVERAGE INCOME PER BUSINESS	Average income per business in the other recreation services industry was \$916,000.

## 2

### SOURCES OF INCOME, 1994-95

<i>Sources of income</i>	<i>Businesses at end June</i>	<i>Value</i>	<i>Percentage contribution</i>
	no.	\$m	%
<b>Sales of goods and services</b>			
Takings from admissions	223	170.8	28.0
Takings from rides and amusements	212	65.9	10.8
Rent, leasing and hiring income			
Retail outlets	*74	*6.3	1.0
Other rent, leasing and hiring	223	28.7	4.7
Takings from subscriptions/fees	223	28.4	4.7
Retail sales			
Takings from meals	*50	20.9	3.4
Sale of beer, wine and spirits	*44	8.1	1.3
Other retail sales	281	124.8	20.5
Income from sponsors and advertising	115	6.1	1.0
Other operating income	221	131.6	21.6
<i>Total sales of goods and services</i>	<i>666</i>	<i>591.7</i>	<i>97.0</i>
Funding from Federal, State and Local Government	105	8.0	1.3
Other income	215	*10.4	1.7
<b>Gross Income</b>	<b>666</b>	<b>610.1</b>	<b>100.0</b>

PERCENTAGE CONTRIBUTIONS OF MAJOR SOURCES OF INCOME, 1994-95



MAJOR COMPONENTS OF EXPENDITURE

Total expenses in the other recreation services industry in 1994-95 were \$560.5 million, which represented an average of \$841,600 per business in the industry.

Total labour costs was the most significant expense item, representing \$167.4 million (30%) of the total.

Labour costs per employee were only \$16,500. These costs were relatively low because of the large proportion (60%) of employees who worked on a part-time basis.

PURCHASES

Purchases (of goods for resale and other purchases) was the other major item of expense accounting for 17% of total expenses.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation costs (\$44.1 million) accounted for 8% of total expenses.

RENT, LEASING AND HIRING

Rent, leasing and hiring expenses (\$66.1 million) accounted for 12% of total expenses. Land, buildings and structures was the major component of this expense item (\$53.8 million) with 45% of businesses incurring expenses from this source.

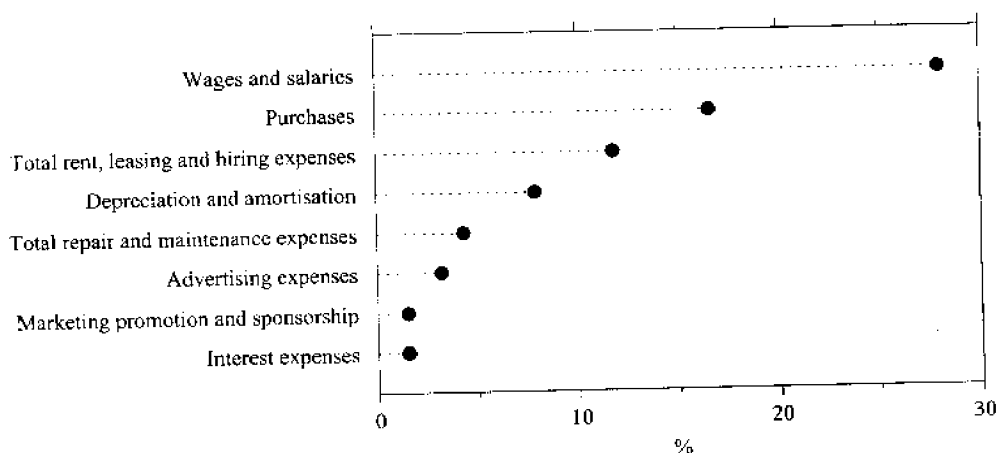
REPAIR AND MAINTENANCE

Repair and maintenance expenses contributed just over 4% of total expenses. Machinery and equipment repair and maintenance expenses accounted for 74% (\$18.2 million) of these expenses at an average of \$31,900 per business for those businesses who incurred this expense.

OPERATING PROFIT BEFORE TAX

Gross income exceeded total expenses resulting in an operating profit before tax of \$52.4 million

PERCENTAGE CONTRIBUTIONS OF MAJOR ITEMS OF EXPENSE, 1994-95



## 3

## ITEMS OF EXPENDITURE, 1994-95

<i>Type of expense</i>	<i>Businesses at end June</i>	<i>Value</i>	<i>Percentage contribution</i>
	no.	\$m	%
<b>Labour costs</b>			
Wages and salaries	666	156.8	28.0
Employer contributions to superannuation funds	512	7.1	1.3
Workers' compensation costs	586	3.5	0.6
<i>Total labour costs</i>	<b>666</b>	<b>167.4</b>	<b>29.9</b>
<b>Selected expenses</b>			
<i>Repair and maintenance expenses</i>			
Machinery and equipment	570	18.2	3.2
Other	202	6.3	1.1
<i>Total repair and maintenance</i>	<b>635</b>	<b>24.5</b>	<b>4.4</b>
Contract payments to entertainers	*67	2.2	0.4
<i>Rent, leasing and hiring expenses</i>			
Rides and amusements	*88	4.0	0.7
Land buildings and structures	297	53.8	9.6
Other rent leasing and hiring	308	8.3	1.5
<i>Total rent, leasing and hiring</i>	<b>527</b>	<b>66.1</b>	<b>11.8</b>
Advertising expenses	552	17.9	3.2
Marketing promotion and sponsorship	150	8.5	1.5
Other operating expenses	666	119.1	21.2
<i>Total selected expenses</i>	<b>666</b>	<b>238.2</b>	<b>42.5</b>
<b>Other costs</b>			
Purchases	431	93.1	16.6
Interest expenses	384	8.2	1.5
Insurance premiums	632	8.0	1.4
Depreciation and amortisation	540	44.1	7.9
Bad debts written off and royalties	*56	1.5	0.3
<i>Total other costs</i>	<b>661</b>	<b>154.9</b>	<b>27.6</b>
<b>Total expenses</b>	<b>666</b>	<b>560.5</b>	<b>100.0</b>

## EMPLOYMENT

### INTRODUCTION

In June 1995, employment in the industry in Australia was 10,138 persons. In addition to this employment, the industry had 3,518 persons who were volunteer workers, accounting for 26% of the total number of persons working in the industry.

### MALE AND FEMALE EMPLOYMENT

There were slightly more females (53%) than males (47%) working in the industry. These proportions, however, varied by type of employment; males accounted for the majority of permanent employees (58%), while females were predominantly engaged on a casual basis (accounting for 61% of casual employment).

### CASUAL AND PERMANENT EMPLOYMENT

A significant characteristic of employment in this industry was the large proportion (58%) of persons working on a casual basis. Most casual employment was part-time (91%).

Permanent employees (i.e. employees entitled to take paid holidays) accounted for 37% of employment. However, in contrast with casual employment, most of these persons worked on a full-time basis (83%).

Females were more likely to be employed on a casual part-time basis with 63% of females working on that basis. Males were equally likely to be employed on a permanent (45%) or casual (47%) basis.

### VOLUNTEERS

Of the 3,518 unpaid volunteers working in the other recreation services industry, 2,255 (64%) were males.

## 4 CHARACTERISTICS OF EMPLOYMENT, END JUNE 1995

Type of employment	Males			Females			Total		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
Working proprietors, partners and salaried directors	315	*49	364	195	*35	230	509	*84	593
Permanent employees eligible for paid leave	1 904	259	2 163	1 168	383	1 550	3 072	641	3 713
Casual employees	295	1 980	2 275	217	3 339	3 557	512	5 319	5 831
<b>Total employment at end June 1995</b>	<b>2 514</b>	<b>2 287</b>	<b>4 801</b>	<b>1 580</b>	<b>3 757</b>	<b>5 337</b>	<b>4 094</b>	<b>6 044</b>	<b>10 138</b>
Percentage contribution to total	25.0	23.0	47.0	16.0	37.0	53.0	40.0	60.0	100.0
<b>Total unpaid volunteers</b>	n.a.	n.a.	2 255	n.a.	n.a.	1 263	n.a.	n.a.	3 518
Percentage contribution to total	..	..	64.1	..	..	35.9	..	..	100.0

# 5

## EMPLOYMENT AT END OF EACH MONTH, 1994-95

Month	Number	Percentage difference from monthly average
July	9 627	-7
August	9 780	-5
September	10 154	-2
October	10 879	5
November	10 439	1
December	11 063	7
January	10 716	4
February	10 349	0
March	10 157	-2
April	10 544	2
May	9 953	-4
June	10 138	-2
Monthly average	10 317	..

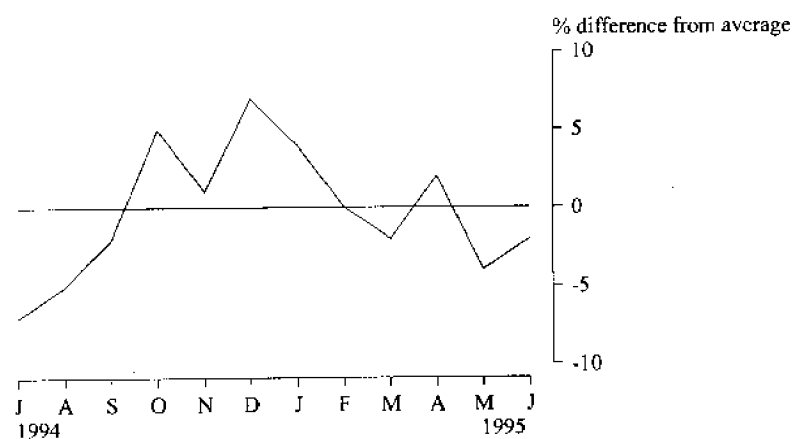
### MONTHLY EMPLOYMENT

There were 10,138 persons working in the other recreation services industry at the end of June 1995. This was an increase of 511 (5%) over the number employed at the end of July 1994.

Monthly employment ranged from a low of 9,627 in July 1994, to a peak of 11,063 persons in December 1994 (i.e. the Christmas holidays), a difference of 1,436 persons.

Average monthly employment was 10,317.

### EMPLOYMENT BY MONTH, 1994-95



## BUSINESS SIZE ANALYSIS

### DOMINANCE OF SMALLER BUSINESSES

Of the 666 businesses in the other recreation services industry, 89% had employment of less than 20 persons, typical of the proportion generally reported in service industries.

Although these 590 smaller businesses dominated in terms of numbers, their contributions to total employment (25%), gross income (25%) and total expenses (27%) were less significant.

### CONTRIBUTION OF LARGER BUSINESSES

There were only 13 businesses employing more than 100 persons. This 2% of businesses accounted for 49% of total employment, 57% of gross income and 55% of total expenses.

### INCIDENCE OF VOLUNTEERS

With regard to volunteers, businesses employing fewer than 20 persons accounted for 68% of the volunteers working in the industry.

The contribution of volunteers to the total workforce differed with business size (49% in small businesses, 27% in businesses employing 20-99 persons, to 3% in those businesses employing more than 100 persons).

### GROSS INCOME PER PERSON EMPLOYED

The industry average of gross income per person employed was \$60,200. Businesses employing 100 or more persons generated \$69,000 in gross income per person employed compared with \$62,000 for businesses employing less than 20 persons.

## 6 SELECTED STATISTICS BY BUSINESS SIZE, 1994-95

Employment size category at end June	Businesses at end June		Employment at end June		Volunteers		Gross income		Total expenses	
	no.	%	no.	%	no.	%	\$m	%	\$m	%
0-19 persons	590	88.6	2 498	24.6	*2 403	68.3	154.9	25.4	148.8	26.5
20-99 persons	63	9.5	2 627	25.9	953	27.1	109.1	17.9	104.9	18.7
100 or more persons	13	2.0	5 012	49.4	162	4.6	346.0	56.7	306.8	54.7
<b>Total</b>	<b>666</b>	<b>100.0</b>	<b>10 138</b>	<b>100.0</b>	<b>3 518</b>	<b>100.0</b>	<b>610.1</b>	<b>100.0</b>	<b>560.5</b>	<b>100.0</b>

## STATE DATA

DOMINANCE OF BUSINESSES IN QUEENSLAND	Queensland made the largest contribution to the other recreation services industry. The 206 (31%) businesses operating in Queensland accounted for 36% of employment and 46% of gross income. By way of comparison the 216 (32%) businesses in New South Wales and 111 (17%) in Victoria accounted for only 28% and 13% of gross income respectively.
EMPLOYMENT PER BUSINESS	Using employment per business as a measure of business size, other recreation services businesses were largest in Victoria with 19 persons per business. This was only marginally larger than businesses in Queensland (18 persons) and Western Australia (15 persons).  Businesses in the smaller States were also considerably smaller in size, for example, employment per business in the Northern Territory was only 4 persons.
GROSS INCOME PER BUSINESS	Average gross income per business was \$916,000. Only two States were higher than this average: Queensland was 47% higher with \$1.3 million in gross income per business and Western Australia was 7% higher with \$979,000. Businesses in Tasmania reported the lowest value for this ratio (\$185,200).
GROSS INCOME PER PERSON EMPLOYED	When using gross income per person employed as the measure, Queensland businesses in the other recreation services industry were more productive than those in other States. Gross income per person employed ranged from a high of \$76,300 in Queensland followed by \$67,700 in Western Australia and dropped to a low of \$27,900 in the Australian Capital Territory. For this industry, the Australian average gross income per person employed was \$60,200.

## 7

### SELECTED STATISTICS BY STATE, 1994-95

State/Territory	Businesses at end June(a)		Employment at end June		Wages and salaries		Gross income	
	no.	%	no.	%	\$m	%	\$m	%
New South Wales	216	32.4	2 861	28.2	43.0	27.4	169.1	27.7
Victoria	111	16.7	2 120	20.9	23.2	14.8	79.2	13.0
Queensland	206	30.9	3 642	35.9	71.4	45.5	278.0	45.6
South Australia	38	5.7	385	3.8	3.7	2.4	16.7	2.7
Western Australia	57	8.6	*824	8.1	11.6	7.4	55.8	9.1
Tasmania	27	4.1	128	1.3	*1.2	0.8	5.0	0.8
Northern Territory	11	1.7	43	0.4	*0.9	0.6	2.5	0.4
Australian Capital Territory	16	2.4	136	1.3	1.9	1.2	3.8	0.6
<b>Australia</b>	<b>666</b>	<b>100.0</b>	<b>10 138</b>	<b>100.0</b>	<b>156.8</b>	<b>100.0</b>	<b>610.1</b>	<b>100.0</b>

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



## ASSETS AND LIABILITIES

### INTRODUCTION

This section presents assets, liabilities, net worth, capital expenditure and disposal of assets of businesses (management units) in the industry. It is the aggregation of data reported by the businesses and no attempt has been made to identify and eliminate financial claims between businesses in the industry.

### ASSETS AND LIABILITIES

Businesses in this industry owned \$602.8 million in assets, 24% of which were current assets and 76% were non-current.

Assets exceeded liabilities of \$509.6 million by 18% resulting in a net worth of \$93.3 million.

### CAPITAL EXPENDITURE

Capital expenditure during 1994-95 of \$96.3 million represented a significant proportion (16%) of total assets. The majority (\$76.8 million) of this expenditure related to the acquisition of machinery and equipment. Half of the businesses in this industry had capital expenditure during 1994-95, with an average capital expenditure of \$290,900 per business.

## 8 ASSETS, LIABILITIES AND NET WORTH, 1994-95

<i>Data item</i>	<i>Value</i> \$m
<b>Assets</b>	
Current assets	145.7
Non-current assets	457.2
<i>Total value of assets</i>	602.8
<b>Liabilities</b>	
Current liabilities	n.p.
Non-current liabilities	n.p.
<i>Total liabilities</i>	509.6
<b>Net worth</b>	*93.3
<b>Capital expenditure</b>	
Machinery and equipment	76.3
Other capital expenditure	*19.5
<i>Total capital expenditure</i>	96.3
<b>Disposal of assets</b>	*17.4

## EXPLANATORY NOTES

### SURVEY SCOPE, METHODOLOGY AND CLASSIFICATION

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

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

For completeness the following two classes were also included:

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

**2** This publication contains financial data for ANZSIC class 9330, other recreation services. This industry includes units mainly engaged in providing recreation and entertainment services (including the operation of amusement parks or arcades, side shows, circuses, agricultural shows, shooting galleries, dance hall or studio operation or merry-go-round operation).

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

- *Gambling Industries, Australia, 1994–95* (8684.0);
- *Sports Industries, Australia, 1994–95* (8686.0); and
- *Clubs, Pubs, Taverns and Bars, Australia, 1994–95* (8687.0).

A preliminary publication *Sport, Recreation and Gambling, Australia, 1994–95, Preliminary*, (8692.0) and *Casinos, Australia, 1994–95* (8683.0) have already been released.

**4** The preliminary publication contains preliminary results from this survey of the sport, recreation and gambling industries and was released to provide timely summary information. While the response rate to the survey at the time of preparing the publication was well above the level required for normal ABS publications, editing was restricted to the data items contained in the tables. Because amendments were subsequently made to the preliminary data, data in this publication are not identical with those in the preliminary publication.

STATISTICAL UNIT	<p><b>5</b> The scope of the survey included only businesses which had employees at the time the survey population was determined. In addition, only businesses in the private sector are covered in this publication.</p>
STATE DATA	<p><b>6</b> 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.</p>
REFERENCE PERIOD	<p><b>7</b> Data were collected from the Australia-wide operations of each business. Businesses which operated in more than one State were asked to provide a dissection of total income, employment, and wages and salaries to enable some State statistics to be compiled.</p>
BUSINESSES CEASED DURING THE YEAR	<p><b>8</b> Data contained in the tables of this publication relate to all businesses which operated in Australia at any time during the year ended 30 June 1995. Counts of businesses include only those businesses that were operating at 30 June 1995.</p>
RELIABILITY OF ESTIMATES	<p><b>9</b> A very small number of businesses ceased operations during the 1994-95 reference period. It is normal ABS procedure to include the contributions of these businesses in the survey output.</p>
SAMPLING ERRORS	<p><b>10</b> The estimates presented in this publication are subject to sampling and non-sampling error.</p>
	<p><b>11</b> Since the estimates in this publication are based on information obtained from a sample drawn from units in the surveyed population, the estimates are subject to sampling variability, that is, they may differ from figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error, which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.</p>
	<p><b>12</b> There are about two chances in three that a sample estimate will differ by less than one standard error from the figure that would have been obtained if a census had been conducted, and approximately nineteen chances in twenty that the difference will be less than two standard errors.</p>
	<p><b>13</b> 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.</p>

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

RELATIVE STANDARD ERRORS FOR KEY DATA ITEMS, 1994-95

<i>Item</i>	<i>%</i>
<b>Businesses at end of June 1995</b>	
Profit	11
Non-profit	16
Total	9
Paid admissions	10
Coin-operated amusement machines	23
<b>Employment</b>	
Full-time	10
Part-time	5
Total employment end June 1995	6
<b>Volunteers</b>	14
<b>Income statement</b>	
Sales of goods and services	8
<i>Plus</i>	
Closing trading stocks	12
<i>Less</i>	
Purchases	13
Selected expenses	8
Opening trading stocks	13
<i>Trading profit</i>	7
<i>Plus</i>	
Government funding	14
Other income	37
<i>Less</i>	
Labour costs	7
Depreciation and amortisation	11
Other expenses	8
<i>Earnings before interest and tax</i>	10
<i>Less</i>	
Interest expenses	16
<i>Operating profit before tax</i>	11
<i>Operating profit margin</i>	9
<i>Industry gross product</i>	7

**15** As an example of the above, an estimate of total employment for the other recreation services industry is 10,138 persons and the RSE is 6% giving a standard error of 608 persons. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure within the range of 9,530 persons to 10,746 persons would have been obtained, and nineteen chances in twenty that the figure would have been within the range of 8,922 persons to 11,354 persons (a confidence interval of 95%).

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

#### NON-SAMPLING ERROR

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

#### AVAILABILITY OF UNPUBLISHED DATA

**18** As well as statistics included in this publication, the ABS has some more detailed data on the other recreation services industry. For example, more detailed income and expense data may be made available on request.

**19** Inquiries on recreation statistics should be made by telephoning Tony Ward on (03) 9615 7634.

#### SYMBOLS AND OTHER ABBREVIATIONS

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

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

## GLOSSARY

<b>Advertising expenses</b>	This includes advertising expenses paid to advertising agencies, and direct payments to the press, radio and television and other advertising expenses. It excludes wages and salaries, and marketing and promotions costs.
<b>Bad debts written off</b>	These are uncollected accounts receivable which have been written off. Doubtful debts are excluded.
<b>Businesses at end June</b>	The number of management units operating at the end of June 1995. A management unit is the highest level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained. (Refer to paragraph 6 of Explanatory Notes for further information regarding management units.)
<b>Casual employees</b>	Employees not entitled to take paid holidays.
<b>Coin-operated amusement machines</b>	Number of coin-operated amusement machines in use on the premises — whether owned or leased.
<b>Current assets including trading stocks</b>	The book value of current assets at the end of the financial year. This includes cash on hand, stocks, trade debts, and other accounts receivable.
<b>Current liabilities</b>	This is the book value of current liabilities as at the end of the financial year. It includes provisions for taxation, leave, claims, trade creditors and other accounts payable, and bank overdraft. It excludes provisions for doubtful debts and depreciation and contingent liabilities.
<b>Depreciation and amortisation</b>	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.
<b>Earnings before interest and tax</b>	A measure of profit prior to the deduction of interest expense and income tax.
<b>Employer contributions to superannuation funds</b>	This includes all employer contributions to superannuation funds (including the employer productivity contribution) and adjustments made during the year.
<b>Employment at the end of June</b>	This includes working proprietors and partners, working directors, other employees and casuals working for the business during the last pay period ending in June 1995. It excludes volunteers and subcontracted workers.
<b>Government funding</b>	Includes recurrent funding for operational costs (e.g. wages and salaries, rent, food), bounties, subsidies and export grants, Jobstart, apprenticeship schemes and funding provided for specific capital items or on a once-off basis.
<b>Gross income</b>	Sum of all income items.

<b>Industry gross product (IGP)</b>	<p>A measure of the value of unduplicated gross product of businesses. It is generally defined as sales of goods and services plus government subsidies plus closing stocks minus opening stocks minus purchases and selected expenses.</p> <p>However, for non-profit businesses which obtain at least 50% of their income from government funding and non-operating income, IGP is defined as wages and salaries plus superannuation payments plus workers' compensation payments plus depreciation.</p>
<b>Insurance premiums</b>	<p>This includes optional third-party and comprehensive motor vehicle insurance premiums, fire, general, accident and public liability premiums, professional indemnity insurance premiums, premiums made in respect of common law liability, and professional liability insurance. It excludes workers' compensation insurance premiums, and compulsory third-party motor vehicle insurance.</p>
<b>Interest expenses</b>	<p>This includes interest on bank loans, on loans made from related as well as unrelated businesses/organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.</p>
<b>Interest income</b>	<p>This includes interest from deposits in banks and non-bank financial institutions, and from loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. Excludes capital repayments received.</p>
<b>Labour costs</b>	<p>Includes wages and salaries, employers contributions to superannuation, and workers' compensation and excludes payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer and payments to proprietors/partners of unincorporated businesses.</p>
<b>Labour costs per employee</b>	<p>Persons employed include full-time and part-time permanent, temporary and casual employees. Excludes freelancers from whom PAYE tax is not deducted, freelancers, and working proprietors and partners.</p>
<b>Marketing, promotion and sponsorship expenses</b>	<p>Expenses associated with the promotion and publicity of a business or its products. These are the costs to a business of marketing, promotion or sponsorship paid to other clubs/organisations. These exclude the costs of servicing a clubs/organisations own sponsors.</p>
<b>Net worth</b>	<p>This is current assets, including trading stocks plus non-current assets, minus current liabilities and non-current liabilities.</p>
<b>Non-current assets</b>	<p>These are long-term investments or other assets of the business that would, in the ordinary operations of the business, not be consumed or converted into cash within one year of the end of the last reporting period of the business.</p>
<b>Non-profit organisations</b>	<p>Businesses whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.</p>

<b>Operating profit before tax (OPBT)</b>	This is a measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
<b>Operating profit margin</b>	The percentage of sales of goods and services available as operating profit, i.e. (operating profit before tax times 100) by sales of goods and services.
<b>Other expenses</b>	This includes bad debts written off, insurance premiums and interest expenses.
<b>Other income</b>	This includes other non-operating income and funding from federal, State and/or local government.
<b>Other non-operating income</b>	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 variations in foreign exchange rates/transactions and income from royalties. It excludes extraordinary profit (loss).
<b>Other operating expenses</b>	<p>This includes various expense items which are general in nature and are not included elsewhere e.g. management fees, glass/crockery expenses, cleaning and laundry supplies, staff uniforms and amenities, in-house films, audit, accounting and legal expenses, electricity and gas charges, freight and cartage expenses, fares and other travelling, waste handling expenses, other contract, subcontract and commission expenses, including commissions from coin-operated amusement machines, etc.</p> <p>It excludes extraordinary losses, income and other direct tax, costs associated with the transfer of real estate, capital repayments, goodwill writedowns, dividends, amortisation, and provisions.</p>
<b>Other operating income</b>	This includes takings from commissions from vending machines, and from poker/gaming machines.
<b>Other retail sales</b>	This includes sales of clothing and footwear, souvenirs, cigarettes (except those sold from vending machines) publications and take away food.
<b>Persons employed</b>	This includes working proprietors and working partners of unincorporated businesses, working directors of incorporated companies and other employees (including freelancers paid via the payroll).
<b>Purchases</b>	This includes purchases of goods for retail sale and includes sales tax and commissions paid to purchasing agents.
<b>Rent, leasing and hiring expenses</b>	Includes operating lease payments and all expenses paid/payable to landlords for the rent, leasing and hiring of land, buildings and structures, sporting venues, facilities and equipment. Excludes expenses in respect of finance leases and other business loans, vehicles or equipment hired with a driver/operator, interest expenses, and depreciation and amortisation.
<b>Rent, leasing and hiring income</b>	This is revenue derived from the ownership of land, buildings, vehicles, machinery or equipment and other rent, leasing or hiring income.



<b>Repair and maintenance expenses</b>	These are expenses associated with work undertaken on plant and machinery to maintain normal business operations. It includes repair and maintenance to machinery and equipment, and other repairs and maintenance expenses. It excludes wages and salaries paid to own employees.
<b>Retail concessions</b>	A retail concession is a separately owned business that operates on the premises of another business to which it generally pays rent and/or leasing fees. The types of retail concessions that may operate in the other recreation services industry (and in amusement and theme parks in particular) includes restaurants, takeaway food outlets, and souvenir shops. Data about retail concessions were not collected.
<b>Selected expenses</b>	This includes poker machine, keno and other gambling taxes/levies, prize money paid on lotteries, keno, lotto, football pools and instant money, as well as advertising, marketing and promotion expenses, fares, commission expenses paid to agencies, turnover tax paid to government by bookmakers, transfer of funds to government bodies, and other operating expenses.
<b>Sponsorship and advertising income</b>	This is income received by the business from sponsors and advertising
<b>Takings from meals</b>	This includes takings from meals sold for consumption on the premises. Excludes income from catering concessions and takeaway food.
<b>Takings from subscriptions/fees</b>	This includes participants and players fees, social members' subscriptions and members' subscriptions.
<b>Total other costs</b>	Includes purchases, interest expenses, depreciation, insurance, bad debts written off.
<b>Trading profit</b>	Sales of goods and services less the cost of sales.
<b>Wages and salaries</b>	The gross earnings of all employees before taxation and other deductions. Drawings of working proprietors and working partners of unincorporated practices are excluded.
<b>Workers' compensation costs</b>	Includes workers' compensation insurance premiums/levies, non-payroll costs (e.g. medical costs) not reimbursed, and provisions for workers' compensation.





