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GAMBLING SERVICES

AUSTRALIA

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INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Sophie Vassiliou on Melbourne (03) 9615 7442.

NOTES

INTRODUCTION This publication presents a range of statistics in respect of businesses engaged in the provision of gambling services for the 2004–05 financial year. Previous releases of this publication were in respect of the 1994–95, 1997–98 and 2000–01 financial years.

CHANGES TO THIS PUBLICATION This publication combines the results of the Casinos and Gambling Services collections for the first time. Casinos results were previously published in catalogue no. 8683.0.

COMPARISONS WITH PREVIOUS SURVEY RESULTS While comparisons are made between the 2004–05 and 2000–01 estimates, it should be noted that the data are based on business surveys which were not designed to provide highly accurate estimates of change, so any comparison made to the 2000–01 data should be used with caution. For further information, see paragraphs 21–22 of the Explanatory Notes.

MORE INFORMATION ON ABS SERVICE INDUSTRIES STATISTICS Information about ABS activities in the field of service industries is available from the Service Industries Statistics theme page on the ABS web site <www.abs.gov.au>. To access the theme page, select 'Themes' from the menu on the home page.

COMMENTS The ABS welcomes comments and suggestions from users regarding future surveys of Service Industries. These comments should be addressed to the Director, Service Industries National Statistics Centre, Australian Bureau of Statistics, Locked Bag 10, Belconnen, ACT 2616.

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



ABBREVIATIONS

- \$m million dollars
- ABN Australian Business Number
- ABS Australian Bureau of Statistics
- ANZSIC Australian and New Zealand Standard Industrial Classification
- ATO Australian Taxation Office
- GST goods and services tax
- IVA industry value added
- RSE relative standard error
- SE standard error
- TAB Totalizator Agency Board
- TAU type of activity unit

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OVERVIEW

This publication presents data in respect of 2004–05 on the activities of businesses involved in the provision of gambling services. It also provides detailed measures of the performance, structure and activity of businesses whose primary activity is the provision of gambling services. It includes aspects such as: the net takings from gambling, the composition of other income earned, details of expenses incurred and the structure of the workforce. A state and territory dimension is also presented.

Data in this publication have been drawn from a number of ABS surveys conducted in respect of 2004–05. These surveys covered businesses classified to the following classes of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC):

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

For the purposes of this publication, data are presented for businesses which derived part of their income from the provision of gambling services (i.e. in the form of gambling takings or commissions). While the ANZSIC classification specifies gambling as the primary activity of businesses classified to Classes 9321 LOTTERIES, 9322 CASINOS and 9329 GAMBLING SERVICES N.E.C., the provision of gambling services in many other types of businesses requires a wider view.

This publication presents two different statistical views of gambling. Chapter 2 presents activity data on businesses which derived part of their income from the provision of gambling services, where these businesses were classified to any of the eight ANZSIC classes listed above. Chapters 3 and 4 present data on businesses whose primary activity was the provision of gambling services. Chapter 3 presents results from a census of Australian casino businesses and Chapter 4 presents detailed information on income, expenses and employment of businesses mainly involved in the provision of lottery and other gambling services such as bookmaking and totalisator services.

CHAPTER 2

GAMBLING ACTIVITY

SUMMARY OF FINDINGS

This chapter presents estimates of a range of indicators highlighting the significance to the Australian economy of businesses involved in the provision of gambling services (regardless of the main activity of the business).

At the end of June 2005, there were 5,370 businesses in Australia involved in the provision of gambling services. A large proportion of these businesses (77.8%) were hospitality clubs and pubs, taverns and bars.

NET TAKINGS FROM GAMBLING

The total net takings from gambling during 2004–05 was \$15,459.7m. The major source of net takings from gambling was from poker/gaming machines in hospitality and sporting clubs and pubs, taverns and bars (\$8,700.2m), which represented 56.3% of the total net takings from gambling. Other major sources of net takings included casino gambling of \$2,582.2m (16.7%), off-course TAB takings of \$2,068.6m (13.4%) and lotteries, lotto style games and football pools of \$1,441.5m (9.3%).

Based on the Australian estimated resident adult population at the end of June 2005, the \$15,459.7m net takings from gambling represented an expenditure of \$996 per head of adult population for 2004–05.

STATE AND TERRITORIES

Net takings from gambling for businesses operating in New South Wales (\$6,195m) and Victoria (\$4,383.2m) represented 68.4% of the total net takings from gambling. The New South Wales and Victorian contributions to total net takings from gambling were 40.1% and 28.4% respectively which was higher than their respective proportions of the Australian estimated resident adult population of 33.4% and 24.9%.

By contrast, the state proportions from net takings from gambling by businesses operating in Queensland (16.5%), South Australia (5.6%) and Western Australia (4.8%) were below their respective state's proportion of the Australian adult population of 19.3%, 7.7% and 9.8%. However, it should be noted that poker/gaming machines are the largest contributor to net takings from gambling and in Western Australia there are no poker/gaming machines outside the casino.

Compared to the Australian average, three states and territories had higher than average net takings per head of adult population: New South Wales (\$1,196 per adult), Victoria (\$1,134 per adult) and the Northern Territory (\$1,250 per adult).

In contrast, Queensland (\$853 per adult), Tasmania (\$821 per adult), South Australia (\$725 per adult) and Western Australia (\$490 per adult) were below the Australian average. The Australian Capital Territory (\$943 per adult) was marginally below the Australian average.

GAMBLING/GAMING TAXES
AND LEVIES

Revenue paid to government in gambling/gaming taxes and levies was \$5,633m in 2004–05. This total comprised state gambling taxes, state levies and the goods and services tax (GST) on net gambling takings. This total represented 36.4% of the net takings from gambling. The largest source of gambling/gaming taxes and levies was poker/gaming machines in clubs, pubs, taverns and bars, which accounted for 55.5% of total gambling/gaming taxes and levies. Other major sources of gambling/gaming taxes and levies were lotteries, lotto style games and football pools (17.2%), Totalizator Agency Board (TAB) or totalisator betting (12.4%), and casinos (11.1%).

NUMBER OF
POKER/GAMING
MACHINES

At the end of June 2005, there were 199,930 poker/gaming machines for which licences had been issued. The majority of these poker/gaming machines were licensed to hospitality and sporting clubs (58.4%) and pubs, taverns and bars (35.6%). During 2004–05 the average net takings per poker/gaming machine in clubs, pubs, taverns and bars was \$46,300.

EMPLOYMENT

At the end of June 2005, there were 76,848 persons employed in the provision of gambling services. The majority (59.5%, or 45,737 persons) was employed in hospitality clubs and pubs, taverns and bars.

HISTORICAL
COMPARISONS

Comparisons with results from earlier collections are useful as an indication of the extent of change over time. However, the 2004–05 collections were not designed to provide highly accurate estimates of change, so any comparisons with results from previous collections should be made with caution. Further information can be found in paragraphs 21–22 of the Explanatory Notes.

Taking into consideration these limitations, the 2004–05 collections' results indicate that gambling services provided by Australian businesses experienced growth between 2000–01 and 2004–05.

Net takings from gambling increased, on average, by 2.9% per year since 2000–01 (from \$13,797.6m to \$15,459.7m) with gambling takings received online increasing by an average 11.8% per year (from \$73.1m to \$114.3m). Gambling taxes and levies increased, on average, by 6.2% per year since 2000–01 (from \$4,427.9m to \$5,633m).

2.1 GAMBLING ACTIVITY, Businesses with gambling activity by type of business

*Businesses
at end June*

no.

Pubs, taverns and bars	2 362
Hospitality clubs	1 816
Thoroughbred, harness and greyhound racing clubs	[^] 242
Other sporting clubs and venues	144
Casinos	13
Lottery agents	221
Lottery operators	11
Gambling services n.e.c.	561
Total	5 370

[^] estimate has a relative standard error of 10% to less than 25% and should be used with caution

2.2 GAMBLING ACTIVITY, Net takings from gambling by type of gambling and venue

	2000-01		2004-05		Average annual percentage change 2000-01 to 2004-05(a)
	Net takings	Proportion of total net takings	Net takings	Proportion of total net takings	
	\$m	%	\$m	%	
Poker/gaming machines in clubs, pubs, taverns and bars	7 690.9	55.7	8 700.2	56.3	3.1
On-course totalisator	102.9	0.7	97.3	0.6	-1.4
Off-course TAB					
Thoroughbred, harness and greyhound betting	1 654.1	12.0	1 972.4	12.8	4.5
Other	37.4	0.3	96.2	0.6	26.6
Total	1 691.5	12.3	2 068.6	13.4	5.2
Thoroughbred, harness and greyhound betting bookmakers	43.7	0.3	70.8	0.5	12.8
Lotteries and lotto style games					
Lotteries, lotto style games and football pools	1 342.4	9.7	1 441.5	9.3	1.8
Instant money	202.4	1.5	228.8	1.5	3.1
Keno in clubs, pubs, taverns and bars	181.3	1.3	219.4	1.4	4.9
Total	1 726.1	12.5	1 889.7	12.2	2.3
Casino gambling(b)	2 503.5	18.1	2 582.2	16.7	0.8
Other gambling(c)	39.0	0.3	50.7	0.3	6.8
Total	13 797.6	100.0	15 459.7	100.0	2.9
Gambling takings received online	r73.1	r0.5	114.3	0.7	11.8

r revised

- (a) For employing businesses only in 2000-01 and the aggregate of employing and non-employing businesses in 2004-05.
(b) Includes net takings from poker/gaming machines in casinos, casino gaming tables and casino Keno.
(c) Includes bookmakers' takings other than on thoroughbred, harness and greyhound betting and casino games via the Internet.

2.3 GAMBLING ACTIVITY, Net takings from gambling by state/territory(a)

	<i>Businesses at end June(b)</i>	<i>Net takings from gambling</i>	<i>Net takings from gambling per head of adult population</i>
	no.	\$m	\$
New South Wales	2 448	6 195.0	1 196
Victoria	946	4 383.2	1 134
Queensland	1 013	2 549.7	853
South Australia	419	868.3	725
Western Australia	306	746.6	490
Tasmania	139	302.4	821
Northern Territory	58	179.2	1 250
Australian Capital Territory	68	235.2	943
Australia	5 370	15 459.7	996

(a) Data for multi-state businesses have been assigned to each state or territory in which the business operates, known as state of location.

(b) As businesses may operate in more than one state or territory, the counts of businesses for each state and territory do not sum to the total.

Source: *Population by Age and Sex, Australian States and Territories* (cat. no. 3201.0) – population data

2.4 GAMBLING ACTIVITY, Gambling taxes and levies by type of gambling(a)

	2000-01	2004-05	Average annual percentage change 2000-01 to 2004-05(b)
	\$m	\$m	%
Poker/gaming machines in clubs, pubs, taverns and bars	2 417.2	3 124.9	6.6
Casinos(c)	r529.6	622.6	4.1
TAB/totalisator betting	455.2	696.1	11.2
Lotteries, lotto style games and football pools	r848.3	969.3	3.4
Instant money sales	r111.6	148.0	7.3
Keno in clubs, pubs, taverns and bars	51.9	55.4	1.6
Other(d)	14.0	16.7	4.5
Total	r4 427.9	5 633.0	6.2

r revised

- (a) Includes GST payments in respect of gambling services.
- (b) For employing businesses only in 2000-01 and the aggregate of employing and non-employing businesses in 2004-05.
- (c) Includes taxes on poker/gaming machines located in casinos.
- (d) Includes taxes on bookmakers' turnover and online casino games.

2.5 GAMBLING ACTIVITY, Number of poker/gaming machines(a)

	Poker/gaming machines at end June	
	no.	%
Pubs, taverns and bars	71 110	35.6
Hospitality and sporting clubs	116 786	58.4
Casinos	12 034	6.0
Total	199 930	100.0

- (a) Data sourced from state and territory gaming authorities and relate to all machines for which licences have been issued, whether in use or not.

2.6

GAMBLING ACTIVITY, Gambling related employment at end June

	<i>Males</i>	<i>Females</i>	<i>Persons</i>
	no.	no.	no.
Pubs, taverns and bars(a)	na	na	21 924
Hospitality clubs(a)	na	na	23 813
Sporting clubs and venues(a) (b)	na	na	1 017
Casinos	10 188	8 159	18 347
Lotteries	864	1 380	2 243
Gambling services n.e.c.	3 783	5 721	9 504
Total	na	na	76 848

na not available

(a) Includes licensed gaming staff only.

(b) Excludes thoroughbred, harness and greyhound racing clubs.

SUMMARY OF FINDINGS

This chapter of the publication presents results from a census of Australian casino businesses. Data are presented for ANZSIC Class 9322 CASINOS.

At the end of June 2005, there were 13 casinos operating in Australia, employing a total of 18,347 persons. These casinos generated total income of \$3,348.4m, with net takings from gambling contributing \$2,582.2m, or 77.1%, to total income.

Total expenses were \$2,580.3m, resulting in an operating profit before tax of \$767.3m and an operating profit margin of 23.4%.

The industry value added of these businesses was \$2,300.9m.

SOURCES OF INCOME

Casinos generated \$3,348.4m in income during 2004–05. Net takings from gambling (\$2,582.2m) was the most significant source of income for casinos, representing 77.1% of total income. Other sources of income for casinos were takings from meals (\$240m) and takings from accommodation (\$174.4m).

EXPENDITURE

Casinos incurred total expenses of \$2,580.3m during 2004–05. Labour costs were the largest single expense item, accounting for 34% (\$877.6m) of total expenses. Wages and salaries (\$754.4m) was the largest component of labour costs and represented an average wage per employee of \$41,100.

Gambling/gaming taxes and levies (including GST) were the next most significant expense for casinos (\$622.6m). Other expenditure included depreciation and amortisation (\$218.4m or 8.5% of total expenses) and purchases of goods for resale (\$179.6m or 7%).

**NUMBER OF POKER/
GAMING MACHINES**

There were 12,034 poker/gaming machines licensed for use in casinos at the end of June 2005. This represents an average of 926 machines per casino.

EMPLOYMENT

At the end of June 2005, there were 18,347 persons employed in casinos in Australia. The majority of persons (10,415 or 56.8%) were employed on a permanent full-time basis, comprising 6,397 males and 4,018 females. In addition, there were 4,199 casual employees and 3,733 permanent part-time employees at the end of June 2005.

**HISTORICAL
COMPARISONS**

The 2004–05 census results indicate that Australian casino businesses experienced financial growth between 2000–01 and 2004–05. On average, income grew by 1.6% per year since 2000–01 (from \$3,136.8m to \$3,348.4m), while expenses decreased by an average 0.4% per year (from \$2,625.5 to \$2,580.3m). This decrease, however, reflects the inclusion of the GST in total expenses for 2000–01 and its exclusion in 2004–05.

HISTORICAL
COMPARISONS
continued

Operating profit before tax increased from \$509.8m to \$767.3m. However it should be noted that the inclusion of the GST in total expenses in 2000–01 and its exclusion in 2004–05 means the derived operating profit before tax and operating profit margin are not directly comparable for the two reference periods.

3.1 CASINOS, Summary of operations

		2000-01	2004-05	Average annual percentage change 2000-01 to 2004-05
Casinos at end June	no.	13	13	—
Employees at end June				
Permanent	no.	15 928	14 148	-2.9
Casual	no.	4 485	4 199	-1.6
Total	no.	20 413	18 347	-2.6
Income				
Net takings from gambling	\$m	2 503.5	2 582.2	0.8
Other	\$m	633.3	766.2	4.9
Total	\$m	3 136.8	3 348.4	1.6
Expenses				
Labour costs	\$m	841.8	877.6	1.0
Gambling/gaming taxes and levies(a)	\$m	r529.6	622.6	4.1
Other	\$m	1 254.1	1 313.9	1.2
Total	\$m	r2 625.5	(b)2 580.3	-0.4
Operating profit before tax	\$m	r509.8	767.3	10.8
Operating profit margin	%	r16.5	23.4	. .
Industry value added	\$m	r2 153.5	2 300.9	1.7

. . not applicable

— nil or rounded to zero (including null cells)

r revised

(a) Includes GST payments in respect of gambling services.

(b) As total expenses excludes the GST paid on gambling services, total expenses will not be equal to the sum of the components.

3.2 CASINOS, Sources of income

	2000-01		2004-05	
	<i>Proportion of total income</i>		<i>Proportion of total income</i>	
	<i>Income</i>	<i>Income</i>	<i>Income</i>	<i>Income</i>
	\$m	%	\$m	%
Net takings from gambling	2 503.5	79.8	2 582.2	77.1
Commissions from TAB operations/sports betting operations	1.8	0.1	2.2	0.1
Takings from meals	190.8	6.1	240.0	7.2
Takings from liquor and other beverages	149.1	4.8	np	np
Takings from accommodation	132.7	4.2	174.4	5.2
Other sales of goods	9.4	0.3	5.3	0.2
Other	149.5	4.8	np	np
Total	3 136.8	100.0	3 348.4	100.0

np not available for publication but included in totals where applicable, unless otherwise indicated

3.3 CASINOS, Items of expenditure

	2000-01		2004-05	
	Expense	Proportion	Expense	Proportion
		of total		of total
	\$m	%	\$m	%
Labour costs				
Wages and salaries	732.5	r27.9	754.4	29.2
Employer contributions to superannuation funds(a)	52.2	2.0	61.9	2.4
Workers' compensation costs	13.0	0.5	16.1	0.6
Fringe benefits tax	2.3	0.1	1.9	0.1
Payroll tax	41.8	1.6	43.2	1.7
<i>Total</i>	<i>841.8</i>	<i>r32.1</i>	<i>877.6</i>	<i>34.0</i>
Rent, leasing and hiring	31.5	1.2	41.5	1.6
Gambling/gaming taxes and levies(b)	r529.6	r20.2	622.6	24.1
Advertising	32.1	1.2	36.4	1.4
Casino licence fees	9.6	0.4	9.8	0.4
Land tax and land rates	17.4	0.7	19.6	0.8
Travelling, accommodation and entertainment	63.2	r2.4	np	np
Marketing, promotion and sponsorship				
Marketing and promotion	na	na	np	np
Sponsorship	na	na	6.3	0.2
<i>Total</i>	<i>372.4</i>	<i>r14.2</i>	<i>np</i>	<i>np</i>
Repair and maintenance	40.9	1.6	np	np
Electricity, gas and water	26.7	1.0	27.4	1.1
Management fees/charges paid to related and unrelated businesses	64.7	2.5	92.2	3.6
Purchases of goods for resale				
Foodstuffs for use in preparing meals	74.6	r2.8	91.5	3.5
Liquor and other beverages	41.2	1.6	48.3	1.9
Other	29.5	1.1	39.8	1.5
<i>Total</i>	<i>145.3</i>	<i>r5.5</i>	<i>179.6</i>	<i>7.0</i>
Depreciation and amortisation	194.0	r7.4	218.4	8.5
Insurance premiums				
Public liability	na	na	3.5	0.1
Other	na	na	13.7	0.5
<i>Total</i>	<i>8.5</i>	<i>0.3</i>	<i>17.2</i>	<i>0.7</i>
Interest	78.3	3.0	np	np
Bad and doubtful debts	18.9	0.7	np	np
Other	150.6	r5.7	np	np
Total(b)	r2 625.5	100.0	(c) 2 580.3	100.0

na not available

np not available for publication but included in totals where applicable, unless otherwise indicated

r revised

(a) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

(b) Includes community benefit levy, where the casino pays the levy direct to government. Also includes GST payments in respect of gambling services.

(c) As total expenses excludes the GST paid on gambling services, total expenses will not be equal to the sum of the components.

3.4 CASINOS, Characteristics of employees

	<u>Males</u>		<u>Females</u>		<u>Persons</u>	
	no.	%	no.	%	no.	%
Employees at end June 2005						
Permanent						
Full-time	6 397	62.8	4 018	49.2	10 415	56.8
Part-time	1 749	17.2	1 984	24.3	3 733	20.3
Total	8 146	80.0	6 002	73.6	14 148	77.1
Casual	2 042	20.0	2 157	26.4	4 199	22.9
Total	10 188	100.0	8 159	100.0	18 347	100.0
Employees at end June 2001	11 462	..	8 951	..	20 413	..

.. not applicable

3.5 CASINOS, Selected performance ratios

		2000-01	2004-05
Employment ratios			
Operating profit before tax per person employed	\$'000	r25.0	41.8
Labour costs per employee	\$'000	41.2	47.8
Labour costs to total expenses	%	r32.1	34.0
Profitability ratio			
Operating profit margin	%	r16.5	23.4
Gambling ratios			
Net takings from gambling per person employed	\$'000	122.6	140.7
Gambling taxes to net takings from gambling	%	r21.2	24.1

r revised

SUMMARY OF FINDINGS

This chapter of the publication presents data relating to businesses mainly involved in the provision of lottery and other gambling services such as bookmaking and totalisator services. Data are presented for the following ANZSIC classes:

- 9321 LOTTERIES
- 9329 GAMBLING SERVICES N.E.C.

At the end of June 2005, there were 792 businesses operating in other gambling services in Australia, comprising 232 lottery businesses and 561 other businesses providing gambling services. These 792 businesses generated income (net of payouts to players) of \$7,221.5m, employed 11,747 persons and received net takings from gambling of \$6,693.3m.

Gross takings from gambling via the Internet was \$1,354.5m.

Total expenses were \$6,308.4m, resulting in operating profit before tax of \$913.5m and an operating profit margin of 12.9%.

The industry value added by these businesses was \$4,032.3m in 2004–05.

SOURCES OF INCOME

Lotteries

The total income (net of payouts to players) of businesses involved in the provision of lottery services was \$1,854.4m in 2004–05 of which net takings from gambling accounted for \$1,690.2m (91.1%). Commissions received from the provision of lottery services were \$45m. Operating profit before tax for lottery businesses was \$151.9m in 2004–05 and the operating profit margin was 8.4%.

Gambling services n.e.c.

The total income (net of payouts to players) of businesses involved in the provision of other gambling services such as bookmaking and totalisator services was \$5,367m in 2004–05. Net takings from gambling were \$5,003.1m or 93.2% of total income. Commissions received from the provision of lottery services accounted for \$77.3m, or 1.4% of total income. Operating profit before tax for these businesses was \$761.6m in 2004–05 and the operating profit margin was 14.4%.

EXPENDITURE

Lotteries

The total expenditure of lottery businesses was \$1,703.3m in 2004–05. The main expense item was gambling/gaming taxes and levies inclusive of GST (\$1,128.6m). Other expense items were lottery commissions paid to agencies (\$294.2m or 17.3% of total expenses) and labour costs (\$80.5m or 4.7%). The average labour cost per employee for lottery businesses was \$37,900.

Gambling services n.e.c.

Businesses providing other gambling services recorded total expenses of \$4,605.2m in 2004–05. The largest expense item for these businesses was gambling/gaming taxes and levies inclusive of GST (\$1,826.5m). Other expense items included poker/gaming machine commissions paid to clubs and pubs (\$704.1m or 15.3% of total expenses),

Gambling services n.e.c.
continued

TAB/totalisator commissions paid to clubs, pubs, agencies and other outlets (\$254.1m or 5.5%) and labour costs (\$238.9m or 5.2%). The average labour cost per employee for these businesses was \$26,300.

EMPLOYMENT*Lotteries*

At the end of June 2005, there were 2,243 persons employed by lottery businesses in Australia. The majority (56.6%, or 1,269 persons) was employed on a permanent full-time basis, with 15.5% and 22.7% employed on a permanent part-time and casual basis respectively. Females accounted for 61.5% of the total employment by lottery businesses.

Gambling services n.e.c.

Businesses providing other gambling services had employment of 9,504 persons at the end of June 2005. Persons employed on a permanent full-time and permanent part-time basis accounted for 28.9% and 6% of total employment respectively. Persons employed on a casual basis (5,750 persons) accounted for 60.5% of total employment.

**HISTORICAL
COMPARISONS**

Comparisons with results from earlier surveys are useful as an indication of the extent of change over time. However, the 2004–05 surveys were not designed to provide highly accurate estimates of change, so any comparisons with results from previous surveys should be made with caution. Further information can be found in paragraphs 21–22 of the Explanatory Notes.

Taking into consideration these limitations, the 2004–05 surveys' results indicate that Australian lottery and other gambling businesses experienced financial growth between 2000–01 and 2004–05. Income grew, on average, by 3.3% per year since 2000–01 for lottery businesses and 3% per year for businesses providing other gambling services. For lottery businesses, some of this growth is attributable to the exclusion of lottery agencies from the scope of the 2000–01 surveys and their inclusion in the 2004–05 collections. Net takings from gambling increased by an average 1.9% and 2.8% per year for lotteries and other gambling services respectively since 2000–01.

Operating profit before tax increased, for lottery businesses, from \$95.5m to \$151.9m. For businesses providing other gambling services, operating profit before tax increased from \$710.9m to \$761.6m. However it should be noted that the operating profit before tax and the derived operating profit margin for 2000–01 and 2004–05 are not directly comparable owing to the different treatment of the GST in deriving operating profit before tax in the two reference periods. In 2000–01, the GST was included in total expenses in deriving operating profit before tax whereas in 2004–05 it is excluded.

4.1 OTHER GAMBLING SERVICES, Summary of operations

		2000-01	2004-05	Average annual percentage change 2000-01 to 2004-05
.....				
LOTTERIES (a)				
Businesses at end June	no.	10	232	119.4
Employment at end June	no.	984	2 243	22.9
Net takings from gambling	\$m	1 565.5	1 690.2	1.9
Commissions from gambling	\$m	..	45.0	..
Total income (net of payouts to players)	\$m	1 630.1	1 854.4	3.3
Operating profit before tax	\$m	r95.5	151.9	12.3
Operating profit margin	%	r5.9	8.4	..
Industry value added	\$m	1 113.1	1 194.9	1.8
.....				
GAMBLING SERVICES N.E.C.				
Businesses at end June	no.	1 069	561	-14.9
Employment at end June	no.	11 194	9 504	-4.0
Net takings from gambling	\$m	4 485.1	5 003.1	2.8
Commissions from gambling	\$m	98.7	^ 77.3	-5.9
Total income (net of payouts to players)	\$m	4 776.2	5 367.0	3.0
Operating profit before tax	\$m	710.9	761.6	1.7
Operating profit margin	%	14.9	14.4	..
Industry value added	\$m	2 369.0	2 837.4	4.6
.....				
TOTAL				
Businesses at end June	no.	1 079	792	-7.4
Employment at end June	no.	12 178	11 747	-0.9
Net takings from gambling	\$m	6 050.6	6 693.3	2.6
Commissions from gambling	\$m	98.7	122.3	5.5
Total income (net of payouts to players)	\$m	6 406.3	7 221.5	3.0
Operating profit before tax	\$m	r806.4	913.5	3.2
Operating profit margin	%	12.6	12.9	..
Industry value added	\$m	3 482.1	4 032.3	3.7

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

.. not applicable

r revised

(a) Data for 2000-01 relate to lottery operators only, whereas data for 2004-05 relate to lottery operators and lottery agencies.

4.2 OTHER GAMBLING SERVICES, Items of expenditure

	LOTTERIES		GAMBLING SERVICES N.E.C.		TOTAL	
	Expense	Proportion of total expenses	Expense	Proportion of total expenses	Expense	Proportion of total expenses
		\$m		%		\$m	%	$m	%
Labour costs						
Wages and salaries	69.3	4.1	209.9	4.6	279.2	4.4
Employer contributions to superannuation funds(a)	7.5	0.4	16.4	0.4	23.9	0.4
Workers' compensation costs	^ 0.5	—	2.2	—	2.7	—
Fringe benefits tax	0.3	—	1.9	—	2.2	—
Payroll tax	3.0	0.2	8.4	0.2	11.4	0.2
<i>Total</i>	80.5	4.7	238.9	5.2	319.4	5.1
Lottery commissions paid to agencies	294.2	17.3	. .	. .	294.2	4.7
Poker/gaming machine commissions paid to clubs and pubs	. .	. .	704.1	15.3	704.1	11.2
TAB/totalisator commissions paid to clubs, pubs, agencies and other outlets	. .	. .	254.1	5.5	254.1	4.0
Keno commissions paid to clubs, pubs, casinos and other outlets	np	np	np	np	np	np
Gambling/gaming taxes and levies(b)	1 128.6	66.3	1 826.5	39.7	2 955.1	46.8
Depreciation and amortisation	40.9	2.4	170.0	3.7	210.9	3.3
Purchases	^ 43.3	2.5	36.1	0.8	^ 79.5	1.3
Advertising, marketing and promotion	67.5	4.0	58.5	1.3	126.0	2.0
Sponsorship	0.3	—	1.9	—	2.2	—
Rent, leasing and hiring	14.4	0.8	59.5	1.3	73.8	1.2
Telecommunication services	10.9	0.6	33.5	0.7	44.4	0.7
Interest	np	np	np	np	np	np
Other	np	np	np	np	1 336.4	21.2
Total(c)	1 703.3	100.0	4 605.2	100.0	6 308.4	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

. . not applicable

— nil or rounded to zero (including null cells)

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Includes salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

(b) Includes GST payments in respect of gambling services.

(c) As total expenses excludes the GST paid on gambling services, total expenses will not be equal to the sum of the components.

4.3 OTHER GAMBLING SERVICES, Characteristics of employment at end June

	<u>Males</u>		<u>Females</u>		<u>Persons</u>	
	no.	%	no.	%	no.	%
LOTTERIES						
Working proprietors and partners of unincorporated businesses	73	8.5	^ 45	3.3	118	5.3
Employees						
Permanent full-time	584	67.6	685	49.6	1 269	56.6
Permanent part-time	77	8.9	271	19.6	347	15.5
Casual	130	15.0	379	27.5	509	22.7
Total	790	91.5	1 335	96.7	2 125	94.7
Employment at end June	864	100.0	1 380	100.0	2 243	100.0

GAMBLING SERVICES N.E.C.

Working proprietors and partners of unincorporated businesses	^ 309	8.2	*128	2.2	^ 437	4.6
Employees						
Permanent full-time	1 681	44.4	1 068	18.7	2 749	28.9
Permanent part-time	*192	5.1	*376	6.6	*568	6.0
Casual	1 601	42.3	^ 4 149	72.5	5 750	60.5
Total	3 474	91.8	5 593	97.8	9 067	95.4
Employment at end June	3 783	100.0	5 721	100.0	9 504	100.0

TOTAL

Working proprietors and partners of unincorporated businesses	^ 382	8.2	^ 173	2.4	^ 555	4.7
Employees						
Permanent full-time	2 265	48.7	1 752	24.7	4 018	34.2
Permanent part-time	^ 269	5.8	^ 647	9.1	^ 916	7.8
Casual	1 731	37.2	4 528	63.8	6 259	53.3
Total	4 265	91.8	6 927	97.6	11 192	95.3
Employment at end June	4 647	100.0	7 101	100.0	11 747	100.0

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

* estimate has a relative standard error of 25% to 50% and should be used with caution

4.4 OTHER GAMBLING SERVICES, Selected performance ratios

		LOTTERIES			GAMBLING SERVICES N.E.C.				TOTAL
		Lottery agents	Lottery operators	Total lotteries	TAB agents	Bookmakers	Other gambling operators(a)	Total gambling services n.e.c.	
Total income (net of payouts to players) per person employed	\$'000	66.8	1 456.0	826.6	40.3	^ 102.8	805.8	564.7	614.7
Net takings from gambling to total income (net of payouts)	%	. .	94.6	91.1	. .	91.2	94.7	93.2	92.7
Labour costs per employee	\$'000	16.3	53.7	37.9	24.9	^ 33.1	25.7	26.3	28.5
Labour costs to total expenses (net of payouts)	%	25.3	4.0	4.7	70.6	28.6	3.7	5.2	5.1
Total expenses (net of payouts) per person employed	\$'000	56.9	1 341.0	759.2	30.7	^ 96.8	691.0	484.6	537.0
Operating profit before tax per person employed	\$'000	^ 10.0	115.5	67.7	^ 9.5	*5.9	114.7	80.1	77.8
Operating profit margin	%	^ 15.2	8.1	8.4	^ 23.6	*5.9	14.5	14.4	12.9

^ estimate has a relative standard error of 10% to less than 25% and should be used with caution

. . not applicable

* estimate has a relative standard error of 25% to 50% and should be used with caution

(a) Includes totalisator and TAB operators, poker/gaming machine operators and bingo operators.

4.5 OTHER GAMBLING SERVICES, Gross takings from gambling via the Internet

	Businesses operating during the year ended 30 June		Gross takings from gambling	
	no.		\$m	%
Bookmakers	**14		995.0	73.5
TAB	7		353.6	26.1
Lotteries	4		5.9	0.4
Total	*25		1 354.5	100.0

* estimate has a relative standard error of 25% to 50% and should be used with caution

** estimate has a relative standard error greater than 50% and is considered too unreliable for general use

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents a range of statistics relating to businesses involved in the provision of gambling services for the 2004–05 financial year. This is the fourth time the ABS has published statistics on gambling services. Previous issues of this publication were in respect of the 1994–95, 1997–98 and 2000–01 financial years.

2 This publication also includes separate estimates in respect of the 13 casinos operating in Australia. This is the ninth census of Australian casinos conducted by the ABS. The most recent previous census was in respect of the 2000–01 financial year.

SCOPE

3 Data in this publication are based on surveys of businesses on the ABS Business Register, classified to the following eight classes of the 1993 edition of the Australian and New Zealand Standard Industrial Classification (ANZSIC) and which sourced part of their income in the form of net takings or commissions from the provision of gambling services:

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

4 For each of the above industries a significance cut-off was used in determining the scope of the surveys. These were as follows:

- 5720 PUBS, TAVERNS AND BARS – employing and non-employed businesses with turnover in 2004–05 of \$400,000 or more
- 5740 CLUBS (HOSPITALITY) – employing and non-employed businesses with turnover in 2004–05 of \$400,000 or more
- 9311 HORSE AND DOG RACING – all employing businesses and only those non-employed businesses with turnover in 2004–05 of \$135,000 or more
- 9312 SPORTS GROUNDS AND FACILITIES N.E.C. – all employing businesses and only those non-employed businesses with turnover in 2004–05 of \$135,000 or more
- 9319 SPORTS AND SERVICES TO SPORTS N.E.C. – all employing businesses and only those non-employed businesses with turnover in 2004–05 of \$135,000 or more
- 9321 LOTTERIES – employing and non-employed businesses with turnover in 2004–05 of \$150,000 or more
- 9322 CASINOS – all businesses were included. Businesses mainly operating online casino game sites were excluded
- 9329 GAMBLING SERVICES N.E.C. – employing and non-employed businesses with turnover in 2004–05 of \$150,000 or more.

5 A number of other industries, such as newsagents, which may be involved in the provision of gambling services were not included in the scope of the surveys.

STATISTICAL UNITS DEFINED ON THE ABS REGISTER

6 The ABS uses an economic statistics units model on the ABS Business Register to describe the characteristics of businesses, and the structural relationships between related businesses. The units model is also used to break groups of related businesses into relatively homogeneous components that can provide data to the ABS.

STATISTICAL UNITS DEFINED
ON THE ABS REGISTER

continued

ATO Maintained Population

7 In mid-2002, to better use the information available as a result of The New Tax System, the ABS changed its economic statistics units model. The new units model allocates businesses to one of two sub-populations. The vast majority of businesses are in what is called the Australian Taxation Office (ATO) Maintained Population, while the remaining businesses are in the ABS Maintained Population. Together, these two sub-populations make up the ABS Business Register population.

8 Most businesses and organisations in Australia need to obtain an Australian Business Number (ABN), and are then included on the ATO Australian Business Register. Most of these businesses have simple structures; therefore the unit registered for an ABN satisfies ABS statistical requirements. For these businesses, the ABS has aligned its statistical units structure with the ABN unit. The businesses with simple structures constitute the ATO Maintained Population, and the ABN unit is used as the economic statistics unit for all economic collections.

ABS Maintained Population

9 For the population of businesses where the ABN unit is not suitable for ABS statistical requirements, the ABS maintains its own units structure through direct contact with the business. These businesses constitute the ABS Maintained Population. This population consists typically of large, complex and diverse businesses. The new statistical units model described below has been introduced to cover such businesses:

- *Enterprise Group*: This is a unit covering all the operations in Australia of one or more legal entities under common ownership and/or control. It covers all the operations in Australia of legal entities which are related in terms of the current Corporations Law (as amended by the *Corporations Legislation Amendment Act 1991*), including legal entities such as companies, trusts, and partnerships. Majority ownership is not required for control to be exercised.
- *Enterprise*: The enterprise is an institutional unit comprising (i) a single legal entity or business entity, or (ii) more than one legal entity or business entity within the same Enterprise Group and in the same institutional subsector (i.e. they are all classified to a single Standard Institutional Sector Classification of Australia subsector).
- *Type of Activity Unit (TAU)*: The TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the ANZSIC). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision.

10 For more information on the impacts of the introduction of the new economic statistics units model, refer to *Information Paper: Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

Comparison Over Time

11 Prior to the 2004–05 collections, the Gambling Services collections used the management unit as the statistical unit. The statistical unit in the 2004–05 collections was the ABN unit for businesses with simple structures, and the TAU for businesses with complex structures. In most cases, ABN/TAU units concord with the management units used in the previous collections.

COVERAGE

12 The frame used for the Gambling Services collections, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is updated monthly to take account of new businesses and businesses which have ceased employing.

Improvements to Coverage

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

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

15 For more information on these adjustments, please refer to the ABS publication *Information Paper: Improvements to ABS Economic Statistics, 1997* (cat. no.1357.0).

COMPARISON WITH OTHER
ABS STATISTICS

16 Annual data for gambling services are also published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Gambling Services* publications and users should exercise caution when making comparisons between the two sets of estimates.

17 The *Australian Industry* publication presents annual summary statistics at the ANZSIC class level. It shows the relative performance of each industry class, and allows patterns of change or growth to be analysed across particular segments of the Australian economy. The industry estimates presented in *Australian Industry* are used in the compilation of the National Accounts, and in the derivation of economy-wide indicators such as gross domestic product.

18 The *Gambling Services* publication supplements the annual industry summary statistics with a detailed examination of the performance, structure and activities of businesses involved in the provision of gambling services for the reference year of the survey.

19 One reason the two sets of estimates vary relates to the use of different industry coding practices. For the *Australian Industry* publication, businesses are coded to ANZSIC industry classes on the basis of the activity reported to the ATO when they registered for an ABN, or for more complex businesses, on the basis of information reported directly to the ABS (see Explanatory Notes paragraphs 6–11). On the other hand, *Gambling Services* presents estimates for ANZSIC Classes 5720, 5740, 9311, 9312, 9319, 9321, 9322 and 9329 based on detailed financial data reported in the survey.

20 Other differences in results relate to scope and coverage variations between the two surveys. All non-employed businesses were included in the scope of *Australian Industry*, however only employing and significant non-employed businesses were in scope of *Gambling Services* (see paragraphs 3–5 of the Explanatory Notes).

HISTORICAL COMPARISONS

21 While comparisons are made between the 2004–05 and 2000–01 estimates, the reader should bear in mind that the 2004–05 collections were not designed to support accurate estimates of change, and should exercise caution when comparing 2004–05 estimates to the 2000–01 estimates. In particular the changes between 2000–01 and 2004–05 in the scope of the collections will affect the comparability of the estimates. The 2000–01 collections were restricted to employing businesses whereas the scope of the 2004–05 collections (which is outlined in paragraph 4) included significant non-employed units and in some cases excluded insignificant employing businesses.

22 In addition, lottery agents were excluded from the scope of the 2000–01 collections and included in the 2004–05 collections; and accommodation businesses were included in the scope of the 2000–01 collections and excluded from the 2004–05 collections.

STATE AND TERRITORY DATA

23 Data were collected in respect of the Australia-wide operations of each business. Where the business operates in only one state or territory, all the activities of the business are attributed to that state or territory. For example, businesses operating lotteries, lottos, football pools, etc. generally operate from one state or territory, though they may have sales, usually through agencies, throughout Australia. Businesses operating in more than one state or territory were asked to provide a dissection of key data items by state and territory to enable state and territory statistics to be compiled.

RELIABILITY OF DATA

24 When interpreting the results of a survey it is important to take into account factors that may affect the reliability of estimates. Such factors can be classified as either sampling or non-sampling error.

25 The estimates are based on information obtained from a randomly selected stratified sample of businesses in a range of industries involved in the provision of gambling services in the Australian business population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey (that is, if a census was conducted). One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

26 There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census was conducted and approximately 19 chances in 20 that the difference will be less than two SEs.

27 Sampling variability can also be measured by the relative standard error (RSE), which is obtained by expressing the SE 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 sampling error in percentage terms, and this avoids the need to refer also to the size of the estimate. The table overleaf contains estimates of RSEs for a selection of the statistics presented in this publication.

RELIABILITY OF DATA *continued*

RELATIVE STANDARD ERRORS FOR TABLE 2.2, Net takings from gambling by type of gambling and venue

	2004-05
	<i>Net takings</i>
	%
Poker/gaming machines in clubs, pubs, taverns and bars	2.1
On-course totalisator	—
Off-course TAB	
Thoroughbred, harness and greyhound betting	—
Other	—
<i>Total</i>	—
Thoroughbred, harness and greyhound betting bookmakers	2.5
Lotteries and lotto style games	
Lotteries, lotto style games and football pools	—
Instant money	—
Keno in clubs, pubs, taverns and bars	—
<i>Total</i>	—
Casino gambling	—
Other gambling	1.4
Total	1.2
Gambling takings received online	0.2

— nil or rounded to zero (including null cells)

28 As an example of the above, an estimate of the total net takings is \$15,459.7m and the RSE is 1.2%, giving a standard error of \$185.5m. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$15,274.2m to \$15,645.2m would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$15,088.7m to \$15,830.7m.

29 The sampling variability for estimates at the state/territory level was higher than for Australian level aggregates. Survey estimates for states/territories should therefore be viewed with more caution than those for Australia.

30 Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. For this survey, non-sampling error may result from such things as deficiencies in the register of businesses from which the sample was drawn, non-response, imperfections in reporting and/or errors made in compiling results. The extent to which non-sampling error affects the results of the survey is not precisely quantifiable. Every effort was made to minimise non-sampling error by careful design and testing of questionnaires, efficient operating procedures and systems and the use of appropriate methodology. Survey estimates subject to a high level of non-sampling error have been suppressed or provided with relevant cautions.

31 Estimates that have an estimated relative standard error between 10% and 25% are annotated with the symbol '^'. These estimates should be used with caution as they are subject to sampling variability too high for some purposes. Estimates with an RSE between 25% and 50% are annotated with the symbol '*', indicating that the estimate should be used with caution as it is subject to sampling variability too high for most practical purposes. Estimates with an RSE greater than 50% are annotated with the symbol '**' indicating that the sampling variability causes the estimates to be considered too unreliable for general use.

GLOSSARY

Advertising expenses	Advertising expenses include all costs incurred by the business for promotional and publicity campaigns aimed at bringing the activities of the business to the attention of consumers for the purpose of increasing sales.
Advertising, marketing and promotion expenses	Advertising expenses include all costs incurred by the business for promotional and publicity campaigns aimed at bringing the activities and services of the business to the attention of consumers for the purpose of increasing sales. Marketing expenses are the costs incurred in the long-range promotion of the business and its goods or services. Promotion expenses are those costs associated with generating public awareness of the business and/or its products.
Average annual percentage change	<p>A percentage change, p, from 2000–01 to 2004–05 is converted into an average annual change, a, as follows:</p> $a = (1 + p)^{1/4} - 1$ <p>The average annual percentage change is not an arithmetic average of the actual percentage changes from year to year. It is labelled the 'average' change because if any value increases by $a\%$ every year for four years, then at the end of the four years it will have grown by a total $p\%$.</p>
Bad and doubtful debts	Bad debts and doubtful debts are the amount of accounts receivable that are either written off, or estimated to be uncollectable during an accounting period, that are expensed in a period's profit calculations.
Bookmakers	Bookmakers are businesses whose primary activity is accepting bets.
Casinos	Casinos are businesses 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.
Casino licence fees	Casino licence fees are the costs paid to the casino regulatory body for a licence to carry out gaming/gambling activity.
Casual employees	This item refers to employees who are not entitled to paid leave.
Commissions from gambling	This item includes commissions received by businesses acting as hosts for the sale of off-course TAB products, lottery tickets, Keno and poker/gaming machines.
Commissions from TAB operations/sports betting operations	This item refers to commissions received by businesses acting as agents for the sale of off-course TAB products and/or sports betting.
Community benefit levy	As part of gambling/gaming taxes and levies, casinos in most states and territories pay a community benefit levy directly to government, which is generally a levy on gaming revenue and is used to fund community service organisations and groups.
Depreciation and amortisation	This item refers to regularly recurring financial charges made in 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. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
Electricity, gas and water charges	These charges relate to the consumption of electricity, gas and/or water during the normal operations of the business.

Employees at end June	This item represents all employees on the payroll for the last pay period ending in June 2005. Employees absent on paid or prepaid leave are included. Subcontractors and persons paid solely by commission without a retainer are excluded.
Employer contributions to superannuation funds	This item represents the cost of the employer's contributions during the reference period, made on behalf of employees, including salary sacrificed amounts.
Employment at end June	This item represents all working proprietors and partners and employees on the payroll of the business during the last pay period ending in June 2005. Permanent, temporary and casual employees and employees absent on paid or prepaid leave are included. Non-salaried directors, self-employed persons such as consultants and contractors, persons paid by commission only and volunteers are excluded.
Fringe benefits tax	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associated employees) in connection with their employment.
Gambling/gaming taxes and levies	This expense item includes all taxes/levies paid to the government and funds transferred to government bodies in accordance with gambling regulations. It includes GST payments in respect of gambling services and excludes casino licence fees. Gambling/gaming taxes and levies that relate to poker/gaming machines are paid by the owners of the poker/gaming machines.
Gambling services n.e.c.	Businesses mainly engaged in providing totalisator, betting or other gambling services (except casinos or lotteries).
Gambling takings received online	This item refers to takings from all gambling activity, net of payouts to players, from orders received via the Internet or web. Examples of online gambling activity include: poker/gaming machines, lotteries, lotto style games and football pools, instant money sales, Keno, on-course and off-course betting on thoroughbred, harness and greyhound racing, and other (e.g. sports) betting.
Gross takings from gambling	This item represents takings from gambling activity before payouts are made to players.
Hospitality clubs	Hospitality clubs are associations mainly engaged in providing hospitality services to members, and may also provide gambling, sporting or other social or entertainment facilities.
Industry value added (IVA)	<p>Industry value added (IVA) represents the value added by an industry to the intermediate inputs used by the industry. IVA is the measure of the contribution by businesses, in the selected industry, to gross domestic product.</p> <p>The derivation of IVA for market producers is as follows:</p> <p>sales and service income</p> <p><i>plus</i> funding from federal, state and/or local government for operational costs</p> <p><i>plus</i> capital work done for own use</p> <p><i>plus</i> closing inventories</p> <p><i>less</i> opening inventories</p> <p><i>less</i> intermediate input expenses</p> <p><i>less</i> capitalised purchases</p> <p><i>equals</i> IVA.</p> <p>Wage and salary expenses and most other labour costs are not taken into account in its calculation nor are most insurance premiums, interest expenses or depreciation and a number of lesser expenses including bad debts, computer software expensed and state gambling taxes.</p> <p>The derivation of IVA for non-market producers is as follows:</p> <p>labour costs</p>

Industry value added (IVA)	<i>plus depreciation</i>
<i>continued</i>	<i>plus land tax</i>
	<i>plus capital work done for own use</i>
	<i>less capitalised purchases</i>
	<i>equals IVA.</i>
	However, it should be noted that IVA is not a measure of operating profit before tax.
Insurance premiums	Insurance premiums are expenses incurred by a business in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	These are outflows of funds related to the cost of borrowing money.
Keno	Keno is a game of chance, played in casinos and other gambling venues, where the goal is to match chosen numbers to those that are selected by a computerised system.
Keno commissions paid to clubs, pubs, casinos and other outlets	This item refers to commissions paid by licensees of the Keno game to the clubs, pubs, casinos and other outlets that host Keno games.
Labour costs	Labour costs are staff related costs such as wages and salaries (including moneys paid directly to freelancers via the payroll), fringe benefits tax and payroll tax, employer contributions to superannuation funds, workers' compensation premiums, and provision expenses for employee entitlements.
Land tax and land rates	Land tax is an annual tax assessed to the owner of the land. Land rates are annual charges levied by local government for the provision of local government services. This is a combination of these two items.
Licensed gaming staff	Licensed gaming staff refers to those employees employed as either gaming machine managers or gaming machine operators. They are normally approved or licensed by the relevant state board or department. This allows these employees to work within gaming areas containing poker and other gaming machines.
Lotteries	Lotteries are businesses mainly engaged in operating lotteries or selling lottery tickets.
Lottery agents	Lottery agents are businesses mainly engaged in selling lottery tickets. As well as income from lottery commissions, these businesses often have some income from items such as cigarette sales, phone card sales and greeting card sales.
Lottery commissions paid to agencies	This item refers to commissions paid by lottery operators to agencies who sell their products.
Lottery operators	Lottery operators are businesses mainly engaged in operating lotteries. These businesses are generally larger than lottery agents, and almost all of their income is derived from gambling activities.
Management fees/charges paid to related and unrelated businesses	These are payments made to other businesses for management and administrative services.
Marketing, promotion and sponsorship expenses	Marketing and promotion expenses are the costs incurred in the long-range promotion of a casino 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 takings from casino gambling	This item refers to turnover, minus payouts to players, from poker/gaming machines in casinos, casino gaming tables and casino Keno.

Net takings from gambling	This item consists of turnover, net of payouts to players/bettors, from poker/gaming machines, on-course and off-course totalisator betting, bookmakers' betting, lotteries, lotto style games, football pools, instant money sales, Keno and casino gaming tables.
Net takings from instant money	This item refers to turnover from instant money games, minus payouts to players.
Net takings from Keno	This item refers to takings from Keno net of payouts to players. It excludes takings from Keno gaming machines (which is included in net takings from poker/gaming machines).
Net takings from lotteries, lotto style games and football pools	This item refers to income, minus payouts to players, from lotteries, lotto style games and football pools.
Net takings from poker/gaming machines	This item represents takings from poker/gaming machines net of payouts to players.
Net takings from thoroughbred, harness and greyhound betting	This item refers to the turnover, net of payouts to bettors, of either on-course totalisators or off-course TABs from betting on thoroughbred, harness and greyhound races.
Net takings from thoroughbred, harness and greyhound betting bookmakers	This item refers to bookmakers' turnover, net of payouts to bettors, from betting on thoroughbred, harness and greyhound races.
Off-course TAB	Off-course TAB refers to businesses running parimutuel, or pool-based, betting located on premises away from the subject of the bet.
On-course totalisator	On-course totalisator refers to businesses running parimutuel, or pool-based, betting located where the subject of the bet takes place.
Operating profit before tax	This item is a measure of profit (or loss) during the reference period, taken before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners (i.e. dividends paid, drawings). It is derived by subtracting total expenses from total income, and adding the difference between closing inventory and opening inventory for the period.
Operating profit margin	This represents the percentage of businesses' sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total operating profit before tax as a percentage of total sales of goods and services.
Other sales of goods	This item includes income from the sale of clothing, publications and sports equipment, as well as royalties received from the sale of merchandise. It excludes commissions/concessions received from merchandise outlets operated by other businesses.
Other sporting clubs and venues	Businesses mainly engaged in operating any kind of indoor or outdoor sports facility other than those for thoroughbred, harness and greyhound racing.
Payroll tax	Payroll tax is a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
Permanent full-time employees	This item refers to permanent employees who work 35 hours or more per week and are entitled to paid leave.
Permanent part-time employees	This item refers to permanent employees who work less than 35 hours per week and are entitled to paid leave.
Poker/gaming machines	Poker/gaming machines are electronic gaming machines which usually have a certain rate of return and rewards are based on chance.
Poker/gaming machine commissions paid to clubs and pubs	This item refers to payments made by the owners of poker/gaming machines to the businesses that host the machines and make them available to the public.

Pubs, taverns and bars	These are hotels, bars or similar businesses (except licensed clubs) mainly engaged in selling alcoholic beverages for consumption on the premises, or in selling alcoholic beverages both for consumption on and off the premises.
Purchases	This includes purchases of liquor and other beverages, foodstuffs for use in preparing meals and takeaway food, merchandise/goods for resale and other non-capitalised purchases.
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	Rent, leasing and hiring expenses are the costs for the rent, leasing (excluding finance leases) and hiring of land, buildings and other structures, sporting venues, facilities and equipment, vehicles, machinery and any other property from other businesses or individuals.
Repair and maintenance	This item includes costs associated with work undertaken on plant and machinery etc. to maintain normal business operations.
Sponsorship expenses	Sponsorship expenses are the costs incurred in the public support/promotion of sporting, arts or cultural events.
Sporting clubs and venues	Sporting clubs and venues are businesses/organisations mainly engaged in operating individual sports or physical recreation clubs or teams or sporting venues.
TAB agents	TAB agents are businesses acting on behalf of the totalisator to accept bets on thoroughbred, harness and greyhound racing and other activities.
TAB/totalisator commissions paid to clubs, pubs, agencies and other outlets	This item refers to commissions paid by totalisators to the businesses who provide totalisator betting services to the public.
Takings from accommodation	This item refers to income received from the provision of short-term accommodation. All takings from meals are excluded, including the meals component where meals and accommodation are a combined charge.
Takings from liquor and other beverages	This item includes sales of beer, wine, spirits and other beverages sold for consumption on the premises with or without meals.
Takings from meals	This item refers to takings from meals sold for consumption on the premises.
Telecommunication services expenses	This item refers to all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission. It includes the cost of leased lines for computer and Internet services, but excludes installation costs and the cost of leasing telecommunication equipment.
Thoroughbred, harness and greyhound racing clubs	This item refers to businesses mainly engaged in operating facilities especially used and designed for horse or dog racing. Other activities may include operation of racing stables and kennels. Horse racing includes the racing horses which are ridden or which are pulling a vehicle.
Total income (net of payouts to players)	This item is the sum of all sources of income, minus the total value of payouts to players/bettors.
Travelling, accommodation and entertainment expenses	This item refers to the costs of transport and accommodation for staff which are incurred when business activities occur away from the normal place of business. Entertainment expenses are the costs incurred by a business for the provision of entertainment activities.
Wages and salaries	This item refers to the gross wages and salaries (including capitalised wages and salaries) of all employees of the business. It includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision

Wages and salaries <i>continued</i>	expenses for employee entitlements are also included (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments). Payments related to salary sacrifice and payments to self-employed persons such as consultants, contractors and persons paid solely by commission without a retainer, are excluded.
Workers' compensation costs	Workers' compensation is a compulsory insurance cover to be taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.
Working proprietors and partners of unincorporated businesses	A working proprietor operates his or her own business (a sole proprietorship), while a partner, along with one or more other partners, operates a partnership. Working proprietors and partners are the owners of their business and as such, they are not considered to be employees of that business.

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