

29 November, 2006

Mr. Robert Chappell  
Director  
Independent Gambling Authority  
Level 4, 45 Grenfell Street  
ADELAIDE SA 5000

Dear Robert

**Re: ABS Statistics**

Amongst a number of undertakings at the hearing on Tuesday, 21 November was to provide Authority Member John Hill, through the IGA, with the source documents reflecting our figure 6 on page 7.

Attached are:

- 8501.0.55.003 – Contribution of Gambling to Retail Estimates, December 2004.
- 8501.0.55.003 – Contribution of Gambling to Retail Estimates June 2006
- An extract of the AHA/Clubs SA submission.

As discussed with John Hill on 22 November, the ABS for the purposes of this series chooses to measure proceeds from gambling to include gaming machine NGR less state tax. It would seem this recognises different ownership arrangements in each State, i.e. in Victoria, hotels and clubs earn commission. That said, the relativity remains the same based on the ABS data collection.

Yours sincerely

**IAN HORNE**  
General Manager

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8501.0.55.003 - Contribution of Gambling to Retail Estimates, Dec 2004  
Previous ISSUE Released at 11:30 AM (CANBERRA TIME)  
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- [Main](#)   **INTRODUCTION**
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- [About this Release](#)   This quarterly article supplements information presented in the publication, **Retail Trade, Australia** (cat.no.8501.0). It presents information about Net proceeds received from licensed gambling activities (hereafter called Gambling) undertaken by businesses in the Pubs, taverns and bars and Clubs (hospitality) industries. These industries are called 'Hotels and licensed clubs' in **Retail Trade, Australia**.

Gambling includes:

- commission from TAB and Keno transactions
- net takings from Bingo
- net revenue received from poker machines and other electronic gaming machines.

For further background about the Gambling series, please refer to the feature article in the December 2002 issue of **Retail Trade, Australia**.

This article will be updated on the ABS Web Site once a quarter about a week after the release of the March, June, September and December issues of **Retail Trade, Australia**.

## INQUIRIES

For further information about these and related statistics, contact Graham

Phillips on (02) 6252 5625.

## SUMMARY COMMENTARY

### FINDINGS

It can be seen from Table 1, that for each quarter, the rate of quarterly growth can vary between the Gambling, Hotels and licensed clubs and Total retail series. Over the period from December quarter 2002 to December quarter 2004, the Total retail series grew by 11.5%, Hotels and licensed clubs grew by 9.3% and Gambling grew by 9.2%.

### 1. GAMBLING IN RETAIL TRADE, AUSTRALIA, SEASONALLY ADJUSTED

Quarter	Gambling		Hotels and licensed clubs		Total Retail	
	Net proceeds \$m	Percentage change %	Turnover \$m	Percentage change %	Turnover \$m	Percentage change %
2002						
December	1,488.7	-2.2	3,948.0	-1.8	44,349.5	1.1
2003						
March	1,539.7	3.4	4,068.1	3.0	44,613.0	0.6
June	1,561.3	1.4	4,158.0	2.2	45,735.8	2.5
September	1,543.7	-1.1	4,176.5	0.4	46,896.2	2.5
December	1,570.7	1.8	4,335.9	3.8	48,116.8	2.6
2004						
March	1,561.8	-0.6	4,306.6	-0.7	48,940.4	1.7
June	1,620.2	3.7	4,391.2	2.0	49,414.0	1.0
September	1,597.2	-1.4	4,251.5	-3.2	49,801.9	0.8
December	1,626.2	1.8	4,313.8	1.5	49,445.9	-0.7

Graph 2 compares the growth rates of Gambling, Total retail and Total retail adjusted to exclude gambling (although other turnover for Hotels and licensed clubs is included). This shows that Total retail and Total retail excluding gambling generally grow at a similar rate. This reflects the overall contribution of gambling to Total retail as can be seen in Table 3.

### 2. PERCENTAGE CHANGE IN QUARTERLY TURNOVER, Seasonally Adjusted

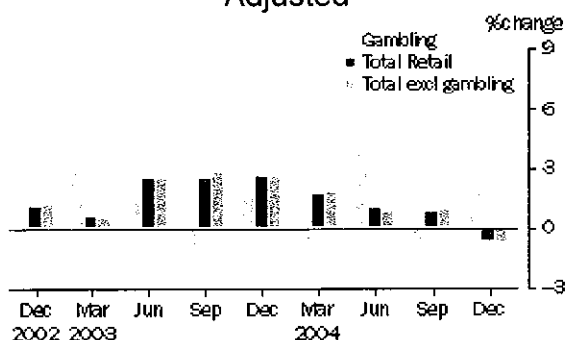


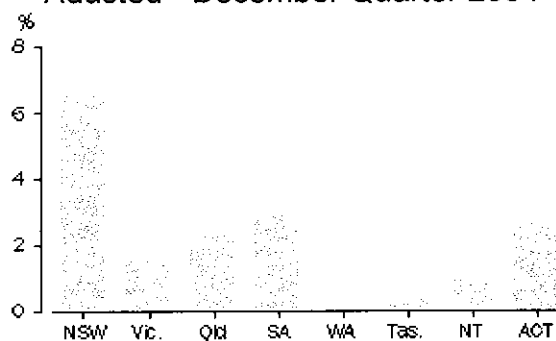
Table 3 shows that gambling has remained a relatively stable proportion of both turnover for Hotels and licensed clubs and Total retail. In the December quarter 2004, gambling as a percentage of Total Retail turnover was 3.3%.

### 3. GAMBLING AS A PROPORTION OF HOTELS AND LICENSED CLUBS AND TOTAL RETAIL, AUSTRALIA, Seasonally Adjusted

Quarter	Hotels and licensed clubs %	Total retail %
2002		
December	37.7	3.4
2003		
March	37.8	3.5
June	37.5	3.4
September	37.0	3.3
December	36.2	3.3
2004		
March	36.3	3.2
June	36.9	3.3
September	37.6	3.2
December	37.7	3.3

From Graph 4 it can be seen that in December quarter 2004, gambling as a proportion of state turnover is highest in New South Wales and South Australia and lowest in Western Australia and Tasmania.

### 4. CONTRIBUTION OF GAMBLING TO TOTAL TURNOVER, Seasonally Adjusted - December Quarter 2004



For the period December 2002 to December 2004, Table 5 shows that gambling as a percentage of state turnover has been reasonably consistent. The percentage for each state needs to be considered in the context of the varying state restrictions on gaming machines.

### 5. CONTRIBUTION OF GAMBLING TO TOTAL TURNOVER, BY STATE, SEASONALLY ADJUSTED

Quarter	New South Wales %	Victoria %	Queensland %	South Australia %	Western Australia %	Tasmania %	Northern Territory %	Australian Capital Territory %
2002								
December	6.4	1.2	2.6	3.3	0.0	0.4	1.4	2.9
2003								
March	6.7	1.2	2.7	3.3	0.0	0.4	1.4	3.2
June	6.6	1.3	2.6	3.4	0.0	0.6	1.3	3.1

September	6.0	1.3	2.9	3.3	0.0	0.5	1.4	2.9
December	6.2	1.3	2.6	3.5	0.0	0.4	1.4	2.8
2004								
March	6.1	1.3	2.5	3.3	0.0	0.5	1.4	2.8
June	6.3	1.3	2.6	3.4	0.0	0.4	1.1	2.9
September	6.3	1.2	2.4	3.1	0.0	0.4	1.2	2.9
December	6.5	1.5	2.3	2.9	0.0	0.5	1.0	2.6

## SAMPLING ERRORS

Standard errors for the level estimate for Australia (original data) are shown below. The standard error associated with the seasonally adjusted series is approximately the same as for the original estimates.

### 6. STANDARD ERRORS

Data series	Estimate \$m	Standard error \$m	Relative Standard error %
Net proceeds from gambling December quarter 2004	1,664.5	57.9	3.5

## RELATED INFORMATION

The ABS produces a more comprehensive range of data on gambling via its service industries program. Detailed surveys of the Pubs, taverns and bars industry, Clubs industry and Casino industry are usually conducted every three years. For more information about the service industries program please contact Gabrielle Robbie on (02) 6252 6133.

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8501.0.55.003 - Contribution of Gambling to Retail Estimates, Jun 2006  
Latest ISSUE Released at 11:30 AM (CANBERRA TIME) 11/08/2006



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## Review of gambling data from Retail Trade Survey

We are currently reviewing the purpose and usefulness of the gambling data from the Retail Trade Survey. Based on input from users, we may decide to amend or even discontinue the series. If you wish to provide input into the future of the Gambling series, please visit our Theme Pages

## NOTES

## FORTHCOMING ISSUES

**ISSUE (QUARTER)**  
September 2006

**Release Date**  
17 November 2006

## INTRODUCTION

This quarterly article supplements information presented in the publication, **Retail Trade, Australia** (cat. no. 8501.0). It presents information about the net proceeds received from licensed gambling activities undertaken by businesses classified to 'Hotels and licensed clubs'. Gambling revenue from businesses classified to 'Casinos, Lotteries or Gambling Services n.e.c.' is not included as these businesses are not in the scope of the Retail Trade survey. Commissions from Lotto and lottery tickets sold in the Newspaper, Book and Stationery retailing industry are also excluded as they are not separately reported in the survey.

Businesses in the 'Hotels and licensed clubs' industry included in the Retail Trade Survey are asked to report three turnover components which sum to total turnover. The three components of turnover reported are:

- Membership fees and subscriptions received
- Net proceeds received from licensed gambling activities (hereafter called Gambling)
- General turnover (e.g. takings from bar and bottle shop sales, meals and accommodation and hiring and booking fees).

Gambling net proceeds in Hotels and Licensed clubs includes:

- commission from TAB and Keno transactions
- net takings from Bingo
- net revenue received from poker machines and other electronic gaming machines. Net revenue means the amount remaining after payouts and government gambling taxes are removed or commission earned.

The three components of turnover have primarily been used to assist Hotels and Licensed Clubs to correctly report total turnover. As such, they are not subject to the same level of scrutiny as the estimates of total turnover.

For further background about the Gambling series, please refer to the feature article in the December 2002 issue of **Retail Trade, Australia**.

This gambling article is released quarterly on the ABS Web Site about a week after the release of the March, June, September and December issues of **Retail Trade, Australia**.

## **INQUIRIES**

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

## **SUMMARY COMMENTARY**

### **FINDINGS**

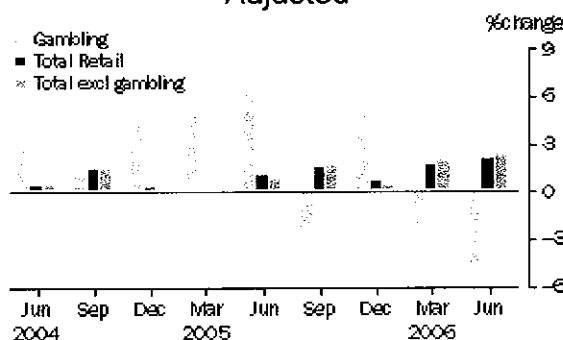
Table 1 shows that gambling increased as a proportion of turnover for both Hotels and licensed clubs and Total retail in the period between June quarter 2004 to June quarter 2005. For June 2006, there was a decrease in gambling as a percentage of Hotels and licensed clubs and Total retail turnover, returning to the level of June 2004.

### **1. GAMBLING AS A PROPORTION OF HOTELS AND LICENSED CLUBS AND TOTAL RETAIL, AUSTRALIA, Seasonally Adjusted**

Quarter	Hotels and licensed clubs		Total retail	
		%		%
2004				
	June	36.9		3.3
	September	37.5		3.3
	December	38.2		3.4
2005				
	March	40.2		3.5
	June	40.5		3.7
	September	38.9		3.6
	December	40.0		3.7
2006				
	March	38.3		3.6
	June	36.9		3.3

Graph 2 compares the growth rates of Gambling, Total retail and Total retail adjusted to exclude gambling. This shows that Total retail and Total retail excluding gambling generally grow at a similar rate. This reflects the low contribution of gambling to Total retail indicated in Table 1.

## 2. PERCENTAGE CHANGE IN QUARTERLY TURNOVER, Seasonally Adjusted



It can be seen from Table 3 that, for each quarter, the rate of growth can vary between the Gambling, Hotels and licensed clubs and Total retail series. In the June quarter 2006, net proceeds from gambling in Hotels and licensed clubs was \$1789.6 million. Over the period from June quarter 2005 to June quarter 2006, the Total retail series grew by 6.0%, Hotels and licensed clubs grew by 4.1% and Gambling fell by 5.3%.

## 3. GAMBLING IN RETAIL TRADE, AUSTRALIA, SEASONALLY ADJUSTED

Quarter	Gambling		Hotels and licensed clubs		Total Retail		
	Net proceeds \$m	Percentage change %	Turnover \$m	Percentage change %	Turnover \$m	Percentage change %	
2004							
	June	1 612.0	3.2	4 370.5	1.1	49 350.2	0.4
	September	1 627.0	0.9	4 343.3	-0.6	50 034.2	1.4
	December	1 695.3	4.2	4 443.0	2.3	50 175.5	0.3
2005							
	March	1 778.1	4.9	4 418.5	-0.6	50 273.6	0.2
	June	1 889.2	6.2	4 662.7	5.5	50 773.9	1.0
	September	1 840.5	-2.6	4 736.2	1.6	51 545.6	1.5
	December	1 928.0	4.8	4 821.0	1.8	51 831.3	0.6

2006							
March	1 878.2	-2.6	4 898.4	1.6	52 718.6	1.7	
June	1 789.6	-4.7	4 852.8	-0.9	53 821.5	2.1	

From Table 4 it can be seen that in June quarter 2006, gambling as a proportion of state turnover is highest in New South Wales, Queensland and the Australian Capital Territory and lowest in Western Australia and Tasmania. This needs to be considered in the context of the varying state restrictions on gaming machines. The low contribution of net proceeds from gambling in Western Australia reflects poker machines in that state being restricted only to casinos; and Hotels and licensed clubs in Victoria and Tasmania only receiving a commission or venue share for poker machines located on their premises.

#### 4. CONTRIBUTION OF GAMBLING TO TOTAL TURNOVER, BY STATE, SEASONALLY ADJUSTED

Quarter	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australian Capital Territory
	%	%	%	%	%	%	%	%
2004								
June	6.3	1.3	2.6	3.3	0.0	0.4	1.1	2.8
September	6.5	1.2	2.3	3.1	0.0	0.4	1.1	2.9
December	6.7	1.5	2.4	2.9	0.0	0.5	1.0	2.6
2005								
March	7.0	1.5	2.6	2.9	0.0	0.5	0.6	2.6
June	7.2	1.8	3.0	2.9	0.0	0.5	1.0	2.8
September	6.8	1.8	3.0	2.7	0.0	0.4	1.2	2.8
December	7.0	1.7	3.3	2.9	0.0	0.5	1.4	3.2
2006								
March	6.6	1.5	3.6	3.0	0.0	0.5	1.2	3.0
June	6.2	1.3	3.4	2.8	0.0	0.5	1.5	3.4

#### SAMPLING ERRORS

Standard errors for the level estimate for gambling for Australia (original data) are shown below. The estimated relative standard errors (RSE) for the states vary. The only states where gambling estimates have an RSE below 10% are New South Wales, South Australia and the Australian Capital Territory. Estimates for the other states have an RSE between 10% and 28% and should be used with caution. The standard error associated with the seasonally adjusted series is approximately the same as for the original estimates.

#### 5. STANDARD ERRORS

Data series	Estimate \$m	Standard error \$m	Relative Standard error %
Net proceeds from gambling June quarter 2006	1 775.4	66.6	3.8

#### FURTHER INFORMATION

For further information about these and related statistics, contact Jeremy Walker on (02) 6252 5451.

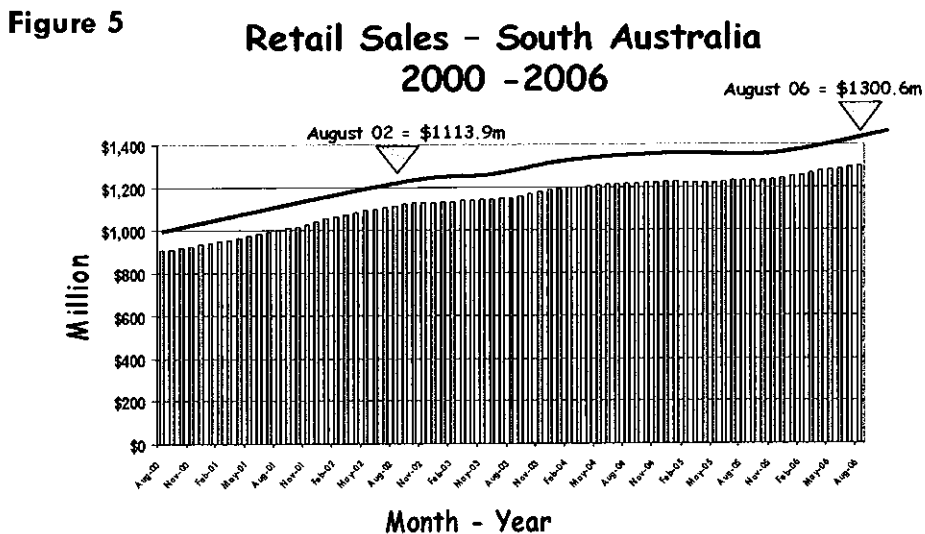
## RELATED INFORMATION

The ABS produces a more comprehensive range of data on gambling via its service industries program. Detailed surveys of the Pubs, taverns and bars industry, Clubs industry and Casino industry are usually conducted every three years.

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This revenue growth needs to be considered in light of other economic factors that include: **Retail sales** estimates in South Australia (figure 5) reflect a 16.76% increase in retail sales in 4 years. (ABS 8501.0 Retail Turnover [\$millions])



Source: ABS 8501.0 Retail Turnover (\$millions)

Gambling revenue in Hotels and Clubs as a percentage of retail activity in South Australia has dropped from a peak of about 3.5% in September 2002 to around 2.8% in June 2006. (ABS8501.0.55.003 - Contribution of Gambling to Retail Estimates, Jun 2006)



Source: ABS8501.0.55.003 - Contribution of Gambling to Retail Estimates, Jun 2006