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Economic Contribution of the Hotel Industry in South Australia

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Glossary

ABS	Australian Bureau of Statistics
AHA	Australian Hotels Association
ATO	Australian Taxation Office
C&BS	Consumer and Business Services (South Australia)
EGMs	Electronic Gaming Machines
IGA	Independent Gambling Authority (South Australia)
NGR	Net Gaming Revenue
PwC	PricewaterhouseCoopers
SACES	South Australian Centre for Economic Studies

Executive Summary

The single research question was”

“to quantify ‘the value’ of the Hotel Industry in all its forms in South Australia”.

To report on this question the South Australian Centre for Economic Studies has extensively reviewed publicly available data, conducted a population survey of over 600 hotels assisted by the AHA|SA, reviewed previous reports on the industry, reported on the survey results and conducted input-output analysis to report the broader economic impact of the Hotel Sector.

Summary of survey findings

Employment

- there were 26,250 persons employed in the South Australian hotel industry in 2015;
- employment in metropolitan venues totalled 15,750 persons (60 per cent) and non-metropolitan 10,500 (40 per cent);
- solely in the hotel (“the local pub”) sector 24 per cent were permanent full-time or part-time employees and 75 per cent were casual;
- add in venues that principally offer accommodation then 39 per cent were permanent full-time or part-time employees, 61 per cent were casuals;
- average per venue employment in the hotel sector was 37 employees in metropolitan hotels, 31 in non-metropolitan and 33.2 overall;
- 11.6 per cent of all staff were classified as gaming staff (N=3,048).

Income and expenses

- total income was \$3.63 billion, 46 per cent from the sale of liquor, 14 per cent accommodation, 17 per cent gaming revenue and 19 per cent from meals and food sales;
- metropolitan venues accounted for 65 per cent of income; non-metropolitan 35 per cent;
- the hotel industry paid \$958 million in wages and allowances;
- purchases by the hotel industry were \$1.23 billion, principally for liquor and beverages and foodstuffs for meals;
- the hotel industry paid \$710 million in operating overheads.

Tax, capital expenditures and profits

- taxes, levy, rates and fees payments totalled \$445 million;
- in the past five years South Australian hotels reported \$664 million in capital expenditure, \$503m (76 per cent) on venues in the metropolitan area and \$161 million (24 per cent) on non-metropolitan venues;
- South Australian hotels returned \$288 million in profits.

Broader economic impacts (I-O analysis)

Direct impacts of the hotel sector

- directly generated \$1,468 million Gross State Product;
- directly employed 16,465 on a full-time equivalent basis.

Flow-on production impacts and consumption impacts

- the combined direct, production and household spending impacts of the hotel sector are estimated at \$4,025 million in Gross State Product and 33,120 full-time equivalent positions;
- total tax gambling liability in 2014/15 was \$258.6 million¹ which is equivalent to 5.9 per cent of total South Australian state government revenue for 2014/15.

¹ Publicly available data reported by the South Australian Independent Gambling Authority (IGA) which is used in this report.

Summary of findings from national reports publicly available data

- there are 682 hotels in the AHA membership database;
- most hotels are small businesses with national data estimating 88 per cent are independent operators;
- the number of hotels in South Australia has been relatively stable in the last decade;
- 55 per cent are metropolitan; 45 per cent non-metropolitan;
- 75 per cent have EGMs, 25 per cent do not;
- hotels vary in terms of size, accommodation facilities, gambling opportunities, the service of meals/ food, sale of packaged liquor;
- South Australia's share of hotels is 11.4 per cent with a population share of 7 per cent;
- average population per hotel is second lowest nationally at 3,200 persons.

Gaming machine data

- there are 460 hotels with gaming machines;
- hotels collectively host 10,564 gaming machines;
- total net gambling revenue (2014/15) was \$633 million;
- total tax paid by hotels from gambling was \$258 million.

Live music (data for May 2015)

- hotels hosted 69 per cent of gigs in the May 2015 survey;
- 97 venues hosted 663 gigs;
- average of 6.8 gigs per venue.

Note: The Music SA census identified an additional 11 recognised hotels trading under Special Circumstances Licences. The Music SA census subsequently found that a total of 108 Hotels (68.7% of all venues) hosted 796 gigs (79.9% of all gigs) in the month of May 2015.

1. Introduction and Methodology

1.1 Introduction

The Australian Hotels Association (South Australia) (AHA|SA) commissioned the South Australian Centre for Economic Studies (SACES) to conduct an investigation into the hotel sector in South Australia.

The single research question was the following:

“to quantify the ‘value’ of the Hotel Industry in all its form in South Australia”.

In economic terms ‘the value’ of the industry is the economic contribution the industry makes to the South Australian economy through, *inter alia*, direct and indirect employment, capital expenditure, local purchases, sales and other payments (e.g., insurance, advertising, fees, taxes and charges, etc).

There is no ‘one size fits all’ description of the hotel industry in South Australia. It is very diverse to include:

- 682 hotels, varying in size and ownership;
- 55 per cent metropolitan and 45 per cent non-metropolitan;
- approximately 75 per cent have EGMs, 25 per cent do not;
- some offer accommodation, many do not;
- the industry includes large hotels/accommodation providers;
- some have facilities for sale of packaged alcohol, others do not;
- many have quite significant dining/restaurant food offerings while others do not;
- trading hours also vary;
- growth in small bars in the Adelaide CBD in recent years; and
- there has been substantial capital expenditure, renovations and re-fits to many hotel premises to accommodate EGMs but also for expanded restaurant facilities and to accommodate legislative changes such as smoke-free areas.

Australian Bureau of Statistics 2004/05 – Clubs, Pubs, Taverns and Bars

The last major study of the hotel industry which included surveying clubs, pubs, taverns and bars was carried out in 2004/05 by the Australian Bureau of Statistics (ABS). State level data reported by the ABS indicated there were 400 hotels, taverns and/or bars (i.e., hotels) in South Australia employing 11,114 persons. The number of hotels was significantly lower than the figure for hotels recorded by Consumer and Business Services (C&BS) which showed there were 627 hotels in 2004. The AHA|SA has consistently maintained that the ABS figure for the number of hotels in South Australia as at 2004/05 was an underestimate and would therefore also understate total employment for South Australian hotels for the corresponding year. On inspection of the survey and publicly available data SACES agrees that the number of venues and total employment was likely underestimated in the 2004/05 survey.

Perspective from a national 2009 study

The most substantial research on the Australian Hotel industry following the ABS 2004/05 study was conducted by PricewaterhouseCoopers (PwC) in 2009² to assess the industry’s size, scope, composition and key activities. The national sample size was 1,077 venues with 85 venues in South Australia. The research was commissioned by the AHA. We summarise key findings with respect to Australia and then South Australia here:

Australia

- 6,807 hotels in Australia, overall employment 188,000;
- high proportion of hotels have local suppliers contributing to employment and local incomes;
- most hotels are relatively small businesses with 88 per cent independent operators;
- the majority of income is earned from the sale of alcohol beverages with gaming activities accounting for an average of 30 per cent of income;
- percentage contribution to income – beverages 50 per cent, food 15.3 per cent, gaming 31.5 per cent;
- hotels have significant expenditure on security services;

² “Australians Hotels: more than just a drink and a flutter”, April 2009, commissioned by the AHA.

- activities hosted by hotels include trivia nights, live music, community and sporting group meetings;
- hotels have significant expenditure (at \$72 million est.) on formal and informal training; and
- categorised as a mature industry with some industry consolidation.

South Australia

- estimated total employment of 21,000 in 2009;
- average number of employees 33.3 (Australia 34.7);
- FTE for venues with EGMs 20.4 (Australia 23.3); no EGMs 16.8 (Australia 12.7);
- South Australia's share of hotels 11.4 per cent (population share 7 per cent);
- per capita population by hotel second lowest at 3,200 persons;
- 75 per cent of venues in South Australia (Australia 67 per cent) stated they would not continue to operate if gambling facilities were removed;
- 35 per cent indicated they hosted live music at 4.1 nights per month;
- 62 per cent provided formal training (Australia 53 per cent);
- average annual security expenditure per hotel \$72,000 (Australia \$104,000); and
- average number of meals served per week 837 (Australia 1,000).

1.2 SACES methodology

There is publicly available data from which to construct and verify the total population of hotels, clubs, bars and other liquor outlets; there is publicly available data with respect to venues that host electronic gaming machines including their location, revenue and taxes paid. SACES first combined the dataset of membership of the AHA|SA with publicly available sources and other research to establish the number of venues and to identify existing estimates of the economic footprint of hotels in terms of revenue, value added, employment, etc.

We then worked with the AHA|SA to categorise hotels into eight categories to establish the number of venue respondents that would be required to provide a representative sample as shown in Table 1.1.

The total population of 682³ was allocated in the following sequential manner (see Figure 1.1):

- metropolitan and non-metropolitan;
- metropolitan with and those without EGMs;
- non-metropolitan with and those without EGMs;
- then venues with accommodation, those without accommodation; and
- venues with or without the sale of packaged liquor.

Table 1.1: Response rates, AHA Survey 2015

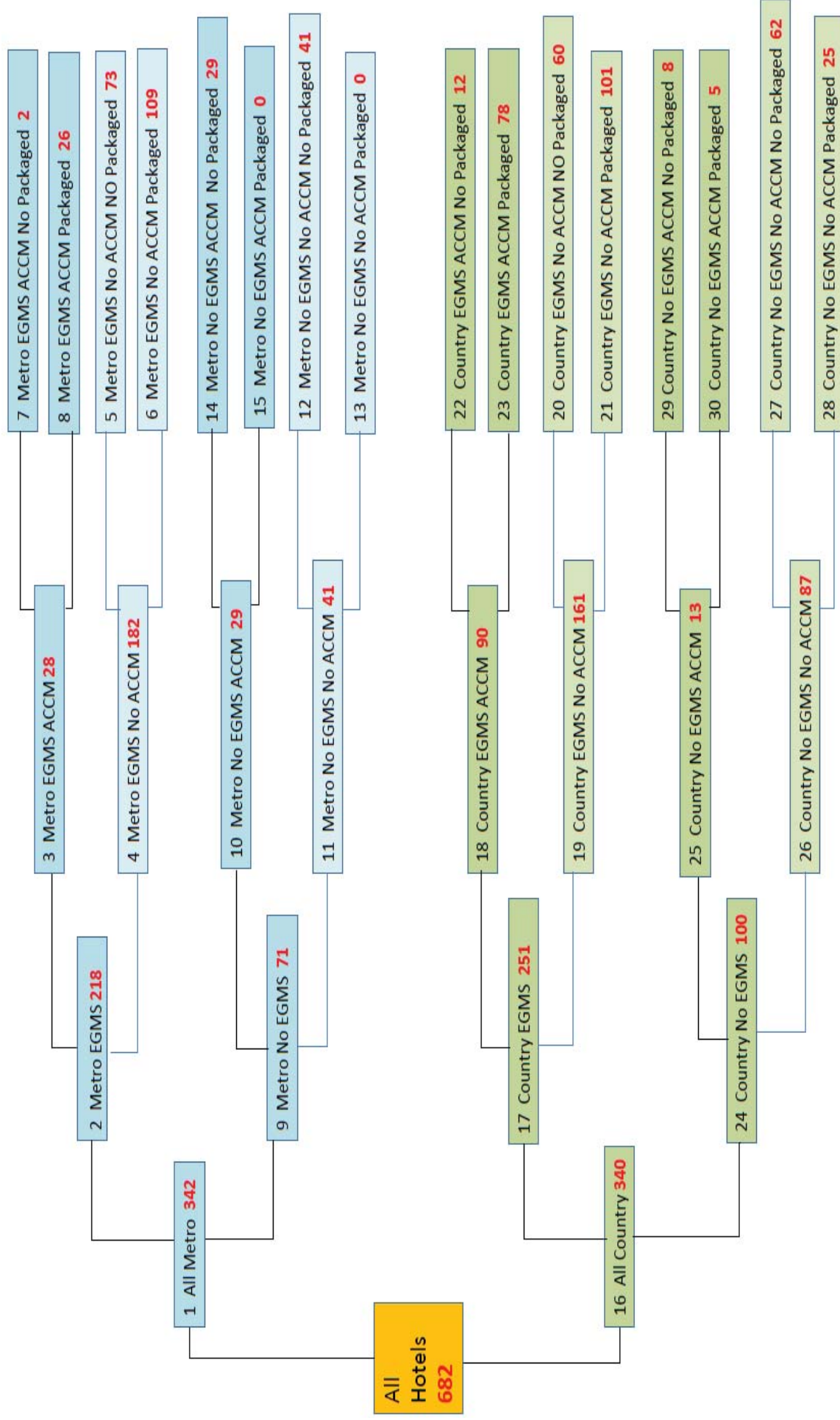
Category of hotel	Hotels in South Australia (Total no.)	Responses received (No.)	Response rate (Per cent)	Per cent needed for sampling ^(a)
Metropolitan				
EGMs and Accommodation - Cat 3	28	21	75.0	50
EGMs No Accommodation - Cat 4	182	69	37.9	25
No EGMs and Accommodation - Cat 10	29	2	6.9	50
No EGMs, No Accommodation - Cat 11	41	5	12.2	33.3
All metropolitan hotels	280	97	34.6	
Non-metropolitan				
EGMs and Accommodation - Cat 18	90	20	22.2	33.3
EGMs No Accommodation - Cat 19	161	8	5.0	25
No EGMs and Accommodation - Cat 25	13	2	15.4	50
No EGMs, No Accommodation - Cat 26	87	1	1.1	33.3
All non-metropolitan hotels	351	31	8.8	
All hotels	631	128	20.3	

Note: (a) SACES suggests sampling 50 per cent in cells less than 30 venues; 33.3 per cent in cells with 31 to 100 venues; and 25 per cent in cells with greater than 100 venues.

Source: SACES records, AHA.

³ In Figure 1.1 there were a small number of venues not included.

Figure 1.1: Flow Chart of Hotels Across Eight Categories



Source: Developed by the AH/ISA and SAGES 2015.

Assumptions regarding catchment population structure were made for hotels in low response categories, i.e. categories 10, 25 and 26 in Table 1.1. Some limited follow-up of respondents by SACES and other publicly available data such as annual and company reports has enabled respondent data to be substantially enriched where the response rate was low. With respect to non-metropolitan hotels we were able to complement respondent data with analysis of similar venues in similar locations (e.g. population data, EGM or non EGMs, employment, regional tourism data, etc).

Information was also provided by the AHA based on their understanding of the relative size of hotels within the low response categories, estimates of employment, location (e.g. Provincial City, regional centre, large/small township, etc.) and other defining characteristics such as the extent of accommodation services offered. The assumptions made for low response categories are as follows:

Category 10:

Based upon information from the AHA the employment structure of the 29 hotels comprising Category 10 can be broken down into four groups according to size containing the following type/number of hotels:

Group 1 – largest group (4 hotels);

Group 2 – each hotel is 80 per cent the size of Group 1 hotels (7 hotels);

Group 3 – each hotel is 65 per cent the size of Group 2 hotels (9 hotels); and

Group 4 – each hotel is 50 per cent the size of Group 3 hotels (9 hotels).

The two survey responses returned belonged to hotels in Group 1 and Group 3. Totals for employment, income, expenses and capital expenditure have been allocated based upon totals provided by the two responding venues in this category. This category principally consists of large accommodation venues.

Category 25:

Based upon information from the AHA regarding the two respondents, one is a “motel type” venue located in a township and is not typical of a traditional hotel. It is assumed to be a “smaller size” relative to other hotels across the category. The second respondent is located in a regional centre servicing a tourist area, specialising in accommodation. Using this information SACES has assumed the structure of the population of 13 hotels in Category 25 by decomposing the population into two groups according to size containing the following type/number of hotels:

Group 1 – large hotel group specialising in accommodation (6 hotels); and

Group 2 – small hotel group of motel type hotels (7 hotels).

Category 26:

Based upon information from the AHA regarding the responding hotel, the respondent is not typical as it is not located in a township and can be considered to be a “very small hotel”. Using this information SACES has estimated the structure of the population of 87 hotels in Category 26 by assuming hotels within the category are one-third bigger than the responding hotel in terms of employment, income, expenses, capital expenditure and are located in or proximate to local populations.

Survey design

SACES designed the survey following the format used by the ABS in their industry surveys to gather data on employment, income, categories of expenses and capital expenditure. A copy of the survey is at Appendix C.

The AHA|SA circulated to all members information on the survey and the impending Liquor Licencing Review and then one week later forwarded the survey by email to all members. Responses to the survey were sent back to the AHA|SA who allocated the responses to the respective category. A period of one month, with two reminder letters, was provided for surveys to be returned.

2. Review of Public Data

To understand the economic contribution made by South Australia's hotel industry it is first necessary to determine reliable estimates for key industry data in relation to:

- the current number of hotels and their operations;
- change in hotel numbers over time;
- employment in licensed gaming venues;
- net gaming revenue (NGR); and
- gambling tax transfers to the government.

Some of these measures are easier to obtain than others. For example the number of hotels, NGR and gaming revenue taxes are subject to licensing requirements so the data is readily available. Measures such as employment are more difficult to determine because estimates are obtained from a sample of hotels which is subject to sampling error and variability, such that survey estimates of employment figure may differ from the actual true population value. SACES carried out an extensive review of publicly available hotel industry statistics from various sources to cross check estimates of employment and the economic contribution of hotels in other jurisdictions (and nationally). Apart from verifying key statistics across South Australia's hotel industry, this also provided a background as to what the South Australia's hotel industry "looks like" and provided an established set of key industry estimates against which 2015 survey results can be compared and contrasted.

2.1 Number of hotels across South Australia

Australian Hotels Association – membership base

As a starting point SACES obtained statistics on hotel numbers across South Australia from the AHA's membership base. AHA|SA as at 2015 had 631 hotels able to be allocated to the survey with 280 located in metropolitan Adelaide and 351 situated in non-metropolitan areas. A breakdown of hotels into those with or without EGMs, with or without accommodation and the sale of packaged liquor was used to create the eight categories to survey.

Consumer and Business Services – Liquor licenses

Based on publicly available data on the number of liquor licenses, Consumer and Business Services puts the number of hotels in South Australia at 618 hotels (see Table 2.1) – a close match to the AHA's estimate of 631 for 2015. Based on liquor licence data the number of hotels across South Australia has remained stable over the period from 2004 to 2014. According to the AHA "*most of these losses (i.e. 9 closures from 2004 to 2014) would have been the isolated one pub towns where the pub simply ceased to exist*".

By comparison, over the same period (2004 to 2014) liquor licenses for direct sales that authorise the sale of liquor at any time (via the internet, phone, mail, etc.) and producer licenses which authorise the sale of liquor produced by the licensee experienced rapid growth. In addition to the four licence types shown in Table 2.,1 current liquor licenses include entertainment venues, limited club, residential, restaurant, retail liquor merchant, wholesale liquor merchant, special circumstances and small venues. Numbers for all remaining types of liquor licenses were either stable or experienced a moderate increase.

Table 2.1: Current Liquor Licenses as at 30 June 2014, South Australia

Licence	2004	2009	2014
Hotel	627	630	618
Club	476	413	400
Direct Sales	87	220	415
Producer	757	1,183	1,225
Sub-total	1,947	2,446	2,658
Total*	4,848	5,752	6,062

Note: Includes current and suspended licenses but excludes limited licenses. Total is comprised of the sub-total plus all other liquor licence holders, i.e. entertainment venues, limited clubs, residential, restaurants, retail liquor merchants, small venues, special circumstances, wholesale liquor merchants.

Source: Consumer and Business Services, Government of South Australia.

2.2 Gambling related statistics for South Australia⁴

SACES reviewed gambling related statistics from the Independent Gambling Authority (IGA) Annual Report, 2014/15. Data for gambling related activities for South Australian hotels is presented below cross referenced with gambling statistics from Consumer and Business Services and SACES database of Electronic Gaming Machine Indicators for South Australian Regions (see Appendix A for SACES gambling indicators for South Australia, 1998/99 to 2013/14).

The principal purpose in reviewing the publicly available data was to ensure that the SACES sampling frame, survey returns and the quality of survey returns (closely) matched data held by the IGA, Business and Consumer Services and State Treasury. That is to say, does the sample with some necessary adjustments reflect the population and is this a true reflection of the size, scale and scope of the industry.

The key survey results (with respect to the publicly available data) are:

- the number of hotels with gaming facilities are correct;
- the number of hotels by machine range are correct;
- net gaming revenue in the survey was too high at \$727m when the publicly available data for hotels indicates it was \$633m requiring adjustment;
- accordingly the figure for gambling taxes was high at \$347m when the publicly available data for hotels indicates it was \$255m requiring adjustment; and
- the ratio of the number of gaming staff to gaming machines is in accord with previously established SACES calculations.

Number of hotels by machine range

The number of hotels by distribution of gaming revenue for 2014/15 is as shown in Table 2.2 and was used by SACES to confirm estimates of employment of gaming staff in venues.

Table 2.2: Number of hotels by machine range, South Australia, 2010 to 2015

No. of Machines	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
1 to 10	131	133	131	132	123	120
11 to 20	101	101	101	97	99	98
21 to 30	33	33	33	31	33	35
31 to 40	231	230	229	227	224	219
Total	496	497	494	487	479	472

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Gaming venues by business type

Gaming venues by business type recorded 460 hotels and 70 clubs classified as gaming venues as at 30 June 2015 (Table 2.3). This figure of 460 hotel venues matches SACES survey data.

Table 2.3: Gaming venues by hotels and clubs in South Australia, 2010 to 2015, number and per cent

Venue Type	30 June 2010		30 June 2011		30 June 2012		30 June 2013		30 June 2014		30 June 2015	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Hotels	495	88.2	497	88.6	494	88.7	487	88.7	479	88.7	460	86.79
Clubs	66	11.8	64	11.4	63	11.3	62	11.3	61	11.3	70	13.21
Total	561		561		557		549		540		530	

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Number of clubs by machine range

There were 58 clubs by machine range classified as gaming venues at 30 June 2015 (Table 2.4). This figure is less than the number of clubs recorded by distribution of gaming revenue (N=74). Based upon correspondence with the AHA, the difference is related to changes in the classifications of some hotels where a number of large hotels with gaming are now operated by "not for profits", (although still hotels) and they are now classified under "clubs and community hotels". Analysis of "the clubs" industry is not part of this report.

⁴ Principally sourced from Independent Gambling Authority (IGA) - Annual Report, Volume 2, 2014/15.

Table 2.4: Number of clubs by machine range, South Australia, 2010 to 2015

No. of Machines	30 June 2010	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
1 to 10	16	15	16	15	15	13
11 to 20	19	19	17	17	17	16
21 to 30	7	6	6	7	7	8
31 to 40	24	24	24	23	22	21
Total	66	64	63	62	61	58

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Gaming machines by business type

Gaming machines by business type indicates the number of EGM's in hotels and clubs across South Australia as at 30 June 2015 was 12,377 (10,564 in hotels and 1,813 in clubs, see Table 2.5). This matches the SACES figure for EGM's across South Australian hotels and clubs in 2013/14 of 12,561 EGMs and further confirms our employment data.

Table 2.5: Gaming machines by hotels and clubs in South Australia, 2010 to 2015, number and per cent

Venue Type	30 June 2010		30 June 2011		30 June 2012		30 June 2013		30 June 2014		30 June 2015	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Hotels	11,204	87.9	11,217	88.1	11,195	88.2	11,135	88.3	11,118	88.5	10,564	85.35
Clubs	1,540	12.1	1,509	11.9	1,493	11.8	1,478	11.7	1,443	11.5	1,813	14.65
Total	12,744		12,726		12,688		12,613		12,561		12,377	

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Net gambling revenue

According to the IGA hotels and clubs combined for South Australia had net gambling revenue (NGR) of \$726 million in 2014/15 (\$633m for hotels and \$93m for clubs, see Table 2.6). This matches SACES figure of \$731m in 2013/14 for net gambling revenue in Appendix B and provided information to adjust the NGR from the sample survey.

Table 2.6: Net gambling revenue for hotels and clubs in South Australia, 2009/10 to 2014/15 (\$m) and per cent

	2009/10		2010/11		2011/12		2012/13		2013/14		2014/15	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Hotels	658.012	90.2	672.204	90.1	669.937	90.2	661.836	90.6	664.364	90.8	633.018	87.2
Clubs	71.361	9.8	73.263	9.9	72.851	9.8	68.751	9.4	66.646	9.2	92.890	12.8
Total	729.373		745.467		742.788		730.587		731.010		725.908	

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Distribution of gaming revenue hotels and clubs

According to the IGA there were 546 gaming venues operating across South Australia in 2014/15 located in 472 hotels and 74 clubs (Table 2.7). SACES gambling indicators for South Australia record 540 gaming venues in the state as at 2013/14. The IGA figure for the number of gaming venues classified as hotels (472) closely matches the AHA's current figure for gaming venues classified as hotels of 461 as at 2015.

Table 2.7: Distribution of net gambling revenue (NGR) for hotels and clubs in South Australia, 2014/15, by annual NGR

Annual NGR	Total Number of Venues:	
	Other than Non-Profit Businesses (Hotels)	Non-profit Businesses (Clubs & Community Hotels)
\$0 - \$75,000	64	8
\$75,001 - \$399,000	138	23
\$399,001 - \$945,000	53	8
\$945,001 - 1,500,000	47	8
\$1,500,001 - \$2,500,000	73	10
\$2,500,001 - \$3,500,000	40	14
Above \$3,500,000	57	3
Total Number of Venues	472	74

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

Gaming tax liabilities

According to the IGA hotels and clubs combined for South Australia recorded a gaming tax liability in 2014/15 of \$287 million (\$259m for hotels and \$28m for clubs, see Table 2.8). This matches the SACES figure of \$288m in 2013/14 for gaming tax liability in Appendix B and provided information to adjust the tax liability from the sample survey.

Table 2.8: Gaming tax liability for hotels and clubs in South Australia, 2009/10 to 2014/15 (\$m) and per cent

	2009/10		2010/11		2011/12		2012/13		2013/14		2014/15	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Hotels	261.467	92.5	269.536	92.4	269.011	92.5	265.646	92.9	268.567	93.1	258.606	90.1
Clubs	21.161	7.5	22.54	7.6	21.933	7.5	20.282	7.1	19.665	6.9	28.386	9.9
Total	282.628		291.590		290.944		285.928		288.232		286.992	

Source: Independent Gambling Authority, Annual report 2014/15, Volume 2 - Report of the Liquor and Gambling Commissioner.

3. Survey Data

In this section we report on the research findings to profile the South Australian Hotel Industry. We follow the format of the survey instrument to report on industry employment, income, categories of operating expense and capital expenditure.

3.1 Employment

Table 3.1 records that the South Australian Hotel Industry had total employment of 26,250 as at December 2015. The total number employed represent 3.2 per cent of South Australia's total employment as at December 2015. Approximately 60 per cent of all employees were employed on a casual basis and 40 per cent were permanent full or part-time employees.

Total metropolitan employment was 15,751 persons representing 60 per cent of industry employment; total non-metropolitan employment was 10,500 persons or 40 per cent of industry employment.

Table 3.1: Total number of hotel staff employed, tenure of staff, region, 2015

Staff tenure	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Full-time (permanent)	1,742	1,770	3,512	2,819	347	3,167	6,679
Part-time (permanent)	281	156	436	3,088	116	3,204	3,640
Casual	5,570	7,107	12,677	2,251	1,004	3,255	15,932
Total	7,593	9,032	16,625	8,158	1,467	9,625	26,250

Source: AHA Survey 2015.

Note in Table 3.1 the difference in part-time employment in the two columns labelled metropolitan, which is explained by the fact that the larger hotel/accommodation venues (e.g. The Intercontinental, Crowne Plaza, Mantra etc.) are included in the column "No EGMs, metropolitan".

In Table 3.2 in order to calculate the average employment and category of employment for only hotels (i.e. "the local pub") we have removed employment for the larger accommodation venues. Staff tenure for all respondents by full-time (21.4 per cent), part-time (2.8 per cent) and casual (75.8 per cent) is virtually the same for metropolitan and non-metropolitan hotels.

Table 3.2: Tenure of staff (removed category 10) per cent

Staff tenure	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Full-time (permanent)	22.9	19.6	21.1	22.1	23.7	22.8	21.4
Part-time (permanent)	3.7	1.7	2.6	0.0	7.9	3.4	2.8
Casual	73.4	78.7	76.3	77.9	68.4	73.8	75.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: AHA Survey 2015.

Employment in the larger hotel/accommodation category tends to be full-time or part-time with less reliance on casual employment (Table 3.3). Accordingly, including Category 10 (as in the last column, Table 3.3) increases the share of full-time and part-time permanent employment and reduces the share of casual employment for the industry as a whole.

Table 3.3: Share of employment by tenure (per cent)

Staff tenure	Excludes Category 10 (traditional hotels)	Includes Category 10 (all hotels)
Full-time	21.4	25.4
Part-time	2.8	13.9
Casual	75.8	60.7
Total	100.0	100.0

Source: AHA Survey 2015.

The average employment by hotel venue, again excluding and then including Category 10 is shown at Table 3.4. Metropolitan hotels employ an average of 36.7 persons with the all state average at 33.2. The PricewaterhouseCoopers study of 2009 estimated the average number of employees in South Australian hotels was 33.3 persons.

Table 3.4: Average employment by venue: number of persons

Venue	Excludes Category 10 (traditional hotels)	Includes Category 10 (all hotels)
Metropolitan	36.7	56.2
Non-metropolitan	30.6	29.9
All venue average	33.2	41.6

Source: AHA Survey 2015.

Respondents were asked to provide an approximate allocation of staff to the classification of “gaming and other staff”. The results are shown at Table 3.5 with some 3,048 staff allocated to gaming functions (or 11.6 per cent of all staff). Three quarters of staff allocated to “gaming staff” were employed on a casual basis in metropolitan and non-metropolitan venues.

Table 3.5: Total number of hotel staff employed, type of staff, region, 2015

Staff tenure	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Gaming staff	1,496	1,552	3,048	0	0	0	3,048
Other	6,097	7,480	13,577	8,158	1,467	9,625	23,202
Total	7,593	9,032	16,625	8,158	1,467	9,625	26,250

Source: AHA Survey 2015.

3.2 Income

Respondents allocated all income by source of income including sales of liquor, accommodation, gambling revenue and the sale of meals and food. The results are summarised at Table 3.6. Income from accommodation in the metropolitan area includes the larger accommodation venues most of which are located in Adelaide. The sale of liquor and other beverages on the premises and to take away represented 45.9 per cent of all income, meals and food sales 18.8 per cent, gaming 17.4 per cent and accommodation 13.8 per cent.

Table 3.6: Total income by source for South Australian hotels, metropolitan and non-metropolitan, region, \$m, 2015

Income source	Metropolitan	Non-metropolitan	Total	
			\$m	Per cent
Sale of liquor and other beverages (on premises)	458	228	686	} 45.9
Sale of liquor and other beverages (take away)	444	535	979	
Accommodation	404	95	499	13.8
Net Gaming Revenue (NGR)	502	131	633	17.4
Takings from meals and food sales	408	275	683	18.8
Other gambling (TAB, Keno, etc)	8	9	17	} 4.0
Other	62	68	130	
Total	2,286	1,341	3,627	100.0

Source: AHA Survey 2015, SACES calculations.

Strictly speaking an all industry average of income per venue is not an accurate reflection of the status and performance of each venue (because for example it includes and is the average of major metropolitan accommodation venues and small, local non-metropolitan hotels) but for the purpose of general information it can be calculated from Table 3.6 that:

- metropolitan venues accounted for 64.7 per cent of income, non-metropolitan 35.3 per cent;
- an industry “average” for a metropolitan venue ($\div 280$) was \$8.41m; an “average” for a non-metropolitan venue ($\div 351$) was \$3.65m; all venue industry average was \$5.7m.

3.3 Expenses: wages and allowances

South Australian hotels paid \$958 million in wages and allowances to hotel staff in the financial year ended 30 June 2015 (Table 3.7). The split of total wages and allowances between metropolitan and non-metropolitan hotels was \$602m (63 per cent) and \$356m (37 per cent) respectively which essentially reflects the 60/40 metropolitan and non-metropolitan employment split

Table 3.7: Total wages and allowances paid to hotel staff, region, \$m, 2015

Region	EGMs	No EGMs	Total
Metropolitan	292	310	602
Non-metropolitan	339	17	356
South Australia	631	327	958

Source: AHA Survey 2015.

3.3.1 Purchases

South Australian hotels purchased \$1.227 billion worth of liquor, beverages, food stuffs used to prepare meals and “other” intermediate inputs in the financial year ended 30 June 2015. Liquor and beverages accounted for \$963m (79 per cent) of purchases for South Australian hotels followed by foodstuffs used in food preparation, accounting for \$240m (20 per cent). For hotels without EGMs food stuffs used in preparing meals was more important (as a proportion of all input purchases) for metropolitan hotels compared with non-metropolitan hotels which again reflects the fact that large accommodation providers are located in the metropolitan area.

Purchases predominantly come from local, in-the-state suppliers and this is significant in the calculation of indirect production and employment impacts that flow from the hotel industry.

Table 3.8: Purchases of intermediate inputs from other businesses, type of input, region, \$m, 2015

Input	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Liquor and beverages	406	481	887	75	1	76	963
Foodstuffs used to prepare meals	84	93	177	61	3	64	240
Other	6	14	20	4	0	4	24
Total	496	588	1,084	139	4	143	1,227

Source: AHA Survey 2015.

3.3.2 Overheads

South Australian hotels paid \$710 million in overhead related expenses for the financial year ending 30 June 2015, (e.g. electricity, gas, water and waste services, financial and insurance services, other services, etc.).

The larger metropolitan accommodation venues reported the highest overhead costs because they essentially operate 24/7, they are more engaged in marketing/advertising and maintenance of accommodation facilities. They also host large events/conferences as part of the service offering of these hotels.

South Australian hotels reported sponsorship to local sporting clubs, organisations, charities, community events, etc. in the financial year ending June 2015 to the value of \$9 million.

Table 3.9: Overheads, region, \$m, 2015

Overhead	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Repair and maintenance	15	13	28	18	2	20	48
Rent, leasing and hiring	91	43	134	13	6	19	153
Advertising, marketing and promotion	39	16	55	27	1	28	83
Sponsorship	4	4	8	1	0	1	9
Electricity, gas and water	28	31	59	33	5	38	97
Payments to employment agencies for staff	1	0	1	0	0	0	1
Other contract, subcontract and commission expenses	7	9	16	11	1	12	28
Insurance premiums	6	7	13	5	1	6	19
Interest	11	26	37	1	1	2	39
Other	86	44	130	100	2	102	232
Total	288	193	481	210	19	229	710

Source: AHA Survey 2015.

3.3.3 Tax revenue

South Australian hotels reported tax, levy, rates and fees payments of \$445 million for the financial year ending 30 June 2015. Gaming machine and other gambling taxes were reported as \$307 million which is 69 per cent of the total payments.

The estimated amount of gaming taxes paid by hotels shown in Table 3.9 at \$307m is above the actual amount paid as recorded by the IGA and C&BS data at \$258m in 2014/15. For reporting purposes the difference is not material although we have used the publicly available figure of \$258m as an input into the I-O table calculations. The reported difference is due to the small number of surveys returned from smaller non-metropolitan venues where SACES was then required to estimate NGR. Some of the difference may also be due "other gambling" including Keno. The actual figure of \$258m is the quoted figure.

Table 3.9: Tax, levy, rates and fees, region, \$m, 2015

Tax transfer (government)	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Payroll tax	13	15	28	14	0.1	14.1	42.1
WorkCover Levy (State)	8	9	17	10	0.5	10.5	27.5
Other state government taxes	10	4	14	20	0.2	20.2	34.2
Rates (Local)	10	10	20	11	0.7	11.7	31.7
Gaming machine and other gambling	252	55	307	0	0	0	307.0
Liquor licensing fees	1	2	3	0.03	0.1	0.13	3.13
Total	294	95	389	55.03	1.6	56.63	445.63

Source: AHA Survey 2015.

3.3.4 Capital expenditure and profits

South Australian hotels reported \$664m in capital expenditure over the past five years for fit-out of hotels, building extensions, renovations etc. (Table 3.10). Total capital expenditure reported by metropolitan hotels with or without EGMs was \$503m (76 per cent) and non-metropolitan hotels with or without EGMs of \$161m (24 per cent) respectively.

South Australian hotels returned \$288m in profits for the financial year ending 30 June 2015. The split between metropolitan and non-metropolitan hotels was \$204m (71 per cent) and \$84m (29 per cent) respectively.

Table 3.10: Capital expenditure and profits, region, \$m, 2015

Item	EGMs			No EGMs			South Australia
	Metropolitan	Non-metropolitan	Total	Metropolitan	Non-metropolitan	Total	
Capital expenditure	320	157	477	183	4	187	664
Profits	88	11	99	116	73	189	288

Source: AHA Survey 2015.

4. Broader Economic Impact of the Hotel Sector

4.1 Approach

Earlier in the report the direct economic impacts of the hotels sector in terms of employment and value added (i.e. Gross State Product) generated were identified. The economic impact of the hotel sector goes beyond these direct impacts and includes the second order flow on impacts that arise from the spending of wages and profits on local goods and services in South Australia.

The gross impacts of an industry can be estimated using a technique called input output analysis which describes the linkages between sectors of the economy based on their patterns of purchase and supply, and estimates the extent to which any value added remains in the state through being captured in local incomes or taxes. Details of the technique including limitations that need to be taken into account when interpreting the results are provided in Appendix A.

As the hotel sector as defined for this study does not line up exactly with the industry sectors adopted in the input output tables, the hotel sector was built into the 'South Australia' Input Output table developed for the Department of Premier and Cabinet (Ripin and Morison, 2013) as a separate industry sector. Information on revenue, expenditure and employment derived from the survey together with data from other data sources, particularly administrative data in respect of gambling expenditure and taxation revenue and the existing South Australian input-output tables, was used to construct the customised hotel sector. Further details regarding this process including assumptions are provided in Appendix A.

The estimates presented in this section differ from those presented elsewhere in the report as a number of modifications were made in developing the customised hotel sector to maximise compatibility with Australian Bureau of Statistics (ABS) input output table conventions. The most significant of these relate to the treatment of tax paid in respect of electronic gaming machines (EGMs). Under ABS conventions, gambling taxes are ultimately paid by households (i.e. gamblers) and are consequently allocated to the households sector rather than the industry sector that collects such revenue (e.g. hotels and clubs, casinos etc.). Thus direct taxation paid by the hotels sector reported in this section of the report will be lower compared to those reported elsewhere in the report.

It is important to note that the broader economic impacts estimated below are only an approximation of the economic impact of the hotel sector. The information derived from the survey is ultimately subject to potential reporting and survey error, while a number of assumptions also had to be made in the absence of required or finer level industry data.

4.2 Results of the economic analysis

The estimated total economic impacts associated with the activities of the hotel sector's operations in South Australia in 2014/15 are summarised in Table 4.1.

Looking first at the direct impacts of the hotel sector on the South Australian economy in 2014/15, the sector directly generated \$1,468 in Gross State Product (GSP) and directly employed 16,465 people on a full-time equivalent basis. GSP represents the total market value of all goods and services produced in the state. It is a measure of the value added created by the economy or an industry, being the difference between output and intermediate consumption of goods and services. In contrast, output includes intermediate consumption and thus represents a measure of gross output. More specifically, GSP is composed of household income, gross operating surplus and gross mixed income, and taxes less subsidies on products and production.

Taking into account the downstream production activity generated within the South Australian economy by the hotel sector's operations, then the "production impacts" of the sector are estimated to be \$2,588 million in GSP and 23,515 full-time equivalent jobs. If the additional activity generated by household spending is taken into account, then the "total impact" of the hotels sector are estimated to be \$4,025 million in GSP and 33,120 full-time equivalent jobs.

Table 4.1: Estimated Impacts of the Hotel Sector on the South Australian Economy, 2014/15

	Direct Impact	Production Impact (including direct impact)	Total Impact (Production and Consumption)
Output (\$ million)	3,369	6,011	8,707
Gross State Product (\$ million)	1,468	2,588	4,025
Employment (Persons)	26,251	33,266	43,852
Employment (FTEs) ^a	16,465	23,515	33,120

There may be an interest in considering a breakdown of the GSP generated by the hotel sector's economic activities. Table 4.2 shows that the total impacts of the hotel sector's activities in 2015 are \$2,271 million in household income, \$1,495 million in gross operating surplus and gross mixed income, and \$259 million in taxes less subsidies on products and production.

Inspection of the results indicates that the hotels sector paid \$135 million in direct taxes less subsidies in 2014/15 (i.e. payroll, WorkCover levy, local government rates etc.). As noted previously, the direct tax impact does not include tax paid in respect by EGM gambling as this tax is assumed to be paid by the household sector, which is consistent with the approach adopted by the ABS. Nonetheless, it is interesting to consider the EGM taxation revenue collected by the hotels sector as it represents a small but significant component of state taxation revenue. Data from the Independent Gambling Authority (2015) indicates that the total gaming tax liability for hotels in 2014/15 was \$258.6 million. This amount is equivalent to 5.9 per cent of total South Australian state government taxation revenue for 2014/15.⁵

Table 4.2: Disaggregation of Gross State Product Impacts (\$m), 2014/15

	Direct Impact	Production Impact (including direct impact)	Total Impact (Production and Consumption)
Household income ^(a)	958	1,539	2,271
Gross operating surplus & mixed income	375	851	1,495
Taxes less subsidies on products and production	135	198	259
Total Gross State Product	1,468	2,588	4,025

Note: (a) Includes superannuation payments.

⁵ Based on taxation revenue estimated result of \$4,394 million reported in Government of South Australia (2015).

5. Broader Community Contributions

Hotels are valued for more than their contribution to economic welfare as is generally appreciated. The heritage value of hotels is well documented in Australian literature, in the travel documentary, places to visit, in photo albums and in many other ways. They are known to reflect the climate and the character (indeed the local characters!) of a small town, an outback town, a local council area. They are mostly small businesses with “local roots” and linked to local suppliers.

For both commercial and civic reasons hotels provide a number of additional benefits to the broader community, including:⁶

- trivia nights;
- entertainment – e.g. subscription television services, pool and billiard tables, entertainment venues, conference/meeting facilities;
- community meetings;
- sponsorship – e.g. sporting teams, community groups, health and social services organisations, education organisations, emergency services organisations, religious organisations, other groups;
- skills training – i.e. formal and informal staff training;
- input purchases from local suppliers; and
- other – e.g. procurement of security services, payment of taxes to local/state/federal governments.

A Census of licensed venues across the greater Adelaide area⁷ captured the total number of live music performances in venues during the month of May in 2015 (see Table 5.1). Several of the key findings from the census:

- there were 962 music gigs presented across 157 venues;
- hotels hosted 663 gigs across 97 venues; and
- hotels accounted for 62 per cent of gigs and 69 per cent of venues for live music performances during that month.

Table 5.1: Gigs by licence type across greater Adelaide, May 2015

Licence type	Venues		Gigs	
	Number	Per cent	Number	Per cent
Club	8	5.1	39	4.1
Entertainment Venue	3	1.9	17	1.8
Hotel	97	61.8	663	68.9
Limited Club	4	2.5	11	1.1
Producer	3	1.9	7	0.7
Restaurant	6	3.8	17	1.8
Small Venue	1	0.6	3	0.3
Special Circumstances	35	22.3	205	21.3
Total	157	100.0	962	100.0

Source: Adelaide Live Music Census 2015.

Other studies highlight not simply the economic value of hotels or the music industry but the social, cultural and community value of hotels. The provision of live music in metropolitan and non-metropolitan venues (at 6.8 gigs per venue for May 2015) is consistent with findings of earlier studies that “35 per cent of hotel venues in South Australia indicated they hosted 4.1 live music nights per month”. It is general knowledge across the South Australian community that specific hotels are the “home of live music” hosting, domestic, interstate and international artists.

In this study we have not had the time nor resources to quantify in economic terms the value **to the music industry** of hotels. There is an economic value in terms of employment of musicians, income generated for musicians and taxes paid. Notwithstanding, it is important to note that 69 per cent of gigs by licence type were hosted by hotel venues in May 2015.

Note: The Music SA census identified an additional 11 recognised hotels trading as Special Circumstances Licences. The Music SA census subsequently found that a total of 108 Hotels (68.7% of all venues) hosted 796 gigs (79.9% of all gigs) in the month of May 2015.

⁶ “Australian hotels, more than just a drink and a flutter”, PricewaterhouseCoopers (2009).

⁷ Adelaide Live Music Census 2015.

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Appendix A

Input Output Analysis

Methodology

An input-output table describes the linkages between sectors of the economy based on their patterns of purchase and supply. For each of the sectors in the economy (e.g. accommodation, cafes and restaurants; food and beverages manufacturing) it details the inputs the sector uses (to produce output in the case of producing sectors; for consumption in the case of “consumer” sectors), which sectors it sells its output to, and payments to labour, capital and taxation.

The intuition of the input-output approach is best illustrated by example. Suppose the SA Government spends \$1 million on a construction project contracted out to a private firm. That construction firm then uses the \$1 million to purchase inputs from “primary” and “intermediate” suppliers. “Primary” suppliers are employees, providers of capital, indirect taxation, and “imports” from suppliers of goods and services located outside of South Australia (whether in the rest of Australia or overseas). Primary income payments are therefore labour compensation (wages and superannuation), profits to owners of capital, indirect taxes (net of subsidies) paid to governments, and imports from interstate and overseas. The construction firm will also purchase inputs (e.g. raw materials, engineering and architectural services, fuel etc.) from intermediate suppliers located in South Australia. Payments to those intermediate suppliers then flow to their own primary incomes and intermediate suppliers. And this process carries on repeatedly, with ultimately all of the payments flowing to primary incomes. The input-output table lets us trace through, and aggregate, this chain of impacts.

For the brief analysis presented in this report, the impacts were modelled using the detailed (78 industry sector) ‘South Australia’ Input Output table developed for the Department of Premier and Cabinet (Rippin and Morison, 2013).

The employment to output ratios in the input-output table were adjusted to allow for increased in actual wage costs by broad sector from 2011/12 to 2014/15. This involved discounting the published multipliers by 9.5 per cent based in the change in the wage price index (total hourly rates of pay excluding bonuses; private and public; all industries) for South Australia over this period.

The customised hotel sector was incorporated into the input-output tables based on financial and employment information collected through the survey. Where possible major expenditure categories were allocated directly to the appropriate sector in the input-output table. However, in a number of instances expenditure categories used in the survey were too broad to allocate directly to specific sectors. As an alternative, these expenditures were allocated to the appropriate intermediate industry sectors on a pro rata basis based on the pattern of expenditures indicated for the ‘food and beverage services’ sector in the existing input output table. Another major limitation was that the survey did not collect any information on the extent of imports in respect of purchases of goods and services. It was consequently assumed that the import propensity for the hotel sector was equivalent to the import propensity for the ‘food and beverage services’ sector (i.e. 13 per cent). Purchases from South Australian suppliers were correspondingly reduced on a pro rata basis for those intermediate industry sectors for which it was considered that than less than 100 per cent of purchases would come from South Australian based suppliers.

The modified South Australian input-output table was then transformed to derive input-output multipliers for expenditures in South Australia in 2015. The nature of input-output multipliers is described in Box A.1.

The multipliers were then combined with the gross value of production for the hotel sector to estimate the direct and indirect gross impacts of the hotel sector’s operations in terms of the employment and gross state product created.

Box A.1 Input-output multipliers

An increase in the output of one industry will (at least in gross terms) lead to increased outputs in other sectors due to the purchases for intermediate inputs to production, and the spending of capital and labour income locally. A multiplier measures the total change across the entire regional economy arising from a unit change in the final demand for the output of an industry (the initial “shock” to the model). Multipliers can be calculated for a range of economic variables, such as individual and business income, gross value added, and employment, according to one’s interest.

In some cases the interest in the model results will be restricted to Type I impacts, also known as the production impact. This is the impact of the initial expenditure traced through the chain of intermediate good usage for the relevant industry sectors. However, no allowance is made for the expenditure of primary incomes (e.g. increases in local wage and capital income arising from the change in production). The total impact of an output change is derived from the production and consumption impacts. The consumption impact arises when primary factors – e.g. households in receipt of wage income – spend the incomes that they receive.

Limitations of the approach

There are some important limitations associated with input-output models that should be considered when interpreting the results of the input-output analysis.

Most importantly, the results of input-output models represent the **gross** impacts in the absence of capacity constraints. In reality, except in economic downturns where there is substantial unused labour and capital, anything that boosts one form of economic activity is likely to increase wages and returns to capital to attract the additional resources it needs, this in turn leads to reduced economic activity in other sectors or regions. At the national level, the net impact of any new project on employment is likely to only be a small fraction of the gross impact when the national economy is close to full employment, with the benefits coming through increased wages and increased returns to capital. At the regional level, net impacts can be much closer to gross impacts as labour and capital can be drawn in from surrounding regions, and there can be existing unemployed labour and capital.

Secondly, in the absence of a better alternative, the South Australian input-output tables are based on data that would only approximate the actual pattern of linkages between industries in the South Australian economy. The South Australian input-output table is derived in part from national data, which itself is derived from a variety of data sources that would be subject to potential error (e.g. survey error). In addition, the South Australian and even national input-output tables are somewhat dated, with the latest for Australia being for 2012/13. The relative age of the published input-output tables reflects that substantial data resources are required to compile the tables.

Thirdly, an input-output analysis assumes that the industrial structure of the pre-existing regional economy remains unchanged as a result of a new project or expansion of an industry. This will not necessarily be the case as the structure of the regional economy can change to take advantage of the opportunities arising from a new project or expansion of an industry.

Finally, in interpreting the modelling impact on employment it should be noted that the estimates of the model effectively represents an increase in estimated hours worked which has been converted to full-time equivalent positions. In many cases the modelled impact (to the extent that the net impact matches the gross impact) will occur through increases in the hours worked by existing employees rather than the creation of new positions.

Appendix B

Electronic Gaming Machine Indicators for South Australia, 1998/99 to 2013/14

Electronic Gaming Machine Indicators for South Australian Regions

Select a region below (click on cell) ← Click on this cell to display gambling information for the selected region.

	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
South Australia																
Gambling Indicator																
Number of venues at 30 June	539	564	587	592	598	593	585	578	569	566	566	561	561	557	549	540
Number of EGMs at 30 June	11,944	12,738	14,096	14,647	14,841	14,799	14,062	12,598	12,581	12,682	12,737	12,744	12,726	12,688	12,613	12,561
Net gambling revenue (\$'000) ^a	442,466	485,988	543,470	606,814	669,076	723,605	749,251	751,032	792,620	758,456	750,653	729,373	745,467	742,768	730,688	731,011
Total tax (\$'000) ^{a, b}	191,271	211,778	189,916	213,071	245,266	283,521	296,285	293,420	313,848	296,037	292,748	282,661	291,590	290,945	285,508	286,232
NGR per adult (\$) ^{a, c}	391	426	474	525	574	615	631	626	653	616	601	576	582	574	559	554
Total tax per adult (\$) ^{a, b, c}	169	186	166	184	210	241	250	245	258	240	235	223	228	225	219	218
Number of EGMs per 1,000 adults at 30 June	11	11	12	13	13	13	12	10	10	10	10	10	10	10	10	9
Average NGR per machine ^{a, d}	38,825	39,380	40,506	42,223	45,360	48,826	51,921	56,341	62,959	60,045	59,062	57,248	58,537	58,455	57,752	56,077

Ranking of Local Government Area/Group¹

Gambling Indicator	Number
Net gambling revenue (2013/14)	0
Average NGR per adult (2013/14) ^b	0
Total tax (2013/14)	0
Average tax per adult (2013/14) ^b	0
Number of EGMs per 1,000 adults (30 June 2014)	0
Average NGR per machine (2013/14)	0

Cumulative totals: 1994/95 to 2013/14

Gambling Indicator	\$'000
Net gambling revenue	12,216,169
Tax	4,732,752

Notes

- ^a Includes net gambling revenue or tax for any venues that operated at any time during the year but were not operating at 30 June.
- ^b State tax rates on EGMs were reduced from the beginning of 2000/01 to offset the introduction of the GST.
- ^c Number of adults refers to an average of the number of adults at the start and end of the financial year (i.e. 30 June). Population estimate for latest period (i.e. 30 June 2014) is a SACES forecast based on average annual growth in total population over the previous 2 year period.
- ^d Number of machines refers to an average of the number of gaming machines at the start and end of the financial year.
- ^e Ranked out of a total of 44 local government areas/groups.

NGR = net gambling revenue

EGM = electronic gaming machine

na = not available (i.e. population by age data was not available to calculate per adult estimate)

To print the above tables and graphs below, press Ctrl + P.

Source: SACES gambling database, weblink: <https://www.adelaide.edu.au/saces/gambling/databases/>

EGM indicators: select graphs for South Australia

Figure 1: Number of Gaming Machines in Selected Region at 30 June

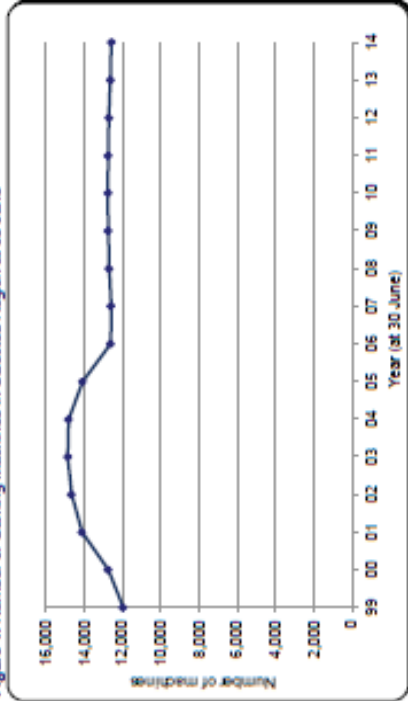


Figure 2: Net Gambling Revenue by Year for Selected Region

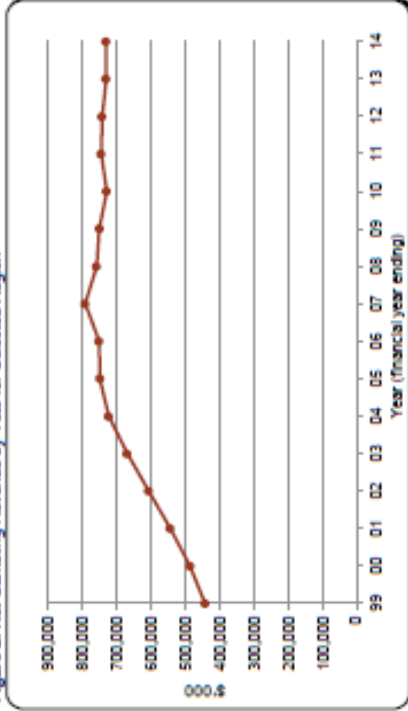


Figure 3: Net Gambling Revenue Per Adult by Year for Selected Region

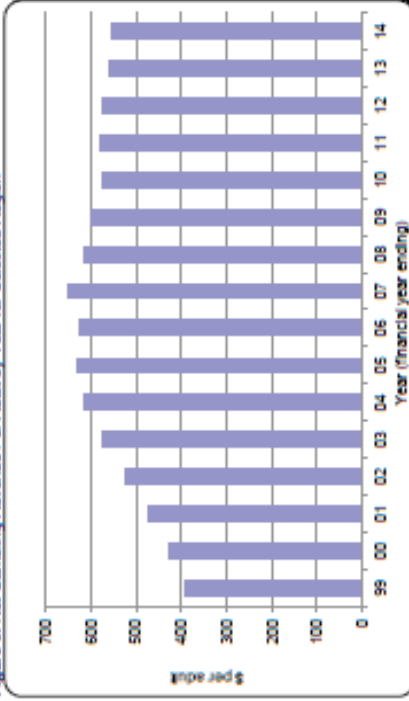
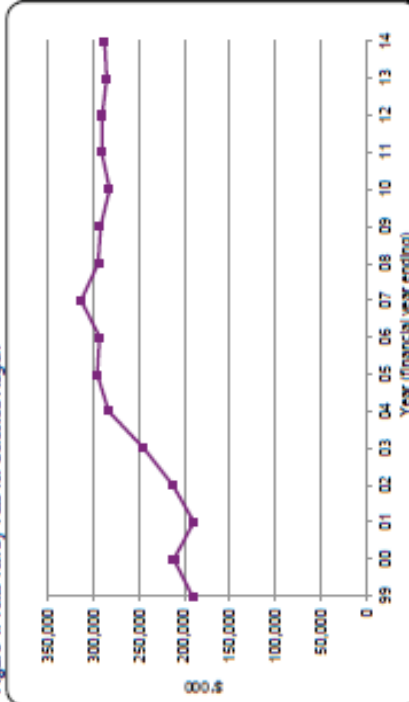


Figure 4: Total Tax by Year for Selected Region*



Appendix C

Survey Instrument

Name of Hotel (optional):

Postcode:

Electronic Gaming Machines ?

Yes

No

Accommodation ?

Yes

No

Employment	Permanent Full-time	Permanent Part-time	Casual
Gaming staff (no.)			
Other (no.)			
Total (no.)			

Income	\$
Sale of liquor and other beverages (on premises)	
Sale of liquor and other beverages (take away)	
Accommodation	
Net Gaming Revenue (NGR)	
Takings from meals and food sales	
Other gambling (TAB, Keno, etc)	
Other	
Total	

Expenses	\$
Labour costs	
Wages and allowances (including superannuation)	
Payroll tax	
WorkCover levy	
Other taxes and fees	
Other state government taxes (land tax, emergency services levy)	
Rates	
Gaming machine and other gambling taxes and levies	
Liquor licensing fees	
Purchases	
Purchases of liquor and other beverages	
Purchases of foodstuffs used in preparing meals	
Other purchases	
Other costs	
Repair and maintenance	
Rent, leasing and hiring	
Advertising, marketing and promotion	
Sponsorship	
Electricity, gas and water	
Payments to employment agencies for staff	
Other contract, subcontract and commission expenses	
Insurance premiums	
Interest	
Other	
Total	

Capital expenditure	\$
Total capital expenditure over the past five years (e.g. fit-out of areas, building extensions etc.)	