



# Pokie plunge as smoking ban bites

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THE ban on indoor smoking is ripping tens of millions from the pub and club industry, and poker machine turnover fell almost 20 per cent in hotels last month.

Figures from the NSW Office of Liquor, Gaming and Racing show poker machine turnover fell 19 per cent in hotels and 11 per cent in clubs in March compared with the same month last year, in the worst monthly result since the ban was introduced.

Clubs NSW yesterday warned of catastrophic consequences for the industry from the ban, and also blamed rises in interest rates and petrol prices for the downturn.

The figures show that overall, between July last year, when the smoking ban was fully implemented, and February, poker machine turnover fell 11.4 per cent in hotels and 7.7 per cent in clubs.

Club revenue from pokies fell from \$295 million in March 2007 to \$230 million in March 2008. Total turnover – the amount of money put through the machines – fell from \$3.6 billion in March last year to \$2.9 billion this March.

Clubs believe the unseasonably wet weather last month was a large factor in the fall in patronage, deterring pub- and club-goers who smoke and have to go

outside to light up. But figures fell across the board.

In the Blacktown-Baulkham Hills area, gambling machine turnover fell from \$164 million to \$139 million, or 15.2 per cent, between July and March; in inner Sydney, turnover fell from \$132 million to \$99 million (25 per cent); and in outer western Sydney, turnover fell from \$145 million to \$121 million (16.6 per cent).

“I don’t think people realise just how tough clubs are travelling,” said a Clubs NSW spokesman, Jeremy Bath.

“Parramatta Leagues, for example, is a well-managed club ... and yet even they will declare a multi-million-dollar loss this year. That hasn’t happened [at the club] in more than 30 years.

“The storm clouds predicted three years ago by the industry have well and truly arrived.”

The chief executive of Clubs NSW, David Costello, said: “Twelve months ago the industry would never have expected a result like we experienced in March.

“When you look at Queensland and the ACT, nine months into their indoor ban and gaming losses were beginning to plateau.

“There is growing evidence that the continuing drop in revenue is

not related just to the indoor bans. With petrol prices up substantially this year and several more interest rate increases announced, households are clearly reducing how much they gamble.” Some clubs would not survive, he said.

The chief executive of the Australian Hotels Association, Sally Fielke, confirmed a drop in gambling revenue but said some venues had reported a rise in food sales since the smoking ban.

“Gaming is part of raft of services hotels provide,” she said.

Clubs have also reported a 16 per cent drop in employment in the past four years.

The downturn comes despite criticism of government regulations that allow smoking in areas where just 25 per cent of the area is outdoors. The Government has also allowed hotels to place poker machines in outdoor smoking areas.

The Minister Assisting the Minister for Health (Cancer), Verity Firth, said clubs and pubs should regard the smoking ban as an opportunity to provide other services to patrons to encourage them to attend.

“Government had to act to ensure the personal choices of some do not harm the health of others,” Ms Firth said.



“The smoking ban can actually provide opportunities for venues to find innovative ways to attract new patrons – and potentially more patrons – who would prefer a smoke-free environment.”

The chief executive of the gambling machine producer

Aristocrat, Paul Oneile, told the company’s annual meeting yesterday that sales of machines had fallen 12 per cent following the smoking bans in NSW, Victoria and South Australia.

Instead of buying new poker machines in the past year, pubs

and clubs had been spending money on new outdoor areas, Mr Oneile said. The company had become less reliant on sales of poker machines in Australia.

with **Vanda Carson**



Clubs	March 2007	March 2008
Turnover	<b>3.596b</b>	<b>2.901b</b>
Revenue	<b>294m</b>	<b>230m</b>

Blacktown-Baulkham Hills	↓ <b>15.2%</b>
Inner Sydney	↓ <b>25.1%</b>
Outer western Sydney	↓ <b>16.6%</b>
Hotels (state)	↓ <b>19.6%</b>