

www.leaguehq.com.au

Souths drop \$300,000 ahead of no-pokies poll

Roy Masters | May 28, 2008

SOUTH Sydney will persist with plans for a poker machine-free licensed club, despite the collapse of an agreement with the football club that would have seen co-owners Peter Holmes a Court and Russell Crowe contribute \$300,000 annually to create a no-gaming environment.

The leagues club's 60 machines have not been sold, with its president, Bill Alexiou-Hucker, revealing there had been pressure from the football club to sell the operating licences in order to raise revenue. Souths' parlous financial state has seen many cost-cutting initiatives at Redfern, with NRL chief executive David Gallop confirming he told a couple of league heavies recently: "Peter is becoming increasingly disillusioned and Russell is not willing to pour increasing amounts of money in."

Despite the bottom-of-the-ladder club facing accumulated losses of \$6 million, Alexiou-Hucker insists the groundswell from Holmes a Court's musings over a poker machine-free club culture made it mandatory to put the proposition to members at the AGM next month.

"Members will have the opportunity to vote on this, hopefully in early July," Alexiou-Hucker said of the licensed club, which was expected to open in March.

As part of an 11,000-square-metre project co-owned by Holmes a Court/Crowe and developer Trivest Pty Ltd, the licensed club will occupy a 1500 sq m first-floor premises.

"There has been so much interest and momentum since Peter's initial sentiment about no poker machines, we will put it to the members, along with a business plan," Alexiou-Hucker said.

Alexiou-Hucker said Holmes a Court also sought a "no sign-in" entry regime to the Redfern club and this was the principal reason a joint-venture arrangement between the licensed club and football club collapsed.

"The football club said that if they were to be party to the deal, as a carrot they would provide an annual fee of \$300,000 to be part of the leagues club," he said.

However, the length of time required to make legislative changes to permit an open-entry club proved insurmountable.

"Both boards reached a memorandum of understanding and even met with Premier Morris Iemma, with March 31 set as the date for the necessary legislation to be started," Alexiou-Hucker said. "If it went past that date, all bets were off. They said they would prefer to focus on the football club, rather than the joint-venture model."

South Sydney's 60 machines, kept in storage while the premises are constructed, do not attract the central monitoring fee payable to the TAB, nor require maintenance costs, thereby contributing to savings. Each machine does have a monetary entitlement that can be sold, admittedly in a falling market as NSW clubs continue to buckle in response to an increase in the tax on poker-machine

revenue.

"Our entitlements are worth around \$15,000 each but there is a surplus of poker-machine licences out there as clubs go broke and look for mergers," Alexiou-Hucker said. "There was pressure from the football club to get rid of the entitlements."

St George Leagues Club general manager Danny Robinson said April results reflected the tax's savage impact. "Our operating profit for the month was \$1.2 million and the Government took \$1.1m, leaving us with \$100,000," he said. "Out of the \$100,000, we pay community support monies which are required by government, plus the expenses of running Jubilee Oval and running the football club. This tax is ripping the heart out of the place."

Copyright © 2008. League HQ