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## **Pub and bar owners fear Ontario smoking ban**

**TORONTO** -- Ontario legislation that will ban smoking and outlaw designated smoking rooms in hospitality establishments couldn't come at a worse time. Pubs, bars and nightclubs in the province are reeling from four consecutive years of falling sales, with revenues down more than 20% for the average operator in the first quarter of 2004 compared to the same period in 2000.

In addition, Ontario's tourism and hospitality industry continues to struggle in the wake of 9/11, SARS and the rising Canadian dollar. The number of international visitors to the province is down by 2.2 million -- or 28.6% -- in the third quarter of 2004 compared to the same period in 2000.

"We all want to see an end to smoking, but until that happens bar and pub owners need the reasonable and responsible option of designated smoking rooms. DSRs protect non-smokers and employees from second-hand smoke while allowing owners to deal with a business reality," says Douglas Needham, President of the Canadian Restaurant and Foodservices Association (CRFA).

Smoking bans have the greatest impact on adult-oriented establishments such as pubs, bars, taverns, nightclubs and legions, according to research by the CRFA. A recent survey in New Brunswick found that sales plummeted by an average of 24% in the first month of an Oct. 1, 2004 provincial smoking ban, compared to a year earlier, for 71% of liquor-licensed establishments.

"Smoking in dining rooms isn't the issue," says Terry Mundell, President of the Ontario Restaurant, Hotel and Motel Association (ORHMA). "Most of our members have voluntarily gone smoke-free in their eating areas. But the bar business still has a high proportion of customers who smoke. Asking these operations to go cold turkey will have a devastating impact on these small businesses."

More than 700 businesses in Ontario -- primarily independent, adult-oriented hospitality establishments such as pubs, bars and nightclubs -- have built designated smoking rooms (DSRs), which are currently allowed under many municipal bylaws. The cost of installing a DSR ranges from \$15,000 to \$300,000.

“These small business owners invested in DSRs in good faith to comply with one level of government. Now they are being told by another level of government that their investment is worthless,” says Needham. “They deserve a reasonable time period to recoup their investment.”

The ORHMA and CRFA are urging the Ontario government to take a serious look at the British Columbia model for its smoking legislation, and to address the issue of the substantial investment by Ontario businesses in DSRs.

Provincial regulations in British Columbia, developed by the Workers’ Compensation Board in cooperation with the hospitality industry, allow for designated smoking rooms with strict air-flow requirements and employee exposure limits. As a result of this regulation, 92% of hospitality establishments went smoke-free, and only a small minority of adult-oriented establishments chose to make the investment in a DSR.

The hospitality industry in Ontario is a \$21-billion business employing 491,000 people. It is made up of 25,000 establishments of which 60% are small independent businesses.

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**CONTACT:**

To arrange an interview with Douglas Needham, Terry Mundell or hospitality operators contact:

Jill Holroyd at (416) 923-8416, ext. 4217 or (416) 738-7134  
Ron Reaman at (416) 964-6444 or (416) 893-1267