

RE: THE CALLINAN REVIEW.

Our submission is regarding the damage that the periodic licence fees (PLF) and no takeaway after 10pm are having on the small country and regional hotels in NSW.

The complete lack of understanding by OLGR staff of the financial pressure that small country hotels are under and the vast deference between a hotel in George Street, Sydney and Capertee NSW. The failure of OLGR staff to operate in an open and forthright manner, imposing short and strict time lines for applications in relation to PLF with massive financial penalties for failing to pay on time and then failing to get the necessary paperwork out on time.

The fact that we only use the ability to trade after 12pm occasionally but it is still a valuable asset to the business that will allow further development to our small business allowing it to grow to a size that is sustainable and profitable. We have no compliance issues and rarely get a visit from the local police as they always have more important work. Under the current system it is probably costing us \$2750 per visit from the local police when they get a chance because they know we fulfil our obligations to the community.

We are a small regional/country hotel some 200km from Sydney on the Castlereagh highway at Capertee between Lithgow and Mudgee. The closest regional centre in Lithgow with a population of some 11,000 people is some 45.8km to the south of us and Mudgee is some 81.6km north. Bathurst is about 76.9km west of us and this is where we buy most of our stock from. The closest small town is Portland and it has a population of about 2300 people and is 29.1km from us.

There has been a hotel on this site since the 1840's when it was used as a Cob & Co staging point. The current building is a combination of construction of ground floor 1880's and the upper level was added in 1930's and we are a historically listed building. We are one of only two hotels still standing on the Lithgow - Mudgee road and cater mainly to travellers and tourists. The town was a transport hub having become a railhead in 1880's and this continued through to the 1950's when trucks started to take over the movement of goods and services. Our licence has been the same from the 1880's through to current day allowing us to trade from 5AM until 3AM 7 days a week, this would no doubt have been due to the shift workers that our hotel catered to.

The Capertee Valley is the widest canyon in the world and is surrounded by national parks. The local population is around 70 people. We bought the hotel on the 1st of April 2010 in a poor state of repair and have worked tirelessly to rejuvenate the hotel without destroying its soul or heritage. Due to the lack of travellers during the weekdays and our inability to get good staff we generally close Wednesdays and Thursdays unless we have a group booking this being our weekend. We trade Friday to Tuesday with food available for lunch and dinner those days opening midday during the week and 11am on weekends and closing as we deem financially viable and we have 16 rooms for accommodation. We have no issues with compliance or strikes with OLGR. The average age of our clients would be late 40's to early 50's with a considerable number of families using the hotel.

THE PLF

The imposition of the PLF was handed down by OLGR without any industry consultation or intelligent assessment by OLGR or our political representatives of the consequences and as a result of this it has caused considerable trauma to smaller country hotels including ours. The complete failure by

OLGR staff to understand the difference between a hotel in George Street Sydney or for that matter many large metropolitan hotels turning over upwards of a \$150,000 a week and smaller rural and regional hotels struggling to turn over \$10,000 a week is breathtaking or maybe it is just complete indifference to the many small businesses.

OLGR at first informed us that if we filled out and lodged the waiver application we would not have to pay the new tax until our application had been reviewed and approved or rejected. Thinking that if any common sense was to prevail we and many of the 500 other hotels that applied for the waiver would be granted one, but this position was changed just two weeks prior to the due date and we had to pay the whole amount \$5500 by the due date or have our licence suspended until payment was made. Our waiver application was rejected as was every one of the 500 other hotels unless they submitted to OLGR's demands to reduce their trading hours. There was no waiver policy!

At this time I wrote to the honourable Paul Toole my local member expressing my concern and I quote **(We have just payed \$5500 to Office of Liquor Gaming and Racing to keep our hotel open and trading because if we hadn't my licence would have been suspended which would have destroyed our business and put 10 people out of work. This has caused enormous financial pain to our small business. It has blown a massive hole in our cash flow and we have had to withhold payments to important suppliers to our business in order to pay this new tax. I know this new tax is causing massive problems to small hotels all over the state and especially in country areas because your government will not listen, why?)**

We were told by OLGR that if we filled out and lodged the waiver application we would not have to pay the new tax until our application had been processed and rejected or approved. There have been over 500 waiver applications lodged now. Obviously OLGA has no understanding on running a small business and we wonder if they will even look at the waiver application now that they have the money? This was changed only two weeks before the due date why? Has the minister no understanding of the damage this is causing to small hotels or does he and your government just not care?

After this letter I received what I would call a form letter from the office of Troy Grant, Minister for OLGR which failed to answer any of my questions that were put to him on my and other hoteliers' behalf by Paul Toole.

We have been developing a plan for 24 cabin accommodation development at the rear of the hotel which is currently before Lithgow Council, this would allow the hotel to function far better as a tourism destination and function centre for which the 3am licence would be of great value. We also paid a premium for the hotel when we originally purchased the hotel for the 3am licence. To take this away without any compensation is nothing short of criminal.

My partner whom is the licensee has commented to me on many occasions on how amazed she is about the importance of the hotel to the locals and travellers and I quote here "Women have coffee shops and you boys have the hotel to solve the world issues" although being a remote town both the girls and the boys have the hotel!

We have just been through the OLGA in house review of the PLF again with no industry consultation and yet again we have been faced with a government department that behaves in an arrogant and

underhanded fashion. The new definition of rural/remote hotels is based on a map that makes no sense to me as we fit the 3 other criteria easily.

1 Must not be in or within 5km of a urban centre and locality (UCL) of 1000 or more based on the latest ABS data,

I would assume that the closest urban centre to us is Portland NSW with a population of 2300 in the 2011 ABS data. Some 29.1 KM from us.

2 Must not be within 20km of a UCL of 5000 or more,

The closest town of more than 5000 people is Lithgow with a population of 11000 some 45Km from us.

3 Must not be located in or near the NSW ski fields, as these are more heavily populated during the winter months.

We are not in or near the NSW ski Fields.

Instead of sending letters to all hotels explaining in plain English what is going on, only hotels affected by the "changes" have been notified and that was held up because of some departmental issue. All other hotels have been left in the dark. The time frames for applying for changes was inconceivably short and if it had not been for our AHA rep contacting us we would have been up for a further \$5500 tax bill

On the 1st of March I rang OLGR and after waiting some 20 minutes the call was answered and the person said that they would inform the department handling my question and I would get a call back. This never happened. On the 14th of March I again rang the department and again after a 25 minute wait the call was answered by a person who was unable to give me or email me directly anything that would confirm our situation. The gentleman concerned did say that the letters were only sent out last Wednesday and Thursday the 9th or 10th of March and if we thought we were remote or rural to wait till next week. The new cut off period for an "Occasional Extended Trading Hours condition" application was 12 PM midnight that day, again the only reason we were aware was the AHA rep. We can't afford a further \$5500 for nothing and so are forced in to this ridiculous situation.

10PM TAKEAWAY SALES.

The 10pm cut off for takeaway sales is ridiculous considering most sales are to travellers on the way to camp sites or shift workers on their way home. Is our society so childish that we can't be trusted to buy a bottle of wine or beer after 10pm at night what a nanny state.

CONCLUSION

We need an end to policy on the run by a government departments or elected representatives that have no understanding or consideration for the people whose lives and livelihoods they are bugging up. If it is necessary to have a new tax and I don't think it is, then the tax should be based on ability to pay through say a kegs per year sales data which is easy to calculate and collect. The **risk basis** loading should be based on data from the police and not just the hours of trade and those

hotels that are in regional and remote areas who struggle just to survive, not be subject to this tax unless they have a history of issues of non compliance.

Those individuals that cannot behave in an appropriate manner be taken to task by the legal system and penalised accordingly with no dispensation due to their intoxication! As individuals we make, our own decisions and we alone should be held accountable for the good or poor decisions we make not pass the buck on to others. If your behaviour is inappropriate after consuming liquor then you should not consume it.