



4th April 2016

I am submitting to you my concerns regarding the effects of the "lockout laws", which have impacted negatively on the Observer Hotel's financial viability, together with the integrity of a premier tourist area in a major Australian city.

The Observer hotel is situated in the heart of The Rocks tourist district, of Sydney's CBD. It has been owned and operated by the Doughan family since 1980 and I have been an employee of theirs since 1996, firstly as General Manager and as licensee from 2010. We take great pride in offering a safe, friendly vibrant hotel enjoyed by locals and tourists alike.

The impact of the lockout laws in 2014 was immediate.

1. DECLINE IN PATRONAGE

Please see enclosed graphs. You will clearly see the decline in the number of patrons which is directly linked to the negative financial effects of the lockout laws.

2. REDUCTION IN TRADE

There was an immediate reduction in trade which is evident in the graph enclosed.

This graph clearly indicates that since the introduction of the lockout laws there has been a noticeable increase in the costs of running the hotel, but a decisively decrease in trade and thus income.

3. STAFF

Since the introduction of the laws I have been forced to reduce bar staff from 20 to 10.

Pre lockout staffing Friday 10. Post lockout Friday 5
Pre lockout staff Saturday 13. Post lockout Saturday 7
Pre lockout staff Sunday 7. Post lockout Sunday 4

There has also been an impact on Security staffing.

Pre lockout Friday security 5. Post lockout Friday security 3
Pre lockout Saturday security 7/8. Post lockout Saturday security 3.
Pre lockout Sunday security 3. Post lockout Sunday security 1.

The hotel has on site a supplementary bar, which is also a feature of the hotel and always open during weekends pre lockout laws. Since the implementation of these laws it has remained closed, only opening for large trading days like NYE and Australia Day.

4. LIVE MUSIC

Previously live music was on offer 7 days. However In an attempt to mitigate our losses, due to the decrease in patronage, live music is now only provided on the weekends, compromising the integrity and services offered by this establishment.

Live Music spend 2013 \$152,630
Live Music spend 2014 \$148,240
Live Music spend 2015 \$115,274

5. IMPLICATIONS OF LOCKOUT LAWS ON PATRONS

Since the introduction of the laws there has been an increase in aggravation at the entrance to the venue. Time and time again, both management and Security have had to explain to tourists and locals alike, the reasons why they have been denied entry post 1.30am. Also arguments ensue when a patron tries to re-enter to claim property left behind, after leaving post 1.30am.

6. IMPACT ON THE AREA

It has been my observation that there has been a significant reduction in foot traffic to the area, especially over weekends and weekend nights. I have noticed a number of businesses close in the past two years. Venues like;

Cafés
Newsagents
Restaurants
Clothing stores
Galleries

To date the Observer Hotel has not been involved in any serious alcohol related incidents. Prior to the introduction of the lockout laws the Observer Hotel together with other venues in the area took the initiative to be proactive in dealing with problems in the area. With the strong relationship we have with the local police and our active membership of the City North Liquor Accord we were able to implement the following;

- Designated driver program
- Distribution of free bottles of water to patrons

- Communication between venues via "whats app" telephone app to advise of trouble at other venues

In addition to the above we undertook the following measures prior to the introduction of drink restrictions that form part of the laws;

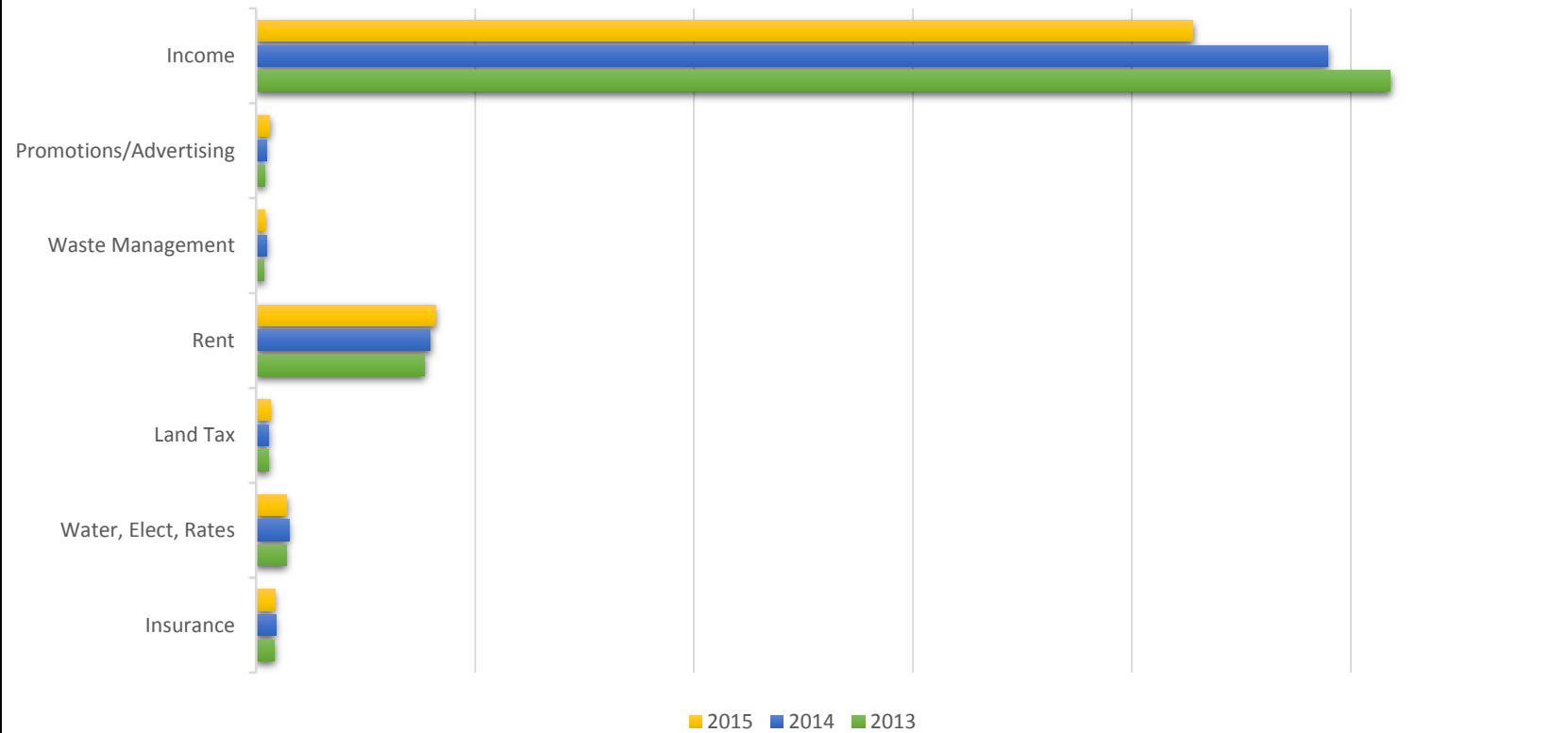
- No shots
- No doubles
- No pre mix drinks above 5%
- No energy drinks

I trust that you will give consideration to my submission and I look forward to hearing from you.

Kind Regards.

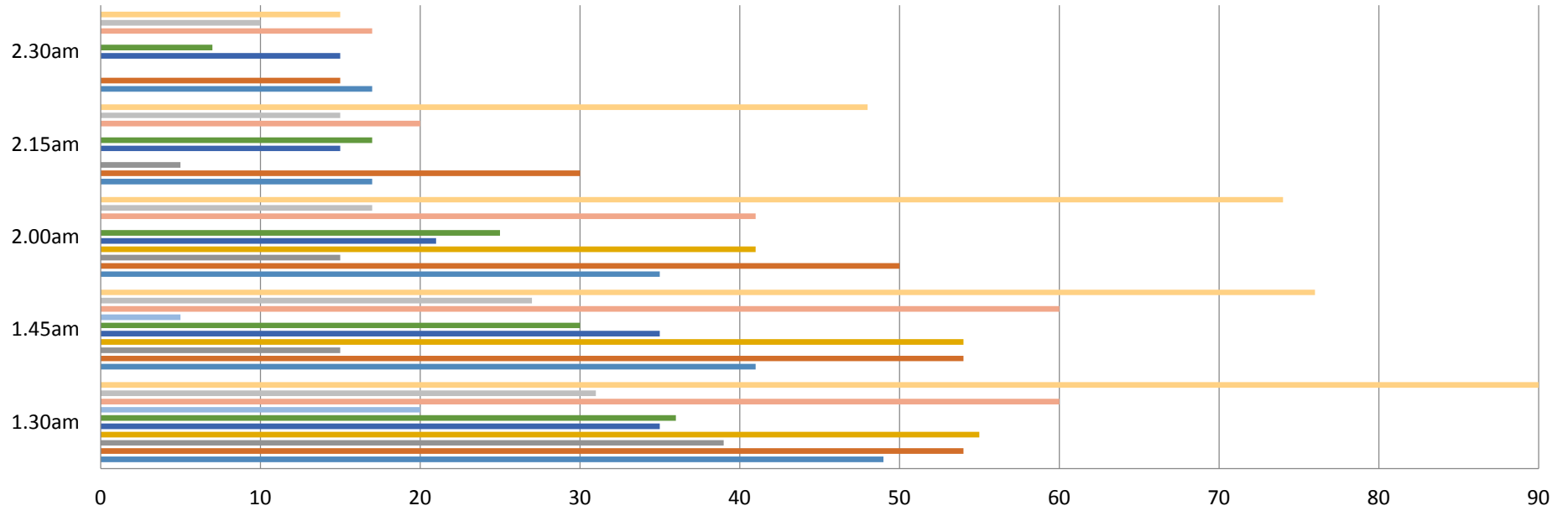
Stephen Swart.
Licensee.
The Observer Hotel

Observer Hotel - Income v's Fixed Costs



Observer Hotel - Number of Patrons Page 2

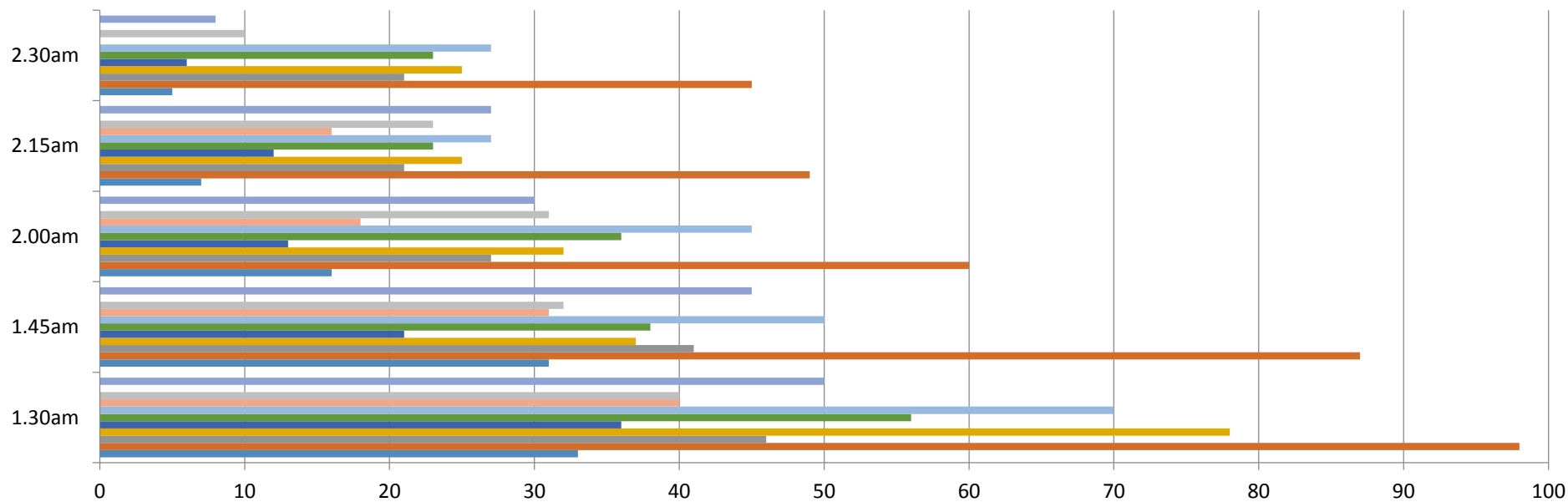
28/06/2014 27/06/2014 21/06/2014 20/06/2014 14/06/2014 13/06/2014 31/05/2014 30/05/2014 24/05/2014 23/05/2014



	1.30am	1.45am	2.00am	2.15am	2.30am
28/06/2014	90	76	74	48	15
27/06/2014	31	27	17	15	10
21/06/2014	60	60	41	20	17
20/06/2014	20	5	0	0	0
14/06/2014	36	30	25	17	7
13/06/2014	35	35	21	15	15
31/05/2014	55	54	41	0	0
30/05/2014	39	15	15	5	0
24/05/2014	54	54	50	30	15
23/05/2014	49	41	35	17	17

OBSERVER HOTEL - NUMBER OF PATRONS PAGE 1

17/05/2014 16/05/2014 10/05/2014 9/05/2014 26/04/2014 19/04/2014 18/04/2014 12/04/2014 11/04/2014 5/04/2014 4/04/2014



	1.30am	1.45am	2.00am	2.15am	2.30am
17/05/2014	50	45	30	27	8
16/05/2014	0	0	0	0	0
10/05/2014	40	32	31	23	10
9/05/2014	40	31	18	16	0
26/04/2014	70	50	45	27	27
19/04/2014	56	38	36	23	23
18/04/2014	36	21	13	12	6
12/04/2014	78	37	32	25	25
11/04/2014	46	41	27	21	21
5/04/2014	98	87	60	49	45
4/04/2014	33	31	16	7	5