



NSW Office of Liquor, Gaming and Racing
Level 6, 323 Castlereagh Street
Haymarket, NSW, 2000

Re: Three Strikes Disciplinary Scheme Review

Dear Sir/Madam

The object of this submission is to express my concerns for the current structure of the Three Strikes Disciplinary Scheme (the "Scheme") set for review in 2016.

As an astute investor in the NSW hotel industry, I am well aware of the mitigating factors when it comes to the valuation of a property. I am also well aware of the fact that the Scheme has prompted banks and financiers to include 'Event of Default' clauses in their loan agreements as a failsafe measure against the acquisition of a strike.

As a landlord, essentially this means my tenant or licensee could incur a number of strikes without my knowledge and effectively reduce the value of my investment to zero. The Scheme also denies me a right to challenge the penalty as the 'defendant' is the individual responsible for the prescribed offence.

While I can see the intention behind the Scheme – to rid the industry of habitual offenders – I believe the punishing of innocent parties has been an unexpected consequence that needs to be amended.

I can also unequivocally see the value of a disincentive for anti-social behaviour and agree with the notion of license conditions for offenders. However, for the purpose of an effective and fair Scheme, the option for suspension and cancellation of the license of a hotel should be removed as the Authority may still take this action under the relevant sections of the Liquor Act.

I would also advocate for the resetting of strikes in the event the property is sold or transferred – so as not to punish an investor who has no control over the operation of the business.

If changes such as these are not made or pursued, investors in the NSW hotel industry will decline rapidly. In my own personal opinion the risk is far too great under the current Scheme.

Kind Regards,

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