
THE GOLDEN SANDS TAVERN

CLURBAT PTY LTD ATF GOLDEN SANDS UNIT TRUST

ABN 12 317 047 043

31 BOWRA STREET, NAMBUCCA HEADS, NSW 2448

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January 4, 2016

To the Office of Liquor, Gaming and Racing NSW,

As an active owner and operator of NSW hotels for over thirty years, I would like to express my concern regarding the current structure of the Three Strikes Disciplinary Scheme. It is in my opinion – formed by personal experience with the Scheme – that the legislation has the capacity to unfairly and unreasonably punish innocent parties that have only ever acted in a responsible manner.

In 1998, my wife and I built the Golden Sands Tavern at Nambucca Heads and sold the lease immediately, never operating the business on that site.

The second leasee of the hotel was an experienced operator who ran the venue for six years in total before selling his remaining lease to a partnership of three. It is worth noting that as the freehold owner I had no grounds to object to this sale and also had no reason to suspect the partnership would be anything other than responsible operators.

Unfortunately, this was not the case and within a few months of taking over the lease they had incurred a strike against the venue.

Upon becoming aware of the strike, I immediately met with the licensee and explicitly outlined his responsibilities and made him aware of the new license conditions – which he was to comply with.

Within three months of this incident, while the Licensee was on leave, the two remaining partners invited several members of the public back to the venue following a function they had attended elsewhere. Police attended the hotel hours after the authorised trading period to find several intoxicated persons, including one member of the leasing partnership.

They were convicted of a number of serious prescribed offences and fined \$4,000. It is also of significant note that I only became aware of these serious breaches by chance and not by OLGR or the police.

After issuing a "Breach of Lease notice" and terminating the lease, my wife and I took over the operation of the venue in March 2014 and have remained there since.

Despite my best efforts, a submission to re-consider the application of a second strike and significant legal fees, the strike was applied some six months after the previous licensee and leasee had been removed from operations. I lodged an appeal instantly but was rejected for a number of reasons including that if I had become more involved with the venue after the first strike was incurred the second strike would never have happened.

Other than standing guard 24 hours a day, how could I have possibly prevented the business operator from re-entering the premises after trading hours?

At the end of all this, a property that would have permitted my wife and I to consider retirement in a few years, has lost 30% of its value – due to the loss of the rent structure, and the two strikes that were applied to the licence – and has tainted our thirty year responsible career in the industry. We have had to operate the business in fear of having the licence cancelled or further conditions imposed – based on circumstances completely out of our control and despite not being responsible for the breaches attracting strikes.

My wife and I have operated ten hotels from Kempsey to Ballina, all of which we have invested heavily in with our main focus always on food and family. We are honest and responsible community-driven operators who have been unfairly punished by a system that let us down.

I am sure that the scheme has most likely encouraged the 'bad operators' to leave the industry, however I am 100% certain that it has also encouraged good ones to leave too.

It is unlikely I will ever lease a hotel to an operator while this system is in place and I actively discourage anyone else from investing in hotels as a passive investment.

I understand why the Scheme was implemented however, it needs a lot of reconsideration to effectively and appropriately penalise the perpetrator without the collateral damage to the innocent property owner.

Yours faithfully,
John Partridge

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