

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into infrastructure projects

Melbourne — 20 September 2017

Members

Mr Bernie Finn — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Mark Gepp

Ms Colleen Hartland

Mr Shaun Leane

Mr Craig Ondarchie

Mr Luke O'Sullivan

Participating members

Mr Greg Barber

Ms Samantha Dunn

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Witnesses

Mr Michel Dubois, Owner, and

Ms Lucie Mulet, Manager, Roule Galette; and

Mr Frank Bazzano, Owner, Alpha Barbers.

The CHAIR — This committee is hearing evidence tonight in relation to the inquiry into infrastructure projects, and the evidence is being recorded. Welcome to the public hearings of the Economy and Infrastructure Committee. All evidence taken at this hearing is protected by parliamentary privilege. Therefore you are protected against any action for what you say here this evening, but if you go outside and repeat the same things, those comments will not be protected by this privilege, so please do not do that.

I ask you to open up with a 5 or 10-minute statement, or even less if you can, and we will go to questions. Over to you, and thank you for coming in. Could I ask you to state your name, suburb and business, or what capacity you are here in, for the record. We will start that way and then go into a statement to begin with.

Mr DUBOIS — My name is Michel Dubois. I am French and Australian. I live in Carnegie, but I have traded in Scott Alley, next to Flinders Lane, for 11 years now, as a small restaurant named Roule Galette.

Ms MULET — Hello. My name is Lucie Mulet. I am the manager of Roule Galette. I live in South Yarra.

Mr BAZZANO — My name is Frank Bazzano. I have got four stores in the city. We are a barbershop, Alpha Barbers. We have recently opened one in Spring Street, so feel free to come in anytime. I live in Ascot Vale.

The CHAIR — Very good. A constituent — welcome. Would you like to make an opening statement, and we will take it from there.

Mr DUBOIS — We have had an experiment in the last four months on what could be the adventure of the 10-year job on the Metro Tunnel. The last four months they have been refurbishing the next building in Scott Alley. In one day they changed nice Scott Alley into a cave with scaffolding everywhere, which blocked every entrance and cut the light, so they needed to install electricity and lighting inside. With very late notice they asked us to close our shop for two days while they installed the scaffolding. A few days ago they asked us to close next weekend to dismount the scaffolding. For us it was a taste of what could happen with the Metro Tunnel, which would be 10 years work.

As for them, we said they needed to refurbish a building, which may previously have been damaged by the work on the Metro Tunnel, because of vibrations. There is a piece of material falling from the building so they needed to do that. As an owner I said, ‘Okay. I understand. You are an owner. You need to refurbish your building. But do you think about the neighbours?’. Do you think, ‘I will ask some people nearby to close their shop for days, or I will reduce their turnover?’ For us it is 20 per cent during four months just because of all they install. They cut our terrace in two. Okay. But we are asking them: ‘What are you doing for us now?’, and we are still waiting for an answer.

I am really happy about the Metro Tunnel project in Victoria. But there are some gems in Melbourne city. One of them — and not a little one; a big gem in the city — is Flinders Lane, with Degraes Street, Centre Place and Scott Alley of course. We are happy about the new project, but what we are asking for is: we need a safe environment. We need all of the Melburnians who come to this place to feel free to come again and to feel safe to come after that. We need it to be attractive.

They are doing a big job. Every Melburnian I know, every human being I know, loves to see how they dig, so they can do something attractive. After that, they need to organise the job to leave Flinders Lane free, because Flinders Lane is one of the jewels of Melbourne. If they transform Flinders Lane into a truck highway during the years of digging and everything, they will kill this gem. So that is what we need and that is what we are asking for.

We have a lot of communication with Metro Tunnel — a lot of letters and a lot of reports. The last one was 160 pages. I cannot read that. But we do not know what they are doing in Scott Alley or how they are thinking to organise the job. Maybe they do not know, but that is what we need to know. Where will the trucks go? We need more information, but technical information, to organise our business. That is the main thing.

Ms MULET — As Michel said, I think we have to work on the attractive part. Even if we have scaffolding again and terrible rocks and everything, we have to play a main role in making Scott Alley and Flinders Lane attractive. We are in the top 10 of the best restaurants in Melbourne in Trip Advisor. We have to take that into account, I think. A lot of customers come to our restaurant, not only from Melbourne, but they also come to our

place because it is one of Melbourne's attractions. Even though we are a tiny restaurant, we are very important in the area, even for residents from around our place.

We still have to be attractive, and we need your support to help us to make attractive things, even with signs in Flinders Lane, because with the works we do not have any signs outside. Even regular customers cannot find our place. I think that is a point to watch. Communication and support would be very nice, and maybe more information about metro as well. You have to help us in that way.

Mr BAZZANO — What disappoints us the most is that we have been in operation since 2008 in Melbourne Central, Hardware Lane and Flinders Lane, and we have never been told by letter, 'By the way, this week you have to close on Saturday'. To get Spring Street up and going, which only took three months, we had to get three permits to get everything in place. I am not going off track here, but you just do not tell a small business, unless it is an emergency, like a water main has burst and you cannot operate, 'You are going to be closed this week'. That puts us all out of whack. We do not take appointments; it is a walk-in business. We lost all that. We could have told some of the staff prior to that, 'Listen, would you like to take some holidays?'.

With the scaffolding there was no way — I do not believe, and we all do not believe, that the scaffolding would have taken a couple of months to get in place, and we still do not know who is responsible. What we asked for was a bit of dialogue. The *ABC News* did a report on this only three weeks ago, to let everyone know what was happening. We asked for signage to be put in so people were aware. The scaffolding looked absolutely terrible. It is coming down on Saturday, so do not take my word; you can go and have a look at it yourselves. They said to me, 'Call up the City of Melbourne'. At the time we called up the City of Melbourne and told them the situation they referred me to somebody else. That was a real disappointment.

Now we have been told by Barry, and I have forgotten his surname. I did have it written down; he is from metro. Like Michel was saying, we are so in favour of this Metro Tunnel. My wife and my little daughter constantly catch the train, and we know how much we need a good rail link; it is important to our business. But just give us a bit of dialogue about what is happening. Next time, if there is going to be scaffolding say, 'Hey, in a month's time this is going to happen. How does that work for you?'. A better relationship, I think, is very important, because for small businesses it is really make or break.

Michel and I have businesses that we want to see there for the next 20 years. We are not trying to say, 'Let's make something up and then we can get out'. We want to be there for a long time. I have put a lot of money into the Flinders Lane shop, because I believe in the area and I believe in the spot. We just hope that going forward we can do something really good so it does not look like it does now. That is all.

The CHAIR — Thank you very much for that. From what you have told us there appears, particularly from what Mr Dubois said, that there is lots of information but it is not necessarily helpful information. Am I right in saying that?

Ms MULET — Yes.

Mr DUBOIS — Yes.

Mr BAZZANO — Yes, correct.

The CHAIR — I am a bit concerned about when you contacted the Melbourne City Council and they passed you on to somebody else.

Mr BAZZANO — Each week we get a letter in regard to what is happening with the scaffolding — not each week, but she will give us a letter with a week's notice. Then when we did ring her and say, 'What about the signage?' so people could know where we are, she said for us to contact the City of Melbourne. So not only have they put up the scaffolding, they want us to contact the City of Melbourne. I have dealt with the City of Melbourne, which is great, but it does not just happen overnight that they are going to put up nice signage for you. It is hard enough dealing with that and then we have got to find our own way to put signage up. That is what was the most disappointing.

The CHAIR — So what you are saying is that they are not giving you — we are talking about the metro rail authority — enough notice?

Mr BAZZANO — Yes. Correct.

The CHAIR — And they are not giving you enough assistance with signage.

Mr BAZZANO — Correct. But the thing that has confused us the most is that the City of Melbourne and Metro Tunnel are saying they have got nothing to do with the scaffolding here; they are saying it has got to do with the body corporate. That is where we are all lost; we do not know who is responsible for what is happening now. They are saying, ‘No, it’s not us; it’s not us’, but it has got to be somebody.

The CHAIR — Yes, somebody is doing it, I am pretty sure.

Mr BAZZANO — Yes.

The CHAIR — Has anybody suggested compensation for your losses? You mentioned you are losing 20 per cent.

Mr BAZZANO — Yes.

The CHAIR — Has any compensation figure been mentioned?

Mr DUBOIS — I asked the Campbell Corporation, the company that is doing the job at 237 Flinders Lane, for compensation. They asked me for three years of financial reports from my accountant, blah, blah, blah. I said, ‘Why do you need that?’ Sometimes when you do not want to answer you ask for big things that are impossible to give just because you do not want to answer. So I met with my accountant and he wrote me a letter. My business is growing, so if I give — what I did last year of course is not the same as what I do this year. So I said ‘Okay, my business is growing. For years and years we see it grow. I can tell you the last month. I will show you my financial report’. So I did that and now — but they want three years. They want I do not know what.

My accountant wrote a letter. Now that is going to a commission; I will know next week. But I asked them, ‘You asked us to close because you set up the scaffolding — two days’. I ask for compensation for that. During four months it was a cave. I have half of my terrace. I can see my forecast, and I can see I do 20 per cent less. I can see what I did a few months before. It was much better. So I asked them, but they asked me for the financial statement for the month. But you know how it is running; it is running by three months, and I do the financial statement for July, August, September and next month I will do that. They asked me for something I cannot give them.

We did a letter with the accountant. Now we are waiting for the answer next week. But next week the scaffolding was out. They leave the site, and if they send me nothing I am like that. It is the same for Alpha Barbers; it is the same for all the other shops. So one shop has decided already to leave because of that and because the Metro Tunnel is coming. There is a florist named Whitemoss, which was here for years; it was before me. I arrived in 2007 in Scott Alley and it was already there, but they are leaving now. So I can answer your question next week if they tell me, ‘Okay, we will do some compensation’.

I am not asking Metro Tunnel for compensation because I am in business; I know they have to buy some land to build their own project — I understand that — so they need to pay. Okay. I am not asking for that. I ask to have a good dialogue and to do well so I can continue my business quietly, safely and do not do something crazy. If they close Flinders Lane it is another thing. If they decide to say, ‘Okay, for five years we need to close Flinders Lane’, because they need to do something — of course. But if they leave Flinders Lane open, we can organise something. I am not asking for something they cannot give me. I am just asking for safety actual activity.

Flinders Lane is very narrow. If they start to create the way, if they dig, they need trucks to take it all out. They want to dig 40 metres. How many trucks? I heard about 400 trucks per day. Someone told me that. Where are they going? If they are going on Flinders Lane, better to close the road because Flinders Lane is narrow. You cannot imagine that. Flinders Lane between Swanston and Elizabeth streets is the heart. It is the gem. Degraes Street, Centre Place — every tourist goes there. Scott Alley, of course we are here. Every tourist goes there, so they need to take a good decision about the trucks and they need to bring safety and actual activity. After that we do the business. It is our job; we do business. Okay?

But we need a good dialogue, we need to know what they want to do, because now we do not know. That is most important.

The CHAIR — Thank you.

Mr BARBER — Is there some person at the rail authority, the project authority — you have got the name of the person, the telephone number that you can call — and are they responsive? Is that how things are now?

Mr BAZZANO — Yes, there is a gentleman named Barry, and every time we have rung he will come across and he will give you a meeting, but we are just not getting the answers.

Mr BARBER — So he returns your calls but does not necessarily solve the problems.

Mr BAZZANO — Yes, exactly. He is a very nice man. He is a good speaker as well. He gives us probably all the information that he knows. But this scaffolding, within a week no-one told us anything.

Mr BARBER — I was in New York where they are doing the subway — it is very similar — and they have got an entire shop set up with all the project plans and two full-time staff. I saw people coming and going from the shop, so you can do it better. If people want to be able to drop in and get information on the spot and get answers to questions, to me that is the standard they should be setting. It is nice that there is someone on the other end of the telephone, but they cannot answer your questions.

Mr LEANE — Frank, you gave me the best shave I have ever had on the day of my daughter's wedding. I do not know if you remember.

Mr BAZZANO — I do now, yes.

Mr LEANE — I would not trust any of these blokes with shaving me.

Mr BAZZANO — It is something that we are very passionate about as a trade.

Mr LEANE — I am not being flippant. I understand your concerns about a big project for 10 years and what that means. I just wanted to clear something up. When you are talking about the scaffolding and the company you mentioned, Michel, that you are dealing with, they are a different organisation to the Melbourne Metro. Are the people who put the scaffolding up being unresponsive. They do not answer to the Melbourne Metro, but they would answer to the Melbourne City Council on by-laws and permits and all that. What was the name of the organisation?

Mr DUBOIS — Campbell Corporate Services.

Mr LEANE — Is that the name of the developer?

Mr BAZZANO — Yes, correct.

Mr DUBOIS — The company who are doing the job.

Mr LEANE — Do you know what the building is going to be? Do you know — are they renovating?

Mr BAZZANO — They are just rendering.

Mr LEANE — So they are rendering the building.

Mr DUBOIS — They are refurbishing 237 Flinders Lane because for four years pieces of wall were falling from the building. I imagine that because of the vibration of the next Metro Tunnel project they decided to refurb the building very well. So they have put scaffolding and for four months they have worked a lot on the building. So it is not directly the Metro Tunnel, but for us it has a taste, because you know —

Mr BAZZANO — Yes.

Mr LEANE — So for you it is a very bad experience.

Mr BAZZANO — Yes.

Mr DUBOIS — Yes, it is a view of what could happen, you know?

Mr LEANE — So it has been a very bad experience with the developer and you are thinking that if the Metro Tunnel works in a similar way for 10 years —

Mr BAZZANO — Exactly.

Mr LEANE — you will have a grave concern.

Mr BAZZANO — We hope it does not, because like we said, we really want to be there for a very long time. We hope it is not, but —

Mr LEANE — I do not understand how a developer can get away with just telling you they are shutting your street with no notice. I do not know how they do that.

Mr BAZZANO — Yes, that is what —

Mr LEANE — And so with the metro authority, you have got someone who has come to make a relationship with you going forward. As you said, they are sending you information. Some of it is a bit of information overload as far as getting 160 pages. It is too much and you are busy cooking, and you are busy shaving people and all that. So the message to Metro Tunnel is that you want concise information that you can digest and the information that you want and that is relevant to you. Is that fair to say?

Mr DUBOIS — Yes.

Mr BAZZANO — Yes, 100 per cent.

Mr LEANE — You do not want to know about everything, but you want to know how it is going to affect you in particular and what can be done to assist you when there might be some disruptive works close by. That is it in a nutshell.

Mr BAZZANO — It is like Port Phillip Arcade know they are going. They have been told that. They know they are going. With us, because we are sort of on the fringe there, we just —

Mr LEANE — Yes, but the thing is you are in a pretty nifty location. As long as you can maintain that it looks good, there is signage to tell people how to get to you, you know that if there is going to be any disruptions relative to you and then in the future, like you said, you want to be there in 20 or 40 years or whatever.

Mr BAZZANO — Exactly.

Mr LEANE — That I can understand.

Mr ONDARCHIE — I understand from both of you the support you are giving to the project: closing when you are asked to close, the power going off, the scaffolding, lack of signage and all that. I understand the support you are giving the project, but what is the project doing to support you?

Mr DUBOIS — Are you speaking about the project over the last four months?

Mr ONDARCHIE — The rail project — the tunnel project. I understand what you are doing to support the project, but what is the project doing to support you?

Mr LEANE — You are getting confused, Craig.

Mr ONDARCHIE — I am not.

Mr LEANE — The metro has not turned their power off.

Mr ONDARCHIE — No, this is part of the preliminary stuff. I get that.

Mr LEANE — No, it is not. It is a different project. It is not even early works. It is completely different project. No, it is an independent developer that is doing work on a building.

Mr ONDARCHIE — Okay. Let me ask a different question. Since this development has occurred, how is business?

Mr DUBOIS — Business was going very well.

Mr ONDARCHIE — Really? With the scaffolding and the power off?

Ms MULET — No, no.

Mr DUBOIS — Oh, no. With the scaffolding of this project for four months it has been terrible.

Mr ONDARCHIE — Yes, how much? What sort of percentage are we talking about?

Mr DUBOIS — We have lost 20 per cent probably of business, plus we have had to close two weekends. The next weekend is the first weekend of the school holidays, and for us it is the busiest weekend of the year. The busiest weekends are the weekends during the school holidays. So we will lose that — okay. We have asked for compensation. We will have an answer next week. They told me that yesterday. Before the scaffolding Scott Alley was fantastic, and I think after the scaffolding it should always be fantastic, because of its location. I spoke about it earlier that this is the gem of Melbourne. We are next to Degraeves Street, Centre Place; it is really the one place in Melbourne where everybody comes. And after that everyone will go to —

Ms MULET — City Square.

Mr DUBOIS — No, not City Square. They will come here, you know. Our concern is: tell us, Scott Alley, no traffic. Good. What about Flinders Lane, because we are wondering what happened with all these trucks? They will dig for a while. What about the trucks? Where are they going? Flinders Lane should be the worst.

Ms MULET — Where will we park as well?

Mr DUBOIS — Because Flinders Lane is so narrow, and with all these little lanes — if you have gone to Centre Place, Degraeves Street or Scott Alley. They need to find another good solution for the trucks. After that, if they close it and it is made attractive, it should be good for everyone.

Mr ONDARCHIE — So a 20 per cent drop in earnings?

Ms MULET — Yes.

Mr BAZZANO — For us it is a tough one because it is our second year in October. A barber shop should be growing each year. I cannot put a finger on it because it is winter and there is scaffolding. It is definitely not growing as well as we would have liked. I do not even like to talk in — because I do not know. It is our second year.

Mr ONDARCHIE — Fair enough. Have either of you had casual staff or staff you have had to not employ for a period of time because of the downturn?

Mr DUBOIS — Yes.

Ms MULET — It depends.

Mr BAZZANO — Yes, absolutely.

Mr ONDARCHIE — How many do you think?

Mr DUBOIS — It is in hours, because people used to work for 8 hours and were fine. There is no work.

Mr ONDARCHIE — But there has been a loss of jobs and earnings as a result of this?

Mr DUBOIS — If I lose 20 per cent of business, I lose 20 per cent of jobs, or I mean —

Mr ONDARCHIE — Hours.

Mr BAZZANO — I have got five barber chairs on. In May we were close to hitting the five chairs full-time. Now we have got like three to four. I am more than confident we would have got to that.

Mr ONDARCHIE — Do the construction workers come and buy food from you? The workers who are working in the area, do they come and buy from you?

Ms MULET — Some coffees.

Mr ONDARCHIE — But that is it, just coffees?

Ms MULET — Maybe once a week, two guys.

Mr ONDARCHIE — Are they getting haircuts?

Mr BAZZANO — No, but hopefully once it builds up even more, they will.

Mr ONDARCHIE — But the local construction workers are not coming in?

Mr BAZZANO — Not yet, no, not at Flinders Lane — not that I have noticed.

Mr ONDARCHIE — With the longer term project, have you had any conversations with the minister for small business or his department? Have any of them come to see you about what is going on and to find out how you are going to be?

Mr DUBOIS — Not yet, no.

Ms MULET — No.

Mr ONDARCHIE — Just one last thing. I just want to compliment you on your seared scallop galette. It is beautiful. There is also a dessert with banana and chocolate. It is called monkey. It is really good.

The CHAIR — Mr Gepp, you might like to give a restaurant review while you are at it.

Mr GEPP — I am at a distinct disadvantage because I have not tasted the products of Michel or Lucie, and Frank is yet to shave me or give me a haircut. But I am looking forward to all of the above at some point.

The CHAIR — I think we are going to have to do a field trip.

Mr GEPP — Yes, I think so. I just want to come back to, if I can, a couple of the points that Mr Leane was making and be clear that the current scaffolding — the current project — is not part of the tunnel.

Mr BAZZANO — No.

Mr GEPP — What you are concerned about is that the things that have gone wrong for you in the last few months are not replicated when the tunnel project begins and that we have got a window of opportunity now to ensure that that consultation with you is done properly and to a level of your satisfaction that maintains your business and gives you every opportunity to prosper. Is that right?

Mr BAZZANO — Yes, correct. And we just want to know how they were allowed to give small businesses one week notice. Did Metro Tunnel support it or did the City of Melbourne support it? We do not know.

Mr GEPP — It is a City of Melbourne thing, I would suggest to you. When you contacted the City of Melbourne, what was the response that you got?

Mr BAZZANO — To be honest, I did not contact the City of Melbourne when they asked me to for the signage, because I was furious on the phone. She said, 'Contact the City of Melbourne to do signage', because I have had to deal with City of Melbourne. One time I asked to put a small bench in Scott Alley, and they said, 'You have to contact engineering'. So I said, 'Don't worry about it'. So that is my point.

Mr GEPP — They have given you the run-around.

Mr BAZZANO — Yes, I was not prepared to — so we did what a lot of city people do; we just got a bicycle and put a sign there out the front. That was our best alternative instead of going through all the channels.

Mr GEPP — So you are asking the committee to ensure that when the rail project starts, or before then, there is enough dialogue? It sounds like there is enough information or perhaps too much — 160 pages, you cannot possibly read that. But you are asking that things are set up to your satisfaction in the lead-up so that when it happens it can be as smooth as possible.

Mr BAZZANO — They can leave us alone, do whatever they want and build this great tunnel, but do not make it harder; it is hard enough as it is. We can survive on our own.

Mr GEPP — And you would like us to encourage the workers on the rail tunnel to actually go and taste your products and get a haircut?

Mr ONDARCHIE — Exactly; it is a two-way street.

Mr GEPP — We will talk to the CFMEU perhaps, Mr Ondarchie.

Mr ONDARCHIE — I bet you can. They need a good feed and a haircut.

The CHAIR — Folks, thank you very much for coming in. You have been extremely helpful, and I wish you well through what is obviously a difficult period. We hope that our report will be able to alleviate some of those problems. You have certainly been of great assistance to us tonight, and we hope that we can return the favour in the not-too-distant future. Thank you very much indeed.

Witnesses withdrew.