

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Inquiry into infrastructure projects

Melbourne— 15 September 2017

Members

Mr Bernie Finn — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Mark Gepp

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Mr Shaun Leane

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Mr Greg Barber

Ms Samantha Dunn

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Witness

Mr Chris Hewison, Executive Director, Property Services, RMIT University.

The CHAIR — The committee is today hearing evidence 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 may say here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. In fact my advice would be not to try. I ask you to open up with a few opening comments of maybe 5, 10 minutes, and we will then throw open to questions from my fellow committee members.

Mr HEWISON — I am Chris Hewison. I am the executive director of property at RMIT University. I am accountable for all of our built-form environment at RMIT. I will take a couple of minutes to provide you with our view of the project and where we are up to and walk you through some of the benefits and opportunities we see and of course some of the challenges that we face, which I am sure is the topic of today.

I would like to say from the outset that RMIT is extremely in support of this project. I think that with 50 000-odd students that come to the city every day to attend RMIT both in higher education and vocational education, predominantly in our Carlton precinct, public transport is key to them fulfilling their dreams of an education. Therefore in general terms RMIT is, has been and will continue to be fully supportive of this project.

We are the dominant landowner, as you well know, in the CBD north precinct. In fact we are one of the largest dominating landowners in the city of Melbourne by land mass — some 6 per cent. We do operate on a 24/7 campus, the modern campus. Students tend to learn when they want to learn outside their directed learning, and we are certainly providing that open campus in a 24-hour nature for certain parts.

We are in and of the city. We have just completed a \$200 million redevelopment of our Swanston Street buildings. For those of you who may know RMIT they are the grey brick buildings that have been there from the 60s through to the 80s. We have spent over \$200 million, just finishing that in the week, to open it up to the community, to open up and be transparent so people can look in and look at what our students are doing and invite them to come and look around.

We have been on that site for 128 years. We have great relationships with the state, multiple agencies, the City of Melbourne and community groups. We have recently launched the Melbourne Innovation Districts collaboration between the City of Melbourne, RMIT University and the University of Melbourne.

I will talk about our relationship with the MMRA and some of the benefits and opportunities and then I will get to some of the challenges. We have had a constructive working relationship with the MMRA to date and we have started a positive relationship with CYP, the PPP consortium that has just been awarded the project. We had our first meeting with them earlier this week, I believe.

MMRA are listening to RMIT. They have been and continue to look at including future options that we request in part of the design and look to futureproof the precinct and protect RMIT's reputation as a world-class university and Melbourne's reputation as the most livable city. Some examples of that include realignment of escalators to our entrances and public open space, to name but a few.

Prior to and since the start of the early works phase — that is, the John Holland contract — the MMRA and RMIT have implemented a formal working and interface agreement that has allowed the Melbourne Metro Tunnel to progress in conjunction with our own new academic street. That is the \$200 million project we are finishing. Unfortunately the two projects collided and access was challenging, but to be extremely fair John Holland has been outstanding in providing us access to enable us to complete that project as best as possible on time and without causing incremental cost to RMIT.

MMRA have directly supported a number of RMIT community initiatives, such as wayfinding, maps, plans, travel times and route alternatives to try and get people safely from Melbourne Central station up to the Carlton precinct, all done with MMRA and funded by MMRA.

MMRA continue to provide opportunities for students to participate in community art projects on hoarding boards, particularly in A'Beckett Square open space/basketball court area, and also MMRA are supporting our students by attending lectures and providing lectures and learning environments for our students at RMIT.

We are also pleased that in the years ahead we will see much-needed public open space being created in both the top end of A'Beckett Street where it hits Swanston Street and also in Franklin Street. We would prefer the full closure of Franklin Street, but a partial closure of Franklin Street is a significant benefit to RMIT and the local residents in that community. It also supports our vocational education students as they make their way up into the Carlton precinct.

So now for some challenges and impacts. We are impacted and we are disrupted. However, it is inevitable given the size of this project, and we accept that. We believe that we have a collaborative working environment with all parties and that we are able to discuss our challenges and our problems in an open, safe and collaborative manner. However, there have been a number of unplanned disruptions to our campus which, seriously, could have been avoided through better communication, planning and advance notifications from the builder.

We have had two of our buildings flooded in one week, and we have had power to our building cut within 15 minutes of when 13 classes were to take place and I think predominantly in building 13, which holds our MBA programs. So to have to relocate students with 15 minutes notice to attend class because the power has been cut to the building is avoidable — totally avoidable — with better planning. To MMRA's credit, though, they were available late in the evening to help facilitate what was needed between the builder and the power company to get those services restored, albeit not for those classes that evening.

The impact of noise has at times not been well managed due to late advice, which has made changing of class schedules virtually impossible. If we are given advance notice of programs as to when potentially there could be excess noise, dust or vibration impact, given the size that we are, in some circumstances we do have the opportunity to relocate those classes to other parts of our campus so that our students can continue with their studies and our staff can continue with their research and their other work. Without advance notice that becomes near impossible.

The largest issue that we are having and will continue to have for some time I expect is the impact of noise and vibration. There are environmental performance requirements, and we do expect that the project is able to deliver to those and, if not, to be able to find ways to reduce that. These issues, particularly those we have at the moment, have led to issues of ambiguity in understanding of expectations as to the EPRs and subsequently have delayed impact-effective mitigation measures. Therefore we believe that there needs to be access to an independent environmental auditor as the umpire in disputes; so where one party is saying, 'We've been impacted; the noise is too high', and the other is saying, 'No, it's not', I think they should be referred to an independent auditor to make the determination, and RMIT is more than happy to abide by an independent umpire's results.

Remember, 50 000 students — over 5000 students a day — cross to VE in Victoria Parade. Safety is our number one priority. Therefore the challenges with regard to safety and movement of people around the campus is absolutely paramount. We have engaged additional resources at RMIT to work with the builders to manage that process, in part supported by MMRA financially. We are concerned about the evolving urbanisation of the precinct and the impacts the project will bring with these truck movements in particular. We are working with MMRA to better understand the impact of those truck movements to put appropriate safety plans in place and the movement of students around our campus.

On incremental cost management, we said from the outset with the MMRA that we are totally supportive but we do not want to be out of pocket. We do not want to benefit. We just want to have our costs that are deemed, agreed and directly applicable to the project reimbursed. There is an opportunity to improve that process. I am talking about potentially outside the land acquisition act, which is very clear. We have one building being compulsorily acquired under the act, and we are very happy with that process. But there are lengthy processes regarding what we believe to be fair and reasonable cost reimbursement, which I think could be tightened in the process as we go forward. One example includes a dispute we have regarding the costs around rerouting our high voltage ring main project that is part of our Sustainable Urban Precincts Program to minimise our greenhouse gas emissions. But I am sure that will be resolved in time.

Moving forward, we are working on our constructive relationship to date with MMRA and the start of a positive relationship with CYP. Our expectations going forward are for strong communications, slightly better communications and understanding by CYP of our unique environment, our research capability and which rooms have sensitive equipment — electronic microscopes and so forth — and which ones do not. We invite them onto our campus at any time with prior notice to inspect whatever they need to get the job done. Our

general satisfaction with the structures put in place by MMRA and CYP to maintain continual dialogue on these issues and other issues appear to be working well. That is pretty much where I would like to leave it right now and take any questions.

The CHAIR — Thank you very much indeed for that presentation. It touched on a number of issues that are very helpful to us. As somebody who travels through Carlton on his way to this building on a pretty regular basis, I have found that I have had to detour from my usual route at recent times. What sort of impact has this project had on access by students to your campuses?

Mr HEWISON — We believe, as most of our students come to campus by public transport with the tram network still continuing under this scheme as opposed to the prior scheme, there has been minimal impact on tram use and also on rail use. So we are not hearing significant noise from our student body. I think it is predominately around education and safety — about how I get out of Melbourne Central station instead of walking along Swanston Street up Franklin Street, which is what they used to do up into Carlton to their VE programs. We send them down Bowen Street and across the back way. So it is about education and working hand in glove with the builder about what is going to be closed and when.

The CHAIR — Has there been much impact on student accommodation from night works?

Mr HEWISON — We do not provide student accommodation from RMIT's perspective in and around that immediate precinct. I would suggest there probably would be, but individual students —

The CHAIR — Any hearsay evidence?

Mr HEWISON — No, I have none. But I think it would be the same for some of the residents as well.

Ms HARTLAND — Can you talk us through the cutting of the power and the flooding? So was the cutting of the power not accidental — they knew that it was going to happen, but they did not inform you?

Mr HEWISON — I am not sure whether it was deliberate or an accident. I cannot recall. I think it was around June this year. But our power certainly was lost. Therefore we did not have our life safety systems in that building and could not, obviously, operate. It was restored in a matter of, I think, about an hour or so, but I would have to check. I cannot recall whether it was an accident or not.

Ms HARTLAND — I found the idea of an independent arbiter quite interesting, because having gone through a couple of these big projects in Footscray with regional rail, the project I supported, but residents were really dislocated by it and had nowhere to go with their complaints. So if there was an independent arbiter for all projects, not just for this project, where would you imagine that that kind of arbiter would sit? Is it in VCAT, is it in a government department or is it an independent person?

Mr HEWISON — I think there are potentially two stages to it. One is obviously the more long-term systemic impact, which potentially could sit down at VCAT. But as you well know, the time to get a hearing in VCAT is problematic.

Ms HARTLAND — Yes, so it has got to be very quick.

Mr HEWISON — What I am talking about now is we have a report that says that the noise is over the agreed limit. The builder is saying they have got a report that says it is not or they think it is okay or what have you. How does that then get resolved quickly? In the meantime construction is continuing. So, really, potentially under this specific example — I believe where there is some independent environmental consultant appointed within the MMRA team — I think it is the understanding about when they are engaged and when they are not and that that could be done very quickly. Again I reiterate that RMIT will always abide by an independent umpire's decision without question. I think there is something there.

Ms HARTLAND — The model could be used for so many projects. I have seen this is a problem all over the place. As you said, the long-term benefits, especially for RMIT, are pretty clear. What would you want to see them doing now to make that relationship stronger with RMIT and more accountable? I was just having a look at your website, 'Transport-RMIT'. It is really good and really easy to use. I am not very good on the IT, so if I can manage it, it means anybody can. So with the updates from Metro, are you going onto their site and then just putting it on yours, or are they giving you that information directly?

Mr HEWISON — What we have got within my team in properties is a dedicated communications person. We are working in collaboration with MMRA, so we are making sure that the same messaging is going out to our community via RMIT and in some cases putting an RMIT flavour to it if it is needed. The reason for that is we do not want conflicting messages compared with what the MMRA is officially saying and then what RMIT is saying. So with a dedicated communications person I think that we are reaching out to our community in the correct way.

Ms HARTLAND — I was also interested in the fact that you are engaging your engineering students in the project.

Mr HEWISON — Yes, and we want to do more.

Ms HARTLAND — So has that been an easy enough thing to do?

Mr HEWISON — Absolutely, both from the builder's perspective and also led by MMRA as well. We met this week — it was this week — with the PPP consortium, and we had in that meeting the dean of our school of property and construction, Ron Wakefield. He attended that meeting with the specific intent of again expressing our desire to explore more WIL programs — work integrated learning programs — with the project, with MMRA, the builder and other consultants on the team but also our vocational educational students as well, our VE programs, because this is a once in a 50-year or whatever it might be project. There are wonderful learning opportunities are right on your doorstep that we want to capture, and it is just about getting the rubber on the road probably a little bit more from our end as well to help frame that up, but they are very supportive.

Ms HARTLAND — It will be an interesting thing, because you could think again that it is something that could be applied to a whole range of other projects that would really help students to get that sense of what this all really means and how it is done.

Mr LEANE — You just stole the thing I was going to talk about.

Ms HARTLAND — Sorry, Shaun.

Mr LEANE — I suppose to flesh that out, there is a bit of work being done on giving underemployed groups of Victorians an opportunity on the whole infrastructure program. I do not know if the consortium has had a conversation with you in that area too, because there is a bit of transitioning of people but also different cultural groups and different cohorts. There could be victims of domestic violence or returned servicemen. There is a huge cohort of Victorians that should be given a go, and they might need tailored training or they might not, but that is something that the government has been speaking to some of these major players about in recent days. I am just putting that on your radar in a hearing, which is probably a bit weird, but I think it would be a good thing if you could get that on your radar.

I have one question on your submission around disruption, and I take it that would be in the earlier works package?

Mr HEWISON — Maybe not. We do have sensitive equipment, electron microscopes around vibration, but we are not there yet.

Mr LEANE — I suppose I am talking about that, as well as the disappointing unplanned disruptions that you endured, and you spoke about being happy with the structures that are in place. Is there a structure in place around — it may be noise, it may be access, it may be some issue that can occur on a day-to-day basis? Is there a process where the onus is on the builder to prove they are not being disruptive — for them to actually stop what they are doing. If RMIT believes it is disruptive, and it has not been planned and is something that you have not been made aware of, is there some sort of procedure in place where you work for a few steps to get to a point where the work either goes on or not? Is there something like that?

Mr HEWISON — You have hit the nail on the head from our perspective going forward. That is not as tight as it needs to be. We meet formally with MMRA every week and with the builder every week; however, going to the point about some level of independence — because there are situations where we fundamentally disagree with the disruptions being caused, and that is the builders' right. They are working with the information they have. We have a different view, and that happens from time to time. So it is more about the speedy resolution of how do you resolve that. In the meantime we have an obligation to provide a safe working environment, as you

are aware, to our staff that occupy those buildings. So we find ourselves sometimes caught between how can we be sure we are doing that if the builder is saying, ‘No, we don’t think that we are exceeding the noise limits, and we’re going to keep going’, and we are saying, ‘Hang on. We think you are. Can you stop while we sort this out?’.

To be fair to them, they have stopped on some occasions while we have, but obviously that project is entering its critical stage, and the early works need to finish. We have just been through a highly disruptive project caused by ourselves with our new academic street. We understand impacts of noise on our community. We certainly understand impacts of vibration above ground through that extensive refurbishment of those buildings, so I think it is more about — MMRA always pick up the phone. They do not dodge the calls, ever. They always respond; just sometimes we might not agree with the response, and it is more around the resolution, as I said, where we do not agree.

Mr LEANE — And that is something you are working towards.

Mr HEWISON — We are.

Ms HARTLAND — The arbiter thing again; I am just thinking out loud here. The way, say, the planning panel works is that you have a pool of people that go on to different panels. You could actually have a pool of arbiters that could be put onto a different project, so you knew that person A was your arbiter for the entire project. It would not actually be something that would be that difficult to do, but it is that independence and rapid response. I am not actually asking a question. I was just thinking — you have set my mind a-train on something.

The CHAIR — Thank you very much for joining us this afternoon. You will receive in the next little while a transcript from Hansard, and that will be perfect in every way, but just in case it is not, if you could check that and if there is a ‘t’ not crossed or an ‘i’ not dotted, let us know, and we will fix that up immediately. Thank you very much indeed. The hearing now stands adjourned.

Committee adjourned.