

# 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

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

#### Witness

Mr Malcolm Wulf, former proprietor, Oxford Scholar Hotel.

**The CHAIR** — Welcome to this hearing. This hearing is evidence today in relation to the inquiry into infrastructure projects, and the evidence is being recorded. All evidence taken at this hearing is protected by parliamentary privilege; therefore you are protected against any action for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by this privilege. I ask you to open up with a brief statement of 5 or 10 minutes. We will then go to questions and take it from there.

**Mr WULF** — I am Malcolm Wulf, ex-proprietor, director and licensee of the Oxford Scholar Hotel. The works that were undertaken in regard to the metro rail tunnel project had a significant impact on my business to the point that my partners and I decided that we could not fund the losses going forward. Our business had an outdoor seating area in A'Beckett Street comprising seven tables and seating. We were notified by a letter from the Melbourne City Council dated 23 December, and I received that on 8 January, that my outdoor seating permit had been revoked pending the imminent works of the metro rail tunnel. I then asked whether we could relocate the area, and to this date nothing has been forthcoming. That happened in January, and that had a fairly large impact on my business during the period of time when there are the major events in Melbourne and when the weather is a lot better. That was the kickstart that we had for our business to continue on. The majority of our business trade is through RMIT students, and they are not back until March, so we try and get a little bit of a buffer before they come back. The consequent works then removed that area.

My ability to get deliveries was impacted. My beer truck deliveries and my food trucks had to find alternatives. They could not get through A'Beckett Street; that was closed off. The view from my building was of rubble, trucks and diggers, and so all my patrons would look out the window of the establishment and see a construction site. I brought this up on numerous occasions. It was not until April that Metro came and spoke with me and sat down and said that they would implement a few ideas about trying to relocate the outdoor seating — again which did not happen — and to put in soundproofing and visual screens on the windows. That did eventually happen, but that did not happen until the end of May or the start of June, and by that time we had already made our decision that we could not continue trading.

**The CHAIR** — How long had you been asking them to do that before they actually did it?

**Mr WULF** — We had discussions from day one — so from January — about trying to minimise the impact on the business. They then closed off a side door to the business, which meant that no patrons could come up through A'Beckett Street, and A'Beckett Street was closed. A number of my patrons were from further down La Trobe Street and what have you. They used to come up that way, and they found it difficult to get to my establishment. They did not know whether the roadway was going to be open, so I ended up having to send emails and text messages during the day saying, 'Yes, you can come up A'Beckett Street', or 'No, find another avenue'. The windows were screened. The outdoor seating was never resolved. I had one meeting with Melbourne City Council in regard to that. They came and had a site meeting, but that was not until the end of May. John Holland came to me and tried to offer a solution in regard to promotional activities for the business, but as I said it was all too late that that happened. They approached me and offered me a pizza oven. That was at the start of June. That was to do cheaper food, but I think that should have been 12 months earlier or six months earlier at least when they should have been talking to me.

I believe there was some form of promotion and advertising in something called Domain, but I have no idea what that is. I was told by Metro rail that that was where they were promoting me, but I am not sure whether it was the one where my target market was. I have no idea what they advertised or what Domain is.

Probably to sum up the entire way we were treated, on the day before we were closing — which was going to happen on 30 June, the Friday — I had a meeting on Thursday night at about 5 o'clock with the workers. John Holland said they were going to do major works on the Friday which would have been noisy and impacted the business. I said, 'You've got to be kidding. It's my last trading day', and they offered to put \$2000 on the bar to compensate me. I said, 'If you do that, if you start any noise, I will have every social media, every TV outlet, here filming you', and with that, half an hour later I got a phone call saying that they had withdrawn the offer and there would be no work. That would sum up exactly how we were treated throughout that whole project.

**The CHAIR** — So there is no doubt in your mind that this project has cost you your business?

**Mr WULF** — It has impacted enough to cost us our business, yes.

**The CHAIR** — I am fascinated by this promotion on Domain. Who has actually done this?

**Mr WULF** — Barry McGuren was the contact point through Metro rail who actually told me that we were the most promoted business on Domain, and I said, ‘Well, what’s Domain?’.

**The CHAIR** — And they did that without consulting you?

**Mr WULF** — Yes.

**The CHAIR** — That is different.

**Mr WULF** — I have no idea what they promoted.

**The CHAIR** — They told you after the event?

**Mr WULF** — Yes.

**The CHAIR** — So they did not come to you and say, ‘What would you like promoted in your business?’

**Mr WULF** — That is right.

**The CHAIR** — Fascinating.

**Mr WULF** — There was signage on the front of the facade or the fencing. The sign was as big as this, saying that we were still trading, and that was below a handrail.

**The CHAIR** — Were you offered at any time, apart from that \$2000 on the bar, compensation for the business going under?

**Mr WULF** — No.

**The CHAIR** — At all?

**Mr WULF** — No.

**The CHAIR** — By anyone?

**Mr WULF** — No. We were given a letter saying that our business was not going to be compulsorily acquired, but we were never given any compensation or any offer of compensation. The only thing we got was the offer of the pizza oven.

**The CHAIR** — Amazing. I might just leave it there for a moment. Mr Gepp, would you like to ask a couple of questions?

**Mr GEPP** — Yes; thank you, Chair. Thanks, Mr Wulf, for coming along. As I understand it, RMIT own the building that the pub was located in.

**Mr WULF** — They do own the building, yes.

**Mr GEPP** — I think you referred to the letter of 23 December 2016 — was it? —

**Mr WULF** — It was dated, yes.

**Mr GEPP** — from the City of Melbourne, and received on 8 January, a couple of weeks later, advising that the permit for your outdoor space had been revoked.

**Mr WULF** — Or cancelled, yes.

**Mr GEPP** — Cancelled. Was that immediate, or was there a —

**Mr WULF** — Well, it was immediate until I phoned them and they gave me two weeks grace to allow us to operate that permit for two weeks longer.

**Mr GEPP** — Okay. So your outdoor space subsequently closed around the Australia Day weekend, was it?

**Mr WULF** — Mid-January, yes.

**Mr GEPP** — Right. You talked a little bit about when A'Beckett Street was closed there was an impact on deliveries.

**Mr WULF** — Yes.

**Mr GEPP** — And there was a door into the pub that the patrons could no longer access.

**Mr WULF** — Yes. We had three access points, and it was the main door on Swanston Street. The corner door was on the corner of A'Beckett Street and Swanston, and we had another door halfway down A'Beckett Street. A lot of patrons would come via Elizabeth Street up A'Beckett Street to access the hotel. The ones who did not want to be seen would come that way and not necessarily have to walk out —

**Mr GEPP** — What were they hiding from?

**Mr WULF** — Probably their bosses. That would be the entrance that they would come and go by.

**Mr GEPP** — Right. And the impact on your deliveries? Can you just talk me through that a little bit?

**Mr WULF** — Where the apron was, where the outdoor setting was, there was a delivery point for all our drivers every morning. They would pull up there prior to us putting the furniture out. The beer trucks, food vans and all that would pull up there because they knew that I was there early every morning. For access in the city they were happy to come to me early because they could get access and whatever. So once the area was taken away from us the trucks we were left to pull up on Swanson Street. But with the barriers et cetera they were virtually pulling up in the bike lane, close to trams and that sort of thing. There were traffic controllers, and they were great. They were really good at helping me get my deliveries in, but it just made a nightmare at the top of A'Beckett Street. And the drivers were not too keen to get there. They were not keen to come and deliver, because it is was just such a hassle to get to.

**Mr GEPP** — You talked about how in April there were some attempts to relocate the outdoor space. Can you just walk us through that?

**Mr WULF** — I had a meeting with James Tonkin on site, and we spoke. During this time I believe that Metro rail were trying to talk to Melbourne City Council about relocating the furniture. At the meeting with James Tonkin in April there were some minutes saying that they were going to go to Melbourne City Council again about the relocation, that they were going to do the screening of the windows and that they were talking of promotional activity in the area. The windows were done, but that is all that was done.

**Mr GEPP** — And Domain, but without your knowledge.

**Mr WULF** — Yes.

**Mr GEPP** — What were the options for the relocation of that outdoor space? Did you have capacity inside?

**Mr WULF** — We previously had space at the front of the hotel on Swanson Street. When the tram stop was placed there, that was taken away from us and we were given the space in A'Beckett Street. I believe there was still enough room in Swanson Street for it to be relocated back to where it was, but according to Melbourne City Council it was not a viable option even though they allow motorbikes to park across there.

**Mr GEPP** — And how many seats are we talking about?

**Mr WULF** — Seven bench seats. So 56 seats, pretty much — around 56.

**Mr GEPP** — It sounds to me as if there were issues in the communication between you, MMRA and Melbourne City Council. At what point did you and your partners decide that you were not going to continue in the business?

**Mr WULF** — We met probably at the start of May because the business was losing money each week. We then sat down and said, 'Well, what do we do?'. I said, 'I can't afford to keep funding it'. And they said, 'We

can't either'. So we said, 'Let's call it quits'. We then had to approach RMIT about trying to get out of our lease.

**Mr GEPP** — Did they let you do that?

**Mr WULF** — They did.

**Mr GEPP** — How long did you have to run?

**Mr WULF** — We had 18 months to run on our current lease.

**Mr GEPP** — Had you and your partners talked about what you were going to do at the end of that 18 months?

**Mr WULF** — No, we had not actually. There was some penalty for us getting out of that lease, but they eventually agreed to it. That was when we decided that 30 June was probably a fair cut-off point financially for the financial year.

**Mr GEPP** — Did you seek assistance from anyone in relation to those penalties?

**Mr WULF** — No. We spoke to legal people.

**Mr GEPP** — Sorry?

**Mr WULF** — We spoke with a legal company — a legal firm — but the grounds on which we could approach to get compensation were a bit murky, so we decided we could not really afford to chase it.

**Ms HARTLAND** — How would you have wanted them to approach you on the project, and what do you think their compensation should have been?

**Mr WULF** — We were losing somewhere between \$3000 and \$5000 a week, year to year. That was normal trading. Over the years we knew our market, so we knew that hit to us was enough to tip us over the edge. I would have liked an approach of solutions rather than saying, 'This is what we are going to do'. Our initial meeting prior to Christmas last year was that: 'You will lose your outdoor area', 'So is there a chance of relocating?', 'Well, that is not our job'. You need to do that sort of thing. So on fair compensation — the money we lost and what we had to pay out for our staff — I had full-time workers that I had to pay out that had been there with me for eight or 10 years, so their payouts —

**Mr GEPP** — Did you pay redundancies?

**Mr WULF** — Yes, we did.

**Ms HARTLAND** — So when you talk about acquisition, because the building is not yours, it is almost like a different kind of model of acquisition. You are actually looking for a business acquisition model.

**Mr WULF** — Yes, but we were told that that was not the case. So we are not like, say, Hungry Jack's or 7-Eleven down the road, where they actually need that space. We were just impacted by what the works were.

**Ms HARTLAND** — Yes, what I refer to as people left behind. You are impacted by the project, but you were not required for the project.

**Mr WULF** — That is right, yes. I walked past today, and they have now started the piling there and have put the hoarding down A'Beckett Street. So that side entrance would now be open, but there is no natural light coming into the building and that sort of impact. I do not think those sorts of things were really taken into account when they were first talking to us in the early days. Also the traffic management has been fairly ordinary. Even when I was cleaning the hotel out, for me to try and get vehicles in to pick up things and remove kitchen equipment and things like that was just a nightmare for me.

**Ms HARTLAND** — It sounds like all of this should have happened six months earlier —

**Mr WULF** — Correct.

**Ms HARTLAND** — so that you could have made a business decision that, ‘This is how it is going to impact, and we will close on this date’, because it sounds like no matter what the project would have done, you could not have actually continued the operation. You needed earlier warning that that is what was going to happen.

**Mr WULF** — Yes, and we had one of the staffers from John Holland that was brought on board to assist us actually say to me that she should have been here six months earlier. That was a quote from her — that she should have been working with businesses six months earlier than what she was employed to do.

**The CHAIR** — This is quite extraordinary the situation that you have described here today. Is there any advice that you could give those who have done this to you to prevent this sort of thing happening again?

**Mr WULF** — Just sitting down and working out some solutions earlier. Being proactive rather than reactive, I guess, is probably what I would suggest. I note the minister said in her press conference that somebody had been working with me since 2015. I would like to know who that is. I do not know who that is, and I do not recall anyone working with me since 2015 in regards to the business. She was correct in saying that it was our decision to close the business, but our hand was forced. People needed to be working with us a long way out. It seems to be being rushed through, so that once the job is started it cannot stop, almost. If something happens in an election down the track, they are too far gone that they have to keep doing the project. That is the way I feel about it.

**The CHAIR** — Do you feel like you are collateral damage?

**Mr WULF** — Yes, I do, and I had been there 25 years. You build up a fairly good rapport with students. On our last day we had people coming from interstate, and even one of my first chefs flew back from Germany to be there for the last day. So there is the impact of that place or the institution it has been for RMIT.

**The CHAIR** — It was quite an iconic pub in that part of Melbourne.

**Mr WULF** — Yes, and given that there are pubs going in the city all the time — they are disappearing — I was inheriting the people that were losing their other pubs. So they have now been tarnished. I have told those guys I have put photos around of them, if they walk into other venues, that they will be closed shortly, the way they have been moving around.

**The CHAIR** — Thank you very much indeed for coming in. I am sorry that you have been through what you have been through, and I wish you all the very best in any endeavours — hopefully there will be more endeavours — although this would probably be one that has knocked you around a fair bit, I would imagine.

**Mr WULF** — It has, yes.

**The CHAIR** — Thank you very much for your time today. We really do appreciate it.

**Witness withdrew.**