

# 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

Ms Fiona Sweetman, Chair, Tour and Transport Policy Committee, Victoria Tourism Industry Council.

**The CHAIR** — The committee is hearing evidence today 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 tonight, but if you go outside and repeat the same things, those comments may not be protected by this privilege and all manner of nasty things may occur to you. Could I ask you to state your name and representation to the committee for the record and to open with an opening statement, and then we will move to questions.

**Ms SWEETMAN** — My name is Fiona Sweetman. I am the chair of the tour and transport committee at VTIC, the Victoria Tourism Industry Council. I am an operator myself and am here to represent and advocate for the members of our group. There are 129 members of the tour and transport group, and 69 of those are based here in Melbourne. For us the visitor economy is, as we hopefully all understand, a very important part of the economic future of our state. For us, aside from the financials, it is very much about safe transit, a sense of welcome, an ease of circulation, the sense of beauty and awe that Melbourne offers, planning and comprehension — so the pre-arrival, which is very important — and a sense of confidence for the traveller. If you have watched the Melbourne space for over the last 20-odd years, we have definitely improved that sense of welcome in Melbourne. It is now noted to be the most visited city in Australia for Australians for their leisure time.

We are very concerned as members for that sense of welcome that is very quickly diminishing and for the future of this large infrastructure project in the CBD area, which many of our visitors come to visit. It is well-known that they move outside the CBD via public transport and also larger transport formations, whether it be by train, private charter bus or other public transport like taxis and of course the now welcome Uber. For us we are very pleased for a committee hearing such as this. Every six months is a great opportunity for such voices to be heard — ours and others. For the CBD, the major infrastructure project concerns that are presently with us are, in transport terms, the main train station, which is not metro rail specific — Flinders Street train station — and also the metro rail holes ready for tunnelling as they prepare for the next major segments.

I am also a tenant in the city on Swanston Street, and the sense of welcome is a concern because many pick-ups of some of our bus companies are outside St Paul's Cathedral. The most recent documentation that came from metro rail was both available online and delivered to many of the tenants in the area said that the section between Young and Jackson's, which is heritage protected, and the Nicholas Building, also with a covenant on it, will be demolished, and this is in current process today. That paper documentation was delivered to properties seven days prior to 5 September — the start date of that deconstruction. We believe that to not be quite reasonable.

It also then impacts us because that deconstruction means trucks are coming into that space and will come in and out, and they have not yet figured out the circulation program of the City Square space, where trucks with very large amounts of earth matter will be moved. Documents dated 5 September, and I think it was also 30 August, did say that arrival would come by trucks down Flinders Lane, into City Square, possibly reverse out, come back down Flinders Lane and in front of St Paul's Cathedral and then go out.

But also more importantly for many of our other tour operators, the trucks will come out onto Collins Street. Now, the Collins Street precinct is a beautiful area. It is part of the city sights tour programs with its churches, the town hall, 333 Collins Street and the Parliament that we come up to. It is the vista. Collins Street is the premier street of our city, and whether or not they believe, as metro rail presented to us at a tourism forum at the engineer's headquarters at 300 Bourke Street in August, that the trucks will be washed and it will be a concrete base, we do not believe that the cleanliness of Collins Street will be continued.

For my operators, their biggest concerns are the delivery of information on closures and on new or replacement pick-up and drop-off spaces, the movement of taxi ranks that will be last-minute information rather than in VicRoads documentation and also the idea that we are uncertain exactly of when contracts are being delivered. So when the communication that metro rail has been giving to us comes — and they have reached out, I will agree with that — it is often repetitive because the contracts have not been delivered. To the questions that we are asking they do not actually have answers for yet, despite us being at a meeting where we were delivered the same information a month to six weeks prior.

This is our biggest concern: the delivery of information. We have worked with VicRoads, and we now have a disseminated email link and a website that our members can access. It does give a wonderful 12-month

proposed closure option. It is complicated to read. Nobody will forthrightly say that that document will also be exactly what is on their website, will also be exactly what is on their social media or will also be easily found, so we are still concerned that the delivery of information is not clear with a tourism transport directive.

We also believe that this infrastructure is required, so there is no negativity on what is happening. We know that people need to be moved, but we are very concerned about keeping us in the tourism world, which is presenting Melbourne to visitors, in a 12-month to 18-month planning phase. If we do not get this right in the next three months, before tennis arrives, people will not want to come to Melbourne. We talk about Paris and London and all these other cities that have done large infrastructure projects, but they are much bigger cities than the CBD square space we have. Our area in Australia is large, but in a global sense, when we compare Melbourne to those other cities, circulation here is greatly impacted.

We have already moved most of the transport buses away from most CBD streets; they are in Lonsdale Street rather than impacting on the trams or at Federation Square. About the decision on what is happening at Federation Square, we know something will happen. We are not told what. In my business, aside from the VTIC space that I am in, we have put out our rates for 2019 this week. We are forward planning. We need to prepare and encourage our visitors that Melbourne is open for business and showcase that.

My last point I would like to present you, which is not metro rail related, is that we have a beautiful train station. We have a train station that has perhaps been tried to be rivalled by Federation Square but never has been in the Instagram opportunities, or photographic before Instagram. How is it that we have had a hoarding over this train station that has nothing pictorial, atmospheric, inviting or colourful for at least four and a half months now? It is a great disappointment — the sense of welcome for a city that is incredibly well-known for its vistas, its architecture and that train station's sense of welcome.

**The CHAIR** — Thank you very much indeed. I was in Sydney relatively recently, and I am interested to hear your view on the sense of welcome, because the immediate impression I got in Sydney was that they have wrecked the place with what they are doing up there. Do you think it has had a similar impact — the metro project has had a similar impact — on the Melbourne CBD?

**Ms SWEETMAN** — Not yet.

**The CHAIR** — Not yet. Do you think it will?

**Ms SWEETMAN** — Absolutely. We have already seen — and there is another element that is about to happen in about four days — the element of the metro rail working with the idea of public holidays, which is perfect for a certain lower circulation rate, but we do have a problem that most people go on holidays and have their leisure time on public holidays. School holidays, when the Domain interchange exchange was done, were certainly relatively smooth, but locals have decided that they do not wish to go to the shrine. I have been to speak to them. Locals have decided not to work with the tour operators to go to the shrine because circulation and clogging of that weekend was disastrous and they do not believe that St Kilda Road is even open again.

The first cruise ship arrives on, I think, 27 October. I think it is the largest cruise ship season we have ever had. These people move by public transport, and if they cannot get into Federation Square easily or out of Swanson Street easily, where will they go? They will not come to the city. They may well disseminate to the rest of the state, but today we are talking about the CBD, and this is the concern that I have. We already have trouble getting them into here. At the moment they are getting dropped off outside the arts centre, a lovely location — not so spectacular if the weather is bad — and to move from the arts centre (with another element of a missing free tram stop into) the city centre, they are not able to move through the city easily when they get off that publicly funded bus from the City of Melbourne.

**The CHAIR** — If things continue the way they are, what impact will that have on the tourist industry within the CBD and immediate surrounds?

**Ms SWEETMAN** — SkyBus have already mentioned that they will have to remove their hotel pick-ups and drop-offs for about 40 per cent of the hotels that they visit. We also have an amazing amount of new hotels down at Docklands, so there will be an opportunity, but for the business of those smaller hotels, they will be impacted greatly. I am a walking tour operator, so we will have to redesign our whole business model. We have

already had to change our lunch location, where we had worked with that business for 11 years. We have had to find another location because they had to be vacated. There was no opportunity to relocate them.

For those that do pick-ups in that Flinders Street section outside the church, with the noise and the impact of extra trucks going through that area I would hazard a guess that that location of pick-up and drop-off will be removed. They will not have that option anymore. Where will those operators go? They will probably have to downsize their fleet or they will not even include pick-ups within the city centre. So that sense of welcome and the sense of customer service that we are able to deliver, which Melbourne has really won over the last few years, I think will be really lost.

**The CHAIR** — What can be done to make this easier on tourist operators?

**Ms SWEETMAN** — I believe it is about forward planning of understanding what the impacts are, aside from the contracts of Holland and others — that we know where the visitors centre will be, that we know where the bus and taxi stop changes will happen and that we make decisions possibly within the bidding process. I understand that each part of this development is a different bidding process, but that we make decisions that they must exit sections rather than as they choose. It cannot be just a City of Melbourne decision. It has to be led from the top. They are VicRoads roads; they are state roads.

The City of Melbourne can only do so much. The City of Melbourne can certainly advocate for hoarding branding, but it needs to be a requirement and it needs to happen earlier. Currently, City Square has branding for metro rail. Why is it not branding for all the shops and restaurants that are up Flinders Lane that have lost all of the car parks for their clients with the flow-through of traffic as trucks are coming in and out? We all know that most of them will probably survive because they are high-end and well-known restauranters, but the impact will be great. With theatre industries and the like that bring many of our clients through, we need to make sure that access is safe.

We also know that many incoming clients either are non-English speaking, so wayfinding is removed or lost while this infrastructure happens, or like many of us are baby boomers and so their health is a concern with narrow footpaths. We have already got so many narrow footpaths in the city. If you put a truck in there or you park it on the footpath and you erode the bluestones on the streets, which is not your area, because the truck goes up and down on it rather than having a ramp, we then find people falling over in the street.

We are — and again this is not state government particular — struggling with the arrival of bikes that are being left around. It is a perfect storm, some might say, that this oBike situation and also many other street areas of furniture are not being decided by Holland or metro rail. They are being decided by the City of Melbourne or other decisions that are happening from tourism ministers and other things. The conversations should be had before The Government are delivering that information out to us, because I have now been to six or seven different metro rail meetings, and I would say that I probably know more than they know about the impact on our city. They have repeated relatively similar answers to all of the questions by Mr Tattersall, who has presented here with the same pictures, environments and plans. We know this. But what is happening next week, what is happening next month and, more importantly, what is happening in three months time?

It is school holidays again, and we have just been told that there will be quite major closures outside of the church. People will be coming into the city to Federation Square to see the football. People will be planning to come from interstate and from intrastate. They will not know with a 10-day turnaround time how to plan otherwise.

**The CHAIR** — Have you had much cooperation or indeed much contact with the Melbourne City Council in preparation for this period?

**Ms SWEETMAN** — I would say the answer to that would be pretty strongly no. I would say, however, that there is a precinct element to the City of Melbourne which I will say that I am part of — the Collins Street Precinct Group. Also there is another one called the City Precinct, which is a marketing arm that the City of Melbourne developed, which was a clever idea, to remove a lot of the red tape of decision-making on how spending on marketing goes so that each membership of these precincts earns a lump sum for a 12-month annual process that they can do with as they wish. Anything out of the City of Melbourne has been pushed out through the precincts, which is an idea to engage, but it has not been a voice from the City of Melbourne per se.

It has been a facilitation of a meeting with Metrolink with city precinct members. So the City of Melbourne itself, I would suggest, has not had a voice in this.

**The CHAIR** — Have they not had a voice because they have not wanted to have a voice?

**Ms SWEETMAN** — I cannot decide. I believe that there are not enough decisions that are finalised, so nobody wants to speak.

**The CHAIR** — Okay. That sounds familiar.

**Mr LEANE** — Your submission is that, going forward, if you were part of a stakeholder group that had the opportunity to meet every month and have that ‘This is what’s happening in the next four weeks’ sort of thing, that would be one of the ways you would see as a good way forward.

**Ms SWEETMAN** — Yes, I would. I would also say on that point that we have had regular meetings with metro rail but not had any new information.

**Mr LEANE** — And part of that is because the —

**Ms SWEETMAN** — Contracts.

**Mr LEANE** — The project is going to be a 10-year project, and obviously it will change from digging a lot of dirt out of the ground to the finishing work.

**Ms SWEETMAN** — Yes, totally, and we are very aware that the contracts issue is the biggest one. They have told us everything, but nothing is in concrete until the contract has been awarded, and that is the decisions of flow of traffic which, from what I understand, are based on the contract win rather than a decision that is proposed to the contractor as something they must deliver. So we are very keen to continue to be engaged on a monthly basis, absolutely.

**Mr LEANE** — Would you think it would be, if you were engaged, as tourism operators — particularly tourism operators — so not as different stakeholders but that particular stakeholder group?

**Ms SWEETMAN** — Yes.

**Mr LEANE** — With what you said about the hoarding around Flinders Street station, I think that is a fair criticism. It is more than fair.

**Ms SWEETMAN** — It is horrendous.

**Mr LEANE** — Obviously the scaffolding has to be there to be able to do the works. I have been lucky enough to have a bit of a sneak peak at some of the finished product, and it is going to look good compared to what it was. It was also a bit hairy as far as —

**Ms SWEETMAN** — It was incredibly dangerous.

**Mr LEANE** — Yes, it was. It was also a bit hairy. So that work needed to be done. So your suggestion with future similar things with metro, as far as hoarding goes — or whether it be scaffolding with the hessian on it — would be more information, maybe historical information but also some information about local traders or operators, and also that it not look ugly. I think that is a really good suggestion.

**Ms SWEETMAN** — Yes, absolutely. A perfect example is Curtin House; it is on Swanston Street. Within a few days of a complaint about the facade of the train station not having had anything done with it they had their whole facade covered. Within a day of that announcement in the news they themselves took a photograph of their building, on an eight-story building, and covered the facade of the scaffolds with an image of what the building is and will look like. It is done in Paris; it is done all over the world. How is it that we missed that memo?

**Mr LEANE** — I am a member of the government in this committee, and I think you have made a very fair criticism.

**Ms SWEETMAN** — It is disappointing. I run a small business. We only take 9000 people a year, and already I would say a good 30 per cent of my clients over the last three months have mentioned, ‘Oh, the train station’s not here; we can’t even take a photo’.

**Mr LEANE** — Yes. It is a fair call.

**Ms SWEETMAN** — Even if it was a fake one, they would probably take a photo, you know? They do.

**Mr LEANE** — Yes, they do. Yes, I know. I have noticed that. That is a really fair criticism.

**Mr ONDARCHIE** — Fiona, is it your business that does the golden walk?

**Ms SWEETMAN** — I do, yes.

**Mr ONDARCHIE** — It is really cool.

**Ms SWEETMAN** — Thank you.

**Mr ONDARCHIE** — The meetings you have had with metro rail are informing what is likely to happen.

**Ms SWEETMAN** — Yes.

**Mr ONDARCHIE** — But many of your members, in fact probably all of your members, are small businesses.

**Ms SWEETMAN** — Yes, and many go outside of the city, but also many are larger operators, like Gray Line and others.

**Mr ONDARCHIE** — Sure. So has the minister for small business come to address VTIC about the metro rail project and listened to their concerns about what is going on?

**Ms SWEETMAN** — No, but VTIC and VCCI have certainly attended quite a few meetings, so we have had — it was just the other day — breakfast for MPs. We had a huge turnout; the biggest turnout we have had.

**Mr ONDARCHIE** — I am specifically asking about the minister for small business, who is responsible for this.

**Ms SWEETMAN** — Specifically for that, in a VTIC situation, no, but I do know that Brad has spoken to him personally.

**Mr ONDARCHIE** — What about the department or his advisers? Have they come to talk to you about this?

**Ms SWEETMAN** — Brad, our CEO, has certainly been at meetings with them. But to speak to us as a group, no. So I do not think it has been neglected, but it has not been a forum.

**Mr ONDARCHIE** — But it has not happened, though, has it?

**Ms SWEETMAN** — It has not been a forum.

**Mr BARBER** — Just in terms of that area you were describing from Flinders Street across to Fed Square and in the middle of it, the tram stop. I think that tram stop, if it was a train station, would be in [inaudible] number of boardings in Melbourne?

**Ms SWEETMAN** — It is, yes; it is the St Kilda Road one, yes.

**Mr BARBER** — Do you think that closing the Princes Bridge and that area to commuter cars and the regular morning in and out rush might create a little bit more breathing space and allow them to solve some of these problems?

**Ms SWEETMAN** — I think it would allow breathing space for the trucks and therefore the general commuter transport to move in and out. I live on the south side and I would suggest that it would create diabolical chaos. We do not have enough bridges over the Yarra on that section of the city. Already it is reduced

to one lane; already the orange and white hoardings are there for better pedestrian access. I do think we are in a problem that we have not got a solution. I understand that the city is built, but I do think you have already got that section that is straight outside the church and the now nearly destroyed buildings, the fast food joints, and I would like to see a slower traffic light change, perhaps.

**Mr BARBER** — It is kind of hard to get that photo of Flinders Street station if you cannot stand. In Barcelona, you would be able to stand in the middle of —

**Ms SWEETMAN** — The photo taking happens outside the church on that intersection. It is not a problem. The photo is not really the biggest concern that I am here for. The beauty and sense of welcome is what I am here for. But the flow of traffic, of trucks and also of 14-hour day trips out of our city from Swanston Street is my huge concern and that many of those operators, some of whom are based further down Spencer Street, will not come up to Flinders Street and will not come up to Federation Square, where we have spent the last 15 years training people to go as the tourism hub. We have not created an alternative tourism hub yet to allow them to prepare for that.

Every guidebook will still tell you to go to Fed Square, even though we say everything is digital. The digital option of information has got lots of cachets on it, so where is the truth of what is happening and how do we disseminate that, to put that out quickly and truthfully and effectively, so that people believe that that is what they have to plan for? We had to change a meeting point with a six-month point of difference, and even that was incredibly hard. So getting commuters and travel agents and visitors to know that they should feel safe, because last-minute changes impact their delays or their flights or they are missing a tour, is something that is our infrastructure plan.

I also believe that Visit Victoria and its sector, so the tourism minister, has not addressed this strongly enough. I do believe that very strongly, that we have not had much discussion about what to prepare for to mitigate a negative conversation.

**The CHAIR** — Just one final question from me. Do you fear, or has there been any evidence so far, that travel agents interstate or overseas will be advising, or have been advising, to give Melbourne a miss?

**Ms SWEETMAN** — Not yet, no, because they do not know.

**The CHAIR** — Do you think when word gets around that that is likely to happen?

**Ms SWEETMAN** — I think tennis will be the factor, and the Melbourne Cup will be the factor. We still do not know when drilling will happen from City Square. I have still got lots of conferences that are staying at the Westin, right on the site, so moving in and out of the city from that section. If the flow of traffic for Spring Carnival and then tennis — along with the Melbourne Food and Wine Festival, the bigger events that promote Melbourne city — if that goes pear-shaped, yes, people will not want to come back. Now is the time.

**The CHAIR** — Thank you very much for coming in this evening. You have been exceedingly helpful. As I said earlier, we hope we can return the favour very soon.

**Ms SWEETMAN** — Thank you. Your attentiveness and questions have certainly meant to us that you have been hearing what we are saying.

**The CHAIR** — We certainly have. Thank you very much indeed.

**Committee adjourned.**