

**INQUIRY INTO IMPACT OF THE CBD AND SOUTH EAST
LIGHT RAIL PROJECT**

Organisation: Fosaux Pty Ltd

Date Received: 5 July 2018

Partially
Confidential

NSW Parliamentary Inquiry into Sydney Light Rail

Confidentiality instructions

	Make the submission and your name public
	Make the submission public and withhold your name
X	Keeping part of the submission confidential
	Keeping the submission confidential

Details of applicant

Application type: Business

Information compiled on: 2018-04-10 17:47:08

Name:

Business Name: FOSAUX PTY LTD

Email address:

Phone number:

Address of residence / business impacted by light rail project:

Crown St SURRY HILLS NSW 2010

Impact of the project

How have you been impacted by the light rail construction?

Please see the presentation that I delivered to (TfNSW) and (E&F).

In point form however:

- We purchased Mille Vini (Wine Bar Restaurant) for 468k Goodwill on 31/3/15.
- has been working in hospitality for 20 years, with the past 3 years at Mille Vini as the general manager.
- I manage a 2 billion dollar private hospital operator IT department and have run small businesses in the past.
- Mille Vini is 350 m from Devonshire St in Surry Hills. I did consider the impact of light rail and concluded we would be too far away from the construction to be impacted.
- We had 17 months and revenue patterns consistent with prior years making a profit.

- Overnight in September 2016, revenue dropped considerably (20%) with no explanation. We turned from making a profit (that majority went to paying the goodwill loan), to making a loss.
- We were unsure of the cause of our problems until our customers began to advise that Surry Hills was no longer a viable destination due to the light rail construction. Construction outside Central station was now deterring people from walking into Surry Hills via Devonshire St and Foveaux St.
- We sought advice from consultants and previous owners. The advice was to focus on functions. We implemented all advice given however the decline in pedestrian traffic occurred faster than functions could replace.
- I sought advice from Clover Moore and Alex Greenwich. Neither were able to be of any assistance.
- We sought rent relief from our landlords. We were provided a payment plan however the outstanding rent became a debt.
- TfNSW circulated pamphlets advising that the construction would be over in August and we based our business decisions around this. The Light Rail website confirmed these dates.
- In August we then received more pamphlets advising the construction would now be continuing to October. Devonshire however did not resemble in any way that the construction would be over at this time. Construction also commenced on the Crown / Devonshire intersection. We saw a further decline – now approx. 50% compared to 2015/16.
- We saw that TfNSW was now offering Light Rail assistance. We wrote to Andrew Constance and had a meeting booked with a TfNSW representative.
- We wrote to John Barilaro who provided us a meeting with the Small Business Commission. Small Business commission seemed genuinely interested to assist, however they were not able to provide any financial assistance, which is what we really required.
- The day prior to our TfNSW meeting, an American representative called me to advise our meeting would be “a waste of time” as we don’t meet the eligibility criteria.
- With no assistance from TfNSW, we implemented a rebrand to “MV” with a broader wine list and expanded European menu. We abandoned the goodwill we paid for in hope it would revitalise the venue. It didn’t work.
- Our landlords demanded the outstanding rent. We were eligible for a preapproved loan and were able to pay a third. From this point we were forced back to full rent payments.
- Our consultants advised the only way to survive is to adapt to the economic climate. They advised to become a cheap Italian restaurant that targets a wider demographic.
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- January revenue was poor compared to prior years.
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- To pay outstanding debtors and outstanding Rent, had to sell his car
- ALS has been doing oncall for his day job 2-3 weeks / 6 to continue to pay bills

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- ALS was about to enter voluntary administration however been unable to find a suitable head chef and in the role meant we were able to return to a small profit
- With the TfNSW announcement of changes to rental assistance, we re-applied. We were provided a meeting this time. (TfNSW) and (EY) were nice guys and you could see that they were put in a very awkward position full knowing that we were in this position because of the light rail project, but that the light rail "rental assistance" criteria would not apply to us.
- My mum has been providing financial assistance to keep us going
- As of July, Crown St now has 19 businesses for lease between Foveaux St and Cleveland St. Our landlords have allowed a return to a payment plan for rent with a reduction. This debt however will be due in April 19.
- Nonetheless, we are still paying off a loan for goodwill that died after 17 months.
- And whilst all of this was happening, we were almost bankrupted by unannounced WestConnex construction during the sale of our property on McEvoy St (our new property finance was dependant on the sale of the McEvoy property).. but that's a story for the WestConnex Parliamentary inquiry)

What do you estimate the financial damage incurred to you / your business or home as a result of the light rail construction?

1.3 million

As a resident, have you been supplied with or offered noise mitigation equipment or double glazing for your property?

N/A

Can you demonstrate the financial impact of the light rail construction comparing revenue/expenses to 12 months prior to commencement of SLR construction?

Yes

Do you have evidence to support your claim (invoices/tax returns/profit & loss)?

Yes

Has your mental health been impacted as a result of the project?

and I have been working 80 hour weeks. Between my day job, my night job and being oncall the last 2 years have been the worst of my life -

and I almost broke up in Jan 17 despite 10 years together due to the financial strain that has been the Sydney Light rail project. Also, paying back a 500k loan for a business' goodwill that no longer exists just adds insult to injury.

Government assistance

Have you been rejected or outright refused assistance from TfNSW?

Yes

If you were rejected, please provide details of your experience including how you were treated by TfNSW.

I was told by a TfNSW representative that it would be a waste of time to meet with me because we were too far from the construction. We have now been officially denied assistance as we are too far from the construction.

If you are receiving rental assistance, how long did the process take to receive assistance?

General comments

Do you have any other comments you would like to make ?

I think TfNSW has generally been operating with deceptive and misleading conduct.

We have a Premier that released a press release in 2010 that the Keneally government was treating small business with contempt over the lack of compensation for the Rozelle Metro project. She then does the exact same thing refusing to provide compensation.. but this time on a monumental scale.

The Premier had experience with light rail projects and knew what could go wrong – but made no provision for it.

The peer review of the light rail project by Evans and Peck advised that TfNSW did not make provision for adequate budget for the relocation of utilities on George St. This was ignored.

Infrastructure NSW advised that Light Rail in Sydney will not fix a problem, it will create a problem. But this was ignored.

And to top it all off - Clover Moore is funnelling money into Anti-WestConnex movements, but is no where to be seen when it comes to Light Rail... despite her own city looking like a war torn country.