

Submission Cover Sheet

North East Link Project EES IAC

385

Request to be heard?: yes

Full Name: Joe Mustica

Organisation: MFJ Constructions (Vic) Pty Ltd

Affected property:

Attachment 1: MFJ_North_East_

Attachment 2:

Attachment 3:

Comments: Refer to the attached document.

6th June 2019



North East Link
Inquiry and Advisory Committee

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Dear Panel Members,

Re: Submission to the Inquiry and Advisory Committee for the North East Link Environmental Effects Statement

Introduction

MFJ Constructions (Vic) Pty Ltd (MFJ) is a family owned business which owns and operates its business from two primary addresses within the Bulleen Industrial Precinct. The administration and warehouse operate from 1-3 Greenaway St, Bulleen and its civil field business from its adjacent block at 33-37 Bridge St, Bulleen.

MFJ will be directly affected by the proposed North East Link Project and is submitting its personal statement detailing the impacts the proposed infrastructure will have on its business. MFJ fully supports and reinforces the points raised in the BIZ Group Inc – North East Link EES Submission.

About MFJ Constructions

MFJ has been proudly operating for over 40 years as a Civil Construction business which carries out works on behalf of the larger water retailers including Yarra Valley Water (YVW) and City West Water (CWW). Other construction work is carried out for infrastructure development companies such as the John Holland Group and CPB Contractors.

As a medium sized business MFJ currently employs 40 full time employees, with 52% of its employees being over the age of 50 and 67% of its employees having worked for the business for 7 years or more.

MFJ also engages in the services of over 20-30 subcontractors both locally and throughout the Melbourne metropolitan area, whilst also utilising many of the local businesses in Bulleen precinct to ensure its operational success.

Impacts of the North East Link Project on MFJ

1. Commercial Impact

1.1 MFJ has been in its current location in Bulleen for just over 10 years. MFJ owners spent over 5 years sourcing an ideal location to facilitate its business and client requirements back in 2007. MFJ's business requirements include access and storage of heavy haulage equipment and machinery which is crucial to operations. Specific challenges included finding land size and access points that would accommodate the business needs within the Bulleen area, hence the current purpose-built facilities expanding over 4 blocks.

MFJ has serious concerns that an equivalent parcel of land will not be available in the nearby area and it would be highly unlikely to replicate the current fit-for-purpose facility.

- 1.2 One of MFJ's key clients Yarra Valley Water is situated 15 minutes away from the office. MFJ offices were strategically located and sourced to be the mid-point of YVW's service zone. Our overall client base is predominantly located in the Melbourne and metropolitan area and MFJ's location has been critical to service its clients.

MFJ believes that the relocation process will cause significant disruptions to its operations and will have material and financial impact on its business revenue stream. In addition, the uncertainty surrounding the North East Link project has increased anxiety throughout all levels of the business.

If MFJ was required to relocate, to ensure the current facility could be rebuilt and replicated, a minimum of 24-36 months' notice would be mandatory.

In lieu of the ambiguity surrounding the proposed infrastructure, MFJ has been left with no option other than to outlay over \$2M to pre-purchase a parcel of land in Thornbury as part of its contingency plan. Whilst the land size and access points are not ideal, the directors have had to secure the land as a precautionary measure whilst waiting confirmation of final plans for the North East Link. The financial burden the business is currently incurring, includes interest on the loan, stamp duty, land tax and council rates and this is prior to any development works commencing.

Furthermore, it should be noted that local businesses have already incurred substantial costs and losses as a result of the uncertainty that the project has created over an extended period of time. This includes a reduction in revenue ever since the project concept was made public.

North East Link advisory committee should also be aware that relocating the MFJ business will also impact the following: -

- Potential reduction in the size of the business leading to job losses and redundancy costs
- Ability to retain staff, as the increased likelihood long term employees will not move to the new location with further expenses and costs incurred for recruitment
- Operational inefficiencies of other potential locations specifically when dealing with access points for its heavy haulage machinery
- Disruption to the day to day business operations on a major scale during the immediate construction works including traffic, restricted access, noise, pollution and then long-term relocation
- Erosion of its customer database and disruption to its current supply chain

2. Personal Impact

- 2.1 As a family owned business, the three owners/directors of MFJ typically work 6-7 days per week. Whilst all owners have young families, they have been able to maintain a satisfactory work-life balance due to the location of the business being situated only 5-10 mins from their personal residence.

Grave concerns and increasing stress levels are currently being felt by the owners and their families as to the sustainability of their current work-life status, and the overall impact that relocating the MFJ business will have on their emotional well-being and their family unit.

2.2 The uncertainty created by the North East Link Project, has already emotionally impacted a number of MFJ employees who are exhibiting increasing stress and anxiety levels. This is specifically evident with the long term and loyal employees who are particularly stressed with the prospect of potentially having to find new work as they feel unprepared for this process, due to their limited transferrable skills.

With the future uncertainty of the location and size of the business, MFJ has not been able to guarantee job security for its employees, which is compounding the stress levels. MFJ directors have raised concerns and exercised their duty of care about their employees' well-being, and have offered counselling and support to minimize potential future mental health problems. However, MFJ believes the emotional toll on, not only its own employees, but those of other businesses could be catastrophic.

MFJ's Desired Outcomes of the North East Link Project Inquiry and Advisory Committee

- Option 1.** Electing an alternate alignment for the North East Link Project on the northern side of Manningham Rd, thereby causing minimal on businesses in this area.
- Option 2.** The Victorian State Government and City of Manningham explore the availability of local land within the municipality with a view to Re-zone to create an industrial pocket within the Bulleen local area. Whilst relocating business would be disruptive and costly in the short term, long term benefits would be businesses would retain their clientele, supply chain and not have to compete with other businesses in established zones.
- Option 3.** Provision for Fair Compensation
- Adopting a like-for-like principle to reflect the costs of purchasing land, build costs, relocation costs, outplacement benefits to employees and recruitment
 - Realistic time frame for relocating the business with support from Government resources
 - Compensatory succession plan to evaluate potential business losses for a minimum period of at least 5 years after relocation.
- Option 4.** Each business affected by the North East Link project to be given preferential options to purchase back to their current location at the completion of the project. Provisions are to be made ensuring any damage to current infrastructure, roads, paths and environment is reinstated to its original condition, prior to the commencement of the project.

I trust that the committee will take into consideration the concerns and desired outcomes of MFJ Constructions as depicted. Please do not hesitate to contact me if further clarification is required.

Yours Sincerely,



Joe Mustica
GENERAL MANAGER