

The MLC Building Devalued

Response to Investa's submission to the Heritage Council

1 Whether to list

The owner's case against the listing of the building (so that it can be demolished) seems to amount to the following propositions.

- The building does not have heritage significance. The facts and the weight of expert opinion is against this proposition.
- The significance of the building has not been previously recognised. This is not the case.
- If the building does have a high degree of significance, it has been lost. This point is made many times, generally in reference to minor changes and adaptations that are either reversible or contribute to the building's evolving story.
- If the building does have a high degree of significance, the work required to refurbish the building would leave it with little or no cultural significance. This assertion can only be judged on the facts. The Heritage Council did so, and concluded that a major upgrade/refurbishment of the building would not compromise its heritage significance.

2 If listed

The rest of the owner's submission does not address the question of whether the MLC Building should be added to the State Heritage Register. Instead, it is concerned with a quite separate question: the value of the property after its listing.

Of course, maintenance and refurbishment is a normal consequence of long-term building ownership. This may even extend to the stripping of a building to its structural frame, as seen in many examples in Sydney – an approach that saves both demolition and construction costs and saves a lot of construction time because the new structures, services and finishes can proceed in parallel on many floors, not to mention a significant saving of resources that would make a substantial contribution to sustainability.

If the building is listed, real-world considerations (rather than worst-case estimates) are likely to lead to many savings. We have had expert advice that the building can be refurbished at significantly less cost than the owner suggests. Likewise, as PTW found, there could be many forms of adaptive reuse, with potentially greater returns than the owner suggests.

In any event, the Heritage Council found that a reasonable or economic use of the building, if listed, will be possible. The Heritage Council was not persuaded that the listing of the building would lead to undue financial hardship.

These findings confirm advice from Investa when the Committee for North Sydney was initially briefed on their plans for the MLC Building.

Representatives of the Committee were advised that the new owners were fully aware, before purchasing the building, that their options might be either refurbishment or demolition, and that they considered the building a good long-term investment in either case.

3 Public opinion

We understand that a telephone survey has been conducted on behalf of the owners, seeking to establish the strength of feelings that respondents have to various futures for the MLC Building. The questions are preceded by statements about the building and the project for which planning approval is being sought. It seems that these statements tend towards a form of survey that is known as push polling.

We would urge the IPC to disregard any findings from the survey, unless the IPC is provided with not just the numbers but with the entire script, including the preliminary statements.

Response to Urban Taskforce's letter to the IPC

In a letter to the Chair of the IPC the CEO of the Urban Taskforce made a number of statements that deserve a response from the perspective of architectural, heritage and urban professionals.

The letter	Comment
<p>I write to raise serious concerns regarding the publicmedia statements of the NSW Government Architect in relation to the application for Heritage listing on Miller Street, North Sydney.</p> <p>To have senior executives in the Department of Planning engage in a last-minute push for the heritage listing of a privately owned building where the subject development has been through a development assessment process, a public consultation process and has been supported by North Sydney Council, is simply not appropriate.</p>	<p>The role of the Government Architect requires them to provide advice to the government and to play a role in the discussion of public issues related to architecture. The Government Architect has in the past reported directly to the Premier and there is plenty of evidence in their contribution to public debates, including Chris Johnson, the previous CEO of the Urban Taskforce, while he was in the role of Government Architect. The comments of the Government Architect are reasonable, measured and appropriate.</p> <p>One wonders whether an intemperate and tendentious letter from the CEO of an organisation devoted solely to promoting the interests of the development industry should carry any weight.</p>
<p>This is more the case as I am advised that, at this stage, the IPC will not be taking public submissions. I trust that the Developer, Council and the Urban Taskforce will be invited to make submissions?</p>	<p>The Urban Taskforce, which is a lobby for the development industry, does not have a relevant role in a heritage matter. It is a given that the Urban Taskforce will want their members to dispose of property as they see fit, but this is not the role of planning or heritage bodies which are there to protect the public interest.</p>
<p>These public comments by the Government Architect appear to be placing quite inappropriate pressure on the IPC and compromise both the reality and perception of an independent assessment and advice from the IPC to the Minister responsible for Heritage, Hon Don Harwin MLC.</p>	<p>It is up to the IPC to decide whether the comments of the Government Architect are inappropriate or not. Is the writer suggesting that the IPC is not independent or has insufficient integrity? This suggestion is absurd.</p>
<p>North Sydney Council has a strong history of protection of heritage assets. If they say the proposed development is in the public interest, the last thing we need is a last minute, ad-hoc intervention from the Heritage Council or DPIE executive staff.</p>	<p>NSC have listed the MLC building on their local heritage plan for many years. There are no statements from the Council about the development being in the public interest, but the Mayor may have made such statements; she is not the Council.</p> <p>The intervention from the Heritage Council is not ad-hoc as it is part of a legislated process, as is the decision of the Minister to refer it to the IPC.</p>
<p>The late intervention for Heritage listing (the MLC Building was built in 1957) renders the purchase of a site in Sydney for development, unencumbered as it was for decades by any heritage protection, akin to an exercise of Russian Roulette. This last-minute rush to Heritage list a building which has been ignored for years as insignificant, introduces a further significant risk. Risk results in increased cost. Worse, this is a sovereign risk. The costs associated with this heightened risk are borne by the community, by businesses, by consumers, right across Sydney.</p>	<p>The MLC building has been on the North Sydney Council heritage register for many years.</p> <p>Buying a building with a desire to redevelop it always carries the risk that the building will be heritage protected, possibly at the eleventh hour, possibly earlier.</p> <p>Contrary to the author's assertion, the MLC building has been regarded as significant since its construction. It's twin in Melbourne, the ICI building, has been protected, preserved and enhanced. Five minutes of web search would have revealed the significance of the building. It would be unusual if Investa had not carried out such research prior to purchase.</p> <p>Heritage protection of the MLC is not a sovereign risk as it does not involve a retrospective change to any legislation. The author clearly has no understanding of</p>

	<p>the term 'sovereign risk'.</p> <p>The parties bearing the cost of any heritage protection of a building or an object is a matter for circumstances, but the protection of heritage is of general benefit to the community and may be of benefit to the owner as well, an example being the redevelopment of the heritage protected QVB.</p>
<p>Governments should be at the forefront of protecting heritage assets owned by all levels of Government on behalf of the populations they serve. The Ryde Civic centre is analogous to the MLC building.</p>	<p>Federal, state and local governments all play a role in the protection of heritage assets they own and heritage assets owned by others. The point of this statement is unclear.</p> <p>The Ryde Civic Centre is in no way 'analogous' to the MLC building. The MLC building is one of the most significant modernist buildings in Australia and the Ryde Civic Centre is not.</p>
<p>The Ryde Civic Centre is located at the top of the hill, visible from the Parramatta River, Rhodes, Olympic Park and West Ryde. It showcases a curved frontage (similar to the Heritage listed AMP tower fronting Circular Quay) and represents an iconic depiction of the pride of post WWII mid-century population in the role of civic life and public administration. No one from Government stepped into save this building. The late efforts to consider its heritage merit were, at best, perfunctory and were ultimately cast aside.</p>	<p>If the efforts to heritage list the Ryde Civic Centre were unsuccessful under current arrangements, then it must have meant that its heritage merits were not sufficient to require protection.</p> <p>The author appears to fear that there is a real chance that the MLC building will be listed, which is rational as objectively, it does deserve protection.</p> <p>It is difficult to determine if the author is proposing more heritage protection or less.</p>
<p>The MLC building, by contrast, is not prominent in its location. It has no special architectural features – beyond being one of many ugly box private sector office buildings built in that period. It has no cultural significance nor civic contribution and its retention is not supported by the community or by Council. It does not fit in well with the context of the setting as North Sydney is a high-rise CBD – a point highlighted by Council. The proposed development has architectural merit. It is ironic that Council appears to be correctly applying the intent of the Draft Design and Place SEPP and DPIE is publicly opposing this.</p>	<p>There is no association between prominence and heritage. This is a nonsensical argument.</p> <p>It is understood that the author has no architectural, heritage or planning qualifications and would appear to be unqualified to comment on whether the building has any special architectural features or not, this in itself being irrelevant to the heritage significance of the building.</p> <p>There is no evidence that retention is not supported by the community or Council.</p> <p>If this is a reference to a current or recent telephone survey, please see the final section of our Response to Investa's Submission, above.</p> <p>MLC was unique when it was built and is still unique. It clearly has architectural and cultural significance which is why it has been recommended for listing by the Heritage Council.</p> <p>The proposed development does not appear to have significant architectural merit and is in no way comparable to that of the MLC building.</p>
<p>Staff (and particularly Executives) of DPIE should resist any urge to become activists. The role of the Department is to establish the rules, undertake assessments and facilitate</p>	<p>According to their website, the role of the GANSW is to:</p> <ul style="list-style-type: none"> • Champion - <i>Promote, educate and advocate</i> for design awareness and excellence on behalf of Government, its agencies and partners. (<i>my emphasis</i>) • Connect - Foster public and private sector

<p>orderly consideration of applications.</p>	<p>partnerships, collaboration and design collaboration across built environment initiatives.</p> <ul style="list-style-type: none"> • Advise - Provide strategic and independent advice and quality review to support best practice and outcomes for design projects.
<p>If this building is of Heritage value, the Government should buy it (and this should have been done in a systematic fashion long ago). To have DPIE executive members actively campaign, including making comments to the media, further undermines public and investor confidence in the NSW planning system.</p>	<p>The proposition that the NSW Government should buy the building is absurd and delusional.</p> <p>It is probable that the recommendation to list the MLC building will have a positive contribution to public confidence in the planning system and it will remind investors that the redevelopment of heritage buildings is controlled by law.</p> <p>It is incredible that a single comment by the Government Architect is interpreted as an active 'campaign'.</p>
<p>I urge you to ask the Government Architect not to undermine public confidence in the process of assessment you (the IPC) are undertaking. I trust that you will forward our strong objections to this building being listed, so late in the piece, for Heritage protection.</p>	<p>This is insulting to the IPC and it is completely improper for a notably self-interested lobby group to seek to instruct the IPC or to undermine the integrity and independence of the Government Architect.</p>

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