

## MLC Building (former) – notes for IPC presentation

IPC - 14 April 2021

### Attendees

*Adrian Pilron – IPC Commissioner and Panel Chair*

*Peter Williams – IPC Commissioner and Panel member*

*Andrew Sneddon – Consultant assisting the Commission*

*Stephen Barry – Director, Office of the Commission*

*The meeting will be recorded by Auscript transcription service*

### BACKGROUND

#### Heritage Council awareness of the item's potential significance

- *On 4 September 2013 the MLC Building (former), North Sydney was endorsed by the Heritage Council of NSW as one of 34 items to be progressed for State Heritage Register listing under the Modern Movement listing theme.*
  - *Of the 34 items first prioritised for listing under the Modern Movement theme, 5 have been listed individually or in precinct listings, these have been gazetted as being included in the State Heritage Register (SHR) or are with the Minister.*
  - *One listing, the AMP building is imminent*
  - *Two further listings, Simpson Lee House 2 and Prevost House are underway.*
  - *As well as those items prioritised a further 8 modern movement items, nominated in a through a variety of channels including Interim Heritage Orders, have been gazetted as listed on the SHR.*
  - *It is important to note in the context of the proposed listing for the MLC Building (former) North Sydney that the majority of items listed either as the HC priority or through nomination are for domestic residences under the theme.*
  - *It should be further noted that the 2012-2014 thematic listing program sort to identify not only modern movement building but items in three additional themes: Items related to WWI and WWII; Rural Heritage of NSW and Migration Heritage in NSW.*
  - *The time taken in acting on items in the priority list partly a result of the resourcing required to progress listings in all these theme*
  - *Listing of items identified in these theme is ongoing.*
- *On 5 May 2020 the Heritage Council reconfirmed its commitment to progressing the State Heritage Register listing for the item. At this time, as the item was listed on the North Sydney Council Local Environment plan and was considered to have a degree of heritage protection, it was not included in the 2020/2021 Work Plan.*
  - *It is worth noting that the priority currently afforded items for listing does not only take heritage significance into consideration but also whether or not the listing has another form of statutory protection and whether the item is under threat from development, neglect etc.*
- *In July 2020, two requests for an Interim Heritage Order over the MLC Building (former) North Sydney were received, due to the submission of a Development Application to North Sydney Council to demolish and redevelop the MLC Building (Former), North Sydney.*

- *At its meeting of 4 August 2020, the State Heritage Register Committee (SHRC) considered the IHO requests and resolved to recommend to the Minister that the IHO be granted in light of its view that the item is under threat and is likely to be of state heritage significance. It also determined to expedite the State Heritage Register listing process.*
- *In September 2020 the Heritage Council recommendation to make an IHO was sent to the Minister. There is no timeframe for the Minister's decision on an IHO under the Heritage Act NSW 1977.*

### Progress of SHR listing during 2020-2021

- *On 1 September 2020 the Heritage Council resolved to give notice of its intention to consider listing which was advertised for a period of 28 days. Stakeholders were notified and public submissions were invited. Prior to this on 18 August 2020 the Heritage Council met with the owners and considered a presentation on the MLC Building (former) North Sydney and the proposed development.*
- *25 submission were received in support of listing from professional architects and urban planners and also the broader community.*
- *The owner submitted a detailed objection to the proposed listing stating the item's lack of state level heritage significance, that listing would cause undue financial hardship and that listing would render the item incapable of reasonable or economic use.*
- *To gain further information on whether the issue of whether adaptive reuse and/or refurbishment would compromise heritage significance and the economic viability of the building, Heritage Council commissioned two peer reviews of the owners objection.*
- *The Peddle Thorp and Walker review considered options for retaining the MLC Building (former) North Sydney including;*
  - 1. Upgrade of building for contemporary office use in existing and base condition*
  - 2. Refurbishment for contemporary use as an A-Grade office building*
  - 3. Reduction of the heritage curtilage to include only the Miller Street Facing building and demolition and redevelopment of the Denison Street wing.*
  - 4. As submitted in the DA to North Sydney Council for demolition and development of a 27 storey office building.*
- *The Urbis review contained an economic analysis of all four options plus a further estimation of Option 2 using both the WT Partnerships estimate of works and costs (submitted in objection) and that by Ethos Urban SSE used for the 2020 DA to Council.*
- *After due consideration of these submissions, including a commissioned peer review of the owners objections, the Heritage Council considered that: a major upgrade of the building would not compromise its heritage significance as the architectural design, rather than original fabric, is a key element of the building; that the building is capable of a reasonable and economic use should it be listed on the SHR; and, that the information provided by the owner regarding financial hardship to the beneficial owners has not been demonstrated.*
- *The Heritage Council resolved on 5 February 2021 to recommend that the Minister list the item on the state heritage register.*
- *On receipt of the recommendation the Minister decided to refer the matter to the IPC for advice.*

## **SIGNIFICANCE- Summary (full statement contained in the recommendation to list report)**

**Is the Statement of Significance that has been endorsed by the Heritage Council thorough and appropriate?**

- *The MLC Building (former) North Sydney is widely held by the architectural community as a highly significant building. This has been borne out and confirmed in the heritage assessment against the heritage Council Criteria undertaken for the proposed listing of the item where it demonstrably meets 6 of the 7 criteria for listing on the State Heritage Register.*
  - *MLC Building North Sydney is of state heritage significance for its importance to the architectural and cultural history of NSW as an outstanding example of a seminal building associated with the evolution of high-rise office design in Sydney and NSW, utilising construction and structural techniques not previously used in Australia.*
  - *MLC Building North Sydney (former) is of state significance for its association with the renowned architect Sir Walter Osbourne McCutcheon of the architectural firm Bates Smart McCutcheon, who was influential in the design of high-rise buildings in Australia.*
  - *The former MLC Building North Sydney, most particularly the widely recognised iconic Miller Street wing, is of state heritage significance for its significant landmark qualities in the North Sydney CBD. It is of state significance for its technical achievements as a key building in the development of high-rise buildings in Australia.*
  - *MLC Building North Sydney (former) is of state significance for being held in high regard within the building, architecture and engineering communities.*
  - *MLC Building North Sydney (former) is a significant piece of modern architecture of rare quality.*
  - *MLC Building North Sydney (former), particularly the iconic Miller Street wing is of state significance: as an exemplar in NSW of International Modern style office building.*
  
- *The statement of heritage significance is considered to be thorough and appropriate. It was developed after considerable research in the available literature on Post WWII Modernist buildings. Reference was made to articles and publications by well respected architects and academics, historic and contemporary journal articles and newspaper reports including the following:*
  - Lumby, R, Sperret, P and Morris, C. *The Modern Movement in NSW. A Thematic Study and Survey of Places*. 2014 Heritage Council of NSW.
  - Jennifer Taylor. *Tall Buildings, Australian Business Going Up: 1945-1970*. Craftsman House. 2001
  - Goad, P. *Office Revolution*. In Architecture AU. 2001
  - Bligh Voller Neild (NSW). *Campus MLC* Australian Institute of Architects. Retrieved 2020
  - Docomomo Australia. *MLC Building – 1954-1957 NSW*. Retrieved 2020
  - A new building for M.L.C. Company. *The Newcastle Sun*. 12 August 1954 retrieved 2020 via National Library of Australia
  - *Big Office Block in North Sydney*. Sydney Morning Herald 26 March 1954. Retrieved 2020 via National Library of Australia
  - *Twin Cities on the Harbour?* Construction. 31 March 1954 Retrieved 2020 via National Library of Australia
  - *PM See New View of Sydney*. *The Cumberland Argus* 11 September 1957. Retrieved 2020 via National Library of Australia
  - *Robert Menzies speaks at the Opening of the MLC Building, North Sydney*. 1957. Transcript from The Menzies Collection .Retrieved 2020 via National Library of Australia.
  - *The MLC Weather Beacon* republished in North Shore Historical Society Journal October 2020.
  - *Bates Smart- 165 years of enduring architecture*. 2018. At [www.bates-smart.com](http://www.bates-smart.com)

- *North Sydney. In Dictionary of Sydney. At dictionaryofsydney.org*
  - *MLC Campus redesign. 2013. www.gallagherjeffs.com.au*
  - *North Sydney's Shrunken Soul Wantonly Brutalised. Sydney Morning Herald. 18 July 2020*
  - *MLC North Sydney: New twist in campaign to grant 1950s office block heritage protection. Mosman Daily. 11 September 2020*
  - *Architects Up the Glass Wall to Save MLC Marvel. Sydney Morning Herald. 1 August 2020*
  - *MLC building: heritage debate over North Sydney redevelopment plans. Daily Telegraph. 21 July 2020*
  - *Petition launched to save North Sydney MLC, 'seminal' high-rise office building. ArchitectureAU. 30 July 2020*
- *In addition to these references, significant information was sourced in consultation with architectural professional organisations and in a number of the submissions of the Heritage Council's advertised Notice of Intention to List. Especially helpful were the submissions from Docomomo and the Australian Institute of Architects which provided substantial detail on the building's innovative design and construction as well as its other heritage values.*
  - *It should be noted that the 25 submission received in support of listing from professional architects and urban planners and also the broader community specifically concurred with the statement of significance endorsed by the Heritage Council, with a couple of submissions providing significant additional information*

## COMPARATIVE ANALYSIS

**Is the Comparative Analysis underpinning the Statement of Significance thorough and appropriate?**

- *The Heritage Council considers the Comparative Analysis developed for the MLC Building (former) North Sydney listing is robust and appropriate. The MLC Building North Sydney is one of the 34 places in the 2013 Heritage Council endorsed priority list to be progressed for SHR listing under Modern Movement theme. This priority list has only recently been activated and there are very few of these items on the SHR. Comparative analysis of the MLC Building North Sydney (former) was therefore undertaken with remaining MLC buildings completed in the company's 1950s office expansion program, and the most celebrated of Sir Osborn McCutcheon's buildings, the contemporaneous, ICI Building Melbourne.*
- *In addition, research was undertaken for the analysis referencing publications researched for the Statement of Significance previously referred to. As well, the Heritage lists and Databases of the other Australian States were used to gain information on comparative buildings in Australia.*
- *The Heritage Council also took into consideration the comparative information cited in a number of the submissions received during the advertising period. The most useful comparative information was provided in a couple of submissions. Louise Cox, prominent architect and former State Heritage Register Committee chair, noted that the MLC Building North Sydney (former) is at least as significant as the ICI building in Melbourne also designed by Bates Smart and McCutcheon which is Nationally listed for its heritage values.*
- *Further comparative information was also provided by Architect, Robert Gasparini, who provided the following list of Sydney's curtain wall building (one of the most significant features of the Building in North Sydney)*
  - *Commonwealth Bank Building (1952) – 46-48 Market Street Sydney C 1952. SHR No.01427.*
  - *Berger House(1955) – 82 Elizabeth Street Sydney.*
  - *ICI House (1956), 62-69 Macquarie Street Sydney. Demolished.*
  - *Caltex House(1957) – 167- 187 Kent Street, Sydney. Demolished.*

- Qantas House (1957) – 68-96 Hunter Street, Sydney. SHR No. 01512.
  - Unilever Building (1958) - 1-22 Macquarie Street, North Sydney. Demolished.
  - William Bland Centre (1958) – 229-231 Macquarie Street, Sydney. (City of Sydney LEP listing).
  - Former Burns Philip Trustee Building (1959) – 51-57 Pitt Street, Sydney. (Noted in submission as SHR listed but only has a City of Sydney LEP listing).
  - Kindersley House (1960) - 33 Bligh Street, Sydney. Demolished.
  - Phoenix House – Cnr Bridge and Dalley Streets Sydney. Demolished
  - Liner House( end of 1950s) – Bridge Street, Sydney SHR No. 00589
  - AMP Building (1962) – 33 Alfred Street, Sydney.
- Note that of these 12 comparative buildings, 5 are demolished, 2 have local listings and 3 have SHR listings. Two are not heritage listed at all.
    - Of the three SHR listed curtain wall buildings, 2 lie in the Sydney CBD.
    - The MLC Building (former) North Sydney is the only example dating from the first years of construction of these historically innovative buildings that is located in North Sydney. In addition, it was designed and constructed specifically with the intent of assist in the development of North Sydney as the second CBD in Sydney and is known to be the first and then tallest of these new corporate office buildings in the southern hemisphere.

## FOCUS OF SIGNIFICANCE ON THE MILLER STREET WING OF THE MLC BUILDING (former)

- At its meeting to of 3 February 2021 the Heritage Council gave consideration of the Peer Review reports on the economic viability, heritage significance of the various elements of the MLC Building (former) North Sydney. The Heritage Council also considered the potential for sympathetic modification of the building that does not significantly impact the heritage values of the building. 4 options were proposed in the Peer Review ranging from minimal refurbishment and upgrade, to a more substantial upgrade, to a proposal to retain the Miller Street Building and significantly alter or demolish the Denison Street building. The Peer review report also considers the option to fully demolish the existing Denison Street building and rebuild on the site.
- Discussion at that meeting canvassed the issue of the relative significance of the two wings of the building. It was generally agreed among Council that the iconic and most well recognised view of the building is that of the Miller street frontage with its sunken garden and sculpture.
- In this view the dramatic sweep of the glass curtain wall stretching for the city block to height of 14 storeys is clearly articulated. This view publicly demonstrates the building's heritage values of historic design and construction innovation and landmark and aesthetic sensibilities including the incorporation of modernist works in corporate accommodation design. It is this view that contributes to the building's representative values, as a Post War Modernist building and its rarity values as one of the increasingly rare examples of a glass curtain wall building.
- In comparison views to the Denison street wing of the building are largely limited to the few storeys that rise above the Miller street façade – the view to this wing from Denison Street is compromised by the limitation of viewing from a laneway with little ability to increase perspective of the building.
- For these reasons it was agreed that the statement of significance be reviewed to test the differing significance between the two wings.
- At its meeting of 5 February 2021, in which a decision to recommend the listing was considered, the Heritage Council discussed the reviewed statement of significance and

*agreed that the dominance of the Miller street façade carried the weight of the building's aesthetic, representative and rarity significance.*

- *Nevertheless, the Heritage Council agreed that the whole of the site is significant and so retain the State significant curtilage of the whole of the building. The Heritage Council is cognisant of the need to be flexible with the interiors of the building ensuring that contemporary upgrades are possible. The Heritage Council is willing to work with the owner on the development of site-specific exemptions form heritage council approval for such sympathetic changes that will allow activation of the building.*
- *The Heritage Council is always aware of the need for owners to be able to make changes to property to ensure the ongoing and contemporary use of their assets. Denoting the most and lesser significant elements of this building will provide an opportunity for the owner to consider changes to the building, including intervention in original fabric or partial, or potentially full demolition, that are sympathetic to its heritage values yet yield a contemporary A grade office space. Retaining the whole of the building in the curtilage will allow the Heritage Council to consider the impact of proposed changes in line with the relative significance of the part of the building impacted.*
- *The relative economic feasibility of each of the options presented in the Peer Review reports clearly outline a range of approaches that could be adopted to continue this building in reasonable and economic use.*

## **FUTURE MAINTENANCE AND REPAIR IMPACTS ON THE HERITAGE SIGNIFICANCE OF THE BUILDING.**

**Will necessary ongoing repairs and maintenance of the building compromise its integrity/authenticity to such an extent that it would lose its heritage significance?**

- *At the meetings of 3 and 5 February 2021, the Heritage Council, discussed this issue at length and concluded that major upgrade/refurbishment would not compromise its heritage significance as it is **the architectural design that is key to its heritage significance**, rather than the original fabric.*
- *The Peddle Thorp and Walker Peer Review report maintains that the building is capable of being fitted out for a contemporary workplace as minimum building and work plate parameters are compatible with a Property Council definition of an A grade building.*
  - *The report notes that services may need to be upgraded although they **were** upgraded only 8 years ago.*
  - *Further the report maintains there are a range of ways to meet fire rating and structural requirements noting that drawings of the building indicate that fire rating to the steel structure is provided by a sheet of plasterboard or fibre cement. Removal and replacement would seem possible above the new ceilings installed in 2012*
  - *replacement and repair of deteriorated sections of the curtain wall using the same methodology as used for the 2000 refurbishment of the base building is possible, making the complete replacement of the glass wall unnecessary. The successful façade restoration of the Qantas building is an example of such conservation works.*
  - *The problem of delaminating tiles on the north and south facades can be addressed with periodic conservation rather than by wholesale replacement.*
  - *The report found that the problems with recurring flooding of the Miller Street Special Area and lobby will likely be addressed with the major public infrastructure upgrades required for the Victoria Cross Metro Station.*
  - *A further option for the building canvassed in the PTW report proposed partial demolition of the item viz the Dennison Street wing which could be redeveloped as*

*contemporary A grade - office accommodation with a new, upgraded lift circulation area. This would increase the economic viability of a redevelopment and address issues such as the visual and physical connections through to the new Victoria Cross Metro station.*

## **ECONOMIC ANALYSIS**

### **Will the listing result in undue financial hardship?**

#### **Heritage status of the item and financial impost**

- *There is some evidence that any heritage listing can cause a financial impost on owners. In this case though, as the item has been listed on the North Sydney Local Environment Plan as a heritage item since 1989, the owner would have been aware of its heritage status at the time of purchase. It would also seem that despite the heritage status of the item, the owner has embarked on a plan to redevelop the site.*
- *There has been an argument put forward by the owner, that it only decided to commence this development proposal since 2013 when Investa mistakenly indicates that the Heritage Council decided not to progress the listing of the item on the State Heritage Register.*
- *This is a misunderstanding or misconstruction as on 4 September 2013 the MLC Building (former), North Sydney was endorsed by the Heritage Council of NSW as one of 34 items to be progressed for State Heritage Register listing under the Modern Movement listing theme.*
- *On 5 May 2020 the Heritage Council reconfirmed its commitment to progressing the State Heritage Register listing for the item. At this time, as the item was listed on the North Sydney Council Local Environment plan and was considered to have a degree of heritage protection, it was not included in the 2020/2021 Work Plan.*
- *The Heritage Council would argue that the item has been widely known to be of local, state and possibly national heritage significance for the entire time the owner, Investa, has owned the property and would have been aware of the potential financial implications.*

#### **Heritage Council's consideration of financial and economic factors relating to this listing.**

- *The Heritage Council 's consideration of the owners objections on financial hardship and economic viability grounds included consideration of 4 options put forward in the Peer Review reports. The option of refurbishment and updating the building, Option 2 took the WT Partnership costing and extent of works as given as there was not enough information for the peer review to fully analyse this material.*
- *Nevertheless the economic analysis of PTWs Options provided a sub set, Option 2a, which considered refurbishment and updating based on the figures presented in the Ethos Urban SSE in the 2020 Development Application submitted to North Sydney Council. The costing in this document was \$120 Million, a considerably lower cost figure than that cited in the WT Partnerships costing presented in the owner's submission to the Heritage Council. It is this greater costing figure which was the basis argument for the objection on grounds of financial hardship and the economic unviability of refurbishment and upgrade.*
- *The modelling of Options 1-3 in the PTW Peer Review clearly indicates that there are a range of approaches and works to the existing building at 105-153 Miller St North Sydney that could result in an upgrade of the building to an A grade standard, a number of which would be of less financial impost than wholesale demolition and redevelopment as proposed in Option 4, the project presented in the DA proposal put to North Sydney Council by the owner.*

