



ROYAL HISTORICAL SOCIETY OF VICTORIA INC.

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Just Released: Heritage Victoria Officer's Report on City of Melbourne Application for Permit to Reconstruct Queen Victoria Market

The Friends of Queen Victoria Market have obtained release of this report, which the City of Melbourne had kept under wraps. It is the internal report which led to the decision to refuse a permit for the Doyle plan to dismantle the historic sheds, excavate three levels below them for parking and services, and rebuild the sheds with many new structures. The report is of interest to all concerned with the QVM and indeed to all concerned with heritage issues and the workings of Heritage Victoria. It reflects great credit on Heritage Victoria. We urge all RHSV members to read the report. It can be found at https://www.heritage.vic.gov.au/data/assets/pdf_file/0029/396209/QVM-report-marked-up-20181025pdf_Redacted.pdf Or go to the Heritage Victoria web site, scroll down to VHR0734 P27642 Queen Victoria Market (under Recent permit decisions 2018), and click on P27642 Queen Victoria Market officer report (PDF, 2.0 MB).

The report is of interest beyond the QVM because it shows how HV arrives at a decision. Officers' reports are not usually released to the public. We learn that submissions matter, especially well-informed ones (you'll note the mention of the RHSV's submission). Finances matter, and HV is clear-headed on this: if the owner can show genuine financial hardship, HV will take that into account, but claims without foundation, like those of the City of Melbourne, will be detected and dismissed. Above all, the tangible impact on the historic fabric matters.

The report mercilessly dissects the City's claims about the Market. Heritage Victoria noted that the application 'forms part of a larger strategy for the QVM', but that the application avoided discussing that larger strategy (p. 6). The Doyle proposal is only 'the first part of a three-stage redevelopment' and only the first stage is discussed in the application. But, as HV points out, approval for this first stage would 'pre-empt to a large extent the as yet undocumented' second and third stages. And although the application does not document these stages, the report finds many indications that these would involve further loss of heritage and of trading activity (p. 12).

HV also took note of the City's claim that the sheds are in a dangerous state of disrepair, pointing out that the City had a responsibility to 'regularly inspect and repair the sheds', if only for public liability concerns (p. 14).

HV made a careful appraisal of the changes to the cultural heritage value of the market that would result from the City's proposal, taking particular note of the new materials that would be used, the complete rebuilding in new materials of Shed D, widened to accommodate a three-lane vehicle ramp and the blocking of views currently open (pp 6-7). This section bears out the RHSV's argument that the Shed D access ramps, the lift wells and vent shafts at each end of Sheds A-C and vent shafts at Shed A would do irreparable harm to the heritage aspect of the market.

The report also noted that there are several references to extensive work 'to transform the Victoria Street Terraces [shops] to enable them to act as portals to the market experience', but that nowhere does the application provide documentation of what 'transformation' is proposed for these important parts of the market's built fabric (p. 13).

Most interestingly, HV took account of the two-storey 'pavilion' proposed for Queen Street. While Queen Street itself is not part of the heritage registered site, its 'visual impact ... would be considerable, creating a visual barrier' between the two parts of the market.

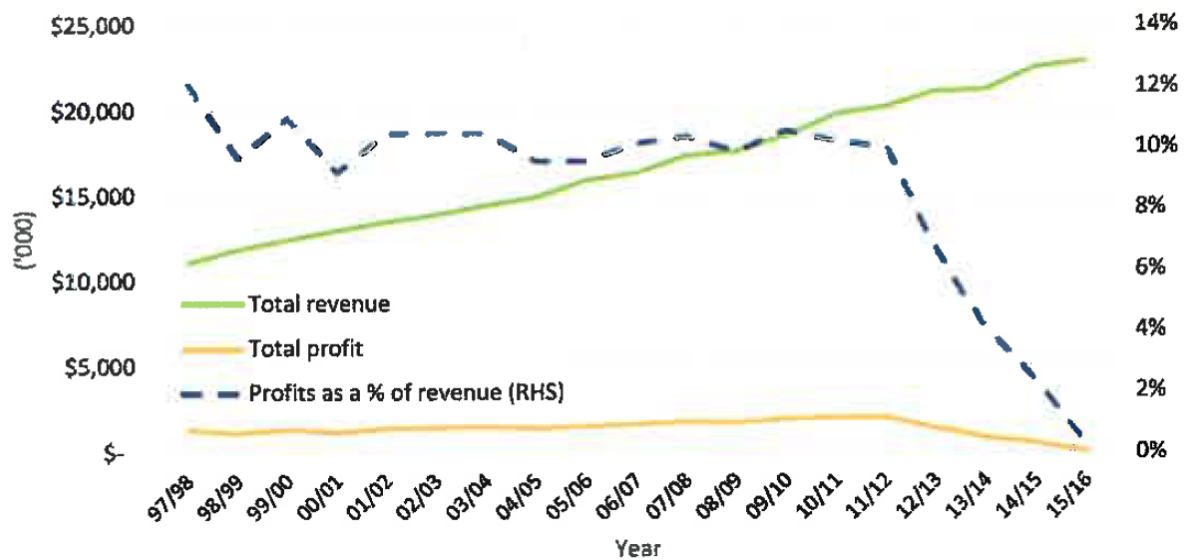
HV also noted that the City had requested an exemption from having to apply for a permit to put 20 cargo containers, functioning as fixed stalls, in Stringbean Alley, between Sheds L and M. HV refused this request 'due to its clear impact on the setting of the place' (p. 9). Despite this indication that HV did not view this proposal favourably, the City has now applied for a permit for these new fixed stalls, in the midst of the People's Panel deliberations which were supposed to guide the development of the Market! This seems an act of bad faith. We will soon be putting up indications on how to make a submission to Heritage Victoria regarding this application.

The report summed up the impact of the proposal as 'severe' (p. 14).

HV was concerned not only with the built fabric but with the market’s traditional mode of operation. The report notes that ‘the five-year redevelopment period’ would entail ‘extensive interruption of traditional market activities’ and the report provides details of this disruption, demonstrating that the City’s application failed to take account of many disruptive factors (p. 9).

HV’s scathing assessment of the City’s business case for its proposal has caused much controversy. The City claimed that ‘the market’s overall profitability ... had declined to zero per cent’. But, as HV points out, while profit of QVM Pty Ltd had declined somewhat, total market revenue was rising up till 2016, when the Council’s proposal began to undermine confidence in the market’s future. The graph below, reproduced in the HV Report from Council’s own application, shows that revenue was going up.

FIGURE 9. QUEEN VICTORIA MARKET PL TOTAL REVENUE VS. TOTAL PROFIT (1997/98-2015/16)



Most damningly, HV analysed the City’s claim that the market’s financial viability was threatened by the rising cost of waste disposal and cleaning and of repair and maintenance. As a result, it is claimed, QVM Pty Ltd lost \$2.3 million in 2016-17. But HV points out that in that same year, QVM Pty Ltd spent more than this on ‘consultancy’ (\$2.21 million) and director’s fees (\$0.403 million; p. 18). And HV notes that ‘any perceived higher maintenance costs ... are a result of poor management in the past’, as QVM Pty Ltd admits that the problem results from ‘the low level of capital improvements made ... since the 1990s’ (p. 19).

HV had the City’s business case peer reviewed. The review found that it ‘does not prove that the current situation is unsustainable’ (p. 19). The City also argued that the problem was ‘underutilisation’ of land because other parts of Melbourne had many more jobs per hectare. HV rightly calls this ‘spurious reasoning’ because it compares multi-storey office complexes with a single level market. The possibility that the market could return a higher rate of return if redeveloped is irrelevant to determining a permit (p. 22). And indeed, given that the City’s proposal would eliminate trading from most of all of Shed D, it wasn’t clear to HV that ‘overall rental income of the market would significantly increase’ under the proposal (p. 23).

Similarly, HV dismisses the City’s argument that forklifts are dangerous or that redevelopment is needed to improve hygiene (p. 23). Painted lane markings would separate forklifts and three levels of underground aren’t required to install wash basins.

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