Bryce Raworth
CONSERVATION | HERITAGE

Heritage Impact Statement

Rialto Building
497-503 Collins Street, Melbourne

Application for Permit – Proposed Redevelopment

June 2023

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1.0 Introduction

This report was prepared by Martin Turnor of Bryce Raworth Pty Ltd at the request of Planning & Property Partners Pty Ltd, on behalf of the owner of the Rialto Building at 497-503 Collins Street, Melbourne. It provides an assessment of the potential impacts that the proposal for partial demolition, alterations and multi-storey development may have upon cultural heritage significance of the registered building.

It is intended that this report be read in conjunction with drawings prepared by Cox Architects and other documents submitted with respect to this application, including the report to Heritage Victoria on reasonable or economic use (Ethos Urban), the heritage interpretation plan (Sue Hodges Productions) and the Conservation Management Plan for the Rialto and Winfield Buildings (Bryce Raworth Pty Ltd).

2.0 Sources of Information

The analysis below draws upon external and internal site inspections of the Rialto Building along with a review of the *Heritage Act 2017* and the relevant Victorian Heritage Register documentation for the Rialto Building (H0041). Reference is also made to Heritage Victoria's pre-application advice in relation to the proposal (dated 9 September 2021 and 9 December 2022), *Principles for considering changes to places in the Victorian Heritage Register* (made and published under s19(1)(f) of the Heritage Act 2017, December 2022) and *Heritage Victoria Policy: Reasonable or Economic Use* (made and published under s19(1)(f) of the Heritage Act 2017, June 2021). Additionally, regard has been had for the City of Melbourne's Heritage Overlay provisions and local heritage policy, as set out under Clause 43.01 and Clause 15.03 to the *Melbourne Planning Scheme.*

3.0 Methodology

This heritage impact statement was prepared with regard to the Burra Charter and its guidelines, as amended in 2013, and in general accordance with Heritage Victoria *Guidelines for Preparing Heritage Impact Statements* (June 2021). It seeks to respond to key matters that are set out on page 3 of those guidelines:

- *Why a place or object is of cultural heritage significance to the State of Victoria*
- *What options were considered in developing the proposal*
- *What impact (positive and/or negative) the proposed works will have on that significance,*
- *If a negative impact is proposed, why the proposed option was chosen and why other more sympathetic options were not feasible, and*
- *What measures are proposed to minimise and mitigate negative impacts.*

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4.0 Brief History & Description

The following provides a brief overview of the history of the place. A detailed history and explanation of the various changes that have been made to the registered buildings can be found in the Conservation Management Plan submitted in support of the permit application.

The Rialto Building was constructed in 1890-1891 to a design by architect William Pitt. It has an ornate five storey facade in the Venetian Gothic Palazzo style, with brick walls, rendered mouldings, ceramic tiles inlay and pressed zinc roof tiles. The plainer six storey bichrome brick rear wing was divided into a series of warehouses with cast iron balconies running the full length of the east elevation. Corrugated iron urinal enclosures were built at the southern of the balconies, presumbly soon after the intial construction of the building.
A bluestone paved service lane looped under the Collins Street end of the Rialto Building and returned along its western side, forming a U-shape that facilitated deliveries by carts and wagons to the warehouses. The shared right of way between the Rialto and the Winfield Buildings was known as Winfield Square.

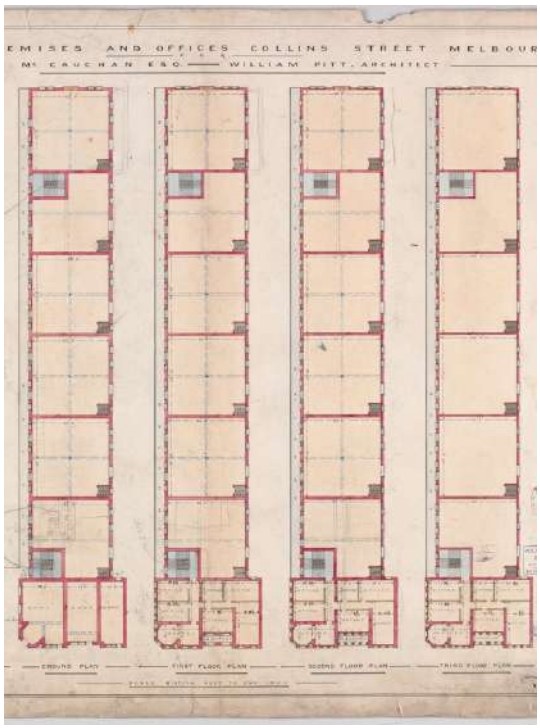

Figure 1 (left) *An 1890 illustration of the Rialto Building. Source: State Library of Victoria.*
Figure 2 (right) *1890 floor plans prepared by the office of architect William Pitt showing the warehouses divided into fireproof compartments (noting the design was changed prior to construction to include a carriage entrance and laneway to the west side. Source: State Library of Victoria.*

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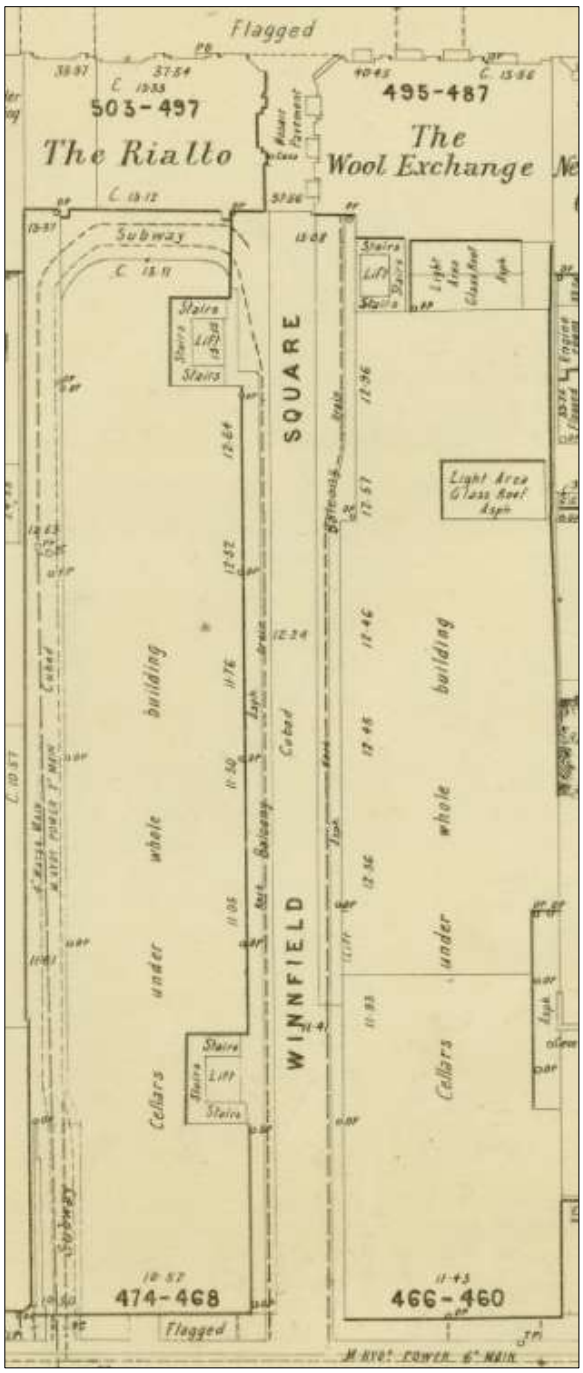

Figure 3 (left) *Extract from an 1895 MMBW Detail Plan of Melbourne showing the Rialto Building and Winfield Building (then known as the Wool Exchange) separated by Winfield Square right-of-way. Source: State Library of Victoria.*

Figure 4 (right) *A 1910 Mahlstedt fire insurance plan of the Rialto Building. Source: State Library of Victoria.*

The Rialto Building and adajcent Winfield Building sites were consolidated in 1967 under the ownership of National Mutual and in the 1970s they were the subject of several contentioius redevelopment proposals, relfecting a growing concern at the loss of Melbourne's historic buildings. In 1978, National Mutual were granted a permit to demolish all but the front 14 metres of the Winfield Building, and while that was underway, they also sought approval to demolish the bulk of the Rialto Building.

Figure 5 *View from Winfield Square looking north, 1972. The Rialto Building is to the left. Source: Graeme Butler.*

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Figure 6 *The east elevation of the Rialto Building, c1977. Note corrugated iron clad urinals at the far left. Source: State Library of Victoria.*

Figure 7 *The Flinders Lane elevation, c1978. Source: State Library of Victoria.*

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A scheme for the redevelopment of the Rialto precinct was eventually approved in 1981 resulting demolition of heritage buildings across the site for make way for the multi-storey Rialto Towers west of the Rialto Building (completed 1986).

The Rialto and Winfield Buildings were converted into a 243 room hotel, completed in 1985 and named the Menzies at the Rialto. The exteriors of the Rialto Building were retained with comparatively minor alterations, whilst the interiors were transformed into modern hotel suites and associated service spaces. The land at the rear of the retained portion of the Winfield Building was redeveloped with a 13 storey hotel wing with a galleried red-brick facade echoing the east elevation of the Rialto Building. Winfield Square was enclosed by a glazed steel-framed atrium and its bluestone paving was taken up to allow for basement excavation works and then relaid.

The hotel was taken over by the InterContinental group in 2006 and renamed the InterContinental Melbourne. Refurbishment works undertaken 2007-2008 included a new zinc and glass clad feature staircase, updated lobby and new bar and restaurant in the atrium (siting on a raised that floor fully covers the bluestone paved laneway).

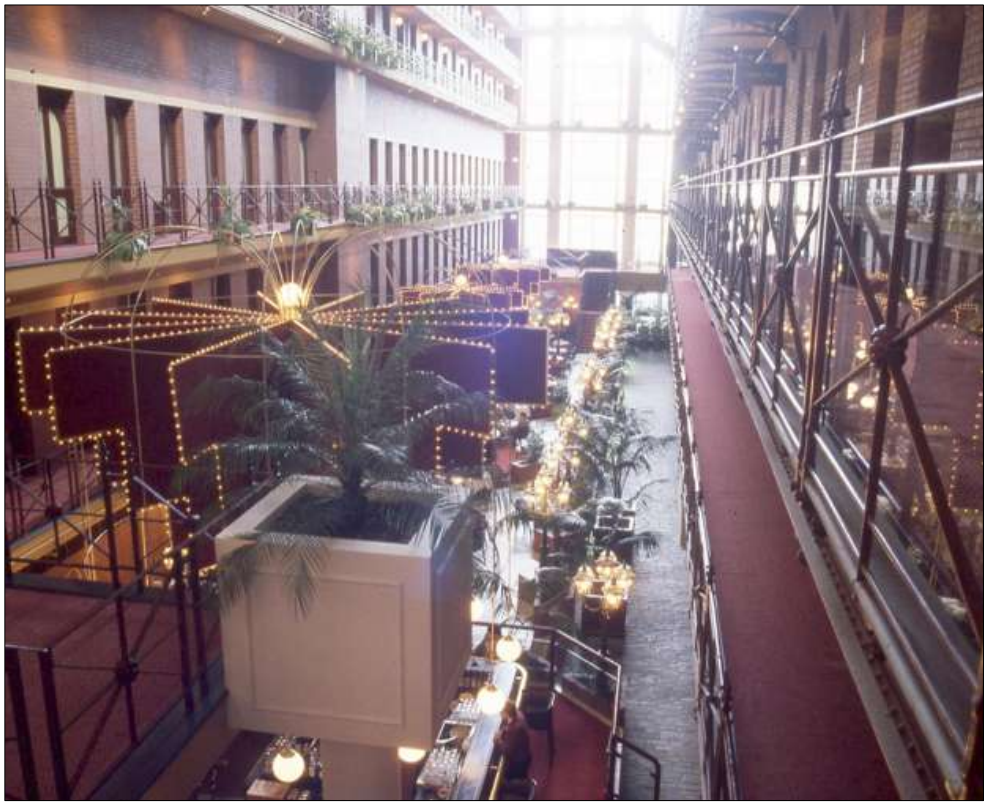

Figure 8 *The hotel atrium, 1985. Note that bluestone paving to Winfield Square was left partially uncovered at that time. Source: National Archives of Australia.*

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The Collins Street facade remain highly intact to its nineteenth century appearance. The side and rear elevations of the Rialto Building are also largely intact. A number of windows have been converted into doors (by dropping the original sill height). Modern lifts have been installed in the original northern lift shaft, surmounted by a *faux* heritage gabled parapet.

Frameless glass panels have been fixed the cast iron balustrades that run the full length of the east elevation, for building code compliance. The balcony floors are carpeted and raised in places to eliminate stepped thresholds at doorways. The interiors have been far more heavily altered and the prevailing character is of a modern hotel.

It is understood that the internal brick walls originally dividing the building into 'fire-proof' warehouse compartments have been partially retained. The vaulted corrugated iron Traegerwellblech floor structure also survives (to an unknown extent) mostly hidden by modern plasterboard ceilings, but where exposed covered in a layer of vermiculate.

Figure 9 (left) *The Rialto Building's Collins Street facade.*
Figure 10 (right) *The Flinders Lane façade with corrugated iron clad urinal enclosures.*

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Figure 11 *The east elevation and modern roof structure enclosing the hotel atrium.*

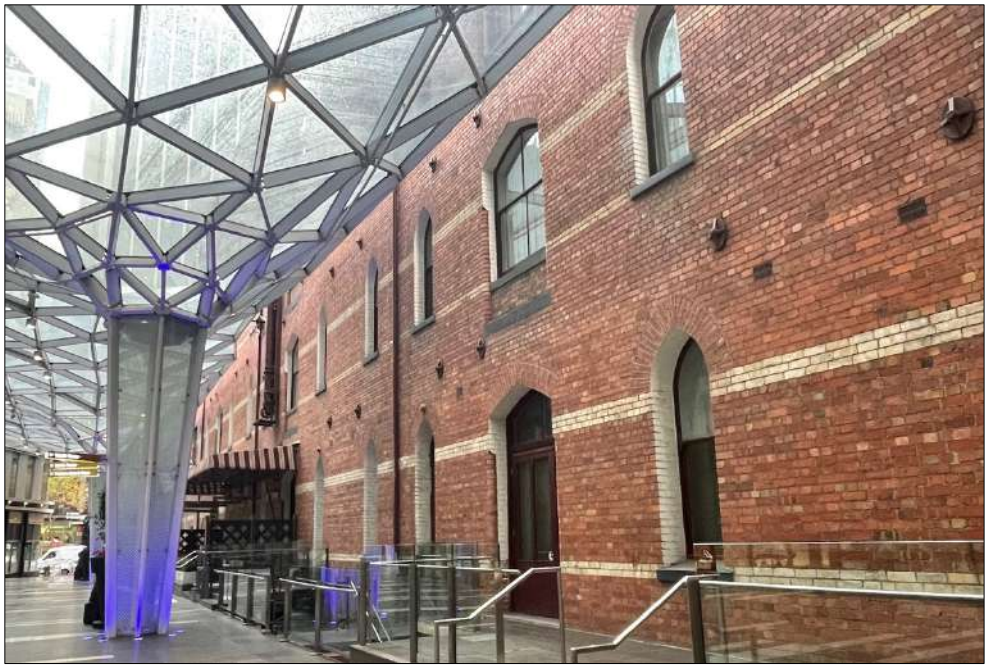

Figure 12 *The west elevation, partly obscured by the glazed canopy over the Rialto Towers plaza.*

Figure 13 (left) *The sunken laneway on the west side of the Rialto Building. Note modern pedestrian bridges.*

Figure 14 (right) *Detail of the laneway paving.*

Figure 15 *Typical hotel suite in the front wing of the Rialto Building.*

In terms of issues of urban context, the Rialto and Winfield Buildings are an integral part of a streetscape of notable late-nineteenth commercial premises, comprising: the Venetian Gothic style Olderfleet Building at 471-477 Collins Street (built 1889-1890); the Records Chambers at 479-481 Collins Street (built 1887), and; the New Zealand Chambers (later known as South Australian Insurance Building) at 483-485 Collins Street (built 1888). These buildings were partially demolished in the 1980s and the retained front wings (varying in depth from 11.5 to 13 metres) incorporated into an eight storey office development – recently replaced by a 40 storey office tower at a setback from the Collins Street heritage facades and with further demolition of part of the rear of the Olderfleet. The site to the west of the Rialto Building is occupied by the Rialto Towers, a 43 and 55 storey 1980s office tower. The Rialto Towers podium was rebuilt in 2015-2017 and the plaza covered by an undulating seven metre high canopy – the effect of which is to reduce visibility to the upper parts of the Rialto Building's west elevation.

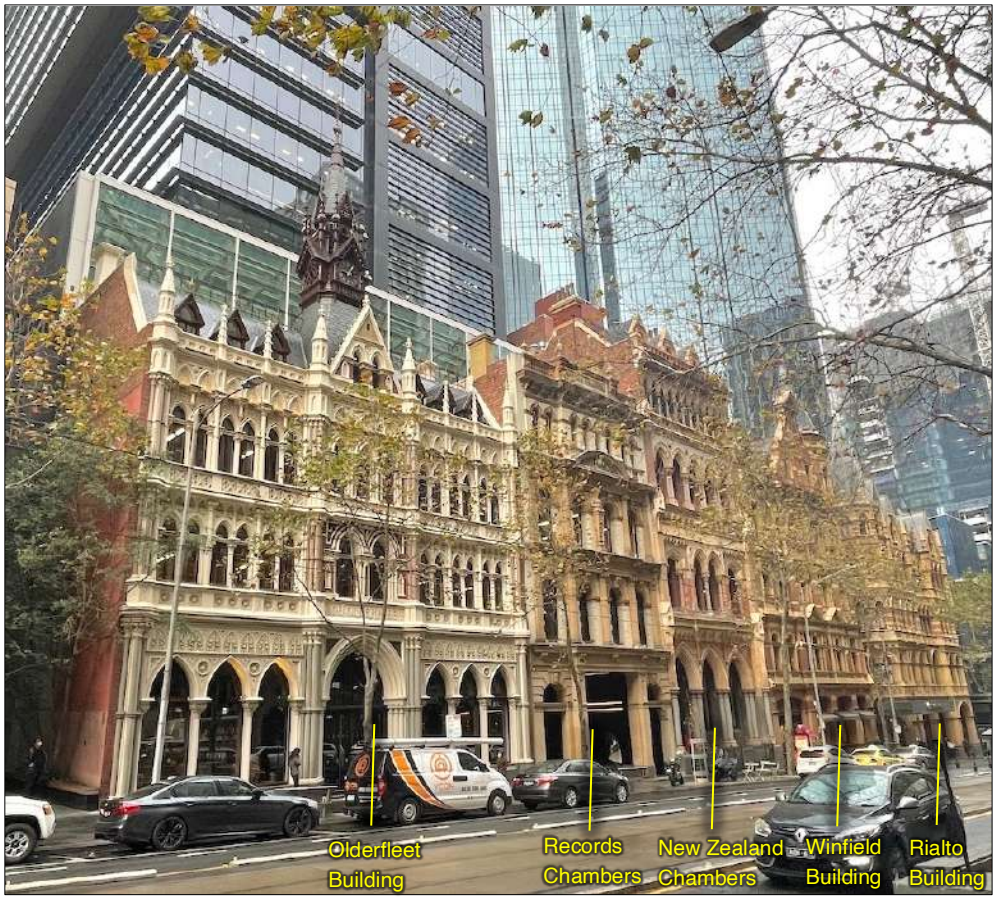

Figure 16 *The streetsape of historic commerical buildings on the south side of Collins Street.*

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5.0 Heritage Listings

Heritage Victoria

The Rialto Building is included on the Victorian Heritage Register. The initial registration occurred in October 1974, with an amendment to the registrations made in August 2000. The extent of registration for the Rialto Building (VHR H0041) is described as follows:

> *1. All the buildings and structures being B1 Rialto building, including the access between the Rialto and Winfield buildings, and LW1 being the cobbled bluestone laneway running both sides of the building, as marked on Diagram 41 held by the Executive Director.*
>
> *2. All the land marked L1 on Diagram 41 held by the Executive Director, being described in part of Plan CP174333B Vol. 10049 Fol. 367 & 368, being part of Crown Allotments 14 and 15, Section 2 in the Parish of Melbourne North.*

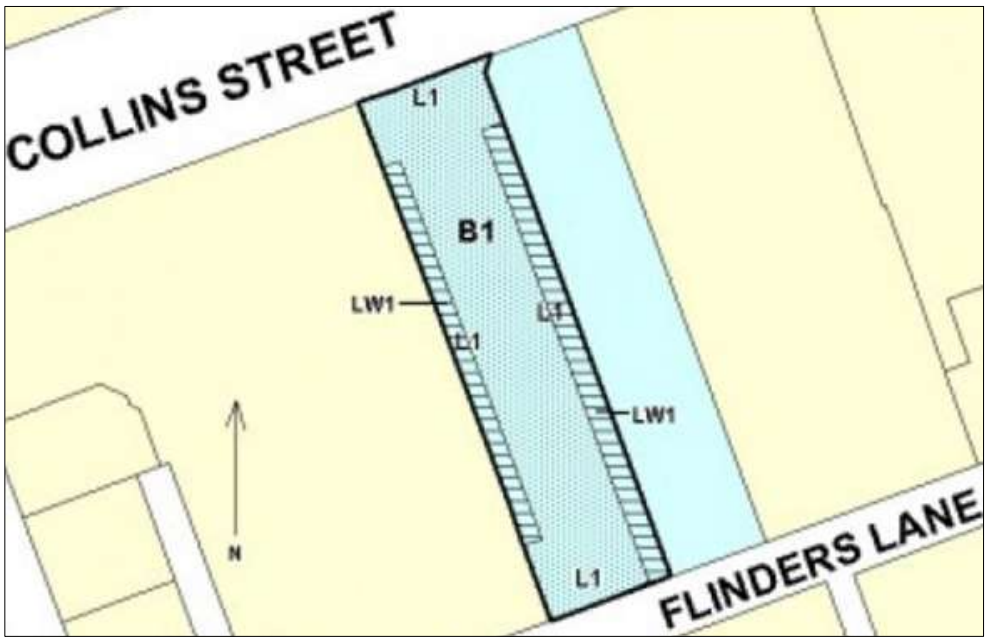

Figure 17 Diagram 51 showing the extent of registration for the Rialto Building.

Victorian Heritage Inventory

The Rialto Building and Winfield Square are included in the Victorian Heritage Inventory as H7822-2196 and H7822-2197 respectively. The Heritage Inventory is a listing of all known historical (non-Indigenous) archaeological sites in Victoria.

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City of Melbourne

The Rialto Building is individually identified in the Schedule to the Heritage Overlay of the Melbourne Planning Scheme as HO904. It is nonetheless recognised that the Responsible Authority with regard to heritage matters for the heritage place is Heritage Victoria, and the City of Melbourne will have a role as a referral body.

National Trust of Australia (Victoria)

The Rialto Building (B2894) is classified by the National Trust of Australia (Victoria) as a place of state significance. The Rialto Building is also included in the Trust's classification for the Rialto Precinct Historic Area (B7244).

6.0 Permit Exemptions

Permits are required pursuant to the *Heritage Act 2017* for works to the registered fabric of the Rialto Building, except where the works are described in the Heritage Victoria's general permit exemptions and the permit exemptions policy specific to the place, as follows:

Permit Exemption Policy

The purpose of the permit exemptions is to allow works that do not impact on the significance of the place to take place without the need for a permit.

The retention of the original form of the building, the laneways and galvanised iron toilets is essential to an understanding of the significance of the place.

The form and materials of the laneways should be sufficiently exposed to allow an understanding of their relationship to the Rialto building.

The refitting of the hotel rooms and passageways leaves little visual understanding of the original form of the stores, and therefore the redecoration and refitting of hotel rooms are exempt from permits.

Permit Exemptions

General Conditions:

1. *All exempted alterations are to be planned and carried out in a manner which prevents damage to the fabric of the registered place or object.*
2. *Should it become apparent during further inspection or the carrying out of alterations that original or previously hidden or inaccessible details of the place or object are revealed which relate to the significance of the place or object, then the exemption covering such alteration shall cease and the Executive Director shall be notified as soon as possible.*
3. *If there is a conservation policy and plan approved by the Executive Director, all works shall be in accordance with it.*
4. *Nothing in this declaration prevents the Executive Director from amending or rescinding all or any of the permit exemptions.*

Nothing in this declaration exempts owners or their agents from the responsibility to seek relevant planning or building permits from the responsible authority where applicable

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External:

- *Minor repairs and maintenance which replace like with like. Note: any changes to the toilets remain subject to permits.*

Internal:

- *Change internal finishes of hotel rooms and service areas, including repainting, and refurbishment or replacement of existing fittings, provided no structural alterations are made, and no physical or visual impact is made upon the exterior or original structure, including balconies and walls of the building.*

7.0 Heritage Act

Applications for works to places on the Victorian Heritage Register are considered within the broad ambit of considerations under the *Heritage Act 2017*, which seek to conserve the significance of place, whilst also support their sustainability and taking into account economic impacts. Inter alia, the Heritage Act provides the following directions regarding the matters to be considered in the determination of permit applications:

101 Determination of permit applications
(1) After considering an application the Executive Director may—
(a) approve the application and—
(i) issue the permit for the proposed works or activities; or
(ii) issue the permit for some of the proposed works or activities specified in the application; or
(b) refuse the application.

(2) In determining whether to approve an application for a permit, the Executive Director must consider the following—
(a) the extent to which the application, if approved, would affect the cultural heritage significance of the registered place or registered object;
(b) the extent to which the application, if refused, would affect the reasonable or economic use of the registered place or registered object;
(c) any submissions made under section 95 or 100;
[…]
(f) any matters relating to the protection and conservation of the registered place or registered object that the Executive Director considers relevant.
(3) In determining whether to approve an application for a permit, the Executive Director may consider—
(a) the extent to which the application, if approved, would affect the cultural heritage significance of any adjacent or neighbouring property that is—
(i) included in the Heritage Register; or
(ii) subject to a heritage requirement or control in the relevant planning scheme; or
(b) any other relevant matter.

Within the context of assessment under the *Heritage Act 2017*, it is also appropriate to have regard for *Heritage Victoria Policy: Reasonable or Economic Use Policy* (made and published under s19(1)(f) of the Heritage Act 2017, June 2021), and *Principles for considering changes to*

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places in the Victorian Heritage Register (made and published under s19(1)(f) of the Heritage Act 2017, December 2022).

8.0 Significance

The statement of significance for the Rialto Building as adopted by Heritage Victoria reads thus:

What is significant?
The Rialto Building, 497-503 Collins Street, was designed by the prominent Victorian architect William Pitt for businessman Patrick McCaughan. It was built by contractors Comely and Guillam between 1890 and 1891. The large complex, principally built in face red tuck-pointed brick, has facades to Collins Street, the Rialto Plaza, Flinders Lane and to the redeveloped rear section of the Winfield building to the east. The five storey Collins Street facade forms a screen to the major section of the building at the rear, a six storey arcade of small warehouses. The Collins Street facade is a distinctive version of the Venetian Gothic palazzo style. This polychromatic facade, with a diverse range of decorative materials including cement, ceramic tiles and pressed zinc, forms an integral part of the Rialto precinct, a highly significant group of five late Victorian buildings. Pitt's version of the Gothic was inspired by the style of the Gothic palazzo mercantile exchanges of Venice.

The long east facade is now incorporated into an atrium, and faces the new Winfield Building finished in a sympathetic style on the opposite side. The pointed arch motif of the Collins Street facade is consistently repeated in the openings of the warehouse section of the building. The whole complex is now occupied by a hotel, housed beneath a glazed atrium formed in 1984.

The original bluestone cobbled laneway, which served the carts and wagons delivering wool and other products to the Rialto building warehouses, survives intact on the ground floor of the atrium. This laneway forms a U-shape by looping around under the building at the Collins Street end, and returning along the whole length of the west facade back to Flinders Lane.

The building was specifically designed with the latest contemporary fire prevention measures. The plaster of internal walls and ceilings of the office section was placed on expanded metal lathing, a significant advance to traditional timber laths. In the stores area each room was compartmentalised with full height masonry walls. The stone stairs and hydraulic lifts were located in two isolated bays. Traegerwellblech fireproof flooring was employed, a system of curved corrugated iron resting on the flanges of steel joists and covered with concrete.

The Flinders Lane facade incorporates a five storey corrugated iron urinal enclosure. The floors of the block are formed by the galleries, and the walls are simply formed from galvanised corrugated iron. The exact date of these toilets is not known. Pitt's original plans show earth closet toilets on the roof of the building, but a later, apparently undated plan shows urinals in their current position. The architect took the trouble to incorporate Gothic pointed arch windows into the ironwork, giving a sense of unity with the brick structure.

Tenants of the building in the early 1890s included the newly formed Melbourne Metropolitan Board of Works, responsible for providing Melbourne with a water and sewerage system. Other tenants included the law firm of Theodore Fink, who was a noted lawyer at many 'land boomer' trials in the 1890s. Later tenants included the Melbourne Woolbrokers Association

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and in 1904 the Wool Exchange Sale Room was located on the fourth floor of the warehouse block.

How is it significant?
The Rialto Building is of architectural and historical significance to the State of Victoria.

Why is it significant?
The Rialto Building is architecturally significant as one of the finest 'boom style' buildings in Melbourne, and is an integral part of an exceptional group of late Victorian commercial buildings in Collins Street. The richly articulated surface mouldings, the array of Gothic windows and polychromatic brickwork to the Collins Street facade is a quintessential expression of 'boom period' architecture. It is one of the finest examples of the commercial Gothic style successfully developed by prominent architect William Pitt.

The rear section of stores stylistically echo the front office section, notably in the use of the pointed Gothic window. The stores are significant as a unique arrangement of warehouse space in Melbourne. The space created by the long internal facade and the narrow laneway is also unique, and despite no longer being open to the elements, the current layout retains the form, substance and atmosphere of the original layout.

The Rialto Building is architecturally significant for its fire-prevention measures. Innovative technology in its construction included fire resistant expanded metal lathing for plaster and Traegerwellblech floors.

The Rialto Building is historically significant as a demonstration of the building boom in Melbourne during the early 1890s, shortly before the economic depression halted building for most of the decade. The design demonstrates the new approach to office accommodation, being specifically planned for a range of commercial tenants and with shops to the ground floor of the street facade. The unusual urinal enclosures demonstrate a novel solution to the provision of sanitation in a multi-storey building.

The Rialto Building is historically significant for its associations with the newly formed Melbourne Metropolitan Board of Works. It is also associated with many prominent businesses, including the law firm of Theodore Fink. Additionally, the warehouses link the building historically to the wool industry because the building was an important focal point to the wool markets and auctions as well as for storage.

9.0 Proposal

The proposal is for the Rialto Building to be restored and refurbished internally so that it can function as a hotel, physically and operationally integrated with the hotel in the connecting tower building, and the club accommodated within the retained Winfield Building. The highly intact Collins Street façade will be retained and conserved. The 1980s atrium structure and entry canopy will be removed.

Modern non-significant elements will be stripped out of the interior, including non-structural walls, ceiling linings, floor finishes, joinery and other fixtures and fittings. The remnant masonry

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walls that originally divided the interiors into fire-proof compartments are retained, albeit with some new, small-scale openings.

The Traegerwellblech floor structure is also retained apart from localised demolition to accommodate new lifts, stairs and service risers – elements that are all critical to the adaptive reuse of the place.

The balconied east elevation of the Rialto Building will also be handled with a 'light touch', with little change aside from the removal of small sections of the cast iron balustrades for new pedestrian bridges that span the atrium. The corrugated iron urinal enclosures at the southern end of the Rialto Building are to be restored and the interiors repurposed as spaces for the display of artwork and interpretative devices. A small number of existing openings on the west elevation will be modified, either by replacement of window frames with louvred vents or by converting windows into door openings (ie by lowering sill heights).

Alterations to the Flinders Lane elevation are limited to the replacement of the modern glazed door to the ground floor entrance, above which a glazed, steel-framed canopy will be installed. A single-storey addition with rooftop terraces will be erected behind the parapet, replacing existing modern utilitarian rooftop structures of no significance.

The existing raised atrium floor structure is to be demolished to reveal the bluestone paving to Winfield Square. The bluestone laneway on the west side of the Rialto and its 'horseshoe' bend will become a publicly accessible area, activated by new retail/commercial premises. The existing, undulating bluestone paving is to be carefully taken up and re-laid to create a DDA compliant trafficable surface, consistent with the approach previously taken for the paving to Winfield Square.

A new, glazed/visually lightweight atrium will be reintroduced over Winfield Square. The atrium will be spanned by a limited number of new pedestrian bridges connecting the tower development with the Rialto Building. The pedestrian bridges have glazed balustrades to minimise interference with views to the east elevation of the Rialto Building.

The 1980s hotel wing to the rear of the Winfield Building (ie non-registered land) is to be demolished in full and that part of the site redeveloped with a multi-storey tower containing hotel accommodation and office space. The tower has been designed with the aim of maintaining visual separation from the heritage buildings whilst also allowing access of natural daylight into Winfield Square. The atrium and lobby areas within the tower podium provide greater opportunities to view its galleried east elevation.

These considerations have factored into the design of an elegant, 'sculptured' building envelope, departing from the conventional rectilinear tower format. The lower levels of the tower will cantilever out over the atrium with gradual, tapered profile providing the Rialto Building with 'breathing space'. The tower has its own distinct architectural identify but nonetheless

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establishes a strong relationship to the heritage buildings by a vertical recess in the north façade, aligned with Winfield Square.

The tower is variously clad in clear and tinted glass panels interspersed with an irregular pattern of solid masonry elements that reference the colours and materiality of the heritage façade but using softer, desaturated hues. The interleaving of solid and glazed cladding gives the tower a variegated appearance and adds to its visual interest – noting that the lower levels of the tower are purposefully designed with less material and colour variation to create a visually neutral backdrop to the Rialto Building.

A program of façade conservation works will be undertaken, as generally described in Attachment 1 to this report. Further detail on the scope of the conservation works can reasonably be provided as a condition of permit. Additionally, and no less importantly, a wholistic approach will be taken to the interpretation of the place's history and significance, as outlined in the Heritage Interpretation Plan by Sue Hodges Productions.

10.0 Impact Assessment

As noted, this report has been prepared in general accordance with Heritage Victoria's guidelines for Heritage Impact Statements. With respect to the proposed works, it seeks to respond to the key questions previously set out in Section 3.0.

What options were considered in developing the proposal?

A key consideration in the development of the proposal is the need for a substantial upgrade in the hotel facilities to meet current and future standards of amenity and to also provide sufficient commercial office space to deliver an economic variable outcome – one that will generate the income necessary for the (not insubstantial) costs of restoration and ongoing maintenance of the heritage fabric. Various iterations for the redevelopment of the site were tested and refined with the objective of minimising impacts on the heritage buildings.

The scheme for a multi-storey tower development behind the Winfield Building (with a partial cantilever over the Rialto Building at the upper most levels) was ultimately adopted as the preferred approach because it allows for as much of the new development as possible to occur outside of the extent of registration, and this allowing the exteriors of the Rialto Building to remain largely unchanged.

What impact (positive and/or negative) will the proposed works have on [the] significance?

The proposed works will have a positive impact on the Rialto Building, principally as a result of a scheme for adaptive reuse that requires minimal intervention to the significant external fabric. Its appearance will be markedly improved by the demolition of modern additions and accretions. This includes the 'decluttering' of the atrium space with bulky, visually impermeable pedestrian

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bridges replaced by a smaller number of pedestrian bridges, designed as visually lightweight structures with transparent glass balustrades.

Winfield Square will be revealed by stripping out the raised floor structure, and reinstated to its historical width, recapturing sense of what it was like to traverse the space.

Positive impacts arise from opening up the atrium as publicly accessible space and its use as a circulation spine connecting the building to the broader urban fabric – the atrium having been the exclusive realm of the hotel since the 1980s – as well as the activation of the west laneway (this being a part of the registered building that has long been closed off to all but hotel staff). Additionally, the implementation of a comprehensive interpretation strategy will be positive in terms of enhancing an understanding of the history and significance of the place, and finding an active role for the historic urinal enclosures.

Substantial change is proposed for the interiors of the Rialto Building, but this does not suggest that the impact of this change is negative. As already described, the interiors have already been heavily altered. Moreover, much of the internal work involving stripping out of modern fabric, refurbishment hotel rooms and non-structural alterations are covered by Heritage Victoria's permit exemption policy for the Rialto Building, as well as the general permit exemptions provided for the fit-out of previously refurbished commercial interiors. The proposal to create lift shafts and services risers in the Rialto Building will result in the loss of some of the original fireproof floor structure. A significant proportion of the original floor structure will nonetheless be retained.

In terms of the development to the rear of the Winfield Building, the 1980s hotel wing was originally detailed to reflect the character of the east elevation of the Rialto Building to a degree that bordered on replication, particularly in terms of the use of red brick and the repetition of cantilevered balconies on each level. While this was seen as appropriate to its time, it can be seen to confuse the reading of the place (some visitors assume it is historic fabric). It also gives the space a unified galleried character that has been compared to that inside the various cell blocks of Victoria's early prisons, particularly those at Pentridge. The new podium has a different, and in many respects more open/permeable character that will establish a clearer differentiation between old and new, to throw emphasis upon the delicate forms of the Rialto Building galleries, and add architectural and spatial interest to its setting.

The proposed tower will not have an unacceptable impact on the setting of the registered building, having regard for the fact that the setting is central Melbourne. Tall built form is prevalent and exists in close proximity to the subject site, the neighbouring Rialto Tower itself being a key reference in terms of height. There is also the example of the recently completed 40 storey development πon the adjacent Olderfleet site. It is a taller, more visually bulky tower than proposed for the subject site, rising up from behind registered heritage facades of comparable significance to the Rialto and Winfield Buildings ie the Olderfleet Building (VHR H37), New

Zealand Chambers (VHR H39) and Record Chambers (VHR H38) – buildings which constitute an important late-Victorian commercial streetscape, of which the Rialto and Winfield Buildings are an integral part.

There are a range of other precedents for development of towers behind retained heritage fabric in Melbourne's CBD. They include buildings of both state and local significance, eg: the Herald & Weekly Times Building (VHR H1147), the former Police Headquarters, Russell Street (VHR H913) and 271 Spring Street (HO1078) and former Church of England Mission (HO741] – some of which extend into the airspace above the heritage building. The proposed development has a key point of difference from these examples in that it does not occupy a prominent corner location but is instead a mid-block site. This will mean that the cantilever is not as pronounced, especially having regard for the gentle gradient of the façade taper and setback of the tower from the Collins Street façade (varying from 13.6 metres to 11.1 metres), and also on account of the upper parts of the Rialto Building's west elevation being concealed by the modern canopy over the Rialto Tower plaza.

If a negative impact is proposed, why the proposed option was chosen and why other more sympathetic options were not feasible?

As discussed, the proposal has positive impacts arising, inter alia, from the adaptive reuse of the Rialto Building with minimal change to its significant external form and fabric, the enhancement of the presentation of the buildings by removal of modern additions and accretions and activation of the atrium and sunken west laneway as publicly accessible spaces. Notwithstanding concerns expressed in Heritage Victoria's pre-application advice, the development of the tower with a cantilever will clearly bring about a change to the setting of the registered buildings but it is not a negative change, per se. The significance of the Rialto Building as experienced from within the existing enclosed atrium is not reliant on there being no development in the air space over the building.

Other options for refurbishment and various redevelopment options including a tower development that does not extend into air space over the Rialto Building's extent of registration were not feasible for reasons set out in the Ethos Urban report on reasonable or economic use.

In terms of impacts arising from the changes to the original bluestone paving to the west laneway, the proposal for it to be re-laid to provide a more even, DDA compliant surface is a reasonable and appropriate outcome. It makes possible the activation of the laneway, which has been hitherto closed off to the public. This aspect of the proposal is also consistent with the treatment of the Winfield Square paving which was re-laid after basement excavation works in the 1980s.

What measures are proposed to minimise and mitigate negative impacts?

The proposed tower allows for an appropriate setback from Collins Street necessary to maintain the primacy of the heritage facade. Accepting that the east elevation of the Rialto Building is itself significant for its unique composition of cantilevered balconies, its Collins Street façades is integral part of one of Melbourne's most significant late-nineteenth century commercial

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streetscapes. To that end, the tapered form of the tower is one of the key elements of the scheme mitigating the visual impact on the heritage buildings in views from Collins Street.

Heritage Victoria's concerns have been given due consideration, such that the tower design has been refined to taken on a slimmer, more elegant and less 'top heavy' form, with a reduction in the cantilever over the Rialto Building and increased front setback from Collins Street. As currently proposed, the tower has a minimum front setback of 11.1 metres at the upper levels increase increasing to 13.6 metres at the lower levels of the tower. The columns supporting the tower have been moved out of Winfield Square and the vertical projection of the tower increased above the Rialto Building.

Further measures to minimise heritage impacts include the reduction in the number of pedestrian bridges intersecting with the east elevation of the Rialto Building. The bridges have been designed as visually lightweight structures with glass balustrades to minimise obstruction of the Rialto Building. The new glazed atrium has finer detailing than the existing structure and sits higher up on the roofline of the Rialto Building, exposing more of its roof to view.

The impact of the substantial change that the proposal brings to the site (albeit occurring mostly outside of the extent of registration) is further mitigated by the conservation of significant fabric and the implementation of a comprehensive interpretation strategy that will enhance the public's understanding and appreciation of the significance of the place.

Reasonable Economic Use

The proposal is to be considered within the broad ambit of considerations under the *Heritage Act*, which are intended to support the sustainability of places and also take into account the reasonable or economic use of the place. As noted, under the *Heritage Act* the Executive Director must consider the impact associated with the refusal of any such proposal:

> *101 Determination of permit applications*
> *[…]*
> *(2) In determining whether to approve an application for a permit, the Executive Director must consider the following— […]*
> *(b) the extent to which the application, if refused, would affect the reasonable or economic use of the registered place or registered object.*

The proposed development is necessary to allow for the compatible long-term use of the registered buildings in an economically sustainable manner. Refusal of the application would prevent a reasonable and compatible use of the place and would diminish the income from its use that will sustain its long-term conservation and use. This demonstrated in further detail in the assessment of reasonable or economic used prepared by Ethos Urban.

Further to the reasonable use of the place, it is Heritage Victoria's policy that the Executive Director may consider the following matters:

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(1) the historic, recent and current uses of the registered place or object,
(2) other compatible uses1 of the registered place or object,
(3) the context and setting within which the place or object is located, and
(4) other relevant matters.

The historic use of the Rialto Building as a warehouse has long since been discontinued. It has functioned as a hotel since the early 1980s and to an extent this use contributes to the significance of the place as a relatively early example of the adaptive reuse of heritage buildings. The application seeks to continue the now longstanding hotel use, supplemented by new commercial office and retail spaces that help to ensure that it remains viable into the long term.

The context and setting of which the registered buildings are located is, as already noted, defined by modern, multi-storey development, including towers behind heritage buildings on the adjacent Olderfleet site. The proposal is appropriate in this context – including the extent to which the tower cantilevers over part of side rather than the front of the Rialto Building.

Heritage Victoria Principles for Changes

In addition to issues of reasonable and economic use, consideration will also need to be given to Heritage Victoria's *Principles for considering changes to places in the Victorian Heritage Register* (made and published under s19(1)(f) of the Heritage Act 2017, December 2022). It identifies five principles be considered by Heritage Victoria when determining permit applications, as discussed below.

Principle 1. Understand why the place is significant
Per Heritage Victoria's registration documentation, the Rialto Building is historically significant as a demonstration of Melbourne's late-nineteenth century building boom and for its association with the wool industry and notable early occupants including the MMBW. The building is architecturally significant as one of the finest examples of the commercial Gothic revival style buildings in Melbourne, for the unique arrangement of the internal façade to Winfield Square, and for its fire-prevention construction techniques, including the Traegerwellblech floors.

The identified significance of the place is not diminished by the proposed development. The ability to understand the significance of the place a fine, boom period commercial building in the Venetian Gothic style is largely dependent on the Collins Street façade remaining highly intact and unobstructed by modern built form. The façade is to be retained and conserved and stripped of modern accretions. The significant galleried east elevation is also to be retained with minimal change other than stripping away modern elements including skybridges that obstruct views to the Rialto Building.

To that end, the proposal would create a heightened appreciation of the architectural significance of the place as experienced from Collins Street, and offer improved visibility to the east elevation.

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The place's association with the early wool industry, the MMBW and other past occupants is not readily understood in the fabric but would be explained in the interpretation strategy for the place.

Principle 2. A cautious approach

The Burra Charter advocates a cautious approach whereby change to heritage buildings is limited to that which is necessary to care for the place and to make it useable, with overarching objective of changing as little as possible so that significance is retained. As already noted, the proposal involves minimal change to the significant external form and fabric of the Rialto Building.

The proposal for comprehensive refurbishment of the interior is not beyond the extent of change contemplated by the Burra Charter in that interiors have already undergone substantial change. That notwithstanding, significant internal fabric demonstrating nineteenth century fire protection construction is retained with minimal change.

Principle 3. Protect significant settings and views

Principle 3 is of particular relevance to the proposed development, in that it states:

> *Land or airspace within the extent of registration should not automatically be considered as developable. Some places may only be able to sustain limited new development, while others may not be able to sustain any at all.*

And:

> *Major changes which have the potential to substantially impact the setting and views of a place include:*
> - *Towers - multi-level tower proposals almost always have an adverse impact on the setting of the place. The often include cantilevering over a place to maximise floor plate size and can also visually overpower a place so that the heritage elements are reduced to secondary elements.*

Accepting that Heritage Victoria's Principles discourage building over the air space of a registered building, these principles should not be seen to be prescriptive and universal in their application. They should be reviewed and applied with discretion to take into account the particular circumstances of a site and the proposal for that site. As stated in the Principles document '*every place is different and every application is assessed on its own merits*'. In the present instance, the majority of the proposed tower development occurs outside of the extent of registration, with the tapering cantilever to the west side providing generous breathing space to the Rialto Building.

This is an appropriate and reasonable approach to the built form context of a site in the midst of the CBD, where tall built form is prevalent and with the neighbouring Rialto Tower itself being the key reference in terms of height. Consideration also needs to be given to the range of precedent

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developments for towers behind retained heritage fabric in the CBD, most notably the Olderfleet development, where the tower setbacks have been sufficient to maintain the primacy of the Collins Street heritage facades. The proposed development will achieve similar outcomes, the tower being positioned to the side of the Rialto Building, with the tapered cantilever set well back from Collins Street.

This approach is essentially endorsed by heritage policy at Clause 15.03-1L of the Melbourne Planning Scheme. Clause 15.03-1L seeks to prevent development of the airspace over the front or principal part of a heritage building. The 'front or principal part' is defined as the depth of the first structural bay of a non-residential building, or notionally the first 8-10 metres. The depth of the first structural bay to the Rialto Building is understood to be 7.2 metres. The proposed tower has a minimum front setback of 11.1 metres, increasing to 13.6 metres at the lower level. This exceeds the minimum setbacks encouraged by Clause 15.03-1L. Moreover, the main body of the tower does not sit directly behind the Rialto building but is instead pushed to one side. The tapered profile of façade also means that the cantilever does not reach its full extent until it is over 36 metres above the Rialto Building.

Beyond the issue of the cantilever, the overall height of the proposed tower should ultimately not be determined solely by heritage considerations, including the *Heritage Act*. The height of the tower is primarily a matter for urban design and planning considerations rather than heritage considerations, noting again that the main body of the tower envelope stands outside of the extent of registration.

Principle 4. Respectful change and new built form

The relevant approaches to the design of new built form encouraged by Principle 4 are addressed separately below.

- *Be proportionate to other buildings and structures at a place. It should not dominate, challenge, disrupt or compete with the heritage elements.*

The setbacks of the tower and its carefully crafted architectural expression allow for heritage facade to maintain its primacy to Collins Street. The disparity in scale is appropriate to the context.

- *Reference the heritage elements of the place without replication or mimicry.*

The proposed tower references the materiality and colours of the heritage façade without recourse to replication or mimicry. Reference is also made to the alignment of Winfield Square in the form of the vertical articulation of the tower façade.

- *Avoid highly contemporary design which is starkly different to the heritage elements.*

The tower is overtly contemporary in design but establishes a visual relationship to the Collins Street heritage buildings in the form of the vertical façade articulation aligned with Winfield

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Square. There is otherwise greater opportunity for a tower of contemporary design than might have been the case if this was infill development in a heritage streetscape.

- *Avoid cantilevering or extending into airspace over the place.*

The issue of cantilevering over airspace is addressed in discussion on Principle 3.

- *Retain important views to and from the place.*

The proposed development does not interfere with important views to the place from Collins Street and from within the atrium. The sightlines from within the atrium are improved by the removal of modern accretions.

- *Reflect the State level significance of the place through the quality of the new design, materials and finishes.*

The architectural sophistication of the proposed development and the quality of the materials and finishes is very much commensurate with state level significance of the place. The objective is to celebrate the heritage building.

- *Avoid demolition of heritage elements.*

The proposal does not involve any demolition of significant fabric to the Collins Street façade. Demolition works to the east elevation are essentially limited to the removal of small sections of the cast iron balustrade. This loss is offset by reinstatement of balustrading where the existing pedestrian bridges have been removed. A handful of original window openings on the west elevation are to be converted into door openings (by dropping sill heights) and a small area of brick wall demolished to create new door openings. To the limited extent that this involves loss of original fabric, it is not fabric that is integral to the significance of the place.

Generally speaking, demolition of early fabric is limited to discreet areas where change has already occurred – eg the interiors and the side elevations. The demolition works are carefully targeted and will not diminish the significance of the place.

- *Avoid the need to dismantle and reconstruct heritage elements.*

The bluestone paving to the western laneway is to be taken up and reconstructed to provide a trafficable/DDA compliant surface. This is, on balance, a positive outcome in terms of activating the laneway. Dismantling and reuse of cast iron balustrades will occur where existing pedestrian bridges have been demolished and new ones created. That apart, dismantling and reconstruction of heritage elements, including for the purposes or repair and conservation, is not *in principle* detrimental to the heritage significance of the place.

- *Avoid structural interventions that may harm heritage elements.*

The proposal does not involve structural interventions that will harm the heritage elements. New reinforced concrete lift and stair cores are concealed within the Rialto Building, providing additional lateral stability. The interiors can accommodate this level of change being that they are heavily altered and of low integrity. There is no harm to significant external form and fabric of the Rialto Building.

The basement excavation works will be carried out using methodologies and practices that have been successfully implemented in numerous instances in Melbourne where basement excavation has occurred in close proximity to heritage buildings.

Principle 5. Provide for upkeep

Principle 5 recognises that the use of the place is important for its ongoing maintenance and retention of its cultural heritage significance. The following actions are recommended in addressing Principle 5:

- *Consult Heritage Victoria's guidance on Reasonable or Economic Use.*
- *Use the heritage values assessment developed under Principle 1 to determine the level of change that the place can sustain with minimum impact to heritage values. Adaptive reuse which triggers the requirement for substantial structural and/or seismic interventions under the Building Code of Australia is unlikely to be appropriate.*
- *Determine whether the proposed use and changes are necessary to facilitate an economically sustainable use of the place.*
- *Ensure that the proposed level of development does not substantially exceed the economic need of the place.*
- *Consider whether mechanisms such as covenants, owners corporations and the like are required to ensure funds are set aside for the ongoing maintenance, protection and conservation of the place*

Issues pertaining to the reasonable or economic use of the place are addressed in the report by Ethos Urban accompanying this permit application. With respect to the second bullet point above, the adaptive reuse is expected to trigger seismic code compliance. This is to be achieved by utilising new concrete lift and stair cores within the Rialto Building to provide supplementary lateral stability. These interventions are not inappropriate.

11.0 Conclusion

In conclusion, the proposed development successfully balances competing issues arising from economic and heritage considerations. It needs to be recognised that this site requires considerable financial investment to conserve and adaptively reuse the registered buildings, concomitant with the need to deliver a commercially viable outcome. The proposal achieves this objective but not to the detriment of the registered buildings. A carefully considered approach has been adopted in the design of the new built form and its interaction with the heritage fabric.

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Overall, the proposal is one which celebrates the history of the registered buildings and enhances their significant attributes. Importantly the proposal will give the community an opportunity to actively engage with the site and gain a greater appreciation of its cultural heritage values.

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Attachment 1: Schedule of Conservation Works

A preliminary schedule of conservation works has been prepared for the Rialto Building as follows. It should be noted that this schedule may vary subject to a more detailed inspection of the façade, to be carried out when the upper levels can be accessed (eg when scaffolding is in place).

- Make good brickwork and rendered surfaces to match original finish/detailing where modern elements have been removed (atrium structure, entrance canopy, stairs, pedestrian bridges etc). Missing or heavily damaged bricks to be replaced with second hand units (preferably salvaged from demolition works)
- Generally wash down brickwork and tiled wall surfaces to remove surface deposits, guano, grime, etc using non-abrasive methods. The least aggressive cleaning methods are to be trailed first (eg warm water at low/medium pressure in conjunction with scrubbing using stiff nylon bristle brush and non-ionic detergent). Alkaline gel/poultices might be suitable for heavier stains. Organic growth to be treated with approved mild biocide (eg chemtech bc36 or solution of 1 part -10 part water). Capture all waster and water runoff for disposal in accordance with relevant authorities' guidelines.
- Inspect gutters/downpipes/roof flashings etc to determine cause of water damage to third floor interiors (eg areas marked in the photograph below). Subsequent to these works, repair water damaged ceilings to Collins Street balconies. Note that these works are be carried out as a priority and approval will be sought from Heritage Victoria independent of the current permit application.

- Inspect exterior for damaged/cracked/drummy render and repair as required. Render repairs to be carried out using a mix based on laboratoy analysis of the original render composition. Minor render losses/chips to details and hairline cracking are generlaly acceptable and do not require repair.
- Inspect render surface to determine if existing paint finishes are in sound condition. Strip back any flaking/loose paint to provide a suitable substrate for repainting. Suitable methods for paint removal might include warm water at low/medium pressure in conjunction with modern proprietary treatment such as Dumond 'Smart Strip', 'Peel Away' or 'Heritage No.1' (or similar). Sandblasting orother abrasive paint removal systems are not to be employed. Painted surfaces should be tested for lead content. If lead is present, all paint removal and disposal is to be undertaken in accordance with AS 4361.2 Guide to Lead Paint Management

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- Repaint rendered surfaces where required using 'breathable' coating (eg mineral silicate paint) to match existing paint colour. Note the existing paint colours are understood to be based on investigations of the original colour scheme, carried out as part of the 1980s restoration works.
- Rake out and repoint areas where mortar is loose/heavily degraded. Repointing to match original using lime-based mortar based on laboratoy analysis of the original mortor composition.

Indicative area where missing/degraded mortar is to be repointed

- Inspect cast iron ridge cresting for corrosion. Remove any loose corroded material with wire brush before application of proprietary rust treatment, zinc rich primer and min 2 finishing cost gloss paint.
- Replace all corrugated metal roof cladding with new Z600 corrugated galvanised steel. Ridge cappings etc to also be galvanised steel.
- Carefully remove cast iron balustrades from the east elevation where access to new pedestrian bridges is required. Reinstate these balustrades where existing pedestrian bridges have been removed. Replica cast iron balustrades can be used to make up any shortfall in existing material.
- All existing original window joinery is to be retained and made good (unless otherwise noted on architect's drawings). Any decayed timber elements should be carefully cut out and new compatible timber spliced in to match existing - retaining as much original fabric as practicable.
- Lightly sand window frames to remove loose and flaking paint and fill holes as required. Missing or degraded window putty to be replaced as required with linseed oil putty. Prime all exposed timber and apply minimum two finishing coats of oil-based gloss paint. Colour to match existing (noting again that the existing paint colours are understood to be based on evidence of the original paint scheme).
- Carefully take up bluestone paving to west sunken laneway/subway. Re-lay stones (in original location where practicable) to create a more even, DDA compliant trafficable surface.
- Repair corrugated iron urinal enclosures to Flinders Lane elevation. Use wire-brush to remove any loose corroded material before application of proprietary rust treatment and zinc rich primer with min. 2 finishing coats of paint to match existing colour (subject to confirmation that it reflects the original/early paint scheme). Fill gaps in walls by inserting slip sheet of matching profile behind existing corrugated iron. Line internal walls to architect's detail to make weatherproof.

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