

Attachment A

**Independent Assessment Report by the
External Heritage Consultant – OCP
Architects**

Queen Victoria Building - Heritage Floor Space Application Assessment

Background

1. Under the planning controls in the Sydney Local Environmental Plan 2012 (clauses 6.10 and 6.11) and the Sydney Development Control Plan 2012 (section 5.1.9) the heritage floor space scheme provides an incentive for the conservation and ongoing maintenance of heritage items in central Sydney. The scheme provides for owners of eligible heritage listed buildings to be awarded heritage floor space (HFS) after preparing a conservation management plan and completing agreed conservation works to their building. The awarded HFS can be sold to a site that requires it as part of an approved development application and the money raised can be used for the cost of conserving the heritage item.
2. Once eligibility for awarding HFS has been established, an application, including a conservation management plan is lodged with the City of Sydney. The awarding of HFS may accompany a development application for conservation works, where an award of HFS is registered upon completion of the works. The awarding of HFS can also be considered retrospectively where conservation works have been completed for an eligible building, and accompanied by a conservation management plan (CMP), without the need for a development application, which is the case with the present Queen Victoria Building (QVB) application. The conservation management plan should detail the works required or completed which would assist in conserving the heritage significance of the building, whether it be reinstating original fabric, removing detracting elements, or conserving heritage fabric.

Subject site

3. The subject site of the building, known as the QVB, is located at 455 George Street Sydney, on the western side of George Street, bordered by Market Street to the north, York Street to the west and Druitt Street to the south. The legal description is Lot 1 DP 811077. The site adjoins Bicentennial Plaza, located on the southern side at Druitt Street.
4. The building is listed on the Sydney LEP 2012 Schedule 5 as a local heritage item, described as *Queen Victoria Building, including interior*. Bicentennial Plaza is a local heritage item listed separately in the LEP. The boundary of the site and listings are shown on the extract from the Sydney LEP 2102 Heritage Map. The site is also listed on the State Heritage Register.
5. The QVB building has been owned by the City of Sydney since 1891.



Figure 1 Excerpt from Sydney LEP Heritage Map showing the QVB (1783) site.

Brief History

6. The site falls within the traditional lands of the Gadigal people of the Eora Nation. The CMP states in section 5.6 Aboriginal Cultural Significance that due to the extensive development of the site the potential for Aboriginal archaeological evidence is very low.
7. In 1810 Governor Macquarie ordered that the Sydney Markets originally located at west Circular Quay be moved to the site presently occupied by the Queen Victoria Building (QVB). The land then was considered to be on the outskirts of the town. Macquarie engaged convict architect Francis Greenway to design a stone and brick building of two storeys in the neoclassical style, which was completed in 1820. The original sales stalls were rebuilt in 1831 to 1834 under Governor Bourke.
8. Owned till then by the Council, the markets were leased in 1846 to private interests, who became responsible for their management and upkeep.
9. In 1858 the markets were expanded and by the 1880s the George Street markets had become a wholesale fruit and meat market. By this time however it was considered the markets were too old and unsightly, especially with the backdrop of the newly constructed Town Hall.

10. The old Markets were demolished in 1891 along with adjacent Police Courts, with the land reverting back to Government ownership as a condition of Council granting funds for the new building. George McRae, who was to become the State Government Architect, was appointed to design the new market building. After presenting several alternative façade treatments the Council decided the Romanesque façade the best design. Construction work proceeded rapidly after contracts were let and the QVB building was officially opened in July 1898. Early tenants of the building included a mix of businesses, with shops studios and workrooms for about 200 traders, dealers and artisans.
11. Following criticism that the building offered a poor financial return, in 1909 a design competition was held with the aim of realising higher rent. This was abandoned for some time, until in 1917 the Council awarded a contract for alteration works which included among many others: new cantilever awnings; extension of gallery spaces; a new entrance from York Street and new shopfronts on the George Street façade.
12. Financial losses however continued for Council after the alteration works and many ideas for further alterations were raised, but little was carried out. By 1933 debt was at half a million pounds.
13. In 1933 Council voted to allow the expanding Electricity Department (later Sydney County Council (SCC) to move out of the Town Hall and into the QVB, which would provide a secure income stream. This required major alterations including removing shopfronts along George Street and replacing with a new Art Deco façade; removal of grand staircases; infilling of the void to first floor at northern end; removal of decorative elements from exterior and new suspended ceilings to office spaces with ducted air conditioning.
14. With the desire to modernise the city, in the 1950s proposals for demolition gained strength, but were postponed because of the SCC occupancy. With the new SCC building completed in the 1960s the demolition debate continued with increased fervour. The National Trust called for the building to be preserved and to be restored. In 1971 and Council finally agreed that the QVB be preserved and restored to its original state.
15. After much deliberation tenders were received in 1980 for the restoration, the successful tendered being Ipoh Gardens. After 4 years of works the QVB opened in 1986. While considered a sound commercial scheme, it was not a true reconstruction, but was seen as a success from both the public and design professionals.
16. Since the opening there have been a number of alterations and additions, the most recent between 2006 and 2010 which has seen the installation of new escalator systems; new colour schemes; new shopfronts; BCA compliant glass balustrades; new signage and toilet upgrades and ongoing conservation works.

Significance

17. According to the NSW State Heritage Register the QVB building and site is significant because:
- (a) The Queen Victoria Building is an outstanding example of the grand retail buildings from the Victorian-Federation era in Australia, which has no known equal in Australia in its architectural style, scale, level of detailing and craftsmanship. Saved from demolition in the 1980s, and restored to its original glory, the Queen Victoria Building is an iconic heritage building of Sydney and Australia. Dating from 1898, the Queen Victoria Building represents Australia's largest and grandest Victorian arcade, as well as the largest, most monumental and most intact of the market buildings of Sydney City. The site of the Queen Victoria Building has continued to operate as a market facility for over 190 years, which is a significant historical continuum.
 - (b) The Queen Victoria Building is a superb example of the Federation Romanesque style, also known as the American Romanesque style and a continuation of the Victorian Romanesque style. It represents possibly the largest and finest example of the American Romanesque style to be constructed in Australia, demonstrating the influence of the prominent 19th Century American architect, Henry Hobson Richardson, in Australia during this period. The building expresses an ambitious use of building technology, excellent craftsmanship and decorative detailing. Both the building exteriors and interiors are remarkable and outstanding for their quality, workmanship, materials, richness, imagery and style. The Queen Victoria Building also represents an important building in the professional work of the prominent City Architect, George McRae (later, the NSW Government architect) and has an outstanding ability to reflect through its aesthetics and scale, the planning strategies of the City Architect for Sydney during the late 19th Century.
 - (c) The Queen Victoria Building represents an important shift in heritage consciousness in Sydney during the 1980s because of the public outcry that brought about its conservation and, in particular, the historical restoration approach taken for its refurbishment. It also reflects, through its building development concessions, the importance of heritage conservation in more recent government strategies. At the time of its restoration by the 1980s, few original internal features remained such as some column capitals, trachyte stairs and some tessellated tiles surfaces. The present interiors of the building demonstrate an interpretive reconstruction from the 1980s intended to recreate the imagery of a grand Victorian style arcade with considerable concessions made to ensure the place was commercially viable as an ongoing retail shopping centre.
 - (d) The Queen Victoria Building is a major landmark of Sydney, occupying a full city block, allowing it to be viewed in the round, and forming a major pedestrian link of Sydney City, both at ground level and underground. It makes a significant contribution to the streetscape of the four main streets of the City centre that encircle the building. The building also forms one of the precinct of three key Victorian buildings exemplifying ecclesiastical, government and commercial architecture in Sydney, together with St Andrews Cathedral and Sydney Town Hall. The Queen Victoria Building and these Victorian buildings have a strong presence as the centre of Sydney City

Relevant development applications

18. Application D/2006/1067 - Approval for the installation of new escalators including the removal of 4 existing escalators connecting Levels 1 and 2 located at each end of the building and replacement with 4 new escalators. Also included installation of 2 new up escalators connecting Ground Floor to Level 1. These works form part of the basis for the current application for heritage floor space.
19. Application D/2006/1068 - Approval for Internal refurbishment works to the QVB including upgrades to services, lifts, toilets, stairs, cabling; security gates and grilles, shopping arcade, shopfronts, lighting, carpet, colour scheme, signage, balustrades, upper windows and skylights. These works also form part of the basis for the current application for heritage floor space.
20. Application D/2013/896 - Approval for refurbishment and upgrade to the amenities on the lower ground, level 1 and level 2 and refurbishment to the lift lobbies at the car park levels. These works also form part of the basis for the current application for heritage floor space.
21. Application D/2015/315 - Approval for the installation of new lifts within the existing lift shafts at the northern and southern ends of the QVB. These works also form part of the basis for the current application for heritage floor space.

Conservation Management Plan

22. The Conservation Management Plan (CMP) Queen Victoria Building was completed by Urbis in August 2019. In section 3.12 the CMP outlines the conservation and refurbishment works which are used as a basis for the awarding of heritage floor space (see below). The CMP is considered to be of a suitable standard with the conservation works and ongoing maintenance requirements set down in the policies contained within it.

Conservation works 2006 - 2009

23. From 2006 to 2009 a major upgrade was carried out to the building's interiors, overseen by Ancher Mortlock and Woolley. George Freedman and Ralph Rembel designed the new interior colour schemes and the new carpets in the upper galleries, while heritage consulting works were carried out by Graham Brooks and Associates. The works included the following:
 - (a) The installation of more contemporary frameless glass shopfronts, replacing the 'nostalgic' timber splayed shopfronts dating from the 1980s refurbishment - **This work has been carried out.**
 - (b) Installation of more contemporary interior signage including illuminated tenancy signage to replace the 'nostalgic' signage introduced in the 1980s refurbishment - **This work has been carried out.**

- (c) A contemporary colour scheme inspired by the strong colours of the late nineteenth century to identify different levels and zones of the building - **Contemporary colour schemes have been completed.**
- (d) The laying of custom designed carpets to the upper galleries that referenced the running external acanthus frieze of the building's exterior - **This work has been completed.**
- (e) Installation of more energy efficient lighting which provided greater colour rendition. The new transparent glass fittings were designed to more accurately interpret the appearance of the original fittings - **These lights have been installed.**
- (f) The installation of BCA compliant glass and metal balustrades. These elements were designed to be reversible elements that allowed the balustrades, reconstructed in the 1980s, to be perceived as the primary balustrade element - **This work has been carried out and completed.**
- (g) Installation of reconstructed decorative steel ground floor entrance gates to George, Market, Druitt and York Streets. The reconstructed gates reintroduced important elements of the original design and enable control of public access afterhours. - **This work has been completed.**
- (h) Bathroom finishes and fixtures from the 1980s refurbishment were selectively replaced. - **This work has been carried out.**
- (i) Installation of a suspended vertical escalator system connecting the ground level with levels 1 and 2, in both the north and south galleries to replace those which were installed during the 1984 refurbishment. The new escalator design was developed with input from the City of Sydney and NSW Heritage Council after consideration and investigation of many alternative schemes with the building's design consultants. The new escalators were designed as new sculptural elements clearly expressed as contemporary and reversible, in line with the Burra Charter principles - **This work has been carried out and completed.**
- (j) Facade conservation works carried out by Stone Mason & Artist Pty Ltd under the guidance of structural Engineer Hari Gohil Consultant Pty Ltd - **Although a full viewing of all stonework on the facades was not possible it appears this work has been carried out.**

Key Implications

Eligibility for awarding of heritage floor space

24. In accordance with Clause 6.10(2) 'Creation of heritage floor space' in the Sydney Local Environmental Plan 2012 (Sydney LEP 2012) Council may award an amount of heritage floor space subject to the provisions set out in the table below.

Sydney LEP 2012, clause 6.10(2)	Assessment of Independent Assessor
a) the person is the owner or the nominee of the owner of a building that is a heritage item shown marked “*” in Schedule 5 (a heritage building).	Complies - The City Council is the owner and the building is a heritage item.
b) the heritage building is on land in Zone B8 Metropolitan Centre.	Complies
c) conservation works have been carried out on the heritage building and have been completed in accordance with a heritage conservation management plan approved for the building by the consent authority.	Complies - conservation works have been carried out and completed.
d) a covenant is registered that prevents development that increases the total gross floor area of all buildings on the site on which the heritage building is located or that increases the height of the heritage building.	Capable of being complied with. Council is responsible for preparing and completing covenants on the title.
e) an amount of heritage floor space has not been recorded in the previous 25 years (under this clause or under a similar scheme in force before the commencement of this Plan) in respect of the heritage building, and;	Complies
f) no other building has utilised floor space that was available to it only because, at the time the floor space was utilised, the building was on a site that included the heritage building or that included part of the site occupied by the heritage building.	Complies as no other building development has utilised the floor space contained within the QVB site.

25. Provisions 5.1.9.1 and 5.1.9.2 of the Sydney Development Control Plan 2012 (Sydney DCP 2012) 'Award and allocation of heritage floor space' sets down provisions for the eligibility of being awarded heritage floor space, as set out in the table below.

Sydney DCP 2012, Section 5.1.9	Assessment of Independent Assessor
5.1.9.1 (a) located in the Central Sydney area.	Complies - the QVB is located in the Central Sydney Area as identified in the Sydney DCP 2012.
(b) subject to conservation works in accordance with an approved Conservation Management Plan.	Complies. It is recommended Council approve the Conservation Management Plan.
(c) not subject to works that would increase the external envelope and floor space of the building, other than a minor increase to facilitate the adaptive re-use of the heritage building.	Complies
5.1.9.2 (1) Prior to registration of the HFS, the applicant must complete the conservation works in accordance with the Conservation Management Plan and enter into legal agreements and grant covenants on the land which: a) limit any future redevelopment of the site to the total gross floor area and height of the conserved heritage building; and;	Capable of being complied with. Council is responsible for preparing and completing covenants on the title.
(b) ensure the ongoing conservation of the building by regular maintenance, including the provision of adequate insurance and a maintenance fund.	Capable of compliance - Council is responsible for preparing and completing covenants on the title. A covenant will require that the registered proprietor should "retain a maintenance fund for the purposes of complying with section 5.1.9.2 of the DCP".
5.1.9.2 (2) A Conservation Management Plan for the heritage item is to be approved by the consent authority and is to generally include:	Complies. It is recommended Council approve The Conservation Management Plan.
(a) works to conserve the existing significant fabric of the building	Complies
(b) removal of elements that detract from the significance of the building.	Complies

Sydney DCP 2012, Section 5.1.9	Assessment of Independent Assessor
(c) the schedule of maintenance works	Capable of compliance - Council is responsible for preparing and completing covenants on the title. A covenant will require that the registered proprietor should "retain a maintenance fund for the purposes of complying with section 5.1.9.2 of the DCP".
(d) reinstatement of original fabric based on documentary evidence where appropriate.	Complies
(e) other works compatible with significance of the building.	Complies

26. The Report Queen Victoria Building Condition Assessment prepared by Mott Macdonald dated 23 July 2018 is attached as Appendix A in the CMP. This report deals with both significant fabric and fabric of low significance (see below). Under section 9.2 Current Condition the CMP states that the Condition Report has determined "that in general terms the significant fabric and structure are in a very good to good condition".

Identified areas of recommended attention in Mott Macdonald Condition Assessment	Assessment of Independent Assessor
<p>Perimeter flag poles</p> <p>Perimeter flag poles are to be inspected and checked on a regular basis.</p> <p>Where defective fixings are identified they should be rectified as soon as possible.</p>	<p>These recommendations are specifically included in the Cyclical Maintenance Plan in the CMP.</p> <p>Policies under 8.6 Conservation and Maintenance in the CMP also cover ongoing maintenance and conservation requirements and guidelines.</p> <p>Council is responsible for preparing and completing covenants on the title. A covenant will require that the registered proprietor should "retain a maintenance fund for the purposes of complying with section 5.1.9.2 of the DCP". This funding will enable the ongoing inspection maintenance of perimeter flagpoles</p>

Identified areas of recommended attention in Mott Macdonald Condition Assessment	Assessment of Independent Assessor
<p>Roof access structures</p> <p>A survey of roof access structures be made and a risk assessment carried out. Where necessary access should be upgraded to meet new codes.</p> <p>All fixings be checked during routine maintenance and replaced if necessary.</p>	<p>Policies under 8.6 Conservation and Maintenance in the CMP cover ongoing maintenance and conservation requirements and guidelines generally.</p> <p>Specific reference to the roof access structures is not in the CMP policies or Cyclical Maintenance Plan.</p> <p>A maintenance fund will enable the ongoing inspection and maintenance of the roof access structures.</p>
<p>Cracking in dome structure sandstone</p> <p>Cracks in the stone walls below the small domes should be documented and monitored to determine whether or not further movement is occurring.</p> <p>Repair may be necessary if the stone itself starts cracking or the existing cracks continue to creep or widen.</p>	<p>Policies under 8.6 Conservation and Maintenance in the CMP cover ongoing maintenance and conservation requirements and guidelines generally and domes are specifically mentioned in 8.6.2.</p> <p>Specific reference to repairing existing cracks structures is not in the CMP policies or Cyclical Maintenance Plan.</p> <p>A maintenance fund will enable the ongoing inspection, monitoring and repair of the stone walls.</p>
<p>Cracking in structural masonry and concrete</p> <p>As with the sandstone cracking below the small domes, cracks throughout the building should be documented and monitored to determine if further movement is occurring. Cracks continuing to grow should be assessed and repaired if necessary.</p> <p>The crack in the column in the roof access area on the west side of the building, just north of the main dome, should be assessed by a structural engineer.</p> <p>Spalling concrete elements in the areas identified should be repaired and the areas should be assessed for leaks which may be causing damage to structure.</p>	<p>Policies under 8.6 Conservation and Maintenance in the CMP cover ongoing maintenance and conservation requirements and guidelines generally.</p> <p>General reference to monitoring and repairing cracks in walls and structural masonry is included in the Cyclical Maintenance Plan. The Mott Macdonald Condition Assessment is included as Appendix A in the CMP, and it is assumed specific recommended works will be carried out as part of the ongoing monitoring and maintenance.</p> <p>A maintenance fund will enable the ongoing inspection, assessment, monitoring and repair of the structural masonry and concrete.</p>

Identified areas of recommended attention in Mott Macdonald Condition Assessment	Assessment of Independent Assessor
<p>Water ingress from roof</p> <p>If left unchecked leaks can lead to damp, corrosion, and spalling. Regular building maintenance should be carried out to prevent leaking.</p> <p>Checking the drainage in the area of the flat roof at the southern end of the building for leaks.</p>	<p>Policies under 8.6 Conservation and Maintenance in the CMP cover ongoing maintenance and conservation requirements and guidelines generally.</p> <p>General reference to regular inspections of roofing, rainwater goods, flashings etc. is included in the Cyclical Maintenance Plan. The Mott Macdonald Condition Assessment is included as Appendix A in the CMP, and it is assumed specific recommended works will be carried out as part of the ongoing monitoring and maintenance.</p> <p>A maintenance fund will enable the ongoing inspection, monitoring and repair of roof leaks.</p>
<p>Water ingress sub-ground</p> <p>A survey of basement areas be carried out by building maintenance to identify areas of water ingress and areas where such ingress poses a risk to structure (damp, corrosion etc.).</p>	<p>While the Cyclical maintenance Plan covers regular inspections of stormwater, water and sewage it does not specifically mention the basement area.</p> <p>A maintenance fund will enable the ongoing inspection, monitoring and repair of all water ingress including the basement areas.</p>
<p>Awnings at ground level</p> <p>Inspection of awning structures and fixings to building be inspected as part of a regular maintenance schedule</p>	<p>These recommendations are specifically included in the Cyclical Maintenance Plan in the CMP.</p>
<p>Sandstone facade</p> <p>Due to the significance of the stone facade, we suggest monitoring the sandstone every 5 years.</p>	<p>These recommendations are specifically included in the Cyclical Maintenance Plan in the CMP.</p>

Heritage floor space calculations

27. In the Sydney DCP 2012 the formula for calculation of heritage floor space (Formula 1) is as follows:

Formula 1 applies to	rateable buildings in private ownership and Government buildings.
The formula is	$HFSH = 0.5AS \times FSRH$
Where	HFSH is the maximum amount of Heritage Floor Space which may be awarded in sqm;
	AS is the site area in sqm occupied by the heritage building; and
	FSRH is the maximum FSR for the site of the heritage building as shown on the LEP FSR Map.

28. The Planning Report prepared by Urbis states that Craig and Rhodes Surveying has calculated the site area adopted for the purposes of HFS calculation is 5,309.7 sqm. The maximum FSR for the site as set down in Sydney LEP 2012 is 8:1. This site area excludes the car park extension on York Street, underground connections to Myer and Galleries Victoria, and Bicentennial Plaza.

Thus HFSH is $0.5 \times 5,309.7 \times 8 = 21,238.80$ sqm

Strategic Alignment - Sustainable Sydney 2030 Vision

29. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
30. Direction 7 acknowledges that the production of culture takes many forms and includes the representation of our history language and heritage, the conservation works at the QVB and the consequent sale of heritage floor space is an incentive which assists in retaining heritage assets and their ongoing maintenance in the Sydney CBD.

Relevant Legislation

31. Environmental Planning and Assessment Act 1979.
32. Environmental Planning and Assessment Regulation 2000.

Options

33. There are no alternative options.

Public Consultation

34. The application was exhibited for 28 days from 28 January to 25 February 2020. A total of four submissions were received.
35. Three submissions supported the awarding of heritage floor space, while one submission objected. The objection stated that Council as owner had a conflict of interest, the HFS referred to was not on display, and the matter was of public interest.
36. It is noted in relation to the one objection, that for reasons of probity an external consultant was engaged by Council to assess the application, all supporting documentation was on public exhibition, and the awarding of heritage floor space as an incentive for the conservation and ongoing maintenance of heritage items is in the public interest.

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