

Australian National Academy of Music
South Melbourne Town Hall Renewal Project

Reasonable or Economic Use Report
July 2024

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1.0 Introduction

This report has been prepared in support of the permit application for the refurbishment of the South Melbourne Town Hall for use by the Australian National Academy of Music (ANAM). It provides an assessment of the impact of refusal of the application on the reasonable or economic use of the place, having regard for the relevant provisions of the *Heritage Act* and Heritage Victoria's policy for reasonable or economic use (made and published under s19(1) of the *Heritage Act* in June 2021). More particularly, Section 101(2) of the *Heritage Act*, provides for the following:

(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*

2.0 Project Background

On 15 March 2023, Port Phillip Council unanimously adopted ANAM's proposal to adapt the South Melbourne Town Hall (SMTH) so that it can host public performance and community events, together with upgraded music academy functionality. Council agreed to enter into an up to fifty-year Lease for the premises with ANAM that would facilitate these operations. As part of the Lease, ANAM has committed an investment of up to \$40million in refurbishing and renewing the building, as per the proposed initial works program contained in the Agreement for Lease.

The principal objective of the SMTH renewal project is to create a cultural and community performing arts destination venue, and a secure a long-term home for ANAM. It will become a dynamic creative community hub which at the same time will will enfold and nurture the training and growth of the country's finest young musicians who come to Melbourne to train at ANAM.

3.0 Reasonable Use

Heritage Victoria's policy on reasonable or economic use provides for the following considerations in relation to the reasonable use of the registered place: (1) the historic, recent and current uses of the registered place or object, (2) other compatible uses of the registered place or object, (3) the context and setting within which the place or object is located, and (4) other relevant matters.

Historic and Current Uses of the Registered Place

The South Melbourne Town Hall has been home for a wide range of organisations and activities since it opened in 1879, including municipal offices, council services, a fire-brigade, courthouse, maternal health care centre, police station, venue-for-hire, and home to a collection of not-for-profit community and arts organisations. The building underwent considerable internal renovation in the late 1930's. Further, more modest renovation was undertaken in the mid 1990's

Following Victorian council amalgamations in 1994, all Council operations were relocated to St Kilda Town Hall, leaving the building largely vacant. ANAM became the principal tenant in 1996, operating in the east wing and Main Hall of the building. SMTH provided a base for ANAM's activities and a public performance venue, albeit in accessibly non-compliant, and environmentally, structurally, and operationally compromised manner.

The collapse of a section of roof onto the desks of ANAM staff on 18 October 2018 and the ensuing structural investigations revealed significant potential structural failings, rendering the building unsafe for occupation. All tenants and Council's ASSIST service were subsequently relocated whilst investigation and structural remediation works were undertaken.

Compatible Uses

There is very little potential for a large hall, such as sits at the centre of the SMTH, to function as anything other than 'a large hall'. The ANAM proposal can be seen as a best fit for the SMTH, in that the hall will be used as venue for live musical and community performances and other publicly accessible events with a modest degree of change to its significant form and fabric. It would be difficult to find other uses that are compatible with the significance of the building and which could remain viable without necessitating a greater degree of change than proposed by ANAM.

The *South Melbourne Town Hall Conservation Management Plan* (Lovell Chen, 2021) recognised that place could benefit from a continued association with ANAM:

A long-term commitment to the asset on the part of ANAM can be understood as representing a considerable opportunity from a heritage perspective, providing a basis for the delivery of the structural rectification works required, as well as comprehensive services and compliance upgrades. In addition, the association between the SMTH complex and ANAM has been demonstrated to be broadly compatible, as a basis for the building to continue to provide a program of cultural events with which the local and broader community can participate. (page 69)

Context and Setting

The context and setting within which the SMTH is located is predominately characterised by late-nineteenth century terrace housing with some early twentieth century civic buildings to the south as well as a modern office building to its immediate west.

The proposal involves minimal change to the exteriors of the SMTH other than modestly scaled, sensitively designed additions to the north-west corner and to the centre of the east elevation. These works will not be intrusive to the place's late-nineteenth century urban setting, nor will they interfere with key views to the SMTH. As such, the proposal is compatible with the established built form context of the place.

Other Relevant Matters

Further to the above considerations, Heritage Victoria's policy document also provides the following direction for the assessment of reasonable use:

15. *Refusal to issue a permit for works to enable a change in use may affect the reasonable use of a place to a greater extent if the historic or recent use is now obsolete, than if the historic or recent use is not obsolete. For example, an adaptive re-use proposal for a now redundant industrial complex.*
16. *Refusal to issue a permit for upgrading facilities to bring them to contemporary or safe standards may affect the reasonable use of a place. For example, updating kitchens, bathrooms, access provisions or other necessary infrastructure or services required to meet current regulations or legislation.*

In respect to item 15, the historic use of the place for local government administration has long been rendered obsolete by Council amalgamations and will not be reinstated, other than a small area that is to be re-occupied by a City of Port Phillip service centre.

To address item 16, for the SMTH to have a viable use it needs to meet industry and community expectations regarding contemporary theatre-presentation functionality and operation and audience amenity. Bringing the SMTH to the necessary level of industry and community expectation that will make its maintenance and operation viable requires the significant upgrade works that form a substantial part of this permit application, including:

- Heating and cooling;
- Lighting and sound;
- Front of house and back of house amenity, including storage;
- Acoustic isolation, critically with roof structure and windows; and
- Thermal conservation, critically also concerning roof structure and windows.

Without these adjustments, the registered place will not be able to enjoy a reasonable use.

The works to be undertaken as part of the City of Port Phillip base build permit address many of the building's defects and deficiencies but they are not tailored to the specific needs of a busy public community venue such

as ANAM envisages, critically in terms of acoustic performance, functionality, and student/audience amenity.

Integral to the ANAM project is the proposal for a purpose-built recording and practice studio, replacing the former assistant librarian's flat at the north-west corner of the SMTH. It will be the only space suitable for certain orchestral instruments and which can be built to achieve the highest acoustic performance required for professional standard recording and audition. The ability of students to access a state-of-the-art facility of this kind is essential to ANAM's operations.

It is noted that the existing flat is not capable of being used as the recording and practice studio, being that its low ceiling heights are not acoustically suitable. The flat is also isolated from the main building, has misaligned floor levels and is not DDA accessible.

The remainder of the SMTH will be upgraded acoustically, but within the limitations of what can be achieved within a nineteenth century building.

A first-floor addition is proposed above the 1990s single-story loading dock on the east elevation. This will house a new student common room, purposefully co-located among the majority of the student practice rooms on the east side of the building. Another key consideration in the decision to locate the student common room addition on the east side of the building is the need to provide students spaces that are safe and secure from areas accessible to the general public (eg the main hall and performance/function spaces in the western half of the SMTH).

The limited opportunities to create additional floor area and the heritage constraints of the site are such that no other suitable locations could be found for the new recording studio and student common room. The additions are contained to areas previously altered in the 1930's and 1990's

Additionally, principal elements of the adaptive reuse project include :

- Increased opportunities for public community engagement and utilisation of the venue, via the development of two new public hire venues, and enhancement of functionality of third, with state-of-art infrastructure and public amenity
- Improved accessibility via the building's main entrance, in order to comply with DDA requirements.
- Improved accessibility to all areas of the building by reconfiguring lift operations.
- Improved vertical transport, with the installation of a lift able to transport a stretcher, large musical instruments and staging equipment
- Improved environmental performance of the building, including:
 - Incorporation of rainwater storage
 - Extensive solar panel fit out
 - Introduction of selective double glazing and roof insulation to improve thermal performance
- Improved public amenity to increase public visitation numbers.
- Representation of the site's First Nations inhabitants via incorporation of art-work and other design elements.

Further to the above, the ANAM renewal project aligns with the City of Port Phillip's creative and cultural policies, as follows:

- *Creative and Prosperous City Strategy 2023-2026* (City of Port Phillip)
- *Live Music Action Plan 2021-2024* (City of Port Phillip)

The project will also address important First Nations considerations of the Emerald Hill site and has been developed in close consultation with the area's traditional owners to articulate and enhance their cultural values.

4.0 Economic Use

The Australian National Academy of Music is a not-for-profit charitable company, and its proposed operation of the facility is to deliver the educational benefits of its charitable activities.

The significant ongoing financial obligations entailed in managing and maintaining such a large heritage building under the terms of the Lease, ensuring appropriate management of heritage fabric, and required capital improvements that would ensure its continued use, all necessitate the inclusion of design elements in the project that will contribute to the generation of commercial revenue. A commercial venue-hire and functions business – requiring commercial kitchen, floor levelling, adequate soundproofing of commercial areas, and other interventions - will generate the revenue required to cover the cost of repair, maintenance and upgrade of the building for the life of the 50-year Lease.

That said, a key economic factor in the present proposal is that the re-occupation of the site by ANAM brings with it the government capital funding necessary for the upgrading of the entire building, funding that would otherwise not be available.

In the present instance the works proposition can best be summarised as originating from a not-for-profit charitable company that brings considerable funding and investment to the building that will enable its rehabilitation and conservation in the immediate future and will fund its ongoing maintenance and conservation into the long term future.

5.0 Conclusion

In summary, the proposed renewal of the South Melbourne Town Hall provides for a reasonable use of the registered place, compatible with its cultural heritage significance. Refusal of the permit will affect the reasonable use of the place by ANAM and the community, and prevent the registered building from having accessible, industry- standard use and functionality.

Refusal of the application would also make the financial proposition for the long-term use – and maintenance – of the building unviable and would deny ANAM the revenue necessary to ensure that the building is appropriately maintained.

Importantly, refusal would deny the opportunity to create a major cultural and community performing arts destination and would also hinder efforts to secure a home for ANAM.

Ultimately, it should be recognised that this is not a proposition where adverse impacts on the significance of the place need to be balanced against the arguments associated with reasonable or economic use. The works proposed on behalf of ANAM are ultimately low impact changes and, in many instances, long overdue catch-up maintenance and conservation works that would be appropriate regardless of any arguments relating to reasonable or economic use. The ANAM application provides for a compatible use in the best Burra Charter sense of the term, albeit a use that requires a degree of change to satisfy modern code requirements and to achieve modern functionality and amenity standards. This modest extent of change is itself compatible with the fabric of a building that has previously experienced a range of uses and a number of substantial refurbishments, as is set out in the heritage impact statement accompanying the application.