



THE NATIONAL TRUST OF AUSTRALIA (VICTORIA)

THE FIGHT TO SAVE THE WINDSOR HOTEL 1971 - 1990

The National Trust was first involved in the campaign to save the Windsor Hotel in late 1971 when it became concerned about its future, and the campaign was central to the Trust's wider push for heritage legislation.

In November 1971 a member of the public nominated the building to the Trust to assess its heritage significance. The nominator was a shareholder in the Windsor Hotel Ltd and was concerned that some Nominee companies in Sydney had acquired a substantial holding in the shares (approximately 30%) and this was 'a prelude to the acquisition and demolition of the building and replacement no doubt by a modern complex of offices and shops'. The nominator predicted that there was 'a large body of Windsor shareholders who would support the Trust's principles and program and it might be possible to enlist their aid in an attempt to defeat a complete takeover'.

The National Trust responded that it was considering this form of action 'for some time' and proceeded to initiate heritage assessment in December 1971.

The Trust's concern about the Windsor and other buildings such as Tasma Terrace, East Melbourne had resulted in discussions with the Bolte and Hamer Governments in the late 1960s and early 1970s about enacting the first heritage legislation specifically for historic buildings in Australia.

On 7 February 1972 the *National Times* reported that recent flurries of share buying in Windsor Hotel Ltd indicated 'a more than historical interest in the site occupied by the grand old building in Melbourne'. The newspaper went on to state that 'The share transactions highlight the plight of many historic buildings standing on land that city development has made too valuable for its occupant. A start is being made to alleviate that plight. The Victorian Government has drafted a bill designed to

protect historic buildings from the ravages of property developers. Similar legislation is being considered in New South Wales, Western Australia and Tasmania.'

The National Trust in Victoria was taking a lead in pushing for heritage legislation for it had compiled a detailed report for consideration by the State Government. It was based on a system operating in Europe and Britain and a major element was a 12-month moratorium on all proposed redevelopments of buildings considered historic. In that time detailed studies of the cases for and against the proposed redevelopment would be undertaken. Under the planned Victorian system a list of all buildings regarded as historically important would be kept by the State Government. A developer would require a special permit to demolish or change any building on the list. The proposed legislation was seen as giving teeth to the National Trust's classification system.

In September 1972 a member of the National Trust approached Trust officials urging them to approach the State Government to buy the Windsor for combined use as prestige members' rooms for State parliamentarians and overseas VIPs, State reception areas, and a small hotel, bistro section etc.

On 28 September 1972 the Windsor Hotel was classified as a building of high significance by the National Trust with the following statement of significance:

'A building of distinctive architectural character and historic importance. The most impressive of late 19th century hotels, built in two stages (1884 and 1887) and the largest work of the architect Charles Webb.'

The National Trust's classification was picked up widely by the media, and the Trust's Chairman Rodney Davidson commented on the Windsor's considerable significance and said that the Trust had classified many buildings and objects around the Windsor Hotel. Collectively, they formed a unique historical and environmental area. Davidson urged good planning so that these historic places could be retained and linked appropriately with redevelopment. He also said that the Trust was concerned that large parcels of shares in the Windsor had changed hands and the emphasis of ownership was changing.

The highly regarded journalist, Keith Dunstan, who had a popular column 'A Place in the Sun' in the *Sun* newspaper, came out strongly on 6 November 1972 in favour of saving the Windsor. He referred to the

Trust's classification and said that it meant 'We will jump up and down, tear our hair out, protest from one end of town to the other – everything short of putting up the money to save it.' He went on to say that this classification 'obviously, is the bugle call of battle', and that 'the National Trust is prepared'.

When a shareholder objected to Dunstan's comments in a published letter in the *Sun*, Rodney Davidson's reply, with the headline 'Windsor has Value for All', was also published. He pointed out that the Trust had never suggested that the shareholders' interests should not be fully protected. Davidson argued that if preservation legislation existed as it did overseas, and particularly the right to the sale and transfer of plot ratios, the shareholders financial interest and the community's interest to the retention of the building could both be achieved. He pointed out that the Trust had been urging the government to 'act in this matter for some years...Until legislative action occurs, nobody's interests are fully protected.' He later said that the Premier had promised such legislation but there were ever continuing delays.

In April 1973 the value of the shares in the Windsor continued to decline, and the foreign-owned company that had 35% of the shares (St James Properties Ltd) was now trying to offload its share. At this stage the Trust executive considered a proposal that shareholders might be induced to make a donation of their shares to the Trust in return for a tax concession, with the Trust gaining control.

In May 1973 Louis A Sallmann, head of the real estate agents for the Windsor Hotel Ltd, wrote to the Trust asking that it remove the classification because the Board of that company was very concerned of its effect on shareholders. The agents stated that the Windsor was unable to earn sufficient profits to pay dividends. The Trust executive refused to remove the classification and pointed out that a recent classification (the historic Portland Shire Hall) had resulted in an increase in the value of the property. Mr Sallmann responded that he would recommend to the Windsor Board to seek a Court Order to have the classification removed. But this never eventuated.

On 16 October 1973 the Windsor Hotel Ltd received a \$4.15 million takeover bid from the large privately-owned hotel-motel chain, Commodore Pty Ltd. The *Sydney Mirror* of 30 October 1973 reported that two separate groups of financiers had approached the Trust for support in taking over the Windsor. Some financiers and property developers said they were convinced the Victorian Government had an

interest in the hotel which they believed was the ‘front runner’ for a possible casino site. It was thought that the Commodore bid would be rejected because the State Government would look favourably at casino proposals. Later in the year Commodore withdrew its takeover bid.

According to Chrystopher J Spicer’s *Duchess: The Story of the Windsor Hotel* (p71): ‘...around October [1972 or 1973], facing rising costs and sliding profits the directors [of Windsor Hotel Ltd] opted for a provisional surrender. They quietly approached the Victorian government to inquire if they would be interested in buying the hotel for \$5.7 million on a leaseback arrangement; the current owners would become operators with a three-year lease at \$10 000 a year. In making this move, the directors must have already been aware that the planned Parliament subway station access for Bourke Street would be on the site of the Windsor’s public bar and so part of the proposed deal included the demolition of the Windsor Annexe to make way for an open plaza.’

A letter to the *Australian* (7 November 1973) by a member of the public in Sydney (Paul Haege) attacked those wishing to preserve the Windsor and ended his letter with the comment: ‘...if it is really worthwhile, preserving this example of old world architecture, let the State buy it at fair value. If not so, let the restrictions be removed.’

The daily newspapers of 8 and 9 March 1974 carried stories on the plan by the Windsor owners for a 38-storey office tower on part of the site. Premier Dick Hamer, the Trust and a key City Councillor all came out strongly against the tower. Hamer called the plan for the 475-ft (144.7-m), \$12 million office block ‘a disaster’, and said that his government would use ‘its present power or legislate for new power to stop the tower’. The Public Works Minister, Mr Dunstan, favoured a casino in the Windsor Hotel but was against the plan by the Windsor owners for a 38-storey office tower on part of the site. City Councillor Ron Walker supported the casino proposal.

The Trust revised its statement of significance for the Windsor on 21 March 1974 to include references to interior elements: ‘The building was Classified but excluded from the classification were the more recent internal alterations and included in the exclusions was the enclosure of the Spring Street verandah and the building on the building on the corner of Spring and Bourke Streets. Special note was made of the staircase and lifts.’

The Trust formally objected to the proposed redevelopment in May 1974, and the application was refused by the MCC on the grounds of excessive plot ratio and detrimental to amenity.

Sydney millionaire Gordon Barton had his eye on the Windsor as a casino but the Victorian Government rejected the casino idea. Another individual thought that the Victorian Government would buy the hotel. He was a journalist of the *Sydney Sun* (22 May 1974), Greg Lenthen, who wrote: 'The best outcome for Windsor shareholders would seem to be acquisition by the State Government.'

The *Hobart Mercury* of 21 November 1974 reported that the Windsor Hotel Ltd could lease back part of its hotel if the Victorian Government bought it. The Chairman, WB Douglass, said at the company's annual meeting that it appeared 'fairly certain' the government would buy the hotel but had not concluded when this would occur.

The Government Buildings Advisory Council Act 1972 and the Historic Buildings Preservation Act 1974 were the first legislation specifically directed towards the protection of historic buildings in Australia. The Historic Buildings Preservation Council (HBPC) was established in 1975. The Windsor was soon registered as a designated building under the Historic Buildings Act but when the building was later purchased by the State Government it was not subject to the controls of the Act as the Act did not bind the Crown.

The *Sun* of 19 March 1975 reported that the State Government had arranged an independent valuation of the hotel.

With the immediate threat to the building removed, the manager of the Windsor ordered a National Trust plaque for the building on 25 November 1975.

The *Financial Review* of 4 March 1976 reported: 'Now the Victorian Government is planning to offer one of its buildings plus some cash for the Hotel Windsor.' The *Age* of 9 October 1976 announced: 'The State Government has made a firm offer to buy the historic Hotel Windsor opposite Parliament House. The offer – reportedly a cash and property swap worth more than \$4 million – was made to the Windsor's owners about three weeks ago.'

On 9 December 1976 Rodney Davidson wrote to Premier Hamer saying that he was delighted to learn of the government's purchase of the hotel

and congratulated him 'on this further positive preservation action'. It was the Trust's view that the Hotel managers would have been forced to sell the building for demolition if the government had not stepped in (letter from the Trust Administrator to a member of the public, 16 August 1977).

On 11 June 1977 union leader Norm Gallagher rang the Chairman of the Trust to say he was concerned about the Windsor lease and offered to put a ban on any works not acceptable to the Trust. The call was unsolicited and there had been no prior contract with the union.

The hotel was leased to Federal Hotels from June 1977 until 1980, and was offered for a 20 year lease in February 1980. Many experienced hotel operators applied for the lease.

The *Herald* of June 1980 announced that the State Government had secured a \$1 million-plus deal on the Windsor while retaining a tight control on its future. The government would lease the hotel to the New Delhi-based international Oberoi chain for two years, with an option for another 20. The lease gave the government a minimum of \$1.1 million over the next two years, compared with \$400,000 in the past three years under the Federal Hotels lease. The government had the power to terminate the lease at any time in the next two years if the government decided to sell the hotel; take it over to relieve an accommodation shortage at Parliament House; or if it judged Oberoi's performance to be unsatisfactory.

The *Sun* of 11 July 1980 reported that more than 5,000 people had objected to the lease of the Windsor being granted to an overseas chain. This was part of a campaign conducted by another interested group, the Keep the Windsor Australian Committee. The coordinator for the eight-man committee was John Smith.

On 14 July 1980 Rodney Davidson wrote to the Premier asking him to publicly announce whether the Windsor was protected by the Historic Buildings Preservation Council or the Government Buildings Advisory Council. A response from Boyce Pizzey, Director of the Historic Buildings Preservation Council (HBPC), stated that the situation in regard to permit issuing on the hotel was 'somewhat unclear'. In Pizzey's letter he said that one view was that since the building had now come under State Government ownership it was exempted from HBPC permit requirements. Another view was that because the building was leased away from the government then the Council permits requirements in

regards to a registered building regained force. At that stage Pizzey viewed that it might be more profitable to work on the basis that the Government Buildings Advisory Council had a primary responsibility for consideration of alterations if the matter was referred to them by the Minister of Public Works. This eventuated. The Minister for Public Works was required to approve the works and prior to approval he would seek the advice of the GBAC.

A newspaper report of 26 August 1980 (*The Age?*) indicated that the government rejected a last-minute attempt by the Oberoi hotel group to renegotiate the two-year lease.

In August 1980 the Trust was invited to hear a presentation of renovation ideas by the architect Mr Peter McIntyre. After the meeting the Trust asked for a thorough study of the building to identify those features most worthy of preservation and/or restoration.

The Trust's suggestions were taken up by the GBAC. By October 1980 an Historic Structures Report on the building was prepared by McIntyre Partnership and a statement of cultural significance and grading of areas and features of the building was prepared. The Trust was asked for its comments on this assessment and stated that there needed to be a more definite view established of the most important elements of the interior and exterior as a basis for listing the priorities for restoration. No modifications should be considered until this had been done. The guidelines established by the Burra Charter should be conscientiously applied to the important building.

When the Minister for Public Works halted the restoration work in 1981 he capitulated following receipt of a letter from the National Trust urging him to allow the restoration work to continue. Consultants included Peter Lovell and Suzie Forge. In 1982 the Trust stated that it was very happy with the restoration work and wanted to have a function in the restored dining room. In February 1983 the restored hotel was reopened to the public. Oberoi Hotels (Australia) spent more than \$8 million on the restoration work and the Victorian Government spent more than \$3 million. In 1982 the Windsor was judged as one of the best 300 hotels in the world in Rene Lecler's industry 'bible' 'The 300 Best Hotels in the World'.

In 1988 newspaper articles reported that the Oberoi group would bid for the Windsor if the Cain State Government decided to sell it as part of its asset sales. Oberoi had spent a lot of money restoring the building and

said it would be keen to maximise the investment. There was much interest in the site, and some developers had already drawn up plans for it. However, a government spokesman said that it had not yet decided if the building would be sold. 'If it is sold, it would only be with stringent heritage protection guidelines.' The government was stepping up its search for properties to sell in the hope of raising a further \$200 million from asset sales in 1988-89. Under consideration were the Windsor and Tasma Terrace, the headquarters of the National Trust. The Opposition claimed that the loss of the State Bank and the Victorian Economic Development Corporation (VEDC) 'fiasco', a venture-capital fund that racked up losses of about \$110 million, had caused this government plan to sell off assets. The Property and Services Minister, Mr Spyker, said that 'new planning laws to protect historic buildings meant the Government no longer needed to hang on to historic buildings simply to ensure their protection'. He also said: 'Historic buildings such as the Windsor were bought to protect them from the bulldozer. They are now protected under legislation. We have to ask about all such buildings, is it justified to maintain a building like that?' He added that any historic building the state sold would be protected by law.

In 1987-88 the National Trust was concerned about the sell-off plan, declaring publicly that the sale and disposal of government property was one of the most pressing conservation issues in Victoria. Despite the State Government's assurance that although it was considering the sale of the Windsor it would be 'by an open public process and no private deals will be done', the Trust was worried that the sale would remove the Windsor from the protection of the government's historic buildings register. The *Age* of 14 May 1988 reported that the Trust has tried and failed to have the Government amend the Historic Buildings Act to allow automatic transfer from the Government Buildings Register to the Historic Buildings Register when a government-owned building was sold. The latter register, administered by the Historic Buildings Council, was a mechanism by which privately owned buildings were safeguarded. The newspaper also noted that at least one preliminary proposal to redevelop part of the Windsor and the adjoining land had been presented to the Planning Minister, Mr Tom Roper.

The *Trust News* of June 1988 carried a front page cover with a photo of the Windsor and a headline 'WHAT FUTURE FOR WINDSOR?' The Trust Chairman Simon Molesworth came out strongly in favour of safeguarding the future of the building and argued that the Windsor should remain a hotel under Oberoi's management. Their lease would

expire in 2002 and Oberoi were keen to buy the property. The article ended with these words:

‘The Trust believes that the continued use of the building by the Oberoi Group is consistent with the preservation and protection of the historic character of the building and the surrounding area. The Trust calls on the government to guarantee that government-owned buildings, such as the Windsor, be given the safeguards needed for their future preservation by legislating for the autonomic transfer of these historic buildings to the HBC Register on their sale. Failure to do so can only be viewed with suspicion. The government must make its position clear. It should not jeopardise heritage controls, fought by the Trust for the past 32 years.’

The *Herald* of 16 September 1988 revealed that Sydney property developer Warren Anderson had a multi-million-dollar plan to redevelop the Windsor site by building a hotel tower behind the existing hotel. He bought several sites behind the hotel. The Trust’s Administrator, Douglas Hill, said that the Trust would not be opposed to the redevelopment of the Windsor as long as the classified areas were retained. Most of the building was classified. This speculation regarding Anderson’s proposal lasted a year. In October 1989 Cr Trevor Huggard of the Melbourne City Council declared that ‘The Windsor stands as a symbol of the people of Victoria’s concerns about our heritage’. He also said that the hotel was the ‘Eureka Stockade of the planning world’. The government’s Minister for Property and Services, Mr Walsh, denied that there were any moves to sell off the Windsor and acknowledged that the Historic Buildings Act would first have to be amended to ensure protection if the building was sold. A later newspaper reported that Anderson’s proposal would not proceed unless changes were made to abide by the existing planning scheme. The *Herald* of 21 November 1989 noted that Anderson’s redevelopment behind the hotel had been significantly scaled down.

The *Trust News* of December 1989 expressed the Trust’s growing concerns about the Anderson plan and the State Government’s failure to amend the Historic Buildings Act to protect the building should it be sold. The Trust called on the government to make its position clear. The government soon reacted to the Trust’s article.

The *Age* of 16 December 1989 announced that the Indian-based Oberoi Hotels group expressed interest in buying the Windsor after the State Government decided to sell the landmark. The group had spent \$20 million restoring the hotel and had lobbied the government in 1989 for an extension of its remaining 12-year management lease. The newspaper

reported that the hotel was now protected under the Historic Buildings Act. The government hoped to get about \$25 million from the sale but the price would depend on an independent valuation. Marketing would begin in January 1990 and tenders would close in April. An advertisement for sale was placed in the *Herald* of 6 February 1990: 'AUSTRALIA'S ONLY GRAND HOTEL IS FOR SALE. The Windsor is no ordinary hotel...'

The *Herald* of 25 April 1990 announced that the Windsor was sold to the Oberoi Hotel chain on 24 April. Neither the government nor hotel management would disclose the price. The building was expected to fetch between \$25 and \$35 million. The newspaper of 26 April 1990 stated that the hotel had been sold for less than \$25 million. The *Age* of 28 April 1990 revealed that the State Government had sold the hotel for \$17.7 million.

Research by Dr Celestina Sagazio, Senior Historian, National Trust of Australia (Victoria), July 2010 Source: National Trust files (B423)