

# Residents vow to fight plans for high-rise

**By Fiona O'Doherty**

NEW high-rise plans for the former Freemasons Hospital site in East Melbourne have been lodged with Heritage Victoria.

But the plans have already received an icy reception from East Melbourne residents and Melbourne Council.

Under revised plans, Freemasonry Victoria wants to build an 18-storey tower with 84 apartments in the centre of the Clarendon St site.

The first plans, lodged with Melbourne Council last year, were for two towers — one 18 storeys and the other 15 storeys — with 91 apartments between them.

But the plans were thwarted by the heritage listing of the 1950s buildings that would have been demolished to make way for the apartments.

The buildings were nominated for listing by East Melbourne residents, who, together with Melbourne Council and the National Trust, vehemently opposed the two apartment towers, arguing they would overwhelm the remaining hospital buildings and not fit in with the area's heritage character.

Last week, East Melbourne Group president Margaret Wood said residents

would also fight the new plans because an 18-storey tower was still too high for the area.

Melbourne Council's Catherine Ng agreed. "The local character of East Melbourne is primarily low-rise with a lot of heritage buildings and we need to protect the heritage aspect and enhance the local character," she said.

Freemasonry Victoria chief executive officer Barry Reaper said the new plans represented no change to the organisation's original intentions.

Mr Reaper said the plans included the refurbishment of three heritage-listed terrace houses on nearby Grey St, previously used as consulting rooms, which would then be sold as homes.

But he would not comment on criticism of the tower's height.

"The plans are taking into account the preservation of various areas that have been listed by Heritage Victoria," he said.

If Heritage Victoria signs off on the new plans, Freemasonry Victoria must then seek State Government approval to change Melbourne Council planning controls for the site from a hospital to a residential zone before the project can proceed.

The council's comments are also expected to be sought.

# Development given flat 'no'

A **BID** to transform the Freemasons Hospital into apartments as part of a \$200 million redevelopment has been rejected.

Freemasons Victoria wanted to turn its main hospital building into 160 apartments and develop a 19-storey tower on the Clarendon St site.

It also planned to build low-rise apartments at

**By MICHELLE ROSE,**  
**urban affairs reporter**

the Albert St and Grey St ends of the East Melbourne land.

But Heritage Victoria has rejected plans for Clarendon St because of the tower's height, bulk and proximity to heritage-listed hospital buildings.



## Pressure mounts over Dallas Brooks Hall



The Dallas Brooks Hall has hosted many a Melbourne event.

PICTURE: KEN IRWIN

Controversy over the fate of Melbourne's celebrated Freemasons Hospital and Dallas Brooks Hall is set to rise once again as the owner, Freemasons Victoria, renews its intentions for the sites with Heritage Victoria.

The heritage authority has refused the latest application by the society of "brotherly love" for a 19-storey apartment tower behind its listed art-deco Clarendon Street hospital site, but the fate of the hall, home to many a Melbourne function, remains in doubt.

The Freemasons first proposed a residential redevelopment of the hospital three years ago, with a twin-tower concept, in a bid to fund an extension of its Victoria Parade medical centre.

The proposal would have necessitated the demolition of Dallas Brooks Hall, which is still unprotected despite a nomination to list the facade of the hall's pipe organ on the Victorian Heritage Register — the organ's pipes resemble the shape of Victoria's mapped outline.

With the Freemasons now planning to appeal the Heritage Victoria decision, the future of the hall is in deeper shadow

following a new \$10 million development application for a ceremonial and administrative centre on the site.

The society's initial demolition submission caused an outcry, with former National Trust chairman Randall Bell claiming the hall to be a rare example of neo-classical architecture in Melbourne and a modern-day interpretation of the Greek Parthenon.

The hall has held concerts featuring Joe Cocker, Skyhooks, Sherbert and the Little River Band, as well as former Melbourne Football Club president Joe Gutnick's bid to save the club from merger.

However, the Freemasons proposals are still on indefinite hold, with chief executive officer Barry Reaper maintaining the society was exploring its options.

With its bold claims of bondage to medieval guilds whose "architectural skills gave rise to the great cathedrals of Europe", surely Heritage Victoria should welcome any proposal sporting the mark of the compass and square?

Or were Europe's cathedrals just the residential exclamation marks of their day?

# Hospital site was one that didn't get away

A recent failed bid by Freemasonry Victoria to redevelop the Freemasons Hospital site on Clarendon Street into apartments, including a 19-storey tower, fell on its sword after three years of planning when a Heritage Victoria nomination was placed and approved in April 2002.

The subsequent planning application to Heritage Victoria four months ago was rejected outright, a decision that shocked the

project's heritage consultant, Peter Lovell, and resulted in the Freemasons abandoning the project altogether.

"We had a very long process of negotiation with Heritage Victoria and we really thought we were going to get it over the line and get a conditional permit," Mr Lovell said.

"But they came back and rejected it in its entirety and that's really what threw the whole project."

# Freemasons hope for right buyer for hospital

By CAROL NADER  
and MATTHEW MURPHY

THE owners of the Freemasons Hospital, which has called for expressions of interest, want the hospital to remain in the hands of a not-for-profit organisation.

The private hospital announced this week that it wanted to sell the business on its two East Melbourne sites, on Victoria Parade and Clarendon Street, and sell the freehold on the latter site. An Albert Street building used for administration would be sold separately.

Freemasons Victoria, which has owned the hospital since 1937, cited an inability to fund capital works the hospital needed as the key reason it was selling.

It treats almost 27,000 patients a year. Last year, 3076 babies were born there and 5600 cancer patients were treated.

Freemasons Victoria chief executive Barry Reaper said the hospital needed upgrades to at least two operating theatres, equipment and other refurbishment.

"We believe very strongly that a network provider with the resources would be the best way ahead for the hospital at this time, and that is the major reason for this decision," he said. "Most certainly the not-for-profit sector probably aligns very much with

that's a possibility, that will certainly be high in our consideration."

Mr Reaper said it was possible Freemasons Victoria would retain ownership.

St Vincent's and Mercy Private Hospital chief executive Martin Day said "there could be some very positive opportunities" with the neighbouring hospital, but it was early days.

"I think it would be good for it to remain a not-for-profit, church and charitable, community-based hospital with every dollar going back to the community, not to dividends to shareholders," he said.

The possible sale of Freemasons has led to fears it would cease to be a hospital, adding to the burden of the public system. Expressions of interest for the nearby site of the old public Mercy Hospital for Women close this week. The site is likely to be turned into apartments.

Health Services Union state secretary Jeff Jackson said the decision to sell the hospital could mean hundreds of job losses and "may put one of the state's leading obstetrics hospitals and also cancer treatment facilities in absolute jeopardy".

Victorian Health Minister Bronwyn Pike said patients needing urgent care could get it in public hospitals, which were always "actively recruiting" staff

# Plan to sell Freemasons

THE future of the Freemasons Hospital is in doubt after management announced plans to sell the East Melbourne icon yesterday.

Freemasons Victoria is seeking expressions of interest in the Victoria Pde and run-down Clarendon St sites, which treat thousands of patients each year.

There are no guarantees they will remain as a hospital campus.

The jobs of more than 1000 health workers, including leading obstetrics specialists, could also be in jeopardy if the campus closes.

The society will retain the freehold on the Victoria Pde site, which is on a joint title with Dallas Brooks Hall. The Clarendon St site, which abuts the old Mercy hospital, is estimated to be worth more than \$30 million.

While the Freemasons expressed a desire to see the hospital campus continue to run, increasing costs meant they could no longer operate it effectively.

Freemasons Victoria CEO Barry

## Sarah Wotherspoon

Reaper said the society's resources were stretched. "It's obvious to us that (the hospital) needs significant capital and we believe that could best be provided from a private network provider," he said.

"We most certainly wish to see it continue as a hospital."

The Melbourne institution that houses one of the best maternity centres in the state began in 1937 in Clarendon St. The Victoria Pde campus opened in the early 1990s.

Mr Reaper said the Clarendon St site needed substantial redevelopment including upgrades to the building, wards and operating theatres.

He said if a suitable buyer was not found, the Freemasons would continue to run the hospital campus and upgrade Clarendon St as best they could.

Health Services Union state secretary Jeff Jackson said the sale of the hospital would not benefit anyone. "It's not a good time to be losing another hospital, private or

public," he said. "I think it will have a disastrous effect on hospital waiting lists."

Mr Jackson was sceptical about whether Freemasons preference for the sites to remain as hospitals would prevail. "That (Clarendon St) site is obviously going to attract a hell of a lot of interested parties not interested in staying in the health game."

He said the union's main priority was the staff. Talks will be held with management today.

Mr Jackson said he was particularly concerned about the reaction of obstetrics specialists at the hospital, whose services could be lost to Victoria.

"Child birth is a major area of the Freemasons which is highly sought by many private patients," he said.

Health Minister Bronwyn Pike's spokesman Ben Hart said the Freemasons Hospital had not sought financial help.

"We are hopeful that the Freemasons will remain functioning as a hospital," Mr Hart said.

# Mercy be: heritage could save Freemasons from apartments remake

By SANDRA LANGDON

■ HERITAGE restrictions are likely to hamper plans by any developers to transform East Melbourne's Freemasons Hospital into luxury apartments.

Freemasons Victoria last week called for expressions of interest from parties to buy the Freemasons Hospital business in Clarendon Street and Victoria Parade. Any sale would include the Clarendon Street freehold

with the Freemasonry retaining ownership of the Victoria Parade property.

Barry Reaper, Grand Secretary and CEO of Freemasons Victoria, said the organisation attempted to convert the Clarendon Street site into a residential development in 2003, but the application was rejected by Heritage Victoria.

The hospital, built in 1937 and extended in the 1950s, is the subject of

two heritage orders.

Mr Reaper said the situation was unlike that of the Mercy Hospital for Women site, also on Clarendon Street, which was vacated in May. The Sisters of Mercy have lodged development plans with the planning minister for 221 apartments.

"We have changed our strategy," Mr Reaper said. "We will consider a range of options once expressions of interest have been received ... we

would much prefer it operate in the same way (as a hospital)."

Mr Reaper said the possibilities could include the sale of the hospital as a going concern under new ownership, outsourcing to another operator under a management contract, or a joint venture.

Expressions of interest for the Freemasons Hospital close on July 29.

East Melbourne Group president Margaret Wood said it would be

a pity if the hospital closed. "The Freemasons was designed and built as a hospital and really should continue to operate for that purpose."

Meanwhile, expressions of interest for the Mercy site closed last Friday. Sisters of Mercy project manager Ian Hobbs said the process was designed to find two solutions for the site. "One of those is an aged-care facility and the other is purely residential,"

# Hospital list narrows

THE Epworth Hospital, **Healthscope, New Affinity Health Group** and the St Vincents and Mercy Private Hospital have been shortlisted to take over the ownership and management of the Freemasons Hospital in East Melbourne. The Freemasons called for tenders from prospective purchasers in July to take over the hospital as a going concern. The buyer is expected to be revealed by the end of October.

The sale includes the Clarendon Street freehold, while Freemasons Victoria will keep its Victoria Parade property and underground car park.

## **HEALTH**

# **Freemasons sold to Epworth, ING**

**EPWORTH Hospital has joined with property group, ING Real Estate, to buy the Freemasons hospital in East Melbourne.**

**Epworth said the hospital would continue to operate as a medical facility.**

**In a statement released late last night, Freemasons Victoria chief executive Barry Reaper said the consortium was the preferred bidder to buy the hospital business on two sites, in Victoria Parade and Clarendon Street.**

**Epworth Hospital's chief executive Denis Hogg confirmed it would operate the business, while ING Real Estate would own the site.**

**Mr Hogg denied the involvement of a property development group signalled that the hospital**

# Secrecy plays hand in Freemasons purchase

PROPERTY group **ING Real Estate** has revealed it plans to place Melbourne's **Freemasons Hospital** into a new property fund, while trying to scotch speculation it wants to redevelop or even close the hospital.

Say the words "sale" and "hospital" anywhere in East Melbourne these days and the planned redevelopment of neighbouring **Mercy Hospital for Women** into luxury apartments is immediately conjured.

So, the announcement late last week that **ING** had joined up with **Epworth Hospital** as a consortium partner to purchase the site from **Freemasons Victoria** set the hares running.

The speculation wasn't exactly helped by **Freemasons'** public relations firm, **Royce**, releasing the information right on newspaper deadline on a Friday night — a tactic often used to minimise coverage of sensitive news.

**Epworth's** chief executive, **Denis Hogg**, was yesterday forced to deny claims made by the **Health Services Union** that staff cutbacks could occur. **ING's** head of Australian investment management, **Hugh Thomson**, also sought to calm things down, saying it planned to put the hospital in a new healthcare fund it will launch next year.

**ING** is one of Australia's largest property fund managers and invests in offices, industrial property, retail and entertainment venues. In May it acquired the **Village Life** aged-care property trust. But the **Freemasons** acquisition signals a new direction into health-care assets for the property group.

**Thomson** said **ING** would own the two separate sites the hospital sits on, with **Epworth** as a long-term tenant and operator when the deal was completed.

Far from losing services, **Thomson** said he envisaged the hospital would be expanded in the longer term.

But he refused to go into any more detail about the nature of its new trust. "We don't want to let our competitors know too much," he said.



## FULL DISCLOSURE

HELEN WESTERMAN AND REBECCA URBAN

opted for an Australian listing because it is too small to list in the US. Most of its funding so far has come from the US National Institute of Health.

# Closure rocks hospital -

EMERGENCY patients will no longer be treated at the Epworth Freemasons Hospital in East Melbourne.

Epworth HealthCare will close the emergency department on October 12 — just six months after it took over management of the private hospital.

Patients will be taken to the emergency department at the Epworth hospital in Richmond.

Seventeen East Melbourne medical staff will be transferred to the Richmond hospital,

## Kate Jones

medical reporter

along with medical equipment.

The closure was announced yesterday — two weeks after an Epworth spokeswoman told the *Herald Sun* she knew nothing about the proposed closure.

Chief executive Denis Hogg said the matter was "embargoed" until yesterday. He admitted his staff were not happy about the closure.

"They're disap-

pointed, but ultimately they'll still have their jobs," he said.

He said a review found the \$1.5 million annual operating costs of the East Melbourne emergency department were unsustainable.

Health Services Union state secretary Kathy Jackson said Freemason staff were concerned about the hospital.

Health Minister Bronwyn Pike said the State Government would monitor any impact the closure may have on public hospitals.

# Hospital IT overhaul in uncertainty

By **FARRAH TOMAZIN**  
STATE POLITICAL REPORTER

A \$323 MILLION computer overhaul of Victoria's public hospitals is in doubt, an unwanted distraction for Premier Steve Bracks before the state election.

The Auditor-General is investigating the controversial HealthSmart project, which aims to standardise information and communication technology in the public health system.

A key component of the project is a \$22 million contract that the Department of Human Services awarded to controversial technology firm iSoft. It is designed to revamp the way patient management records are stored in public hospitals.

But the project has come under question because iSoft's British parent company is in financial collapse, reportedly losing more than 80 per cent of its value in the past year. It is under investigation by British financial regulators.

Health-care workers have written to Mr Bracks warning that the project is in "chaos". Department insiders are also sceptical that the HealthSmart strategy, already delayed, will deliver the technological advancements promised.

"Instead of a statewide shared service linking health-care workers and improving quality care, Victorians face a bureaucratic IT bungle with further delays, as DHS procrastinates over how it manages the collapse of its major vendor," says an August 19 letter to the Premier from anonymous health-care workers.

The iSoft contract was awarded last December, with the first phase due to be rolled out across Northern Health by the end of the year.

But with health an election issue, the problems with the contract are potentially embarrassing

## Freemasons to close emergency unit

**THE Freemasons Hospital emergency department is to close due to high running costs.**

**Epworth HealthCare, which acquired the Freemasons in May, says the emergency department at the East Melbourne hospital will close on October 12.**

**Patients will have to GO to the Epworth Hospital in Richmond. Epworth HealthCare boss Denis Hogg said having two emergency departments one kilometre from each other was not practical.**

for Mr Bracks and Health Minister Bronwyn Pike, who told Parliament recently that the HealthSmart strategy was a "very comprehensive information technology system".

Opposition health spokeswoman Helen Shardey said Victorian hospitals needed a state-of-the-art IT system. But it was questionable that "the Bracks Government went down the iSoft path when they apparently knew the parent company was in trouble and there are severe doubts about the software program itself".

Ms Pike declined to comment, but Human Services Department spokesman Graeme Walker denied the project was under threat. Bank guarantees had been put in place to safeguard the department in the event that iSoft could not deliver the software, he said. If iSoft was unable to deliver, the department would find another provider.

The department has refused to say how much of the \$22 million contract has been spent by taxpayers, other than to indicate it was "well under half" because the project was some time from completion.