160 LEICESTER PTY LTD

ABN. 47 606 306 852 PO BOX 464, COLLINS ST WEST, 8007

Hon. Richard Wynne MP
Minister for Planning
Level 16, 8 Nicholson Street
East Melbourne VIC 3002

27 October, 2016

Dear Minister,

We write regarding recent media reports that you are to seek an order at VCAT which would compel us to rebuild the former Corkman Irish Pub/Carlton Inn (the Building), located at 160 Leicester St, Carlton (the Site).

We apologise for having undertaken this demolition without the appropriate permits in place. We understand we have breached faith with the community, made very serious errors in judgement and allowed a public commentary vacuum to emerge as a result of our subsequent silence.

Firstly, and importantly, we want to make absolutely clear that we will rebuild the Building at our expense. We will willingly enter into the appropriate enforceable undertaking in this regard.

We want to make clear our reasons for this regrettable course of action and explain what we will do in response to the entirely valid concerns expressed by the Victorian Government.

Please find overleaf a timeline outlining the sequence of events that led up to our erroneous decision to demolish the Building.

As you are aware, there was a fire at the Site on 8 October. We were both made aware of this fact by an early morning phone call from the police. Some have sought to imply that the fire was a manufactured precursor to the demolition. We do not know what the cause of the fire was beyond the fact that we had nothing to do with it. One of us was at home at the time of the call, the other was taking their kids to a morning event. We both attended the Site after receiving that call.

Upon inspection we felt that significant structural damage had resulted from the fire. As a result we commissioned an engineer's report on the state of the building, which was compiled by Giancarlo Brovedani, and is attached at Appendix A.

We then sought legal advice. The file-note of our then lawyer's advice is attached at Appendix B.

Following the fire, contact was made by Melbourne City Council's Senior Building Inspector, Frank Magaldi. We arranged to meet Mr Magaldi on-site on Thursday the 13th. Unfortunately, that meeting didn't take place and our attempts to reschedule this meeting were unsuccessful.

For the avoidance of any doubt, Melbourne City Council did not inspect the property prior to demolition.

Wild weather was forecast for that weekend, which in our view significantly amplified risks to public safety (weather reports are attached at Appendix C). We proceeded with demolition on that basis.

160 LEICESTER PTY LTD

ABN. 47 606 306 852 PO BOX 464, COLLINS ST WEST, 8007

One of us has had a recent experience which helped shape our response to the fire at the Site. A wall collapse at a site owned by a partner but not yet utilised for development resulted in an injury to a pedestrian. This matter is currently before the courts.

The combination of the:

- legal advice,
- engineering advice,
- · weather forecast, and
- injury litigation

explain (but in no way excuse) our hasty reaction to the circumstances.

There was no commercial sense in the site being demolished. We were in active discussions with potential new operators for the pub as the current tenant was months in arrears with rent. We had no planning applications for the Site live with any authority and had not briefed any town planners or other consultants about future development. Our intention was to have the property tenanted and to hold the site for 5-10 years, prior to exploring future, modest redevelopment.

Undoubtedly, this was the wrong course of action and has pitted us against the community, government decision makers and other stakeholders across the sector. We prioritised community safety over due process, and we apologise unreservedly.

The lack of public commentary by us on this matter might serve to underline our naivety. We wish we had made a statement earlier, but we simply hoped to deal with this through formal processes. We are in discussions with our lawyers to this end.

Finally, we advise that we were unaware of any asbestos on this site. We will continue to work closely with the EPA, WorkSafe and any other agencies to ensure that any asbestos is appropriately and safely treated.

We will reconstruct the hotel as it was, forthwith. We will work with the State Government and Melbourne City Council to make good on our actions.

Again, we apologise.

Yours sincerely,

Raman (Ray) Shaqiri

Stefce (Steve) Kutlesovski