

Conservation of Australia's Historic Heritage Places

Productivity Commission

Draft Report

December 2005

Response submission

Hobart City Council

Summary

The attention that the Productivity Commission inquiry brings to the conservation of Australia's historic heritage is welcome. It is considered, however, that many of the findings of the Draft Report may threaten conservation values and reduce effective heritage outcomes.

Some areas of the scope of the inquiry are not explored extensively within the Draft Report, in particular, threats to the conservation of historic heritage.

The proposal of the report to remove conservation of individually listed places from local planning schemes and deal with this through separate heritage legislation is seen as problematic because it would effectively mean a dual system, which would complicate procedures that the Council has sought to simplify.

The proposal that heritage areas remain within the planning schemes is supported and will maintain the 'precinct' level of heritage conservation.

The proposal to make listing of individual places 'voluntary' would undermine the conservation of the built historic heritage of the City. To put it simply, the cultural significance or heritage value of a place is not a direct function of ownership.

The proposal to negotiate individual agreements with all owners of places for listing, by preparing Heritage Impact Statements in advance, is problematic because the time and funding resources are not available. Negotiation with owners occurs at present, at the point when a development is proposed, and this is likely to be more efficient and productive.

The concept of making payments to individuals for the additional heritage benefits the community enjoys could be arbitrary and counterproductive to the conservation of historic heritage.

The report identifies the very high level of support (92%) for conservation of historic heritage in a survey of some 2000 individuals throughout Australia. It also indicates the level of support for government investment in heritage.

The Productivity Commission Draft Report summarises its findings as Key Points (p. XVI), to which the following response is made:

1.0 Key Points

Historic heritage places provide important cultural benefits...

- *there is extensive private sector involvement in conservation*
- *governments own, list and protect places through strong regulation*

Both public and private sectors access conservation services provided by Hobart City Council. Conservation outcomes can be good to poor from either sector.

The need for regulation is borne out in the Council's experience when strong interests impact on conservation in the community we serve. Council mediates these interests on an ongoing basis, within the planning process.

The planning process is a tried and tested approach to managing these issues, which tend to arise when development is proposed. Conservation of heritage is one among many issues of managing the built environment. Issues such as parking, infrastructure services, neighbour amenity, density and conservation are interdependent. These issues arise when development is proposed.

To introduce a new form of management of one of these issues, which at present are dealt with under the one system, might involve confusion, unwarranted costs and duplication of bureaucracy, which we believe should be avoided.

The three-tier framework of significance – National, State and Local – provides a sound basis for government involvement

As Hobart is the historic State Capital of Tasmania, and one of the earliest centres of European settlement, a large number and a higher concentration of heritage places of State significance occur here. For instance much of the central grid of streets originally laid out by Governor Macquarie is lined with buildings of State significance. Here the local jurisdiction for townscape and area character will naturally overlap with State responsibilities for the individual buildings.

The Heritage Schedule of the *City of Hobart Planning Scheme 1982* does not rely on prescriptive regulation, but rather on appraisal of the impact of development on cultural heritage significance, taking its wording and definitions from the Burra Charter. The *Battery Point Planning Scheme* does include generally prescriptive schedules, such as the Appearance Schedule, but has recently been amended to introduce the Burra Charter language. The Council is currently exploring opportunities for aligning the two planning scheme.

There is over reliance on prescriptive regulation

Prescriptive regulation can lead to ineffective, inefficient and inequitable outcomes...

- *typically the regulations restrict development and use and erode property rights.*
- *there is no restraint on the tendency to list places*
- *no consideration of the costs of listing*

Privately owned properties should be listed only after a conservation agreement has been negotiated...for the management and funding of the additional heritage benefits.

The finding that prescriptive regulation works against good outcomes is supported. The preferred approach is discretionary appraisal, which considers impacts of a development proposal on an individual basis, and involves negotiation between stakeholders.

Opposition to 'discretion' within the planning process is influenced by the fact that discretion means advertising and allows third party appeal rights. The value for heritage conservation is rather that a qualitative appraisal can be made, and, by the [provision of professional heritage advice, acceptable outcomes can be negotiated with an applicant.

Prescriptive direction is sometimes the outcome of negotiation with owners, which is typically undertaken when a development application is made. Some applicants will ask Council officers to 'prescribe' a solution that is workable within their development intentions, and then be happy to proceed in this way, to avoid design costs. Prescriptive planning controls are also sometimes favoured by small developers, who see them as providing fore-knowledge of constraints.

When heritage considerations have been observed in preparing a proposal, for instance when a consultant familiar with conservation issues is advising the applicant, prescriptive advice is unlikely to arise. In the vast majority of cases of heritage listed places, even when heritage considerations have not been met in a proposal, there is an alternative equivalent solution, which achieves the desired outcomes of the owner, as far as this is permissible within the planning scheme, while conserving heritage values.

It is extremely unlikely that conservation of the heritage values of any place of local significance would prevent development; rather this consideration would alter the form of development.

In other words, the heritage consideration has a minor impact on development and use, and does not erode property rights, but rather influences the manner of going about development; this results in 'value-adding' because heritage value is achieved as well as development gain. In fact the two are interdependent. Heritage conservation can create a niche market.

There are cases where applicants are unhappy with planning decisions involving heritage considerations, as with any of the other areas that the planning scheme controls. Where this occurs, heritage issues are successfully resolved by mediation in the great majority of cases.

It is true that development by alteration of existing fabric may sometimes be more costly in the short-term, than, for instance, new construction on a cleared site. There are also places where a historic building enables a development that would not comply with current planning requirements. However, these factors are, we believe, already accounted for in the market value of a property, together with any other costs and benefits of that property. There are many factors, internal and external and interdependent, that influence the development potential of a site, which market forces reconcile.

There is no reason to restrain listing per se, since this is simply a process that identifies and records a heritage item. The Burra Charter provides a methodology to assess the level of significance in a very flexible way, as well as indicating appropriate measures for conservation, which may have considerable impact on use and development, or little impact, or none.

To introduce a system that would try to pre-empt what development might occur, and negotiate its limits in advance, would give away this flexibility and openness, and would sacrifice creative intervention and free-play of the market. Equally, the opportunity costs of conservation can be as long as a piece of string, since they will be influenced by fluctuating development opportunity and costs. The only real way to assess these is to carry out the project and test the market.

The maintenance costs and requirements of conservation are generally clear when a property is purchased. Is it right (or feasible) for government to interfere with the market by attempting to evaluate and subsidise that part of maintenance costs that accrue from the contribution a place makes to a streetscape, or even more intangible values, as distinct from that part which is for the owners' enjoyment?

If the owner does not value the heritage aspects of a place as highly as other opportunities, the market simply enables them to buy a place in a newer suburb and sell to someone who does value the heritage attributes.

How should the benefit that the streetscape makes to the individual property be valued? Location is said to be the single most important factor; but this may be a factor of heritage benefit that a property enjoys from the neighbouring properties. Again is it not best to leave matters of economic value up to the market?

The use of conservation agreements would require many local governments to substantially change their conservation activities.

The proposed changes might unwittingly lead to greater confusion and uncertainty and thus be self-defeating. It is unclear how the resources for the proposed process would be found. The proposition of making agreements about potential development options with owners who have no intention to develop seems unlikely to have the outcome of improving our productivity.

2.0 Further Points

2.1 Support for Conservation of Heritage

The report evidences the high value given to historic heritage conservation by an astonishing 92 % of respondents to a survey. This is very affirming and is consistent with feedback on the priority people in Hobart and Tasmania generally give to conservation. This was demonstrated in the Tasmania Together process.

Heritage value is a social construct that is defined through a discourse; the planning process mediates this discourse and reconciles conflicting ideas of value. The Burra Charter is an excellent approach for this discourse, but it depends for its effectiveness on an engaged, open, listening exchange, which is inclusive of ‘experts’, vested interests, people whose quality of life is affected and people who cherish diverse spiritual social cultural associations with ‘place’- in fact a political process, as exists now, managed by a locally elected authority, following the principle of ‘subsidiarity’. The Hobart City Council exemplifies this.

It is apparent that many people in Hobart value the characteristics of a small-scale historic city with a strong sense of its surrounding landscape. These values are reflected in the Council’s Strategic Plan.

It was also of interest that the survey within the report showed support for government expenditure on conservation.

2.2 Heritage Areas

The report advocates that heritage areas should remain statutory and operate within the planning system like other planning issues. This proposal is supported.

Dual System with Three Tiers

The report proposes that local government should deal with local heritage-listed places through separate heritage legislation, and heritage areas through the planning legislation. This would proliferate and exacerbate the dual system, which the recent Tasmanian Heritage Review sought to simplify. The Council has consistently argued for an integrated approach.

2.3 Conservation Agreements

The proposed system of negotiating individual agreements with owners could be unreasonably arbitrary when applied to places of local heritage significance.

The report is based on scant evidence to support its findings on costs and benefits as it explains that separate costings for conservation are not available. The report does not indicate how such costs should or could be distinguished from the costs of enjoyment of the place.

While the report seeks greater equity and fairness, its central proposals are compromised because:

- the capacity of the owner to negotiate depends on the individual's resources, and other external factors
- this will be inconsistent between one area and another according to the economic opportunity there
- the capacity of the community to negotiate via local government depends on its resources
- this will be inconsistent according to an area's population and rates base, rather than reflected heritage significance
- as proposed there would be a different opportunity for neighbouring owners of listed places, depending on the date at which two neighbours purchased their homes
- there would remain an extra approval, through separate legislation, for any place that was listed as having State significance, negotiated in advance without regard to the planning scheme.

The thrust of the report is perhaps expressed in the observation (p. 177) that

'Having governments buy heritage ... would mimic private voluntary transactions ...'

But this could be wishful thinking; to be 'fair' the process of making the agreements proposed would need to be transparent and accountable and would demand considerable resources that are not available at the level of local government.

If a market process is sought to deliver conservation outcomes, a better approach may be to use the concept of 'value adding'.

Development can take many different forms; what happens in the planning process when heritage impact is appraised is that the planning authority and developers, together with the Heritage Council, negotiate an approach which will 'value add', delivering increased equity, whilst conserving heritage value and achieving the best planning outcome. The process is informed by representations from neighbours and others through advertising and is overseen and mediated by elected Aldermen. The process is one of negotiation, but taking into account case-by-case the complexities of a specific proposal. The statutory provisions are essential to the negotiation. Possibly national government heritage funds could introduce more 'carrot' to counter the perception of 'sticks' in the management of conservation. It seems that relatively small 'carrots' can dramatically reverse the perception of the pro's and con's of owning a heritage-listed place.

However, 'a priori' negotiated agreements are mainly effective where there is a large property with land that is part of the title but remote from the heritage fabric, so that its development would have little impact on the heritage values of the place. Typically, a rural property with an early stone house in its own garden setting, surrounded by paddocks, would fall into this category. The time taken to make an individual negotiation would be

warranted in this case. There would perhaps be little overlap with other planning considerations where alterations to such a property may have little impact on neighbouring properties with regard to the planning scheme. By contrast, in Hobart there are hundreds of places of high heritage significance that are cheek by jowl with one another and other places with considerable development potential and considerable impact on one another.

In our view the report struggles to justify too simplistic an approach for an urban situation. The issue is addressed at present with well-developed, tried and tested approaches, using the planning system and the Burra Charter.

3.0 Clarification of observations within the report

There are a number of observations within the report that are inconsistent with practice:

3.1 The report suggests that the Burra Charter takes no account of costs. This is a misunderstanding; in fact the Burra Charter seeks a viable future for heritage assets, including economic viability.

3.2 The report suggests that the Tasmanian Heritage Council becomes the de facto planning authority. This misinterprets the facts. Heritage is only one, often minor, consideration among many that must be observed within development control under the planning scheme, which controls heritage-listed places and other places alike.

3.3 Development applications where heritage would be the critical factor are outnumbered by the cases where heritage is a minor factor. It is true that heritage consideration may be drawn in to pursue interests that are really to do with amenity; but the same is true of traffic and parking controls and any other discretions. The planning system has evolved to resolve these distinct but interdependent factors.

3.4 The report refers to the Supreme Court decision on the Nettlefold case, which involved the Hobart City Council, but the comments and conclusions are misinformed. The Court was not attempting to arbitrarily 'list' a place of significance – it was merely observing that a local council had *identified* the place as significant, and had a responsibility under Tasmania's planning legislation to preserve places of historical and architectural interest.

3.5 At one point (p. 129) the Report suggests that individually listed heritage places cannot be added to. This is a misunderstanding. Conservation does not mean that development cannot happen; it means that development should be sympathetic. The Council approves many applications which involve additions or modifications to listed places.

3.6 The report refers to planning schemes requiring heritage lists in every state with the exception of Tasmania. This is incorrect. The *Land Use Planning and Approvals Act 1993* does require the conservation of heritage places, so that many of the planning schemes throughout the state (including Hobart's) do include heritage lists.

4.0 Opportunities for changes for Hobart City Council in response to the report

There are a number of observations within the report that are very helpful and could lead to improvements in our heritage service and in the administration of the heritage provisions of the Council's planning schemes.

4.1 The report suggests that the identification of heritage significance should be related to the themes of significance identified for the new National Estate list. The intention is to represent the diversity of heritage in Australia.

- Applying a thematic approach to listing would enrich the cultural heritage represented in the Heritage Schedule of the *City of Hobart Planning Scheme 1982*. The list tends to be generated by nomination of buildings and historically architectural merit has been prominent in reasons for nominating. It would be valuable to explore with a diversity of communities the places in the city that have cultural significance for various groups.

4.2 The report identifies the very high level of support for conservation of historic heritage in a survey of some 2000 individuals throughout Australia. (refer Attachment 1 – Perceptions of heritage related benefits). It also indicates the level of support for government investment in heritage.

- It would be valuable to confirm the support for conservation in Hobart through a survey.

4.3 The report discusses the inconsistency between two adjacent owners of similar places due to heritage discretion. The report supports consideration of heritage townscape issues through Heritage Areas.

- It may be more consistent to amalgamate some of the smaller heritage areas in Hobart's older suburbs into wider areas, so that the provisions of the heritage schedule are more generally applied.

5.0 Suggestions

There are valuable measures that could be taken at the national level to improve productivity, capacity and efficiency for the conservation of local heritage value.

- a national condition survey of heritage listed places indicating costs of outstanding repairs
- support by way of small, low level grants for the maintenance of heritage fabric that is on properties with low land value
- a national school for the training of specialist trades skills in the repair of historic fabric
- a similar initiative for training in maintenance of cultural landscapes

6.0 Comments on the Issues in the Scope of the Inquiry

'... it is timely to review the current pressures and issues associated with historic heritage conservation. Although there has been significant research into the policy framework and incentives for the conservation of our natural heritage, there has been less work undertaken on historic heritage places and their social and economic value in the context of Australia's overall natural, indigenous and historic heritage. The conservation of our built historic heritage is important. Places of historic significance reflect the diversity of our communities. They provide a sense of identity and a connection to our past and to our nation. There is a need for research to underpin how best to manage the conservation and use of our historic heritage places'.

6.1 Scope of the Inquiry

In brief the scope of the Inquiry is:

- pressures on conservation
- benefits and costs
- roles of government owners and the community
- impacts of controls
- emerging trends and new approaches
- policy for managing conservation

Comments are made in relation to each of these issues

6.2 Pressures on Conservation

Pressures on conservation have not been well covered in this report

Some of the pressures on conservation encountered are, for example:

- Speculative development to a template that disregards the particular values of a place and rather seeks to introduce a design solution that is appropriate to a different location;
- Franchise development that seeks to impose corporate identity which may overwhelm local identity;
- Development proposals from interstate developers using design consultants who have inadequate knowledge of the place.

Such developments may reap gain for the initial developer but soon diminish the value of the special location of Hobart and the sustainability of future development opportunity. A response to this problem that has had some success has been to encourage such developers to engage heritage and design consultants and public artists with an awareness of local heritage and townscape values.

At the other end of the spectrum, many owners of properties of local heritage significance have meagre resources. To them, a grant of up to \$5000 is significant in enabling the repair of basic defects such as ingress of water from leaking rainwater gutters. Without this repair the heritage fabric will deteriorate and be lost.

Currently, a threat to conservation may be the encouragement by negative equity subsidy of private rental. Owners who never intend to live in a place may have less interest in either amenity or conservation of heritage values. Many lots are currently being built out, since this maximises the rent a property can fetch. This is compounded by the encouragement of increasing density, primarily with environmental objectives; but when the block is built out to simply increase the size of a house and to increase the number of cars that can be garaged, no environmental benefit is delivered, and heritage values are lost.

A further threat is the legacy of unfortunate 'restoration' or remedial works carried out in the second half of the twentieth century, which are now failing. For example, concrete or bitumen paving up to stonework, which causes the stone to spall, as does pointing which is too hard. These issues though minor are extensive and are eroding heritage value.

Very broadly speaking, in earlier centuries, the impact of redevelopment was limited by the capacity of the technology so that the scale and pace of change allowed a sense of place to continue from generation to generation. Modern technology enables redevelopment at a pace that can destroy a sense of place, and with that, people's identity. The social construct of 'heritage' is a response to that.

People who live in the City of Hobart clearly want Hobart to remain distinctive and to be differentiated from other cities by its historic fabric and streetscapes.

6.3 Benefits and costs

By seeking a market value interpretation of heritage conservation there is a danger that the idea of heritage benefit may become distorted. It may well be that the kind of conservation outcome that the market would deliver would be superficial and tokenistic, historicist and pastiche. This may seem intangible, but it does infect the cultural identity and integrity of the nation.

The National Heritage Investment Initiative will make grants of up to \$0.5M to a total of \$10.5M over the next 4 years. This is intended for places of national heritage significance. While this may be spent on individual iconic places, there is also an argument to disperse funds in smaller amounts to a targeted area, small town or specific historic suburb, which would cumulatively have National significance.

In its terms of reference the Inquiry identifies that heritage

- is important
- it reflects the diversity of communities
- it contributes to Australian identity
- it gives us a connection to our past.

None of these identified values is tangible or economically quantifiable.

However the report makes its analysis in terms of economic benefits and costs. A cost benefits analysis is unlikely to help in securing these values. Such an analysis might suggest that the best use of a landmark church in the CBD would be to demolish it and let the site as car parking spaces. But is Australia a success if its cities become characterised by parking lots rather than historic landmarks?

The report represents a very limited and superficial interpretation of cultural heritage value, which does not seem informed by a thorough understanding of the Burra Charter. The report does record however that 92% of respondents to a survey valued cultural heritage, regardless of whether they profited from it, or even ever visited it. It is especially significant that such a high proportion of those surveyed felt that conservation of heritage value was important for their children.

The market may not be an effective way to balance the tension between short term and long-term value.

A factor here is the time lag in community appreciation of heritage value; places that are 50 years old may not be perceived as part of heritage. In another 50 years they will be, but their heritage value will be lost by then if it has not been conserved. Heritage is living and evolving with our lives. Sympathetic development can occur today that allows the heritage fabric of our grandparents to be known to our grandchildren, and they in turn can conserve the fabric of our lives for future generations.

Conservation will be necessary into the future, when the present will become the past.

The report does not seem to consider the costs of NOT conserving Australia's historic heritage places. In the case of Tasmania, emerging from a primary economy, our historic fabric is an invaluable asset for future economic development. Redundant heritage places have often been the catalyst of major renewal of areas of cities that have become defunct because of demographic changes.

6.4 Roles of Government, Owners and the Community

6.4.1 The Register of the National Estate

This response relates primarily to the impact of the proposed changes on the management of historic heritage conservation at the local level, since this is Hobart City Council's jurisdiction, but also to places of state significance, which are present in considerable numbers in Hobart. There are also several places within the City of Hobart that could be seen to have national significance, especially because of the part Hobart plays in the history of the early European settlement of Australia.

The RNE represents a huge investment of time and a gathering of knowledge as well as an invaluable resource of information, which in itself is of value to future generations. As places age and become more rare over time, this kind of information will be of higher value. It will be much more difficult and more costly to gather this research in say 50 years time.

The former Register of the National Estate documented 13,000 places. The new National Heritage List now contains 15 places, mostly owned by State Governments, with just four owned privately. Two are owned by corporations and may be subject to mandatory listing. There are 97 nominations to the National List pending.

A fair proportion of the Council's heritage advice is given to customers seeking information about places that they have bought, or that have some historic connection with their own family. These may be Australians or people from overseas. We also receive enquiries from researchers, who may be academics or writers, or working in television, film or the multi-media industries.

Whatever the decision may be on the status of the former RNE, it would be unfortunate to diminish its ability to serve as an educational resource. It should remain accessible to the public as a database retrievable from the DEH web page. It should be updated as a national record.

6.4.2 Three Tiers of Heritage Significance- National State and Local

While this structure has some validity, it is an artificial structure that involves a degree of inflexibility. As with all judgements it will be open to subjectivity. One danger is that it favours certain perspectives on the historical record that conservation of historic fabric represents. These perspectives or interpretations of significance may change over time.

A classic example is warehouse buildings, such as Salamanca Place, which were overlooked as derelict redundant structures of low cultural significance at one time but are now iconic in the experience of Hobart for residents and visitors alike. The same can be said of the historic residential area of Battery Point. Any two room whaler's cottage in Battery Point in the modified and neglected condition typical for that area in the 1980s could not have reached the 'tier' of State significance. Conserving them from demolition, it has been possible to transform these buildings for diverse uses, in a manner that conserves their heritage value individually and adds to the value and economic development of the area as a whole. Battery Point, considered only 50 years ago to be a slum, is now one of the most expensive areas of real estate in the city. In fact in some cases it is through the conservation of historic fabric that whole sectors of cities have been regenerated, such as the former fruit market, Covent Garden, in London or the former wine warehousing district at Bercy in Paris, or Temple Bar in Dublin – which was at one point proposed for demolition for a new bus station.

The Burra Charter avoids the problem of relative value by its emphasis on identifying those particular characteristics of a place that contribute to its significance. Appraisal of development proposals can then assess the impact of a development proposal on the heritage significance. If the impact is minor, then conservation restrictions will be minor and can be readily accommodated by sympathetic design.

It is a more elegant solution to require an appropriate approach of conservation that is individually appraised when development is proposed. This is efficient and flexible, and involves a negotiated, constructive outcome as opposed to the proposal made by this report which could result in a pre-determined prescriptive approach that mothballs a selective group of places but gives no basis for conservation of the majority of places.

It is important to keep open the opportunity for creative intervention. The Burra Charter, encourages a new layer of development that is sympathetic to and clearly distinct from the old. In the case of additions to places of local significance this is generally achievable with a

wide range of more or less radical design solutions, which may be utterly contemporary in design, or else may refer closely to the traditional fabric and detail of the original.

The recommendations of this report for heritage conservation are a major concern for small local authorities. In many rural and regional communities (places with smaller populations than Hobart) the local level of government is resource-starved and often has limited opportunity to resist development interests and to protect community interests. In this situation, the involvement of the Heritage Council at the State level may assist conservation of local heritage values. The report suggests that resources spent at the local level on conservation can be redirected; but in small local authorities the resources may be nil. Small local authorities may remove from their planning schemes any places other than those of State significance, because there is no scope with a small rates base to 'compensate' owners of heritage listed places.

The recommendations of this report disregard the contribution to the cultural heritage of Australia made through the typical lives of most people.

6.4.3 Local Government

The report proposes that heritage considerations are removed from planning legislation. However heritage areas would remain. This is at odds with Council's experience over decades. There is a danger that this will reduce heritage conservation to façadism.

The report indicates that there is greater support for measures to prevent demolition, than for measures to control the nature of alterations. Under the current planning scheme in Hobart, demolition is restrained in heritage areas.

The report suggests that heritage considerations lead to de facto planning approval by the Heritage Council. This does not take into account that heritage consideration is only one of many considerations in development appraisal within Tasmania's Resource Management Planning System.

The discretionary nature of heritage appraisal allows for a qualitative appraisal of development proposals. This leads to a better quality of design response in significant areas of Hobart.

The report suggests that there is a need for greater incentives for owners of heritage places to conserve their places. It would be valuable to promote conservation positively. When the main experience of conservation is one of development control, a negative perception may arise, which could be balanced by pro-active initiatives that bring attention to the benefits of conservation.

Government at the National level could support initiatives to promote conservation through the local governments. There are many opportunities to empower owners to care better for their heritage places, such as local workshops on typical maintenance and repair issues. There are also opportunities to promote good heritage management and better appreciation of heritage places. These might include educational initiatives, or publishing of information

on heritage, or original research, such as oral histories. Such options are not pursued at present because of conflicting demands on resources.

6.4.4 Owners' role in Conservation

The report proposes a shift in the balance between property rights and responsibilities over places of heritage significance. Individual property owners enjoy the built environment inherited from previous generations – our 'common-wealth'. These property rights also imply the obligation to conserve this environment for future generations. The 'common-wealth' or national equity gradually rises in value over time.

This increase in value needs to be harnessed to maintain the fabric of our inheritance, whether this is through obligations imposed by the Crown in granting property rights, or through taxes levied on capital gains, or through a volunteered responsibility for maintenance. This responsibility is accepted by the majority of owners, and is supported with advice and to some extent required through regulation at the point of proposed development.

6.4.5 The Role of the Community

Heritage property owners are the first to benefit from the community enjoyment of heritage where they are within a heritage area, since they enjoy the premium of their location. In fact property owners are the community.

The proposed system of individual heritage agreements would potentially degrade such areas, because owners would have no certainty that their neighbours would make agreements, so why should they? Even where the majority of residents living in an area might volunteer heritage listing, this might not interest an absentee landlord.

It seems that there is an equity issue if heritage places are in the wealthier suburbs, but their maintenance costs are subsidised by rates, which have been collected from people living in areas of much poorer amenity and lower heritage significance.

6.5 Impact of controls

There is little coverage in the report of the beneficial impact of controls for the owners of heritage-listed places. There are many instances when the requirement within the planning process to appraise heritage impacts has actually led to a better outcome, after advice and discussion, and this view is shared by the owner/developer/user.

There will also be benefits to the individual owner of a listed house, as opposed to a house that is not listed, as a result of regulatory controls. In order to conserve the setting of the listed house its surroundings have a level of protection; this means that the impact on the heritage-listed house of proposed development on neighbouring properties will also be appraised. This provides greater certainty that the amenity of the house will be protected as a benefit of the heritage values being conserved.

At a wider level, the argument for conservation is a factor in the question of how the property values of 'location' are sustained.

Individual owners of heritage-listed places have argued that construction of units adjacent to them devalues their property; they may benefit from controls that limit the kind of development that can occur in the area as a whole. Again the amenity value of the area is more certain, because the heritage values of the area are protected. This is reflected in the economic property valuation.

6.6 Emerging trends and new approaches

The report considers the opportunities to use new media to interpret historic heritage. A core principle in the conservation of historic heritage is the power that a place has to convey a sense of the past, through the extant physical fabric.

The popular recognition of this is manifested in the survey results within the report. The mediated experience of history, through books or imagery or performance, while it has its own intrinsic value, does not substitute the meaning that places have.

6.7 Policy for managing conservation

The proposal within the Report to support conservation through incentives is considered valuable in principle. The intent to avoid overly prescriptive regulation is also supported.

However the proposal to make individually negotiated heritage agreements before listing, on the principle that the 'community' should compensate the individual owner for putative costs, is likely to work against conservation. The expectation would be that only a very small number of individuals would benefit, because of the local authority's limited resources.

This policy would be a dis-benefit to a larger number of the community.

There is a lack of hard factual evidence to inform policy. There is not a national survey of the condition of historic places; nor is there consistent comparative data on the nature of the fabric of these places. Data such as this would contribute to a more consistent policy for the management of heritage conservation, and to a greater sense of fairness among individual owners.

Attachment 1

Perceptions of heritage-related benefits

Based on an online survey of 2024 adult Australians

Source: Chairs of the Heritage Councils of Australia and New Zealand (sub 187, p. 24)

Table 2.1 Perceptions of heritage-related benefits^a
Per cent of respondents

<i>Benefit</i>	<i>Statement</i>	<i>'Strongly agree' and 'agree'</i>	<i>'Strongly disagree' and 'disagree'</i>	<i>'Neither agree' nor 'disagree'</i>
Direct use value	Looking after heritage is important in creating jobs and boosting the economy	56.1	11.0	32.9
Indirect use value	My life is richer for having the opportunity to visit or see heritage	78.7	4.6	16.8
Option value	It is important to protect heritage places even though I may never visit them	93.4	1.5	5.0
Existence value	Heritage is part of Australia's identity.	92.3	5.3	2.3
	The historic houses in my area are an important part of the area's character and identity.	80.2	5.2	14.5
Other non-use values	It is important to educate children about heritage.	96.9	0.3	2.8

^a Based on an on-line survey of 2024 adult Australians.

Source: CHCANZ (sub. 187, p. 24).