Dispute Resolution Pty Ltd

ACN: 0914 47 835 ABN: 55 091447 835

31 January 2006

Mr Neil Byron Presiding Commissioner Productivity Commission to Examine Built Heritage Conservation

Dear Mr Byron

Heritage Building 352-358 Kent Street, Sydney - AME House

We act on behalf of Summit Air Travel who are the owners and proprietors of Level 1, 352-358 Kent Street, Sydney, Lot 2, Deposited Plan Number 21187. The property was purchased in 2001 by Mr Mohsen Tehrani.

This submission is made under Point 4 of the Scope of the Inquiry which invites submissions on

"the positive and/or negative impacts of regulatory, taxation and institutional arrangements on the conservation of historic heritage places, and other impediments and incentives that affect outcomes".

This submission is also made on the basis that it recognises the importance and value of conserving heritage buildings in Australia and in doing so, striking a balance between preserving the heritage significance of properties and the value of utilising these buildings on a commercial basis.

The submission strongly supports developing partnership arrangements between the Council and the owners of commercial properties to develop regulations and guidelines which will have a positive impact on both the heritage significance and the commercial values of these properties.

Description of the Property:

AME House is an eight storey building which was built in 1911. The building was originally used as a warehouse and comprises face brick and sandstone, timber frame windows, aluminum shopfronts face brick and arched niches. In 1970 it was converted from a warehouse to a commercial building and was refurbished in 1985.

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Issue before the Inquiry:

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Currently, the City of Sydney Council (hereinafter referred to as the "Council") has, as do other municipal councils throughout Australia, regulations pertaining to the mounting of shop signs on heritage buildings. These regulations prevent businesses, other than significant ground floor occupants, from displaying their business names on the outside of the buildings.

On 18/07/2005, Summit Air Travel made a development application (D/2005/1133) to the City of Sydney Council to install a wall mounted horizontal projecting sign on the property. On 22/08/2005, the development application was refused under Section 81(1)(1) of the Environmental Planning and Assessment Act 1979.

In the Notice of Determination, the reasons given by the City of Sydney Council for refusal were:

(1) The proposal is inconsistent with the general objectives of the Central Sydney Local Environment Plan 1996 in that the proposal will be inconsistent with the need to achieve a high level of design quality of building and in their relationship with public and neighbouring areas.

At present, the owners of the ground floor space "Office Furniture" have erected an internally illuminated sign at street level on the building.

Summit Air Travel proposed to install a similar sign in the already existing holes in the wall which were used to mount a previous sign on the building up until its refurbishment in 1985.

There are a number of heritage buildings in the neighbouring areas which have wall mounted signs on their buildings.

(2) The proposal will have an adverse impact on the heritage significance and character of the building which is identified as a Schedule 1 Heritage Item in Central Sydney Heritage Local Environmental Plan 2000 (Building and Sites).

There currently exists a sign on the building and as stated above, another sign was originally erected on the building up until 1985. It is difficult to see how a sign which would be installed where a previous sign was erected can have an adverse impact on the heritage significance and character of the building.

The proposal is inconsistent with Clause 3.2 (Identification Signs, Objectives) of the City of Sydney Signage and Advertising Structures DCP 2005 which restricts projecting wall signs to ground floor tenants with a street frontage.

The objectives and Provision of the DCP 1996 and Signage DCP 1996 relate to "limiting ground level signs only to significant tenants, to reduce sign clutter and give proper consideration to heritage significance of the property". However, the use of the term "significant tenants" would appear to be inappropriate in this instance, as each floor of the building is owned by different commercial enterprises who could argue that they are also significant tenants as they own the equal floor space as the ground floor tenant.

(4) The proposed sign does not meet the objectives of the Signage DCP 2005 (Clause 3.2, 2.2 and 5.3.2) in relation to limiting ground level signs only to significant tenants, to reduce sign clutter to limit its horizontal projection and does not address the heritage significance of the building.

Summit Air Travel has an equal interest in the building as the ground floor tenants who have been deemed to be significant tenants by the City of Sydney Council. Summit Air Travel provides a retail travel agency service and should be allowed to have a sign erected so that its customers can easily locate its offices on the first floor.

Summit Air Travel has its origins in arranging travel throughout Iran, the Emirates, Middle East and Asian countries. The company has a significant client base of people from within the Middle Eastern/Asian communities. The company has received many complaints from people who have had difficulty in finding their office as there is no sign on the outside of the building. In reality, the sign is the first thing that people look for when they go to find a business in a city building.

Commercial signs do not have to impact significantly upon the current streetscape if they are designed and constructed in an orderly and dignified manner so as not to detract from the heritage significance of the building.

The proposal is inconsistent with Clause 5 (Sign on Heritage Items) of the city of Sydney

Signage and Advertising Structures DCP 2005, in particular clause 5.3.4 which do not permit internally illuminated signs on a Heritage Item unless they are a reconstruction of an original significant sign.

The application for an internally illuminated sign was made on the basis that the ground floor tenant had a similar sign erected. However, the materials used for commercial signs is one which the Council could easily regulate, e.g. traditional heritage signs which are illuminated by solar power. The Council could seek advice on the safe mounting of commercial signs on heritage buildings which would not impact upon the heritage significance of the building.

(6) Granting of consent would not be in the public interest.

Any public interest consideration must surely take into consideration the preservation of the commercial viability of people investing in heritage buildings for their businesses. It is not in the public interest to discourage people from investing in heritage properties if they are prevented from obtaining a commercial advantage in being allowed to display their business name.

If the Council desires to work in partnership with businesses within the CBD in preserving heritage buildings, etc, then they must endeavour to work together with the owners of the buildings to provide a satisfactory regulatory regime which is reasonable and takes into consideration the commercial incentives for businesses purchasing or leasing spaces in the CBD. Regulations must not be so highly prescribed that they prevent businesses from being able to display their company sign to the public. These regulations clearly disadvantage any retail business which is not located on street level in the building.

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The Council should work in conjunction with businesses to formulate partnership agreements in relation to preserving heritage buildings and at the same time providing incentives for businesses to invest in commercial heritage properties.

Please find enclosed:

- (1) Copy of the Notice of Determination dated 22nd August 2005.
- (2) Photographs of signs currently erected on heritage buildings in Kent Street, Sydney.

We look forward to addressing the hearing on Wednesday, 1 February.

Yours Sincerely

Angela Chan, B.A., Dip. Law (BAB) Enc.