



Submission to the Productivity Commission
Inquiry into Heritage Buildings
prepared by the Uniting Church in Australia

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Executive Summary

The **Uniting Church in Australia** (UCA) has prepared this submission to the Productivity Commission Inquiry into the Conservation of Australia's Historic Heritage Places because the Church is an owner and manager of hundreds of buildings across Australia affected by current national, state and municipal heritage lists. As a key stakeholder in the outcomes of this Inquiry the UCA appreciates this opportunity to outline the issues and challenges it is facing regarding the on going maintenance and conservation of its historic heritage places.

The Uniting Church is a truly mainstream protestant Christian faith established in 1977 as a result of the union of seven denominations including the Presbyterian Church, the Methodist Church and the Congregational Union in Australia. It shares with Australian people in the search for meaning, purpose and community in life. The UCA is committed to justice and reconciliation between people. Through worship, sharing the story of Jesus, and service in the community, the UCA support the belief that life is most fully found in God.

The Uniting Church is the third largest church in Australia. Latest statistics indicate that the Uniting Church has approximately 2,500 congregations, 50 presbyteries and 7 synods. Currently the Uniting Church in Australia has 300,000 parishioners while around 1.3 million people claim association. Through its union of denominations the UCA has inherited a very large portfolio of property much of which is now recognised to be of cultural heritage significance at the national, state or municipal/local levels.

The *main pressures* being experienced by the UCA in terms of its heritage places are summarised as follows:

- growing community expectation that all heritage places should be retained and conserved by their respective owners for the greater public good but without the wider community assisting in paying for these works;
- community pressure to not only retain historic church buildings for their original use (namely as churches) but opposition to adaptive use of these buildings and internal works to reflect the changing way of worship by the congregation;
- the closure and eventual sale of historic churches owned by the UCA due to many of these buildings becoming surplus or redundant to the wider congregation and unsustainable as a physical resource;
- spiralling costs of maintenance and conservation works for UCA heritage places which is an outcome of factors such as
 - * an acute shortage in specialist artisan skills to repair and care for historic fabric;
 - * escalating building costs of which the materials needed are often expensive;
 - * the need to comply with relevant planning, building, occupational, health and safety requirements and disability access issues;
 - * prohibitive property insurance premiums for covering damage to heritage properties and public indemnity insurance coverage;



- increasing deferred maintenance costs for heritage buildings due to lack of funds as well as volunteer labour;
- ageing congregations which are not attracting sufficient new members to sustain these heritage places so that the overall size of congregations in urban and rural/regional Australia is declining;
- a proliferation of alternative spiritualities and faiths where mainstream Christianity (like the UCA) is not attracting many new members at all;
- a lack of philanthropy generally in Australia due to a relatively young history and relatively small population base when compared to other western nations;
- growing competition from other charities for funding, bequests, donations etc which is now a process of 'giving' at a global scale;
- exhaustion of voluntary resources which is not assisted by the ageing of the population and minimal population growth Australia wide;
- an attitude that religious denominations are 'rich' and therefore can afford to maintain and conserve their heritage places such as churches;
- restructuring and rationalisation within the UCA which includes declaring many of its heritage places redundant to their needs noting that the UCA currently owns a total of 2,350 churches in Australia with an additional 867 churches made redundant since 1985; and
- specific issues facing rural/regional Australia such as drought, poor harvests and fluctuating world prices for primary produce which are all affecting not only the size of populations within the towns and farming areas but churches having to close down in these places due to lack of funds to keep these pillars of the community viable and operating.

The UCA acknowledges that there are benefits and costs associated with being an owner of heritage places. However in the context of benefits, the main benefits are derived from the 'intangible' social/community and environmental returns on these places and not as buildings which generate adequate funds to reinvest back into the built form in terms of maintenance and conservation works.

Unlike many other private sector owners of heritage buildings the UCA is a non government, not-for-profit organisation which is in the business of spreading the word of God and not maximising financial profits. Its mission is about caring for people whereby the physical fabric associated with worship is not as important as the mission to help humanity.

This is not to say that the UCA does not accept the obligation and importance of maintaining and conserving its heritage places, nor does it challenge the importance of these places to the historic, social and environmental development of Australia as a nation. The fundamental concern for the UCA is how to achieve retention and conservation of its many heritage places whilst carrying out the word of God within the community.

At present the avenues available to the UCA to secure financial assistance to care for its heritage buildings, and especially its churches, are few. The degree of competition for government grants at Federal or State government levels is so high that recent experience with grant programs indicates that state and local government bodies apply for these funds and, in the case of Victoria, these public sector agencies successfully secure more than 50% of funding. However the majority of heritage places in



Australia are actually privately owned leaving limited resources for the majority of buildings when relying upon the current government grants system.

Opportunities for tax deductibility for the UCA are also slim. At present the UCA does not receive any taxation incentives or benefits for their existing conservation efforts other than concessional rates and land tax. The National Trust of Australia appears to be the main benefactor of tax deductibility associated with heritage places. Commonwealth fiscal incentive programs have lapsed and state governments when they do set funds aside for conservation works allocate much of the funds to specific community based projects or government departments and local councils rather than agencies such as the UCA.

The result of this lack of financial assistance is the gradual disposal of UCA heritage places to help fund social and community programs and sustain the remaining congregations. The corollary of this approach is that over time, fewer and fewer heritage places will remain with the UCA (due either to these buildings being sold or neglected due to lack of funds) and form part of future generation's heritage. In addition, some of the existing intangible benefits will be depleted and the history and legacy of the UCA in Australia will be diminished. Such an outcome should be avoided, wherever possible, but this cannot be done without greater government support at all levels in regulatory, fiscal and legislative reform which puts heritage places, such as those owned and managed by the UCA, as a high priority in conserving Australia's urban and rural/regional places of heritage significance.

The findings and recommendations of this Inquiry need to address these concerns raised by the UCA. The UCA believes that as a owner of many heritage places across Australia that not only should Government provide greater assistance (financial, technical, advisory etc) to help protect and conserve these places but work in partnership with the UCA to develop a long term strategy and policy framework which is sustainable and robust in times of economic flux and social change.



1 Introduction

The Uniting Church in Australia (UCA) has prepared this submission to the Productivity Commission Inquiry into the 'Conservation of Australia's Historic Heritage Places' with the assistance of its urban planning and heritage adviser Hansen Partnership. It is understood that the Commission has been asked

'to examine the policy framework and incentives for the conservation of Australia's historic built heritage places'

The Commission has indicated that it would appreciate submissions that address the central issues of the Inquiry they being:

What is the rationale for government involvement in historic heritage conservation and what principles should guide that involvement?

How does the policy framework for historic heritage conservation currently operate and what are its strengths and weaknesses?

What are the current pressures and emerging trends influencing the conservation of historic heritage places and, in light of these, how can the policy framework be improved?

To assist in providing answers to these questions the Commission is to examine:

- The main pressures on the conservation of historic heritage places;
- The economic, social and environmental benefits and costs of the conservation of historic heritage places in Australia;
- The current relative roles and contributions to the conservation to the conservation of historic heritage places of the Commonwealth and the state and territory governments, heritage owners (private, corporate and government), community groups and any other relevant stakeholders;
- 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;
- Emerging technological, economic, demographic, environmental and social trends that offer potential new approaches to the conservation of historic heritage places, and;
- Possible policy and programme approaches for managing the conservation of Australia's historic heritage places and competing objectives and interests.

It is understood that the Federal Government will consider the Commission's recommendations, and its response will be announced as soon as possible after the receipt of the Commission's report.

To assist in this inquiry an *Issues Paper* was released by the Commission in May 2005. The Issues Paper, amongst other matters raises issues such as:

- how heritage places are currently recognised by legislation;



- how to capture the benefits of heritage conservation and the roles of both the public and private sectors in maximising these benefits;
- the current policy framework for heritage conservation – is it effective, are there conflicts etc;
- funding and other incentives or programs which can encourage greater private sector involvement in heritage conservation in Australia.

The UCA welcomes the opportunity to prepare this submission to the Inquiry particularly given the following considerations:

- The UCA is a significant owner and occupier of heritage places throughout both metropolitan and regional Australia. A total of 2301 properties which are churches are currently owned by the UCA of which approx. 15% are recognised heritage places under current heritage legislation at the national or state levels. This percentage excludes the vast number of churches protected under municipal heritage place lists and heritage overlays;
- The UCA is a not-for-profit, non government organisation that relies heavily on contributions from its congregations to raise funds for the upkeep and on-going maintenance of its heritage places as well as a myriad of other functions relating to the role of the church in a community.
- As with many religious organisations, the UCA is experiencing a wholesale decline in the number and size of its congregations across Australia, exacerbated by an ageing population, the need to downsize and rationalise its property assets and a general declining interest in Christianity particularly within the younger generation.
- The UCA however has and continues to expand its role in social welfare and community based programs which compete for limited financial and human resources which may otherwise been allocated in part to the maintenance and restoration of heritage places.
- As a function of the above, the stress/ burden on both financial and human capital outweighs the ability of the UCA to continue to adequately maintain their chapter of heritage places many of which date from the late 19th to mid 20th centuries.
- In addition, the adaptation of heritage places for alternate uses is hampered by existing planning policies and controls (especially in Municipal Planning Schemes) and local community opposition to change in their urban environment. These obstacles create undue delays in realising adaptive use of heritage places owned by the UCA, additional costs in courts seeking to gain the necessary approvals and tensions within the local community between those who support change and those that vehemently oppose it.

As a significant owner of heritage properties, and with its keen interest to continue its important ongoing spiritual, physical and communal presence within both metropolitan and regional Australia, the UCA recommends that the Inquiry resolve to provide regulatory, legislative and fiscal reforms to ensure a positive future for heritage places be they of national, state or local significance.



2 Background

2.1 The Uniting Church in Australia

The Uniting Church is an Australian Christian movement. It shares with Australian people in the search for meaning, purpose and community in life. It is committed to justice and reconciliation between people. Through worship, sharing the story of Jesus, and service in the community, the UCA support the belief that life is most fully found in God.

Born in 1977, the UCA brought together people from seven denominations including the Presbyterian Church, the Methodist Church and the Congregational Union in Australia. The information contained in Appendix 1 outlines the nature of the union of these churches.

The UCA is a truly Australian mainstream protestant Christian faith whom through its union of these denominations has inherited a very large portfolio of property much of which is now recognised to be of cultural heritage significance at the national, state or municipal/local levels.

The Uniting Church is the third largest church in Australia. Latest statistics indicate that the Uniting Church has approximately 2,500 congregations, 50 presbyteries and 7 synods. Currently the Uniting Church in Australia has 300,000 parishioners while around 1.3 million people claim association. The UCA believes that its congregations in each local area, be it urban or rural Australia, are the foundations of its life and they are supported and assisted in mission and service by presbyteries and synods within each state, and through the Assembly, its national body.

As one of the largest non-government providers of community services across Australia, the UCA is committed to reflecting the love and grace of God in caring for people, in advocating for those with special needs and for the equitable and appropriate provision of social services. It is this growing 'out reaching' role of the UCA which has become its signature of compassion and caring for one another. However it is this important social/community role which often competes with the limited financial and human resources of the UCA thus taking resources away from caring for heritage places to caring for people.

2.2 Heritage properties

As a result of the union of churches in 1977 the Uniting Church in Australia inherited a substantially large portfolio of properties of varying age, condition and use. Of these properties many of the churches are listed or protected heritage places under national, state and/or municipal legislation. This submission to the Productivity Commission focuses primarily on the problems and challenges posed by the large number of heritage listed churches owned by the UCA. However it is acknowledged that the UCA also owns a large number of properties which are not churches but which are protected because of their heritage attributes.

An added dimension to this discussion is the number of UCA owned properties including churches which have not yet been investigated for addition to heritage lists because the relevant government authorities have not completed the conservation analysis as a pre-cursor to protection.



Table 1: UCA Heritage Properties – Churches

State & Territories	Total number of Churches owned by UCA (excludes other properties)	Total number of UCA properties identified as heritage places on National and/or State heritage lists
Victoria	661	79
New South Wales	650	73
Queensland	358	38
Western Australia	166	18
South Australia	350	75
Tasmania	87	44
Northern Territory	29	2
TOTAL	2,301	329*

* This is a conservative number as the UCA does not have accurate and up to date data on the total number of places on these heritage registers and is of the view that the total number is actually higher than stated in this table

It is noted that Tasmania, in particular, has a very significant collection of heritage buildings owned by the UCA several of which fall within the category of the earliest remaining buildings of European settlement in Australia. However Tasmania, being a small State both geographically and in respect to its population base, is faced with substantial problems of maintaining and conserving these buildings.

In addition to listing on National and State heritage registers many of the UCA churches are either covered by individual heritage overlays or precinct/area based heritage overlays under local council planning schemes. For example, in municipalities such as the Cities of Yarra and Port Phillip in metropolitan Melbourne by far the majority of these municipalities residential and commercial areas are covered by heritage overlays which control buildings and works, demolition, subdivision and land consolidation. Within these urban areas churches are present as part of the legacy of community based buildings at the time of their settlement and urban development.

Therefore there are many more churches owned by the UCA which are the subject of control under planning schemes of which the heritage overlay provisions are just as onerous, and in some municipalities, applied in an even more restrictive manner than what prevails at the State heritage level.

The Inquiry's Issues Paper succinctly summarises in Table 1 on page 8 of the paper the vast number of heritage places in Australia which are on local government heritage lists with Victoria totalling 80,000 such places. It is inevitable that of these 80,000 a UCA owned church which was constructed prior to 1950 is likely to be included in this list especially as municipal heritage studies usually identify churches as a building typology as worthy candidates for inclusion on these lists.



In terms of ownership issues most heritage places are owned by private individuals rather than any one individual person or entity owning many such places within a state or territory or Australia wide. However the Uniting Church in Australia, like other religious denominations, own and manage many heritage places across Australia. Hence the responsibility of conserving these properties is a substantial commitment in terms of on-going care and maintenance, as well as a challenge when modifying these buildings as the way of worship changes and when new uses are found for the building.

Furthermore, the extensive collection of heritage places owned by the UCA is diverse due to the different roles played by the church within the community. Churches, halls, manses, cemeteries, residential accommodation for members of the congregation and clergy, schools and colleges, seminaries, aged care and hospice facilities, half way houses and community houses, child care and pre-school centres, institutions and other facilities all contribute to a rich and diverse building stock which is often purpose built and, in many cases, showing signs of age by their condition and appearance.

Whilst the UCA acknowledges its current role as a custodian of these properties it cannot sustain a role to use and maintain all of these properties in perpetuity. This is simply not financially feasible or warranted having regard to the socio-cultural and demographic changes occurring within Australian society and within the church itself. These changes are discussed in more detail later in this submission.

Another fundamental consideration to the conservation of heritage places such as churches is the role of the church itself. In essence the Uniting Church in Australia's Mission does not require a church or cathedral to carry out the word of God. For the UCA the spiritual world is more important than the material or physical world. In this context the heritage places owned by the UCA are often an adjunct to its Mission rather than an integral part of its faith in God.

Clearly there are heritage properties owned by the UCA that will be retained as part of its historic heritage, as well as properties that continue to service its congregational needs. Nevertheless, there are also heritage properties which are surplus to the needs of the UCA and, in some cases, have remained vacant for several years. This is especially the case with churches in both urban and rural/regional Australia where congregations are on the decline both in total number of congregations and the number of members of each congregation.

Taking into consideration these comments the UCA has to assess its portfolio of heritage properties in a very practical way in terms of whether it requires the heritage property now and in the future and, if not, what to do with it. These are invariably difficult and controversial decisions which confront community values and expectations.

In the meantime the UCA recognises that it has an obligation, like all property owners of heritage places, to maintain its heritage properties in good condition in accordance with the relevant occupational, health and safety regulations, disability access and building codes. The issue for the UCA is how to achieve this objective rather than why such places should be retained and conserved.

In Victoria the UCA has recently decided to undertake a comparative analysis of all of its properties in terms of heritage significance to assist in prioritising where to spend money for conservation and maintenance works and determine which properties to retain and which to dispose of in due course. But the enormity of this task combined with limited funds to undertake conservation works means that not all heritage properties owned by the UCA will get the care and attention that perhaps the wider community expects.



There will be a continuing need to sell properties to raise funds for other activities and to sustain the remaining congregations. This situation is of genuine and real concern to the UCA given that there will come a time when the pool of property to sell will diminish and yet the on going issue of funds to maintain the UCA charter of activities will remain.

3 Main pressures on the conservation of historic heritage places

The Commission has been asked to examine the main pressures on the conservation of historic heritage places. These pressures will be both generic and specific depending on the property owner's circumstances and the nature of the heritage place. For the UCA there are three main pressures – community values and expectation, the financial implications of being an owner of heritage places and social and demographic trends. They are discussed below.

3.1 Community values and expectations

Today the Australian community at large is supportive of the protection and conservation of our nation's natural and built heritage. It could be said that there is almost a sense that the battle has been won on the issue of conserving our heritage even though this does not mean there are not new challenges ahead in terms of conservation generally in Australia.

Certainly in the context of the built environment there is a legacy of community based activism often followed by government initiative to secure the future of many heritage places once fraught with the threat of neglect and demolition. The groundswell of community support for cultural heritage conservation has influenced the number of heritage places on national, state and local council heritage lists so that people now expect that heritage places be kept for the enjoyment of future generations. This has meant that individual owners of heritage places as well as institutions that own heritage places e.g. the Uniting Church in Australia, have an added pressure from the wider community to care for these places at their cost but to the benefit of the community now and in the future.

Hence the first community pressure focuses on the conservation of these heritage places for the 'public good' but at the owner's expense. With many churches forming part of the traditional collection of 'community' buildings within a local municipality or town there is a desire to not only keep these buildings but maintain them in good condition as part of the community's sense of place and identity. When it comes to who pays however the community at large sees this to be the role of the religious denomination as the owner and its congregation.

Additional to this overall community support for protecting our cultural heritage places is an expectation within the community that those places which are an integral part of their local heritage should not only remain but continue to be used for the purpose that they were designed to serve. This second pressure, namely a reluctance to accept the need for adaptive use of heritage places, especially heritage places which have traditionally supported institutional activities, have added tensions between the community and the property owner. In an effort to secure a future use for these heritage places to help fund on going maintenance and conservation programs for other heritage properties, owners, such as the UCA, have experienced vigorous community opposition to the concept of adaptive use of its churches, halls and other buildings for non religious activities.



This trend is hastened by the shrinking in the size of congregations and inability to support even the most basic repairs to these heritage buildings. Often the only practical choice for owners like the UCA is to find alternative uses for these buildings or sell them altogether.

Often this change of use results in the removal of memorial windows, furniture and fixtures within the church buildings which form part of the congregation's heritage and often are bequests from families who have long associations with their religious faith. As a congregation moves its place of worship from one church to another there is a desire to take these items to the new church. This removal of items has aroused concerns about the interiors of heritage places owned by the UCA. Local communities are pressurising state and municipal governments to impose controls over not only the exterior of heritage places but the interior and the fixtures within these buildings.

The third pressure on the conservation of heritage places owned by the UCA is the closure and sale of some buildings which have become redundant to the needs of the congregation or simply can no longer be maintained due to escalating building costs and diminishing donations. Just as some Federal and State governments have experienced community outrage at the sale of post offices, courthouses, schools, hospitals, railway stations and other public buildings, the UCA faces strong criticism from local communities that the church is abandoning their community by selling off the church.

In some respects the sale of the local church in a small town in regional/rural Australia is seen by the locals as a last resort – a disintegration of the very foundations of the community and its sense of identity. For the UCA, like other denominations, there is no alternative or option to selling these properties particularly when the size of the congregation has shrunk to less than 10 people!

Although part of the solution to these community reactions to heritage places is about greater community education and awareness of the realities of being an owner of a heritage listed property, for the UCA the sphere of influence can extend far beyond the congregation itself to the wider community who become disillusioned with the church as a 'law abiding, upstanding institution within our society'. Hence the reputation of denominations such as the UCA can be measured by the community not by its social, spiritual and community based endeavours but by its commitment or otherwise to retain the local heritage church as a place of worship.

3.2 Financial implications of being an owner of heritage places

It is undeniable that a key pressure on the conservation of heritage places is the cost of their maintenance and upkeep. Given that many of the historic buildings protected under national, state or local government legislation are old (dating from the mid 19th century onwards) even basic repairs and maintenance costs can be prohibitive. This is exacerbated by the following factors:

- An acute shortage in the artisan labour force skilled in restoration and conservation works. An example is stonemasons noting that many of the UCA heritage properties are stone buildings requiring expertise in this field and yet the availability of these artisan skills and their raw materials is scarce and very expensive;
- Escalating building costs where even the simplest of repair jobs can cost a very small congregation \$5,000 and the more expensive conservation works such as restoring a church steeple and its slate roof can reach the million dollar mark and beyond;
- The need to comply with the relevant public safety and building regulations whereupon the continued use of a heritage place requires compliance with these regulations especially where groups of people meet to use the building;



- Prohibitive insurance costs not only for insuring against damage to the property but the public liability insurance for the use of the property by the public. For example in Queensland where the UCA has 14 churches and 2 houses on the State Heritage List the combined sum insured for these properties is \$22 million and \$5 million respectively.

Since 1999 each Synod Property Board, as part of its risk minimisation program, commenced investigations to determine the amount and cost of maintenance of churches, halls and manses/residences. The cost of engaging competent chartered building professions to inspect properties and prepare a maintenance report which comments on works required for rectification, recommended timing of same and reasonable allowance to cover costs of works is considerable and, in many cases, cost prohibitive for small congregations.

Examples of audits undertaken since 1999 in the Synod of Victoria and Tasmania are contained in Appendix 2. The deferred building maintenance costs were categorised as follows:

- Urgent works – health and safety
- Early works (within the next 6 months)
- General works (within the next 5 years)

The estimates of deferred building maintenance costs show the magnitude of costs being an owner of heritage places. For the Synod of Victoria and Tasmania the estimate of costs is in the order of \$150 million, for the Synod of Queensland it is \$30 million and for the South Australian Synod it is \$39 million. Clearly these amounts are well beyond the financial resources of the UCA and as each year passes the cost of works increases and the need to undertake these works becomes more urgent. For the UCA significant financial assistance is needed otherwise there is simply no way that the Church can fund these works based on donations by their congregations.

Appendix 3 includes the 2003 financial returns ("A" Forms) of seven UCA congregations in urban and rural/regional Australia and the membership numbers of each congregation at that time. From this information it is evident that the following prevailed for that year:

Table 2: Summary of 2003 Financial Returns for seven UCA congregations

Congregation	Total Income for 2003 including opening bank balance	Total expenditure for 2003	Closing bank balance for 2003
A	\$144,125	\$139,393	\$4,730
B	\$17,178	\$15,877	\$1,301
C	\$26,000	\$23,305	\$2,965
D	\$184,764	\$178,395	\$6,369
E	\$111,700	\$103,241	\$8,459
F	\$128,029	\$127,755	\$274



G	\$77,630	\$66,633	\$10,997
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Obviously these congregations are operating on shoestring budgets with little or no money available for repair and maintenance works let alone conservation works for their local church. It is therefore understandable why such works are delayed, some congregations merge with other congregations and sell of one of the churches and combine their limited resources to survive.

Appendix 4 includes a financial summary statement for 2003 for an average suburban UCA congregation in the City of Greater Geelong in Victoria. The statement shows the following:

- the opening bank balance for that congregation as at 1 January 2003 was \$16,378;
- the total income earned including donations, grants and interest/rent was \$115,320;
- the capital expenditure including minister's stipend, property expenses, repayments on loans etc totalled \$97,142;
- the bank balance as at 31 December 2003 was \$18,178; and
- forecasting the incomings and outgoings for the years ahead (2004 to 2008) indicates a diminishing bank balance from \$18,178 in 2003 to \$3,928 by 2008.

These financial projections for this typical suburban congregation in a large Victorian provincial city demonstrate the lack of funds available for maintenance and conservation works to their church.

The Inquiry's Issues Paper highlights the prevailing tension about the role of public expenditure for the conservation of privately owned heritage places. The Paper states on page 12:

However the failure of the private sector to adequately undertake heritage conservation does not, in itself, justify government involvement. Governments should become involved only if the benefits (both tangible and intangible) exceed the costs. Since public assistance should be directed towards projects which are not commercially viable, and would not otherwise be undertaken by the private sector, the case for government involvement will normally be based on consideration of the more intangible benefits of heritage conservation.'

The Issues Paper acknowledges that intangible benefits such as the value to the community in having a link to its past or the aesthetic appeal of heritage places may be difficult and even impossible to quantify. The UCA is in agreement on this matter particularly in situations where the heritage place is no longer used by the community but has a presence in the townscape or urban fabric. What value do you place on a disused heritage listed church when it is no longer used by a congregation and there are strict planning controls on what you can use the building for in the future?

Having regard to the above, the Issues Paper identified that despite limited '*comprehensive information on the condition and integrity of Australia's historic heritage places, there are some partial indicators*' on the existing state of play. The Issues Paper identifies on pages 8 and 9 the following:

A 2001 survey of places in the Register of the National Estate indicated that:

- *6 per cent were in poor condition;*



- 9 per cent had low integrity (that is, the intactness of the original fabric that gives heritage value was low); and
- 6 per cent were vacant (EPHC, 2004).

The survey of places in the Register of the National Estate also indicated that 54 historic places had been removed because of destruction or loss or heritage values during the five year reporting period (EPHC, 2004).

It was estimated that based on local government data the continuation of current trends (identified above) would result in the loss of up to 15 per cent of the current stock of heritage places within the next two decades (EPHC, 2004).

Another survey, conducted in 2001, indicated that 13 per cent of heritage places in Western Australia were 'at risk' (either in poor condition or in fair condition and vacant) (EPHC, 2004).

While at this stage accurate figures as to the rate of decay of UCA heritage places does not exist, if we extrapolate the rates revealed above it is clear that the conservation of heritage places is under threat and, that the UCA, given the strain experienced on its limited resources, both financial and human capital, is included in the 'at risk' category for the future decay of its heritage places.

Whilst the Issues Paper poses the question as to whether there is a need for a comprehensive survey of historic places in Australia whose heritage value has been destroyed be it through demolition, neglect or modifications it is submitted that such a survey would be time consuming, costly and possibly involve funds which could be spent elsewhere to actually alleviate these processes of decay and neglect.

An option is to provide funds to the major owners of heritage places in Australia to undertake the necessary survey of their own heritage properties (regardless of whether they are on the national, state or local/municipal heritage list) addressing the current condition of their buildings and setting priorities as to which buildings are most in need of repair and maintenance works. This information could assist with a financial assistance program implemented at the national and/or state levels to owners who have a demonstrated need for funds to undertake critical works to maintain the heritage property in a safe, waterproof and secure state. The UCA would welcome such a program and funds to assist in a survey to prioritise capital works on its heritage listed properties.

3.3 Social and Demographic Trends

The financial implications for the UCA being an owner of many heritage places is intrinsically related to broader social and demographic trends within Australian society including the following:

- Proliferation of 'alternative' spiritualities and faith: the rise in alternative faiths is generating "competition" with the more mainstream religions such as the UCA in terms of membership levels and community support systems. Similarly, Christianity as a faith is not attracting as many new parishioners as it would like due to generational shifts in attitudes to religion, differing views and perspectives about controversial social and civil liberty issues and perhaps a more materialistic emphasis on day-to-day living at the expense of the spiritual side of life.
- Declining congregation size: the general move away from mainstream religion in society at large coupled with the ageing of the demographic group that is attracted to such religion is impacting on the UCA congregation sizes. Typically the UCA 'core' community comprises older people in the 50+ age group rather than the younger generation. Similarly with the ageing of the Australian population, although there will continue to be a higher proportion of the Australian community in



the 50+ age group, it is more the issue of attracting the next generation of Australians to support the UCA in spiritual, social and financial ways which will assist in at least stabilising congregation levels.

- Lack of philanthropy in Australia: unlike many European, North American and British countries which have a long history and tradition of philanthropic associations which give generously to institutions, charities and the like, Australia remains a 'young' country with a very small philanthropic community. Our relatively small population of 20 million people is another factor which influences the amount of money available through donations to organisations like the Uniting Church in Australia.
- Growing competition from numerous other charities for funding, bequests, donations etc is impacting on the pool of 'community' based capital available for the use by the UCA as well as the demands placed on the community to give to international causes and disasters. Living in a global economy has meant that the world of philanthropy and individual donations has meant that mainstream religions like the UCA simply cannot rely upon these sources for funding for conservation works for its heritage properties.
- Exhaustion of voluntary resources: the depth and outreach of voluntary resources available to the UCA is declining as a function of alternative voluntary outlets, age of existing volunteer resources and overall declining membership levels. Hence more funds are allocated to fee paying services to maintain the range of services and facilities offered to the UCA communities.
- Growing attitudes of the local community toward the conservation of heritage properties: the conservation of heritage places is viewed highly by the community at large however the willingness to assist in the ongoing maintenance of use of these buildings by these people is limited. There is an attitude among some people in the community that religious denominations such as the UCA are 'rich'. The reality is that whilst the UCA may have a wealth of property assets often the heritage places within this property portfolio are more a liability than an asset in terms of their financial demands for basic maintenance and repair as well as the added costs of insurance etc.
- Restructuring and rationalisation within the Uniting Church: as discussed already the quantity of buildings required by the UCA is declining with many of its existing churches becoming redundant to their congregational needs. As shown in Table 3 whereas in 1985 the UCA had 3,217 congregations and churches in Australia by 2005 this figure had declined to 2,350 with a total of 867 congregations and their churches (27% of the 1985 total) declared 'redundant'.

Table 3: Number of Uniting Church in Australia Congregations and Church Buildings 1985 – 2005

Synod/State	1985	1996	2005
New South Wales	974	790	699
Victoria	911	807	661
Queensland	536	485	358
South Australia	460	393	350
Western Australia	230	180	166



Tasmania	118	102	87
Northern Territory	32	41	29
TOTAL	3,217	2,798	2,350

This trend has been underway in other countries such as the United Kingdom where the Anglican Church has identified a total of 1,626 Anglican churches redundant since 1969. Of these 360 have been demolished and 925 converted to alternative uses. The article *'Abundant Redundant?'* in Church Building, Nov/Dec 2003 – see Appendix 3 discusses this process of closure, sale and reuse of former church buildings in the UK.

The imperatives to restructure an organisation is just as relevant to religious bodies as it is to financial institutions, private sector corporations, public sector agencies and the like. Inevitably restructuring results in downsizing, redirecting resources to programs of greatest need and foregoing some of the activities which are no longer affordable or cannot compete with more pressing pastoral care needs. The UCA is experiencing such change by vacating and closing down churches, selling properties and redirecting resources to where they are most beneficial to their congregation. In this context several of the UCA owned heritage places will become redundant.

Since the mid 1960s the former Congregational, Methodist and Presbyterian Churches and the then Uniting Church in Australia in rural/regional Australia has had to confront the following issues against which decisions have had to be made:

- Present and continuing poor economic situation for these denominations in terms of revenue available to meet their diverse and growing congregational needs;
- Consolidation of farms which has reduced the size of congregations and reflected the economic crisis faced by many Australian farmers to remain on the land;
- Escalation of costs of maintaining church properties as well as comply with regulatory and permit approval requirements;
- Decrease in working population, shop/business closures, lack of local tradespeople etc which are placing tight financial constraints in the church providing support services for the remaining population;
- Increasing impacts of cost rise spiral with little or no resources to absorb these increases;
- Reduction in experienced leaders within community and congregations to keep them together and support one another;
- Congregations unable to meet the costs of paying the minister to stay in the town;
- Continuing pressure to consolidate small congregations so that the church no longer has a presence in many towns due to economic issues;
- Changing demographics with an ageing population in rural/regional Australia.

Essentially these issues indicate an exhaustion of financial and human capital within the UCA and its congregations to be able to protect, maintain and conserve all of their heritage places. As an owner of a substantial number of heritage places across Australia, many of which are churches, this is a major dilemma for the UCA.



4 Economic, social & environmental benefits & costs of heritage places

As stated on page 10 of the Inquiry's Issues Paper

'A central issue for this inquiry is the extent to which governments should participate in the conservation of historic heritage places and the principles which should guide this participation.'

There is little doubt that the conservation of heritage places can generate benefits for owners and the community at large. However this is predicated on at least two key factors namely:

- having the funds to undertake conservation work and maintain the heritage place in good, safe condition which complies with the relevant codes and regulations; and
- having a heritage place which is able to be used for a for an economically viable use(s) which can fully fund the on going maintenance and repair works and still generate a reasonable financial return to its owner.

Clearly some building types more than others provide scope for a range of activities which can be readily accommodated within the building fabric. More purpose built buildings such as churches are often less adaptable to a change of use particularly if the interior spaces are considered of primary significance hence offering limited, if any change, in terms of conversion to a new use. Even if the church interior is not of significance the spaces themselves are usually characterised by very high ceilings, large open areas with few internal walls, no bathroom or kitchen facilities and limited daylight due to windows being high and narrow in configuration.

There are examples of adaptive use of former churches to offices and residential use and even restaurants and entertainment venues. But their inherent configuration, layout and spatial characteristics are often more a constraint to adaptive use than is the case for a simple, generic heritage building.

In addition, many of the UCA churches which are of heritage value do require on-going maintenance and care with fabric which is old and often expensive to maintain. Hence the cost of on-going care and maintenance as opposed to a more recent building with less cost issues may act as a deterrent or high risk financially to a prospective purchaser considering adaptive use options.

Similarly, the long term future of some heritage places is enhanced because of their locational attributes whereas others may be more isolated or lacking the degree of human settlement to sustain their survival in the years ahead. Many heritage places in Australia have benefited from tourism but it is naive to suggest that tourism per se will be the saviour of heritage places across Australia.

Furthermore, there are both failures and successes in heritage places being converted to restaurants, bed and breakfast establishments, local museums etc. A heritage place which is well located in terms of proximity to large numbers of people, ancillary services/facilities and a concentration of other heritage places of interest is likely to have a better chance of success in the process of adaptive use than a place which does not offer these locational attributes.



Many of the UCA churches which are on the 'redundant list' are in rural/regional Australia – often in towns with declining populations and unemployment problems. These towns may not be on the tourist trail or are not experiencing the influx of baby boomers seeking the 'sea change' or lifestyle option of living in an isolated and small town. The options for future use of these churches are indeed limited and risky. In this context the opportunities for the UCA or a private sector party to capture the benefits of heritage conservation are slim.

Even in the suburban/metropolitan context where many of the UCA heritage churches are located, whilst the locational attributes of the property may attract a range of potential uses the reluctance within the marketplace to take on the headaches of heritage in terms of on-going maintenance costs and strict planning scheme controls on what buildings and works can or cannot be undertaken can be enough to deter the investor's interest. The added dimension of the property being a church can also scare off interested parties on the 'too hard to do' basis.

Therefore, although there are various economic, social and environmental benefits and costs associated with heritage places per se, some heritage places more than others are inherently fraught with problems which diminish the potential and realisable economic benefits but do not reduce the costs of conservation, maintenance etc.

Taking into account these comments the following benefits and costs may apply to UCA heritage places.

4.1 Benefits

- (1) Economic: the more high profile, well known heritage places owned by the UCA can attract financial contributions and support from the congregation and broader community as well as attract interest from tourists. However, the distribution of this wealth across all of its heritage places is not even and given the sheer number of heritage places owned by the UCA across Australia the majority of its properties are not in this league.

The historic churches which do attract tourists do not usually impose an entry charge for admiring the interior or gazing at the stained glass windows. These places may attract visitor donations but often these are small and insignificant in the overall management and care of the property. Churches therefore are not a category of building which by its very nature captures commercial benefits.

- (2) Social/Community: the UCA heritage properties such as churches are primarily places generating the more intangible community benefits such as the sense of history, a sense of belonging to the community, educational and spiritual values. These benefits can be just as relevant to a cathedral in a Melbourne's Central Business District as they can to a rural church in the farming heartland of Victoria. The retention and conservation of these churches may also benefit future generations but this is often more in an aesthetic context than in terms of these heritage places being functional 'living' buildings used by these future generations.

Furthermore, invariably these social/community intangible benefits do not generate funds to assist the on-going care and maintenance of these UCA heritage places but rather enhance the overall environment which we live, work and recreate.

- (3) Environmental: the UCA heritage assets make an aesthetic contribution to the ambience of the town, suburb, city or place where they are located. Often these churches occupy prominent locations on main roads or corner sites with landscaping complementing the built form setting. They make a visual contribution to streetscapes and neighbourhoods which may be further



protected by way of municipal planning schemes. Although the environmental benefits of these heritage places is appreciated by the wider community this community is usually not a financial contributor to their upkeep and conservation other than in terms of the local congregation's donations etc. Hence the community at large benefits from these buildings being part of the townscape and as mentioned above, their presence adds to the sense of identity and sense of place for that neighbourhood or suburb.

4.2 Costs

Despite the social/community and environmental benefits to be gained from heritage places owned by the UCA a number of significant costs are aligned with these benefits such as:

- **Economic:** The tangible costs to the UCA relate to the expense of on-going routine maintenance and repair works, upgrades to meet regulatory standards, soaring insurance costs and conservation works. These financial implications of being an owner of many heritage places across Australia cannot be funded by the congregations of the UCA alone. The current trend toward declining congregations and the strain on human/social and financial capital to fund social welfare services, aged care accommodation etc creates a significant void in available funding to meet their conservation obligations.

Appendix 6 provides some case studies of building costs associated with being an owner of a church and highlights that substantial amounts of annual revenue are committed to items such as insurance leaving little or no money for maintenance and repairs let alone restoration works. Where such repair and maintenance works become urgent the UCA either has to take out loans to help fund these works with the hope of being able to pay them off within the specified time or raise sufficient funds in future years to relieve the burden of being in debt. The alternative is to close the church altogether and this has been the case in numerous instances given the public liability risks.

- **Social:** The parochial attitudes of local communities and congregations to maintain UCA heritage places due to their role in place-making and the subsequent friction and controversy that ensues when the UCA has to close the church due to lack of funds to make it safe (let alone undertake conservation works) generates ill will and criticism of the UCA itself. This can have a damaging impact on the standing of the UCA within the community and in some cases has been a cause of division within communities between those who want to keep the church and those that recognise the financial realities of not being able to maintain the building.
- **Environment:** Heritage places which become run down and vacant can often diminish the environmental qualities of a street or neighbourhood. They are a victim of vandalism including graffiti, and even damage through break ins and fire. The potential for these buildings to become an eyesore is real. For the UCA it undertakes whatever is necessary to make a heritage place secure and safe if it is no longer used. However even the most determined vandal cannot be controlled if the church does not have someone living on the site itself. Often the manse which once housed the parish leader was occupied and provided that on-site security. However for sites which are closed the manse has either been sold off to raise funds for the UCA for other programs or congregations or vacant awaiting a decision about what to do with it and the church. When environmental degradation of a heritage place occurs the owner is the subject of community outrage and rebuke. The UCA therefore endeavours to avoid this situation wherever possible.

The Inquiry's Issues Paper identifies a range of benefits associated with the conservation of heritage places including:

- *Commercial benefit such as those provided by tourism; and*



- *Community benefit including a sense of history, belonging and community, educational and research values, and spiritual values.*

It also states that conservation may contain an inter-generational equity benefit.

While highly significant in the Australian historical, social and cultural landscape, a number of the identified benefits of conservation of heritage places are largely intangible. That is, they generate intrinsic benefit that does not contain a commercial element. And, it is this commercial element, or benefit, that is in many cases required in order to ensure sufficient capital to support the ongoing integrity and upkeep of a heritage place.

In the case of the UCA, the lack of discretion and opportunity for the adaptive utilisation of its heritage stock, combined with a lack of financial and human capital required to maintain buildings to the current standards, limits the UCA to fulfil its moral and social obligations in relation to such places. This is not a position of choice that the church has found itself to be in but one which is influenced largely by externalities beyond its control.

4.3 Sources of financial assistance outside the congregation

4.3.1 Government Grants and Loans

State government assistance is usually in the form of low interest loans and/or grants assuming the relevant state government operate such a fund. For example, the Victorian State Government, through the Heritage Council, operates the Victorian Heritage Program. The VHP

'primarily provides funding for conservation and adaptive reuse of recognised of recognised heritage places. The program aims to provide capital works funding for heritage places for the benefit of the community and to enhance tourism and other economic ventures.' (Source: www.heritage.vic.gov.au)

Grants are available to both public and private sector owners of heritage places and not to profit community organisations supported by the relevant local government agency. Criteria apply to determine eligibility for funding with private owners having to show *'how their project is of community benefit.'* The funds are given on an annual basis and the total amount of money available will depend on State Government budgets at that time.

In examining the VHP it is evident that the competition for these funds is fierce and strong. For example, when examining the two rounds of funding given in the year 2002-2003 (see Appendix 7) the State Government allocated a total of \$8 million over a two year period (or approx. \$4 million per year) for general conservation and adaptive reuse works, urgent conservation works and projects which facilitates conservation projects e.g. the preparation of Conservation Management Plans. Whereas one of the tables indicates the recipient of the grant the other table list the project, amount of the grant and the nature of the works but does not provide the name of the actual recipient of the grant.

It is noted from the table of grants which does state the recipient of the grant that of a total of \$3 million in that round of grants that \$410,200 went to local government and \$1.32 million went to state government agencies (especially the Department of Environment and Natural Resources). **Hence a total of 57% of the \$3 million in that round of grants was allocated to local and state government agencies** noting that many of these grants were for substantial amounts ranging from \$60,000 to some local councils and \$335,000 to the State Government itself via the Zoological Parks and Gardens



Board. The only church which received grants for that round was the Melbourne Anglican Trust and this may reflect the fact that no other denominations sought a grant in that round or conversely, were unsuccessful.

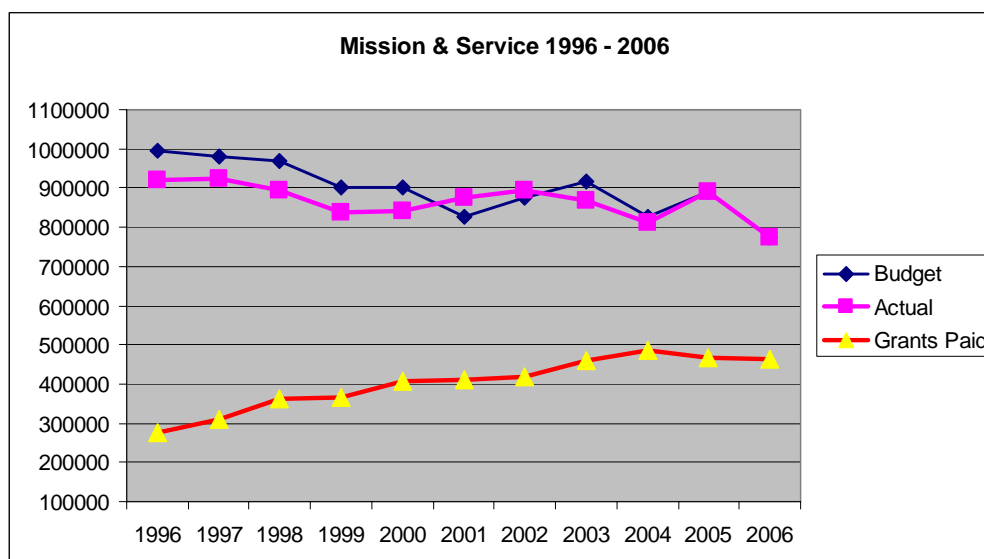
However the main thrust of this analysis of grants allocation by the Victoria State Government indicates that for that round in 2002-2003 the State Government via the VHP gave to its own departments a considerable amount of the total grants money totalling some \$1.32 million. Given that the State Government benefits from direct and indirect taxes as well as Federal Government allocations of funds it is questionable just how equitable, reasonable and effective the allocation of grants for conservation works in Victoria is to non government, not for profit agencies. A fundamental question arises as to why government should be a recipient of these moneys in the first instance when its sources of revenue raising are significantly greater than say the UCA or any other religious denomination or community based group.

Furthermore, the Inquiry's Issues Paper indicates in Table 1 on page 8 that the number of heritage places on official lists in Victoria at the time of the survey in 2004 was 80,000 on local government lists and 1,000 on the State government list giving a total of 81,000 listed places. Based on an annual grant fund of say \$4 million this equates to \$49 per heritage place!! Clearly the amount of funds allocated as grants is not only inadequate to undertake even the basic of repair and maintenance works but the distribution of these funds is indicating that the government sector alone is competing for these limited resources and, in the case of the 2002-2003 first round of funding, secured 57% of total grant money. It is also noted that these government agencies have the in-house resources to prepare detailed and convincing submissions seeking grants whereas the local UCA congregation has neither the skills or time let alone the funds available to employ an experienced author to prepare such submissions.

It is also noted that the heritage lists are not remaining stable from one year to the next as conservation studies are completed and more places are nominated for and registered on local and state government lists as well as the national heritage list. Unless the available grant budgets are significantly increased the competition to secure funding will become more intense for what is a limited resource. Within this context the ability for the UCA to secure funds through the government channels is extremely limited and will only get harder as the competition for funds gets tougher.

Overall the UCA has not been successful in securing funding outside of its own congregations. For example, the Northern Synod in the Northern Territory has never received financial assistance from government for any of its church properties. Although these church properties are not charged municipal rates (unless there is a residence on the property which is rented out on a commercial basis), this exemption from rates is miniscule in comparison with the costs of repair and maintenance let alone conservation works. Hence very little money has been spent on these heritage buildings in the last 3 years even though the expenditure of such funds would enable the church to gain a refund of GST on such capital works.

In the case of the UCA Western Australian Synod the main source of funding is 'Lotterywest' which has limited funds with only specific works undertaken in accordance with specific conditions. Although there are Commonwealth Heritage Grants these are lesser in number and more difficult to obtain. As shown in the following table contributions from congregations to the Synod and wider Uniting Church Mission and Service have been diminishing over the last 10 years. This has significantly limited the financial support available to the Synod to maintain its administration, mission and training programs as well as support for small congregations.



Not only are congregations like those in Western Australia having to delay maintenance and conservation works due to lack of funds but also there is a growing lack of volunteer labour to assist in undertaking those works as a means of reducing these costs.

For the UCA solutions to these burgeoning issues are not found within the congregation or even within the Synod. They require increased government support if they are to continue to own and manage heritage places for the wider community benefit.

4.3.2 Tax Deductibility

Across all of their heritage places in Australia, the UCA does not receive any taxation incentives or benefits for their existing conservation efforts other than concessional rates and land tax. In terms of GST, it is understood that there is no difference in the treatment of GST incurred on building construction and / or maintenance between Public Benevolent Institutions and Religious Institutions. In all cases it is claimable provided the supplier issues a Tax Invoice.

The National Trust of Australia appears to have been the only entity granted tax deductibility for the conservation of heritage buildings where the deductibility is not building specific. Other organisations have been able to obtain deductible gift recipient status for one off projects e.g. the reconstruction of the spire at St Paul's Cathedral in Melbourne. However this is for one building only and a very high profile and well known building to Melbournians and even Victorians and, is usually only given for a defined period rather than being on-going.

The question must be asked why National Trust properties should benefit from tax deductibility for conservation works when non government, not for profit organisations like the UCA own many more heritage places than the Trust including several properties which are of significant heritage value to local communities as well as the State/Territories communities.

On the issue of GST the UCA first must have the funds to spend on maintenance and conservation works before it can claim it back. For all UCA Synods across Australia they simply do not have sufficient funds to then qualify for a GST refund.



4.3.3 Municipal Rates

Exemptions from municipal rates can only be obtained if the property is used directly for religious purposes however even these exemptions are being eroded by local government in terms of charges for ancillary services. Church owned land which is vacant but still owned by the church is subject to municipal rates thus urging the UCA to consolidate titles to reduce these costs where possible.

Unfortunately the amount of money saved by not having to pay municipal rates would not even cover the most basic of maintenance works to many of the UCA heritage places. These urgent works relate to issues such as re-roofing and re-guttering, filling of cracks in walls, stone and brick restoration, addressing rising damp etc – items which are not cheap and yet impact on the very fabric and stability of the building.

4.3.4 Land Tax

A more onerous tax on the UCA as an owner of many heritage listed places is land tax. Not only are individuals and companies being hit with significant and often unaffordable land tax bills but the UCA too is experiencing this added pressure on its already limited and diminishing resources. Whilst churches and church halls are exempt from land tax if the congregation chooses to lease these spaces for commercial reasons then land tax applies. Therefore any efforts to act in a business-like way towards the use of these heritage places may then be penalised through the taxation system thus substantially negating the benefits of doing so in the first instance.

4.3.5 Commonwealth Fiscal Incentives

In addition, the lack of financial assistance or incentives from the Federal Government to support the contribution made by an NGO such as the UCA for the conservation of heritage places is further inhibiting the ongoing restoration and maintenance of their portfolio of heritage assets. Since the late 1990s the systematic scaling down of Federal Government fiscal strategies for aiding the conservation of heritage places has left a void with which the likes of NGOs such as the UCA do not have the financial capital to fill.

Table 4 identifies the three key fiscal incentive schemes for the conservation of heritage places that operated between late 1999 to 2003.

Table 4: Inventory of Commonwealth Government Fiscal Incentive Schemes

SCHEME	OPERATION	INCENTIVE
'Tax Incentive for Heritage Conservation'	1998 - 2000	20c per \$ for approved conservation works
'National Estates Program'	ended 2000	grants scheme
'Cultural Heritage Projects Program'	2002 - 2003	

These incentive programs were either short-lived or are now discontinued. The main source of grants therefore is from state governments with some states not offering this form of financial assistance to owners and others like Victoria having a very small budget spread over 2 years.



It is emphasized that the UCA is not in the core business of profit maximisation unlike many other non government/private sector entities. The primary commodity that it 'sells' to the public is the word of God.

Similarly, the UCA does not see its investment in heritage assets as a means to financial gain nor does it regard the majority of its heritage properties as popular tourist destinations or in fact of great interest to the majority of tourists who now travel the world or Australia for that matter.

The sale of UCA owned buildings generates money for re-investing back into community based programs and activities operated by the church rather than any substantial amount being invested back into the conservation of heritage properties per se. If the revenue generation capacity of the UCA was more substantial and the government financial assistance budgets more generous the UCA would allocate more funds to such works but as the case study figures demonstrate, there is no 'fat' in the UCA congregational budgets to do so in any significant way.

It is uncontested that many UCA heritage places, and especially its churches, tell the story of the development of local communities, towns and cities. If the government agenda at all levels of government is to protect, conserve and enhance these heritage places for the betterment of society and as a legacy of our past then it should be incumbent upon these communities and government to pay for the maintenance and upkeep of them for future generations. Because the cost of maintaining heritage places is disproportionately high, without financial assistance and incentives from government the prospect of retention and conservation of each and every one of these properties is naïve and unrealistic.

Having regard to the above, apart from the moral and social obligation as an owner of heritage places, there appears to be no financial incentive for the UCA to own heritage properties. Given the extremely large unfunded maintenance bill which continues to grow unabated, the parochial attitudes adopted by some congregations who strongly oppose the closure and/or sale of their church, the role and function of churches primarily as places of worship where their design reflects this use and the growing pressures to provide a diverse range of social and community based programs and activities for the aged, disadvantaged and the needy, the mission for the UCA is focused on people and not heritage places. For the UCA many of its heritage places have become more of a financial millstone than a celebration of the faith per se.



5 Regulatory arrangements

The ongoing regulatory requirements associated with compliance with planning and building codes, disability access requirements, occupational health and safety laws etc generate additional costs to the ongoing maintenance and upgrade of heritage places as usable spaces. As a result of a growing emphasis on public safety and public well being the UCA as a major property owner is required to not only meet current day standards but take out adequate property and public insurance coverage in case of damage to property, loss of life and accidents whilst people are using its properties. For the UCA the single most expensive item is insurance of which annual premiums tend to rise rather than stabilise or even decline from year to year. In some instances the cost of insurance is so prohibitive that the property has to be closed to the public simply because the congregation cannot afford the insurance.

The changing pace and nature of regulation in Australia is becoming more and more onerous and more costly for property owners to comply. It seems that we are living in an over regulated society when applied to the development of land and buildings. Similarly it is the experience of the UCA that the estimates provided by consultants in the building industry are invariably under-estimates meaning that it is not uncommon for even basic repair and maintenance jobs to exceed the estimate when the cost of materials rise as does the cost of labour.

Even on the issue of adaptive use of UCA heritage places the lack of flexibility in planning, building and disability codes can make the cost of these buildings and works as the sole reason for why the project does not proceed. Unless there is a healthy revenue return anticipated with the adaptive use then there is little incentive to even consider this as an option. Hence a regulatory system which offered greater discretion and flexibility in the conversion of the UCA heritage properties to alternative and more viable uses is welcomed. This is of course that such uses exist and often this is not the case given the design of these properties of which churches are the most challenging and problematic (particularly of the interior is also a protected heritage feature).

As mentioned earlier in this submission, many of the UCA properties are in rural/regional Australia where the potential for adaptive use is less and the potential to pay is low. If these heritage places are to remain and survive and hopefully have a life in the future then assistance through the regulatory framework is vital.



6 Possible policy & programme approaches

Taking into account the content of this submission by the UCA and the specific issues that it faces with the on-going care and conservation of its large heritage property portfolio three key approaches to managing the conservation of Australia's heritage places have been identified. They are:

(1) Fiscal Reform

- Reinstatement of Commonwealth Tax Incentive Schemes for heritage conservation and ensure generous budgets for these schemes given the significant number of heritage listed places in Australia. The failures of previous tax incentive schemes need to be overcome in a new and fresh approach to tax deductibility which recognises the specific situations of non government, not for profit organisations like the UCA and the nature and extent of its heritage property portfolio;
- Reinstatement of Grants Programs at the State and Federal Government levels for assistance with the conservation of heritage places with priority given to non government, not for profit agencies and no funding of this nature being allocated to government/public sector agencies who have alternative sources of revenue to fund such works;
- Low interest loans and revolving fund mechanisms to help finance large maintenance and conservation projects but noting that the ability for the UCA to repay such money is becoming increasingly very difficult; and
- Extend State Government programs to provide financial support for works related to meeting government standards under the relevant building and access codes.

(2) Legislative Reform

- Rationalise the legislative framework which controls the use and development of heritage places given that many of the obstacles to adaptive use of UCA heritage places lie not with the Federal or State Government heritage agencies but with local government itself; and
- Amend legislation relating to property and public indemnity insurance to allow dispensation/reduced premiums for insurance coverage for heritage places so that more funds can be freed up for maintenance and conservation works.

(3) Regulatory Reform

- Streamline and rationalise the planning controls in operation at the local government level over heritage places given that it is often at this level of control that the greatest delays and problems arise. Appendix 7 to this submission is a summary of recent issues raised by the Victorian Council of Churches to the Victorian Department of Sustainability and Environment on the implementation of heritage overlays in municipal planning schemes and this may assist the Inquiry in understanding the magnitude of the current problems being faced in Victoria for churches generally;
- Enable uses which are normally prohibited under land use zoning in municipal planning schemes to be applied for by way of permit applications as a means of offering a wider choice of use options for adaptive use of heritage places; and



- Widen the concessional planning and zoning arrangements generally for heritage places to actively encourage adaptive use as well as changes to the way congregations worship.

In addition to these changes the availability of advisory services and technical assistance across all levels of government would assist organisations such as the UCA given that often it cannot afford these skills and expertise in preparing the necessary assessments and documentation of works needed for its heritage places.

However for the UCA the 'bottom line' in addressing many of its problems relating to maintaining and conserving its heritage places is about money. Without the financial capacity to undertake these works the UCA has no option to sell off these properties and then the dilemma arises when there is little to sell but the problems remain.



7 Conclusion

The Uniting Church in Australia is proud to be an owner of numerous historic heritage places in Australia. These places represent the foundation stones of the church union and the sense of identity and achievement of the congregations whom have nurtured and supported these places over many decades since European settlement in Australia. The UCA strives, wherever possible, to be a responsible and caring owner and manager of these properties and any decisions to close down these places and eventually sell them is often a heart wrenching and emotional time for the church and its congregation.

However the problems for the UCA in terms of the future of these heritage places are both real and urgent. The sheer number of heritage places protected on national, state or municipal lists coupled with the age and condition of many of these places exacerbates the efforts of the UCA to maintain and conserve each and every one of these important properties. The changing structure, size and make up of the UCA congregations across Australia is in effect working against the ability of the church and its members to finance the on going works necessary to make these places safe, functional and 'living' places of worship.

At present government across all tiers is not assisting the UCA in its endeavours to retain and maintain its heritage places for the enjoyment of future Australians. Whilst the intangible social and environmental benefits of conserving the UCA's portfolio of heritage places are recognised, the very limited economic benefits and rising costs of maintaining these places are fundamental problems which cannot be addressed by the church and its congregations alone.

The lack of fiscal assistance combined with the growing regulatory framework are key factors which inhibit the ability of the church to continue to be carers of what is a very significant part of the history of urban and rural/regional Australia. Overlaying these constraints is the legislative layer which places costly demands on the UCA to insure its properties and congregations from damage and loss of life.

Growing competition from owners of heritage places for a slice of the financial pie highlights the urgent need to adopt more strategically driven approaches to assist these owners with caring for Australia's heritage. The UCA submits that as an owner of many heritage places across Australia that not only should Government provide greater assistance (financial, technical, advisory etc) to help protect and conserve these places but work in partnership with the UCA to develop a long term strategy and policy framework which is sustainable and robust in times of economic flux and social change.

The Uniting Church in Australia would appreciate the opportunity to meet with the Productivity Commission to discuss the issues outlined in this submission as they relate to the Inquiry into the Policy Framework and Incentives for the Conservation of Australia's Historic Built Heritage Places.

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