

**Submission:**

**Conservation of Australia's Historic Heritage Places.**

Comments made in this submission refer primarily to the preservation of Historic Buildings.

We are the owners of one such building at 13 Franklin Street, Swansea, Tasmania; and although our experience with the problems associated with conservation of this property is used as a base for the submission, equally such problems must apply to many if not all other historic buildings in Australia.

Our building was constructed in or about 1838 as a General Store, for a Mr. John Alexander Graham. Unfortunately details of the exact date of construction are unclear as is the history of the original owner.

We do know that the property was purchased by James Morris at public auction in 1868. The building is a three storey structure of freestone/brick construction. Although adjoining extensions have been made over the years, the original building remains very much as originally built and continues to operate as a General Store.

## **HERITAGE LISTING.**

The National Trust has a policy of classifying and listing historic buildings and is prone to place a number of restrictions on what can and can-not be done to the building and surroundings.

While this policy is well meaning in that it attempts to preserve the historic character of such property, it does create significant problems for individual property owners who, while sympathetic to the objectives of conservation, are faced with the reality of a rapidly deteriorating structure and the need to generate sufficient funds to maintain that structure.

Very few private owners (or indeed public owners), have the resources for the regular and on-going maintenance.

In most instances, if the building is to be maintained, then the building itself must be able to generate sufficient funds itself to cover these costs.

Frequently the desire of an owner to make minor changes to a historic property in order that that property can generate an income which would be available to assist with maintenance; are frustrated by the restrictions of a heritage listing.

***Organisations responsible for listing of Heritage Properties and the administration of associated legislative controls must become more sympathetic to the needs of property owners.***

Else the problem of maintenance and the funding thereof will continue to be 'to hard' and buildings will continue to decay.

## **PRACTICAL PROBLEMS.**

Obviously to be classified as heritage, the building must have been constructed by tradesmen of a previous era, using skills and in many cases materials which are no longer readily available.

The skills and techniques of these tradesmen are poorly documented (if at all) having been learnt primarily as a 'hands on' apprentice.

While there are some reference volumes in various libraries in Australia, in general these are hard to find and not readily available.

Modern day tradespersons use vastly different tools, materials and techniques which are frequently not compatible with the constructions of historic buildings.

*As an example we mention problems of modern day cement based mortar which is non flexible and prone to cracking, compared with the natural lime based mortar used in initial construction of our building. (Noting that most historic buildings were constructed without strong foundations and therefore tend to move and flex much more than modern constructions).*

***There is an urgent need to create a database of reference and instructional publications which are relevant to the preservation of historic buildings.***

*And to ensure that this information is readily and freely available to property owners/restorers.*

Throughout Australia there is a shortage of builders/tradespersons.

Therefore these builders/tradespersons are attracted to modern building works which are less time consuming and where they can achieve appropriate remuneration.

***There is an urgent need to re-train building specialists in the preservation and maintenance of historic buildings.***

***There is an urgent need for Government subsidies to be made available for the employment of specialist tradespersons working on the preservation/maintenance of historic buildings.***

By assisting firstly with training, and secondly with any extra costs of employing qualified specialist tradespersons, the very obvious problem of inappropriate works or techniques being applied to historical buildings will be minimised.

However it is important to beware of the temptation to create further bureaucracy and oppressive regulations which would create further disincentive for repairs/restoration/maintenance.

It would also be very helpful if a listing of builders willing to undertake work on historical buildings could be compiled.

Even to the extent of creating a national referral agency to which enquires for tradespersons could be submitted.

We have on more than one occasion, made a written request to the National Trust, for assistance to find appropriate builders. Unfortunately these requests have either been ignored or the only response has been a 'perhaps someone knows someone who might ...'

## **CLIMATE CHANGE:**

Whether or not climate changes are a naturally occurring event or accelerated by society, the fact is they are occurring.

We are not aware of any studies being undertaken on the effect of climate change, (particularly soil moistures) which reflect upon the often inadequate foundations of historic buildings.

Nor on the changes in air temperatures/air moisture index and what effects these may be having on historic buildings.

We do know that social changes such as the sealing of what was once a dirt / gravel street beside our building have adversely affected the ground water level on our property and caused significant movement to the building foundations.

***Governments must initiate appropriate studies into the effects of climate change and social change on historic buildings and more importantly devise strategies which will enable historic buildings to adapt to (rather than be insulated from) such changes.***

**PROPERTY VALUES:**

Any historic building is generally perceived by the public as something of importance and of high value.

This perception is reflected in the values placed upon a property by the State Valuation Branch and/or Local Government officers.

In most cases when selecting a site for the construction of what is now classified as an historic building, the builder would select the most suitable and prominent location.

With increasing land shortage, particularly in the more desirable areas, this current land value is artificially inflated.

Because historic buildings rarely come on the market, there is inadequate data available to accurately value the property 'as is' and therefore valuations are more often related to other property sales which do not have the same high conservation costs.

Most historic buildings are either 'family owned' or public owned, tend to be passed on from generation to generation, and will never realise the book values placed on them by valuation.

***The book value placed upon an historic property is irrelevant except for the land and property taxes based on this artificial value.***

Even when attempting to obtain a loan against the property for the purposes of preservation/restoration, banks will only consider the vacant land value and that heavily discounted for the cost of demolition and site clearing.

***There is an urgent need to legislate that property values, when used for taxation purposes, be heavily discounted in the case of historic buildings.***

## **TAXATION:**

### **Federal.**

While the Commonwealth does provide the opportunity to claim some of the cost of preservation works for listed heritage buildings as an income tax deduction, this is largely a cosmetic approach and fails to recognise the realities.

In the real world, most historic/heritage buildings are owned either by:-

1. Mature age/retired persons who have limited income and thus little income tax liability.
2. Community non profit Organisations who are exempt from income tax.
3. Some type of business:
  - Where the property has been converted to generate some income which can then be used for preservation. i.e. heritage accommodation: Tourism etc.
  - Where the property was originally constructed for business purposes and remains so. (Our building is an example of this)

In these circumstances where the building is part of a business enterprise, the full cost of repairs/preservation is a legitimate business deduction anyway and thus cannot be claimed twice.

### **State:**

State Governments levy Land Tax to a greater or lesser extent; such tax being based on the perceived value of the land on which a historic building is constructed.

As previously mentioned, this land is frequently valued at the higher end of the scale, simply because it is a 'choice' location and such locations are no longer readily available.

While valuation officials attempt to set a land value for land tax purposes at a figure which excludes any improvements, they do not take into account the cost of removal of any improvements (historic buildings), nor of the fact that it would be extremely difficult if not impossible for any developer to obtain approval for such demolition.

Therefore the land value for development purposes will never be realised.

### ***State Governments must exempt all historic properties from Land Tax***

After all land tax exemption is currently available for primary producers, private homeowners and some business enterprises.

### **Local Government:**

Local Government Councils/Shires levy annual rates on a property based upon the assessed annual value.

This annual value is a factor of the value of land and perceived value of improvements. In the case of historic building, these values are rarely appropriate and certainly do not take into account the costs of maintenance.

***Local Government must exempt all historic properties from general rates/taxes*** (as distinct from service costs such as water/sewage).

*In general all levels of Government must recognise the value to the community of historic buildings, whether privately or publicly owned, and grant taxation relief to the owners where applicable.*

**The reality is that every dollar paid in taxation, fees and charges by the owners of any historical building is a dollar which is no longer available for repairs and maintenance on that building.**