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Heritage Inquiry
Productivity Commission
PO Box 80
Belconnen ACT 2616

Conservation of Historic Places

Introduction

I am a former academic and consultant planner who retired in 2003. As an academic I taught many subjects to environmental [town and country] planners, including introductory economics and environmental design. During eight years subsequently working in sole practice as a consultant I gave environmental heritage advice to local Councils in New South Wales as well as undertaking work for the NSW Heritage Office and for private clients. I continue to be involved in heritage conservation in a voluntary capacity. I offer the following observations in the light of these experiences

I start with observations about the concept of 'heritage'. I do this because, for all that the Issues Paper tries to tidy up confusions about 'historic *built* heritage places' and 'historic heritage places' introduced in your brief, it fails to get to grips with the fact that history alone is not what gives places *cultural* heritage significance. Many places do acquire heritage significance because of associations with past people and/or events. But many others acquire their significance because of cultural associations that aren't directly linked to the passing of time. The Sydney Opera House for example isn't significant because of its history.

Unfortunately, many local historians still fail to understand the distinction between history and heritage. The problems that arise from this - such as continued reliance on 'lists' often from National Trusts and the *Register of the National Estate* in which significance is not rigorously assessed -- are exacerbated by the fact that too many heritage professionals from various disciplines still fail to understand and/or to apply the quite robust methodologies (such as of the NSW Heritage Office's *Heritage Manual*) that have been developed for assessing heritage significance and ways in which developments might impact on this. Many heritage professionals also fail to understand the role of statutory protection in heritage conservation and the difficulties that sloppy application of methodologies can cause in the courts.

What is heritage?

All individuals have a personal heritage which comprises the things which we have acquired or have inherited which help to define our lives and tell the world who we are. We keep these things for all sorts of reasons: because they are beautiful or valuable, because of the memories they bring and because they are useful. Some of these things are more significant than others.

Communities also have their heritages, which include things such as language and laws as well as physical things such as buildings, works, relics, trees, moveable objects, precincts and archaeological sites. Again, we keep these things because they are beautiful or valuable, for their memories, because they are useful and also because of what they can tell us about the past.

Heritage conservation

Heritage conservation can involve some or all of maintenance, repair/restoration/reinstatement, preservation/protection and adaption/alteration. None of these work for conservation unless it is clear to managers, owners, developers and regulators why a place is significant and what in the physical fabric of the place (its elements, materials, forms, etc) must be conserved in order to retain (and, ideally, reinforce) its significance. I assume that all states have procedures similar to those of NSW for assessing significance, for planning to manage significance and for assessing potential impacts of development on significance.

In the case of NSW, anyway, the procedures are not used rigorously or consistently, for lack of training and understanding on the part of professionals, for lack of public knowledge and understanding of them, for lack of funding to enable procedures (such as rigorous assessments of heritage significance) to be implemented, for lack of commitment on the part of governments to 'enforcing' their procedures and because elements of the development industry are (and have the economic and political clout to be) ruthless in their pursuit of change for the sake of profits. These problems are particularly severe in the cases of large places such as the heritage conservation areas of NSW which extend beyond and are more diverse physically than individual allotments and small precincts.

An aspect of this problem is the inadequacies of regulatory instruments. Ideally, heritage conservation should rely on education of and promotion by managers, owners and developers of places as much as on statutory protection. In the absence of serious financial assistance (particularly to local communities) and in the absence of common public understanding and agreement about what is significant, why, and at what level, communities are left to rely on the development regulation functions of state and local government. These are only as good as the development control plans that regulators rely on and the courts constantly find these wanting, especially as they apply to heritage conservation areas.

There is a further problem with development regulation as it affects both heritage conservation specifically and built development more generally: that many planners and building professionals have no knowledge of or much care for how their regulatory instruments affect property markets. Regulation of development affects both supply and demand, hence, prices. While industry associations are constantly complaining about

the costs of regulation to their members I am not aware of any independent study (such as by the Productivity Commission) that seeks to quantify the effects of regulatory instruments on price formation. This is unfortunate because it discourages planners from using instruments as ways of influencing developer decision-making to achieve plan outcomes. The absence of understandings of how instruments affect markets leads to also to unexpected consequences such as the refusal of one insurance company to give cover to properties within a heritage conservation area!

Why should governments be involved?

Others will be able to tell you more about the cost:benefit rationale for heritage conservation, about the value of heritage as a tourism resource, about the case for conserving past investments (in materials and building stocks) and about environmental benefits of heritage conservation (such as for energy conservation in the case of many pre World War I masonry dwellings). These benefits might be translatable into economic arguments for the conservation of design and built characteristics but I doubt whether they can be expressed as monetary values any more than a monetary value can be put on say freedom or defending our sovereignty. To the extent that this is so, competition for resources cannot be resolved in the market place and needs to be resolved in the political arena.

While many heritage places are in the 'public domain' (because they are form part of the visual environment of communities and/or because they are or have been places to which the public has resorted for business, play, living, etc) many others appear not to be. I worry about the extent to which some would have heritage conservation intrude I to the private arena. As to places that are in the public domain a role (perhaps *the* role) of governments is to represent the interests of communities *viz a viz* individuals and corporations. All levels of government need to be involved: local governments are best able to determine what is of sufficient significance to local communities to warrant government intervention; higher levels of government are best able to determine what is of sufficient significance to regional, state, national or higher communities to warrant intervention. In reverse lower levels governments seldom have the competence and never the right to tell higher levels of government what is of significance for them (just as Australian governments should not be listing places on the soil of other sovereign nations).

If all levels of government are involved this raises the problem that the lowest levels of government have the least resources to do anything much, including for heritage conservation. It would seem imperative that higher levels of government provide lower levels with adequate legislative frameworks, comprehensive guidance on best practice and ensure funding for best practice to happen. In relation to NSW I would observe that the state government here has done well with the first two and in focusing its attention on places of state significance but that it is failing local communities tragically - especially in non-metropolitan areas - in relation to the third : there is not enough tied funding available to ensure rigorous assessments either of significance or of impacts at local levels.

How might governments be involved

Money alone doesn't buy heritage conservation because most owners and managers (public and private sector) have competing objectives for the places under their control. Although heritage conservation may be an objective this objective may be in conflict with objectives that relate to the use of these places. Public values may be in conflict with private ones. These conflicts often reflect a deep ignorance in communities about the merits of heritage conservation and a general public disinterest in a throwaway society in periodic maintenance and repair of fabric anywhere. Education and promotion are sorely needed. But so is the better implementation of regulatory including assessment procedures mentioned above. These things do need money but they need also changes in values and attitudes, things less readily bought with money.

To the extent that money is needed a problem is that heritage conservation can seldom happen overnight. It requires forward planning which tends to extend over periods longer than governments and their instruments can readily cater for. In my observation this is a reason for people failing to take advantage of such incentives as income tax rebates and rate relief for conservation works. It is a reason also why people do not take up heritage grants of the various kinds available in NSW from the Heritage Office as well as from many local councils. There are other reasons that include particularly the lack of on the part of governments of leadership in getting and keeping people thinking about conservation but I should acknowledge the merits of the recently relaunched NSW Heritage Incentives Program. I note also that Natural Heritage Trust programs work to encourage longer-term planning

Market failure

The pursuit of short run profits is a feature of real property development. It is perhaps unsurprising that longer term values can often be unrecognised, ignored or brushed aside. In the process, physical elements that give a place its heritage significance can be lost irrevocably. No matter what records are kept and how well the elements might be recreated, replicated elements can seldom be genuine. In the same process more abstract elements such as the ambient character of a place can also be lost irrevocably. The result - all too often a result of real property development - can be an anodyne homogeneity with which nobody can really identify. After more than two hundred years of European settlement Australia still has places that are distinctively 'Australian' or identifiably 'local' in their character. It is pretty important for a small (and increasingly vulnerable) nation to retain these to tell ourselves and the world who we are.

The fact that many places are widely losing the physical characters that given them heritage significance, often because of failure of regulation but equally often for lack of public education about and promotion of heritage values seems to fit well classic definitions of market failure. I am reminded of as good a definition of an efficient marketing system as I have come across (D K Britton et al, *Cereals in the United Kingdom*. Pergamon, Oxford, 1969: 11-12), as one which

will provide a means of determining the needs of consumers (buyers) -the types of commodities they require, the time and place at which they require those commodities and the prices they are prepared to pay; it will transmit this information about requirements promptly and accurately to the producers (sellers) through the mechanism of price quotations (offers and bids) ; and it will - for the transfer of commodities from seller to buyer in the required quantities

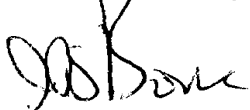
and at the lowest possible cost. Marketing is thus a `matching' operation, bringing supply into proper relation to demand, and not simply a disposal operation.

Real property markets are hardly efficient in these terms at the best of times. When the markets have to deal with heritage places (especially with properties within heritage conservation areas) markets become quite irrational in ways that hinder heritage conservation. Real estate markets fail to discriminate between heritage and non heritage places especially in relation to building stock; they fail to distinguish between good and bad (especially in qualities of construction and details), they fail to price significance consistently (perhaps largely because it has so seldom been public analysed), they promote short gain (profits) for long term losses (loss of building stock and heritage significance) and they encourage quick fixes (renovations) rather than lasting conservation.

There is undoubtedly a market for buildings particularly in heritage places but there is too little known, understood and agreed for this market to function effectively; in short, there is failure in market intelligence leading to wrong decisions being taken on the basis of outdated or incomplete information.

Heritage values are acquired over time; they can be destroyed very quickly. Lack of funding certainly discourages conservation of places in the public domain. But the root cause is the short-run thinking, lack of information, lack of understanding and lack of commitment to heritage conservation by communities, regulators, owners, managers and developers alike. This would seem to argue a case for market failure. It needs for government intervention at least to improve common understandings and value about heritage and the merits of its conservation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'I J S Bowie', written in a cursive style.

I J S Bowie