

City of Ballarat

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Date: 1 August, 2005

Heritage Inquiry  
Productivity Commission  
PO Box 80  
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Our Ref:

Your Ref:

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Dear Sir/Madam

### **SUBMISSION TO HERITAGE INQUIRY BY PRODUCTIVITY COMMISSION**

Thank you for the opportunity of making a submission to the Heritage Inquiry presently being conducted by your organisation.

As a regional city in Victoria, heritage plays a significant role in the economic well being of Ballarat, with substantial tourism benefits arising from the past preservation of its built form from the nineteenth and early twentieth centuries. There are also strong social benefits arising from its built heritage, providing a lifestyle attraction for residents living in the City.

It is important that these benefits, which are sometimes difficult to quantify, are properly recognised by the Inquiry. The City of Ballarat's submission responds to questions raised in the Commission's *'Issues Paper'*, and attempts to provide information that will assist the Commission in its considerations.

We look forward to receiving feedback on progress of the Inquiry, and propose to lodge a supplementary submission prior to the closure of final submissions early in January 2006.

Please contact the City's Manager of Strategic Planning, Mr Doug McNeill, on (03) 5320 5857 if you have any queries.

Yours sincerely

**David Vendy**  
**Mayor, City of Ballarat**

# Submission to the Productivity Commission

**City of Ballarat, Victoria**

**July 2005**

“Places of cultural heritage significance enrich people’s lives, often providing a deep and inspirational sense of connection to community and landscape, to the past and to lived experiences. They are historical records that are important as tangible expressions of Australian identity and experience. Places of cultural significance reflect the diversity of our communities, telling us about who we are and the past that has formed us and the Australian landscape. They are irreplaceable and precious.

These places of cultural significance must be conserved for present and future generations.”

***Australia ICOMOS Burra Charter, 1999***

“Historic places tell a community where it came from - what previous generations achieved, what they believed, what they hoped to be. By protecting these reminders of the past, preservation also builds the present and the future, since it saves valuable resources and recalls a community’s goals and dreams ...”

From the web site of ***National Trust for Historical Preservation, United States of America***

## **THE VALUE OF HERITAGE**

- In Ballarat, heritage contributes significantly to the economy and the social well-being of both individuals and the community generally.

*“ . . . Ballarat is fortunate to have a significant stock of historic buildings, public art and public places that has created one of the most statuesque towns in Victoria, if not in Australia. This urban form, resulting from its past economic prosperity, provides a solid basis for further economic prosperity. The heritage aspects of the city provide a particular ambience and character that needs to be respected and preserved, at the same time as providing for a new contemporary design that moves beyond generic suburban growth with characterizes many Australian towns and cities. Urban form of Ballarat today and in the future will directly influence its economic growth and prosperity. This issue cannot be overstated.”*

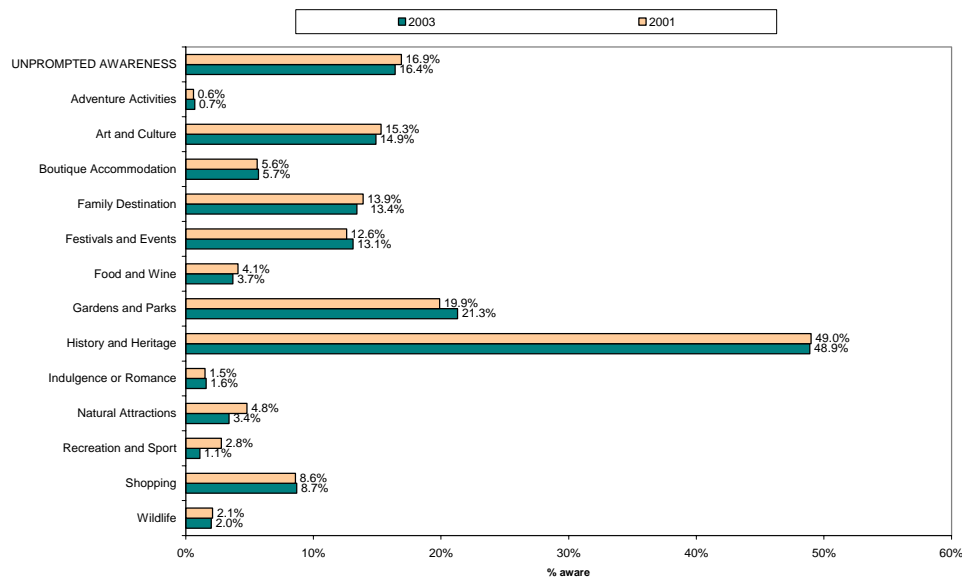
***Ballarat Economic Development Strategy, 2003 – page 13***

- The contribution of heritage to Ballarat's economy is substantial, forming a basis for significant employment generated by tourism. Ballarat owes much of its attractiveness as a tourist destination to its mining activities, impressive 19th century architecture and wide tree-lined streets and is described by Tourism Victoria as a “nineteenth century gold rush town”. The town's principal tourist attraction is Sovereign Hill which opened in 1970 and recreates a typical gold mining settlement during the gold rush of the early 1850's. The facility attracts over half a million people annually with around 90,000 people a year attending the sound and light show “Blood on the Southern Cross”. Another major attraction is the Eureka Centre at the site of the Eureka Stockade – Australia's only armed uprising, which occurred in 1854. The Centre, which opened in 1998, attracts approximately 40,000 people a year and is the home of the famous Eureka Flag. The centre has a strong educational focus and is a popular destination for school groups of all ages. Whilst Sovereign Hill and the Eureka Centre are arguably the most well known attractions in the City, Ballarat has several other tourist draw cards, including the Ballarat Botanical Gardens, Lake Wendouree, the Ballarat Fine Art Gallery and the Gold Museum.
- Together with privately operated tourist attractions such as Sovereign Hill, this heritage-based identity contributes to the attracting of over 2 million visitors to Ballarat each year, with a total visitor expenditure of over \$300 million. According to data supplied by Tourism Victoria, the Ballarat Tourist region attracted an estimated 2.1 million visitors in the 12 months ending March 2003 and this consisted of 1.4 million day trippers, 654,000 domestic overnight visitors and 25,500 international visitors. Approximately 51% of overnight visitors were from Melbourne with a further 28% coming from regional Victoria. The majority of day trippers were also from Melbourne (52%)
- Visitor spending makes a significant contribution to the income of many retail services that are also utilized by local residents, such as restaurants, cafes and other entertainment. In the absence of visitor spending, some of these facilities and services would not be able to operate viably.
- Other nearby towns such as Daylesford and Clunes have similarly developed thriving tourist economies based on the heritage values of the respective towns, and the smaller townships in the Ballarat municipality – Buninyong and Learmonth - have this potential.

*“Cultural heritage is a primary pull factor for international and domestic tourism. The value of cultural heritage is that it has potential for sustainable tourism and provides economic benefits to rural and regional communities.”*

***Economic value of Tourism to Places of Cultural Heritage Significance, 2000, University of Canberra***

- In a national survey of destination awareness, 'Goldfields' destinations such as Ballarat were most frequently mentioned in association with history and heritage, with gardens and parks, art and culture, family destination, and festivals and events following.



Source: RAPS, Roy Morgan Research, 2001 & 2003

(from **Strategic Marketing Plan - Goldfields of Victoria, 2002-2005**)

- The aesthetic heritage value of the City is also important in terms of attracting new residents to live in Ballarat. As strategies are implemented at a State level to limit Melbourne's population growth, Ballarat is becoming an important growth node. The intact nature of heritage precincts within Ballarat gives the City a distinctive identity compared to other urban growth areas.

*"The urban form of Ballarat will have significant bearing on the future economic performance of the city. . . . Decisions of individuals and families regarding residence and business location are influenced by the quality of the urban environments and amenity. . . . Ballarat has a very significant and historic urban core with supporting residential, commercial and industrial areas. It has an excellent legacy of open space reserves with recreational facilities and other physical and social facilities and infrastructure that make it a significant and attractive regional centre."*

**Ballarat Economic Development Strategy, 2003 – pp. 12-13**

- Ballarat's heritage is important in the marketing of the municipality, with the city scheduled to host the 10<sup>th</sup> World Conference of the 'League of Historic Cities' in 2006. This will give significant national and international focus to Ballarat. Ballarat became a member city of the League on 22 June 1999 and at the 8th World Conference of the League of Historic Cities, Cr. David Vendy, Mayor of the City of Ballarat, became one of the signatories to the Montreal Charter on 8 October 2003. This Charter states (in part):

*" . . . we will use every available means to assume our responsibility for recognizing, conserving, enhancing and propagating the natural and built heritage of our neighbourhoods and our cities, with the purpose of maintaining and improving the quality of life of our fellow citizens."*

- The social importance of heritage to the well-being of residents in terms of a sense of identity and pride in visual amenity is a core value of the 'Vision' articulated in the City of Ballarat's Community Plan "Blueprint Ballarat".

*"In 2030 Ballarat will be a confident, outward-looking city, as proud of its heritage as it is ambitious for the prosperity and wellbeing of its people—a city in its own right. It will be the dynamic, compact regional centre servicing the thriving western region of Victoria. What will distinguish it from other cities will be the way that Ballarat values and celebrates its natural environment, its history and its cultural life. It is these elements that give Ballarat its distinctive identity."*

**Blueprint Ballarat, 2005**

- All other aspects of the real estate market being equal, it has been found that individual land owners can benefit financially from heritage conservation as a result of increased property values, particularly where a high percentage of the built form in a particular area has been conserved. Land owners in such an area can benefit from increased land value created by the incremental upgrade of heritage places in their locality. There are perhaps less obvious financial benefits where a heritage place is more isolated from other heritage places, unless the land owner has benefited through use of the building using its heritage value as a market edge (eg restaurant, hotel, night club, theatre or conference centre).

Overviews of various studies into issues of heritage listing and property values can be found on the following web pages:

[http://www.heritage.wa.gov.au/f\\_values.html](http://www.heritage.wa.gov.au/f_values.html) and  
<http://www.heritage.vic.gov.au/pages/pdfs/listingpropertyvalues.pdf>

Most of these studies found that property values generally, for both heritage and non-heritage buildings, are determined by a multiplicity of factors including zoning, other planning requirements, lot sizes, types of surrounding properties, the level of amenities and services in the surrounding area, tenancy opportunities, prevailing trends in the 'market cycle', the social profile of areas, and the quality and maintenance of individual buildings.

However, the authors' conclusions following a study into the effects of heritage controls over the township of Maldon in Central Victoria (the first town to be wholly listed by the National Trust – statutory controls followed) found that:

*"the strict heritage controls have had no adverse effect on property values in Maldon. On the contrary, these controls have protected the town and attracted both visitors and property buyers to the area, which has economic and social advantages to the town and the Shire".*

**Heritage and property valuations in the Shire of Maldon: a study of the effects of planning and heritage controls on property valuations (1992)**

In another study it was found that:

*"Real estate agents active in historical residential areas in Australian cities supported the view that heritage listing generally has little impact on residential property values. Moreover, the heritage qualities of properties are generally emphasised as a positive attribute in marketing campaigns for both residential and commercial properties."*

**Urban Consulting Group, Economic Effects of Heritage Listing, North Melbourne 1994**

## MARKET FAILURE

- Unfortunately, various events of past decades (particularly those involving the demolition of 'heritage' buildings) indicate that the 'market' fails to adequately preserve heritage places, warranting public intervention to ensure that this occurs. Although there are a number of private land owners who willingly maintain and upgrade buildings with heritage value in a way that is consistent with those values, many *prima facie* heritage places could be lost to demolition or inappropriate development that comprises their heritage value if planning controls did not offer a mechanism for consideration of applications for demolition or structural changes. In Victoria, the placement of a Heritage Overlay over a property or area is the only way in which local government and the community can become involved in the assessment and decision making process regarding demolition. However, it is important to note that the inclusion of a property in a Heritage Overlay under the Victoria Planning Provisions does not prohibit demolition, or development, or subdivision. Rather, any proposals require approval and must be considered by having regard to the specific circumstances of the property and its identified heritage values, which have been derived using recognised methodologies (Burra Charter).
  
- In some situations, even where heritage controls are in place over a building, the building is deliberately allowed by a land owner to fall into disrepair to the point where its retention is not practical or economic. This circumvents the intention of the control, and indicates the degree to which some individuals are unwilling to improve an existing building as opposed to demolishing it and building a new one. However the Victorian Civil and Administrative Tribunal (and its precursor the Administrative Appeals Tribunal) has made determinations in the past that 'demolition by neglect' should not be 'rewarded' with a permit to demolish. As an example, in *Maloney v City of Greater Geelong* (1993/024690) the Tribunal found that owners who purposely let their buildings fall into a state of neglect should not benefit from such actions or lack of action.
  
- Whilst some people see an economic benefit in preserving a heritage place, often the perceived best economic outcome for a land owner is to demolish the building and replace it with a building that:
  - Is more flexible in terms of layout and design.
  - Is cheaper to construct.
  - Achieves a more intense development of the site (ie in terms of commercial or domestic floor area).
  - Allows the use of modern building techniques/technology.
  - Is more energy efficient.
  - Has a lower on-going maintenance requirement (and cost).Often, these factors contribute to short term thinking that reflects the immediate needs of an individual, but which can vary from those of the community which may consider that a particular building is important from a heritage point of view and should be retained.
  
- Many land owners have a perception that maintenance of an existing heritage place as opposed to constructing a new building will devalue their property, however most often the opposite is the case, particularly where the surrounding neighbourhood is relatively intact in terms of its heritage value. Anecdotally, land owners often find that initial concerns about the heritage assessment process (and what they might be able to achieve) are unfounded in that appropriate development proposals will both meet their requirements **and** balance the need to conserve aspects of the building and streetscape fabric. It is important to note however, that in many cases changes to proposed building designs resulting from the need to respond to heritage conservation controls are not expensive, and often cost no more than other design alternatives.

- It is often difficult to estimate the specific effects of heritage listing on the value of a property since heritage controls do not prohibit development, subdivision or demolition but require that approval be obtained. Where there is some capacity to develop the particular place and achieve additional development on the land without seriously compromising the heritage significance of the place, the impact on values may not be as great as where the capacity for further development is more limited.

For example, a second dwelling can often be located behind an existing weatherboard miner's cottage at the front of the property without detracting from the streetscape appearance because the existing house has been retained. Similarly, extensions to a dwelling can be achieved to increase the floor area and provide modern facilities by changing the rear part of the house or adding a first floor extension towards the rear of the building. In many cases these substantial changes can be sympathetic to the fabric of the streetscape provided the design of a new addition does not dominate the existing building, any upper floor additions are setback from the front and not highly visible from the street, and that building setbacks from the side boundaries are maintained, in accordance with neighbourhood character.

- The perceived loss of economic yield from a property resulting from heritage protection is particularly evident at the peak of an economic cycle, and when property prices are increasing, although this is more of an issue when a building has been identified as a heritage place but not yet included in heritage controls. Similarly, the threat to heritage values is highest during economic booms due to the number of people/companies with capacity to invest in new buildings. However, the adaptive re-use of heritage buildings is an issue that is becoming increasingly important with regard to sustainable development. In 2004, the Year of the Built Environment, the Commonwealth Department of the Environment and Heritage produced an important publication entitled *Adaptive Reuse – Preserving our past, building our future*, which highlighted how our built heritage can be conserved through the successful marriage of existing heritage structures and cutting edge architectural design.

The Introduction to this document states that:

*“In the pursuit of sustainable development, communities have much to gain from adaptively reusing historic buildings. Bypassing the wasteful process of demolition and reconstruction alone sells the environmental benefits of adaptive reuse. Environmental benefits, combined with energy savings and the social advantage of recycling a valued heritage place make adaptive reuse of historic buildings an essential component of sustainable development.”*

To access this document in its entirety, the Commission is directed to

<http://www.deh.gov.au/heritage/publications/adaptive/pubs/adaptive-reuse.pdf>

While there is no definitive research on the market appeal of reused heritage buildings, they have anecdotally been popular because of their originality and historic authenticity.

A study for the NSW Heritage Council that included four adaptive reuse or redevelopment sites revealed that “the combination of financial incentives and the commercially oriented nature of the adaptive re-use schemes outweighed any extra heritage related costs and project risks”. The study also concluded that “these sympathetic adaptive re-use schemes have created commercially viable investment assets for the owners” (Heritage NSW Newsletter, *Does Heritage Make Good Economic Sense?*, NSW Heritage Office, Autumn 2002, pp6–7).

- In some instances, buildings can lie vacant because their design doesn't easily lend itself to various uses. Former churches in rural areas for example, have often been converted to tourist or residential uses in recent years, but other buildings with a more complex floor layout are not as easily adapted to other uses and require a sophisticated and flexible approach. A recent example is the current planning permit application seeking to convert the old Watershed building into a commercial bakery.

- There appears to be an increasing acceptance in the community that heritage conservation controls are valid and appropriate, particularly where such controls have been in place for some time. It can prove to be more difficult to convince the community of the need for heritage controls in areas where they are being introduced for the first time. The change in sentiment concerning heritage conservation is most likely a national trend, reflecting the increased priority given to heritage in the past few decades by Governments and non-government lobby groups. However, there is still a lack of understanding in the community that the heritage value of buildings can only be protected from demolition by a Heritage Overlay in the Planning Scheme, as opposed to other overlay controls that might apply to buildings and works, such as the Design and Development Overlay.
- In the municipality of Ballarat, there appears to have been quite broad community acceptance of heritage controls where they are introduced on a precinct basis (ie to a neighbourhood where much of the original or early building fabric has been retained). As an example, following the exhibition (and notification of some 12,000 occupants and owners) in late 2002 of a major amendment seeking to create 19 heritage precincts to replace three existing interim heritage precincts, only 41 submissions were received by the City of Ballarat – 10 offered unqualified support or no objection, 12 sought some type of modification, generally either to strengthen controls or enlarge a proposed precinct, and 19 voiced their objections, some to an overlay being placed on their property, others as a broader philosophic disagreement to such controls.

This lack of opposition (19 objections out of 41 submissions out of some 10,000 properties possibly being affected) may derive from the perception that everyone is being treated equally, and residents can more easily appreciate the value of heritage elements to the visual amenity of an area. Acceptance of heritage controls over individual buildings in isolation tends to be less accepted by individuals because there is often a perception that others around them may have fewer restrictions over what they can do with the property than them.

It is noted however that in other municipalities seeking to protect heritage areas or precincts the objections have sometimes numbered almost up to 100% of the affected properties.

The Panel Report for the City of Ballarat's Planning Scheme Amendment C58 provides synopses of some of the more important previous panel reports that deal with proposed heritage controls (following the introduction of the new format planning schemes), and in which concerns are expressed about the quality and rigour of heritage studies used to justify the application of Heritage Overlays, the lack of adequate statements of significance, and some of the broader issues relating to issues of fairness and equity arising from the objectives of planning found in Section 4(1) of the *Planning and Environment Act 1987*. The issues of significance and economic impact are also discussed throughout the C58 Panel Report.

For a copy of this report and associated appendices the Commission is directed to:

[http://www.dse.vic.gov.au/shared/ats.nsf/WebViewUniqueID/ad79804b2f481e50ca256c71007a8467?OpenDocument&B&Ballarat&Ballarat,Banyule,Bass%20Coast,Baw%20Baw,Bayside,Benalla,Boroondara,Brimbank,Buloke&Click=476caac79d318ee2ca256dee001434f7/\\$Body/0.29F6](http://www.dse.vic.gov.au/shared/ats.nsf/WebViewUniqueID/ad79804b2f481e50ca256c71007a8467?OpenDocument&B&Ballarat&Ballarat,Banyule,Bass%20Coast,Baw%20Baw,Bayside,Benalla,Boroondara,Brimbank,Buloke&Click=476caac79d318ee2ca256dee001434f7/$Body/0.29F6)

- As a means of managing the overall impact on the community and Council from the need to seek and provide approval of a variety of permit applications triggered by the requirements of a Heritage Overlay (Clause 43.01 of each Planning Scheme), it has become evident that it is important to identify those elements of buildings that do not contribute highly to the value of a heritage place or heritage precinct, particularly where broad precinct based controls apply, so that land owners can undertake some improvements to their property without the need for planning permission. This increases



the degree to which residents accept heritage provisions over their property and minimises the cost of administering heritage controls. A number of exemptions already apply in the present three broad interim heritage overlays currently in place, and as part of the C58 Amendment it is proposed to bring in further exemptions, the most important being the removal of the need to obtain a Planning Permit for the demolition of a building considered to be 'Not Significant' within a precinct. The Commission is again directed to the C58 Amendment Panel Report for greater detail on these matters.

## **COST/BENEFIT OF HERITAGE CONSERVATION**

### Cost to the Community

- The management of heritage protection is expensive for all levels of government, ranging from the federal to local level. For the City of Ballarat costs are incurred:
  - Identifying heritage places (ie undertaking heritage studies).
  - Considering demolition requests, and applying to the State Planning Minister for introduction of an interim Heritage Overlay in those cases where a Heritage Overlay is not in place but a proposal has been made to demolish a building that may have heritage significance.
  - Processing amendments to the Planning Scheme to include properties in the Heritage Overlay and introduce local policies.
  - Processing and making determinations on planning permit applications relating to properties with a Heritage Overlay.
  - Employing a full time Heritage Officer who:
    - ❖ Provides advice to statutory planners to guide decision making on planning permit applications.
    - ❖ Liaises with property owners and other Council officers to advise on ways to achieve heritage conservation of individual buildings and/or public works.
    - ❖ Promotes heritage issues and educates the community.
    - ❖ Advises on policy development.
    - ❖ Administers the Ballarat incentives scheme and interest free loans to land owners (see later discussion).
  - Maintaining heritage buildings owned and/or operated by the City of Ballarat.
  - Undertaking capital works as a result of measures/processes to ensure that works respect the heritage values of various public areas.
  - Renovating buildings in the City's ownership. eg 'Her Majesty's Theatre', the former Ballarat Mining Exchange.
  - Managing a 'Ballarat Heritage Special Committee' that oversees the City's financial incentives and interest free loans scheme.

The management of heritage related issues has not been assessed but is likely to cost the City of Ballarat up to \$300,000 per year alone (capital works not included).

- In the inner urban area of Ballarat, and in the townships of Buninyong and Learmonth a significant percentage of buildings are included in the Heritage Overlay (around 10,000), and further properties are proposed to be added to this overlay in 2005/06 arising from the current Heritage Precincts Study (up to 1,000). This results in a significant additional cost to the City for administration of the Planning Scheme than would otherwise be the case in another municipality.

- The cost to the City of heritage conservation at the current time is higher than in past years due to reduced grants received from the State Government. The funding received for Council to engage a Heritage Adviser has decreased from \$15,000 pa in earlier years to \$8,000 in the current financial year, despite a significant increase in the number of properties having heritage protection in that time (and the subsequent increase in resources required to administer the controls). The Council has also allocated \$30,000 for the completion of a Heritage Precincts Study in 2005, without grant funding, compared to previous years where this cost was matched or subsidised by Heritage Victoria.

#### Cost to Individuals

- Financial costs to individual land owners resulting from heritage conservation, include:
  - Applying for a planning permit (including application fees, engagement of an architect or building design practitioner, engagement of an expert heritage adviser etc).
  - Possible holding costs in some cases associated with delays caused by applying for a planning permit under the Heritage Overlay where otherwise no permit would have been required.
  - Additional longer term maintenance costs associated with retention of timber materials and the like which are perceived as not being as durable as more modern building materials (eg brick, Harditex, Colorbond and concrete blockwork).
- The cost for individuals constructing heritage conservation works has increased significantly in recent times due to the strong national and local economy and lack of skilled labour in the building industry. Although this is a national problem, it is more acute in Ballarat due to the particular expertise required for some conservation works, and the small pool of appropriately qualified persons in the Ballarat region. The 'dumbing down' of the range of skills being taught at TAFE level is problematic, with students less likely to be taught basic window-making joinery skills as an example.

#### Benefits of Heritage Conservation Outweigh the Cost

- On balance, the cost of heritage conservation in the City of Ballarat is significantly outweighed by the benefits to both individuals and the community as a whole (refer to earlier discussion about the value of heritage to Ballarat), by:
  - Assisting in the preservation of a sense of history within the City, and linkages to the origins of the City.
  - Attracting tourism related investment and employment.
  - Attracting new residents to Ballarat from other areas such as Melbourne.
- Government involvement in heritage conservation benefits the community by:
  - Enabling a far higher degree of protection of heritage places than would otherwise occur (through identification and subsequent statutory protection).
  - Ensuring there is a statutory process for consideration of the merits of planning permit applications for development of properties identified as heritage places, without necessarily prohibiting proposed development.
  - Giving municipalities some capacity to seek expert design advice on planning permit applications, and give expert advice to land owners, which may not have been possible due to budgetary constraints.

- Ensuring there is a statutory process for consideration of all demolition applications to determine if interim planning protection should be initiated where heritage values are likely and warrant further justification.
  - Providing incentives for land owners to conserve buildings that might not otherwise have occurred without financial assistance, and to encourage the adaptive re-use of buildings.
- In terms of Government involvement, increased benefit is achieved where precincts are preserved through heritage conservation efforts so that there is a cumulative effect of conservation of building fabric, as opposed to preservation of individual buildings scattered throughout the municipality. As referred to above, the benefits derived from both tourism and social well being are significantly higher when whole areas of buildings are preserved. Lydiard Street (North and South) and Sturt Street are examples in central Ballarat.
- There is no easy way to quantify the benefits of heritage conservation to enable a comparison with costs incurred by government, particularly in relation to social benefits. In this respect however, community surveys, tourist surveys, and degree of support for heritage in the Council's Community Plan can be used as a barometer of community support for heritage conservation in Ballarat.

## **PROCESSES**

- The current framework for listing of heritage places of national and state significance is satisfactory, however there is concern that the Australian Heritage Commission (AHC) criteria are more difficult to apply when determining heritage significance at the local level. The Commission is directed to the Panel report arising from consideration of submissions to Amendment C58 to the Ballarat Planning Scheme, which highlights this issue and recommends reform of these criteria.
- 'Statements of Significance' are used to help determine whether properties are included in the Heritage Overlay under Planning Schemes, but generally do not sit within the Scheme or are used as an Incorporated Document. Rather, they are often referred to only in the Decision Guidelines. The Overlay could be modified to include cross reference to Statements of Significance or to Incorporated Documents containing such information.
- Each state has different systems for protection of heritage places with local significance. There would be merit in a consistent framework being applied across all states so that there is greater capacity for comparison of the significance of places across the nation rather than within each state.
- The Victorian legislation that allows Councils to suspend demolition permit applications and seek interim controls over places with likely heritage significance is an important mechanism for municipalities to achieve temporary protection over places that have not yet been properly assessed and included within heritage controls.

- The Heritage Overlay allows for consideration of uses establishing in heritage buildings that might otherwise be prohibited under the Planning Scheme as a mechanism for facilitating adaptive re-use of old buildings. This is a useful means of facilitating the retention of some buildings that may otherwise be difficult to use within limited planning frameworks.
- At present, the Heritage Overlay states that when an application for permit is required under the overlay, the requirements of Clause 54 of the Victorian Planning Provisions apply (this clause relates to neighbourhood character and amenity considerations). Clause 54 doesn't apply to the majority of single dwellings, but is triggered under this overlay. This causes inconsistency in that it requires applicants to comply with a range of requirements and standards that are unrelated to the heritage significance of the place. It places a substantial additional workload on planners processing minor applications, creates delays for landowners, and opens up opportunities for neighbours to object on amenity grounds that would normally not apply.

### **INCENTIVES/MECHANISMS**

- Government grants in the past decade have been a critical means of achieving higher levels of protection over heritage places. Grants from Heritage Victoria for undertaking Heritage Studies stimulate identification and protection of heritage places that may not otherwise occur, particularly for smaller or rural based Councils that do not have the resource base of larger metropolitan Councils. Smaller Councils in particular do not have the capacity to fund heritage studies themselves, which are particularly expensive due to the expertise required to undertake them to a level needed to support adoption and implementation in the Planning Scheme. Nor in many cases do such Councils have the in-house resource base to project manage the Studies or implement heritage provisions into the Planning Scheme.
- Having said that, the grant amounts are rarely significant enough given the scale of investigative work required to complete heritage studies in various municipalities. Increased subsidisation of the Studies would enhance the prospects of heritage places being appropriately identified and protected, particularly for municipalities where there is little political support for commitment of Council rate revenue to heritage protection.
- Similarly, grants from the State Government for Councils to engage Heritage Advisers have assisted Councils to engage people with expertise that enables informed responses to development and demolition applications. As noted earlier in the submission however, the cost of administering heritage conservation controls is ever increasing, while at the same time government funded assistance is decreasing.
- Further financial incentives for Councils that could be considered include:
  - The State Government to waive fees and Panel costs associated with Planning Scheme amendments to introduce heritage controls. Panel costs in particular can be significant, and are a disincentive for some Councils to undertake heritage studies.
  - Increased grants to enable engagement of consultants to conduct Heritage Studies that identify heritage places.

- Other financial incentives that could be considered for individual land owners include:
  - Rate rebates for properties within a Heritage Overlay or where listed at a State or Commonwealth level.
  - Federal or State tax concessions for properties where upgrades to a heritage place have been undertaken that appropriately respond to its heritage value.
  
- At present the City of Ballarat seeks to encourage land owners to undertake improvements to heritage places by:
  - Providing low interest loans for the restoration and repair of heritage places in the City of Ballarat from a revolving fund of \$250,000, which has been in place for over 20 years.
  - Offering financial incentives for works to be undertaken – in 2003 Council implemented a Ballarat Heritage Incentive Grant fund of \$200,000 under which owners of commercial buildings could apply for a grant of \$1 for every \$3 spent (up to \$25,000) on the upgrade of the façade. This has only been offered once and has not had funding allocated to it in subsequent budgets because of competing needs for the money.

### **OTHER ISSUES**

- A less obvious impact of heritage conservation, is the resultant impacts of tourists on the values of heritage places. Examples include the need to widen roads due to additional traffic volumes and provide additional car parking, which can result in pressure to remove original bluestone kerbing and impact on trees forming an avenue of honour.
  
- There is anecdotal evidence that some owners of heritage places have had difficulty getting insurance for buildings that are listed under the Heritage Overlay. As an example AAMI requires home owners to identify if their property is listed by the National Trust (a body with no statutory controls) but not if their property is covered by a Heritage Overlay either at a Local or State level.