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ENQUIRIES TO
DIR. TELEPHONE: 08 8366 4501

17 February 2005

Mr Neil Byron
Presiding Commissioner
Heritage Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Attention: Ms Jill Irvine

Dear Mr Byron

PRODUCTIVITY COMMISSION INQUIRY INTO THE CONSERVATION OF AUSTRALIA'S HISTORIC HERITAGE PLACES

The following advice is provided as a submission on behalf of the City of Norwood Payneham & St Peters in response to the Productivity Commission's Draft Report on the Conservation of Australia's Historic Heritage Places.

The rich and varied heritage character that exists throughout the City of Norwood Payneham & St Peters, symbolises the City's association with the original settlement of South Australia and the cultural influences that have played a significant role in its development since that time. This unique and attractive heritage character sets our City apart from other areas and makes our neighbourhoods a desirable and much sought after place to live.

In particular, the City comprises one of Adelaide's best concentrations of early, mid and late Victorian residential development, ranging from small settler cottages to large Italianate villas and mansions.

Heritage is an irreplaceable and precious asset that is inherited from the past, helping to define who we are remind us of where we have come from. Heritage can be found in our built environment and in our cultural environment, all of which provide a window to the past and play an important role in telling the storey of our history and our culture.

By protecting our City's unique heritage character, we ensure it is appropriately managed for future generations to interpret and enjoy.

The Australian Government's call on the Productivity Commission to review the current pressures and issues associated with historic heritage conservation by undertaking an inquiry into the policy framework and incentives for the conservation of Australia's historic built heritage places is commended. However, the City of Norwood Payneham & St Peters has strong concerns with a number of the Productivity Commission's recommendations as outlined in its Draft Report on the Conservation of Australia's Historic Heritage Places. These concerns are discussed below:

With respect to the legislative framework for heritage conservation, the general thrust of the Productivity Commission's draft recommendations, centre around establishing a market based voluntary system of heritage listing and a system which seeks to provide property owners with benefits to offset the losses associated with heritage listing.

The recommendations which seek to establish a market based voluntary system of heritage listing, are of concern as the recommendations fail to recognise that a high degree of local community level support exists across Australia for heritage conservation. The report is clearly dismissive and not cognisant of this notion. Similarly, the report and recommendations fail to recognise that heritage places and historic conservation zones, are of intrinsic value to communities and therefore the conservation of Australia's historic heritage places do not necessarily hinge only on financial considerations.

The Commission's view that private owners should be provided with a better and wider range of incentives or benefits including but not limited to tax concessions and expanded and continued Government grant programs is supported. However, it is considered that this should be achieved within the context of existing legislative frameworks given that there are no barriers to any sphere of government providing a greater level of incentives for heritage conservation. There is simply no need for radical system reforms in this area.

The introduction of voluntary heritage listings is not likely to safeguard the conservation of heritage places. There is no evidence provided or identified that such a system has or would necessarily work and/or achieve the desired outcome of protecting Australia's decreasing stock of heritage buildings. Whilst it is acknowledged that a market driven approach, where the private sector takes a leading role in the conservation of heritage places will achieve a reasonable level of heritage conservation in some communities, there is no doubt that market conditions and variables influence decisions at a local level.

In particular, during economic recessions or during periods when interest rates are high, non-heritage listed places (which would otherwise have been protected if a system of voluntary listing was not in place) become easy targets for developers where there is no regulatory framework in place to underpin heritage conservation. In many cases, people may be forced to sell properties to the highest bidder, notwithstanding that they may have a genuine desire to conserve buildings of historical value.

Even during periods of economic stability, voluntary listing is likely to fail in respect to its primary intent. For instance, since the heritage survey of the former Local Government Area of Payneham (which now forms part of the City of Norwood Payneham & St Peters) was undertaken in 1998, ten properties which were earmarked for listing as Local Heritage Places have been demolished and the Council had no ability to control such demolition under the Development Act 1993.

In the absence of an interventionist approach by the Council, it is conceivable that a significant percentage of buildings with historical significance in the former Local Government Area of Payneham area, would be lost forever over a relatively short period of time. This is of serious concern given that the total number of buildings recommended for listing in the former Local Government Area of Payneham is 67. The Council therefore does not support any changes to the South Australian Development Act or related legislation, which would remove the current system of heritage listings.

The Commission argues that any conclusion which the private sector has not undertaken as much heritage conservation as society as a whole desires, does not, of itself, justify government involvement and that government intervention to correct any shortfall should only be undertaken where the benefits of the intervention outweigh the costs and thereby result in a net benefit to the community. However, this argument appears to focus on a financial cost-benefit analysis which, as previously stated, fails to recognise that heritage places and historic conservation zones, are of intrinsic value to communities and therefore the conservation of Australia's historic heritage places does not hinge only on financial considerations - albeit that from a strategic policy perspective, financial considerations are important.

There is no doubt that pressures on the conservation of historic heritage through government intervention arise, due to the presence of market failure and this is a view supported by the Commonwealth Government's own Department of Environment and Heritage which argues *"that while the current system of government regulation, policy and funding goes some way to correcting these market failures, some pressures and challenges remain.*

Lack of awareness of heritage values among private individuals and firms and their inability to capture many of the benefits associated with historic heritage can in some instances lead to the demolition or neglect of heritage values of places in private ownership.

Changes in the private use values of historic heritage assets can lead to a change in the willingness to maintain the asset and associated heritage aspects. As the private individual is unable to capture many of the values associated with the heritage aspects of the asset, its conservation is threatened. For example, changes in technology and the development of new markets and products in the rural sector have led to some abandonment of rural structures with heritage significance. This is also the case where historic heritage assets become threatened by urban redevelopment.

The presence of market failures in the primary market for historic heritage has also prevented the development of secondary markets in heritage advice, heritage trades and heritage training to some degree in Australia. Further, the small size of the market in Australia makes it difficult for certain heritage related services to be economically viable. As such, there is a lack of workers skilled in conservation techniques and a lack of appropriate training courses."

The recommendations in the Commission's report which relate to the provision of information to the community and the preparation of management plans for government owned heritage places are considered reasonable as the implementation of such recommendations are likely to result in a better system of heritage protection and hence better outcomes.

However, the system of applying Conservation Agreements to all properties, while having positive initiatives such as providing better information about a property and its future management, is linked with a market based voluntary approach to heritage conservation. Given that the Commission offers no evidence or argument that such a strategy will be successful, the Council, while supporting the concept of better information about heritage places and their future management, does not support the use of Conservation Agreements as a tool of voluntary heritage listing. However, it is acknowledged that Conservation Agreements may be appropriate within the context of the current conservation of heritage regimes.

With respect to existing listed Local Heritage Places, the Commission recommends that the current regulatory arrangements would continue other than in cases where the owner had not consented to their property being listed, in which case, that person should be given the opportunity to opt out of the existing listing and to negotiate an agreement for listing under the new rules, with the proviso that the relevant government could purchase the property at an assessed fair market value.

This concept is strongly opposed. The fact that a landowner objected to a heritage listing of their property is not, of itself, considered sufficient reason to de-list a building that has historical significance, nor has the Commission set any criteria in terms of what type of objection would warrant delisting (ie. if an objection did not specify any specific reasons, would this warrant delisting?). In addition, local government simply does not have endless access to funds to purchase properties in cases where a landowner chooses to opt out of the existing listing.

In summary, the City of Norwood Payneham & St Peters strongly urges the Productivity Commission to have regard to the concerns outlined in this submission and strongly urges the Commission to research further, the wider economic and community benefits of heritage conservation and to provide strong evidence of the failures of the current systems, prior to finalising its recommendations to the Government.

In addition, the Council is of the view that the Commission is well placed to develop a methodology for identifying the benefits and losses of heritage listing for individual property owners. If such system is developed, then all three tiers of government will be able to offer a better and wider range of incentives or benefits to those individual property owners who most deserve such benefits.

The City of Norwood Payneham & St Peters is strongly committed to heritage conservation and believes its heritage is integral to the character and amenity of the City. Therefore, the Council submits that the draft Recommendations of the Productivity Commission Draft Report into the Conservation of Australia's Historic Heritage Places that prescribe establishing a market based voluntary system of heritage listing should be abandoned as the introduction of voluntary heritage listings will not safeguard the conservation of heritage places.

I trust that the above information is of some assistance and please do not hesitate to contact me on (08) 8366 4501 if you require any clarification regarding the contents of this submission.

Yours sincerely

**GENERAL MANAGER
STRATEGIC & URBAN PLANNING**

Productivity Commission
SUBMISSION COVER SHEET
(not for publication)
Heritage Inquiry

Please complete and submit this form with your submission to:

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OR

By facsimile (fax) to:

Productivity Commission

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