



**Australian Government**

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**Department of Defence**  
Corporate Services &  
Infrastructure Group

**Defence Heritage Management**

**Productivity Commission Report into  
the Conservation of Historic Heritage  
Places**

August 2005

## CONTENTS

<b>1</b>	<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>2</b>	<b>INTRODUCTION</b>	<b>3</b>
<b>2.1</b>	<b>OVERVIEW OF DEFENCE'S ASSET BASE AND ITS MANAGEMENT</b>	<b>3</b>
<b>2.2</b>	<b>OVERVIEW OF DEFENCE'S HISTORIC HERITAGE ASSET BASE AND ITS MANAGEMENT UNDER THE EPBC ACT</b>	<b>4</b>
<b>2.3</b>	<b>REPORT STRUCTURE</b>	<b>6</b>
<b>3</b>	<b>TERMS OF REFERENCE ONE</b>	<b>7</b>
<b>3.1</b>	<b>KEY MANAGEMENT PRESSURES</b>	<b>7</b>
<b>3.2</b>	<b>SUMMARY</b>	<b>8</b>
<b>4</b>	<b>TERMS OF REFERENCE TWO</b>	<b>9</b>
<b>4.1</b>	<b>BENEFITS AND COSTS OF COMPLIANCE WITH THE EPBC ACT REQUIREMENTS</b>	<b>9</b>
<b>4.2</b>	<b>ECONOMIC CONSIDERATIONS</b>	<b>10</b>
<b>4.3</b>	<b>SOCIAL CONSIDERATIONS</b>	<b>13</b>
<b>4.4</b>	<b>ENVIRONMENTAL CONSIDERATIONS</b>	<b>13</b>
<b>4.5</b>	<b>SUMMARY</b>	<b>14</b>
<b>5</b>	<b>TERMS OF REFERENCE THREE</b>	<b>15</b>
<b>6</b>	<b>TERMS OF REFERENCE FOUR</b>	<b>16</b>
<b>6.1</b>	<b>POSITIVE IMPACTS OF REGULATORY REQUIREMENTS</b>	<b>16</b>
<b>6.2</b>	<b>NEGATIVE IMPACTS OF REGULATORY REQUIREMENTS</b>	<b>16</b>
<b>6.3</b>	<b>TAXATION</b>	<b>20</b>
<b>6.4</b>	<b>INSTITUTIONAL ARRANGEMENTS</b>	<b>20</b>
<b>6.5</b>	<b>OTHER IMPEDIMENTS AND INCENTIVES THAT AFFECT OUTCOMES</b>	<b>21</b>
<b>7</b>	<b>TERMS OF REFERENCE FIVE</b>	<b>23</b>
<b>8</b>	<b>TERMS OF REFERENCE SIX</b>	<b>25</b>

### *Defence's Legislative Obligations*

Defence's core responsibilities for the conservation of historic buildings under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) are:

- Prepare a Heritage Strategy that outlines how Defence will meet its obligations under the EPBC Act;
- Identification and assessment of the heritage values of the 25,000 assets and 34 million hectares of land in Defence control;
- Heritage Management Plans (HMPs) for all Commonwealth Heritage List (CHL) listed sites and sites determined through the identification process as having Commonwealth Heritage value;
- Policy documentation and supporting tools in order to comply with EPBC requirements and the supporting guidelines to ensure widespread implementation and compliance;
- Implementation of heritage management requirements in accordance with the EPBC Act and HMPs; and
- Ongoing management and administration of compliance documentation and heritage maintenance requirements including review of every HMP within 5 years of its completion.

### *Defence's Heritage Estate*

The EPBC Act requires all Commonwealth agencies to prepare a Heritage Strategy to outline how agencies will meet their legislative obligations. The EPBC Act also requires agencies to identify and assess the heritage values of their entire property portfolio.

The Department of Defence (Defence) owns, controls and manages almost 34 million ha within 340 sites. This includes nearly 25,000 built assets. The current financial commitment for heritage management tasks is in the vicinity of \$2.5 million per annum, not including full or part time salaries of staff with heritage management responsibilities. This amount does also not include the work detailed in the Defence Comprehensive Maintenance Contractors (CMC) and Garrison Support Service (GSS) contracts with industry.

Of this portfolio, 124 sites are currently listed on the CHL. This is anticipated to generate a cost of approximately \$10 million over the next 5 years to comply with the heritage requirements of the EPBC Act. There are also 78 sites listed on the RNE and 65 "Indicative" places listed on the RNE which require management and further assessment. If management plans are required for

these sites (for management as transferred CHL sites or for the management of identified Commonwealth heritage values while un-listed) this would generate an additional cost of approximately \$10 million. The majority of the listed sites are significant for their historic heritage value or include features with historic heritage value as part of a natural and/or Indigenous heritage place.

The heritage value identification process could cost in the vicinity of \$1 million, with more detailed heritage assessment and additions to Defence's Heritage Register in accordance with the EPBC Act requiring an additional significant sum which cannot be quantified at this time. Should any of these assets be identified as having Commonwealth heritage values and require plans of management, this would generate a further significant financial cost which also cannot be quantified at this time.

There are economic requirements for the implementation of compliance documentation for the management of identified historic buildings in accordance with S.341ZC and S.341V. Defence has not yet determined the cost of meeting these requirements.

Additional costs are also required for the review of each Heritage Management Plan every 5 years.

### ***Key Issues***

Defence is a dynamic and evolving agency. By its nature, Defence must respond to government commitments, national and international influences, as well as manage an estate for long term sustainability. There are significant operational, environmental, heritage and OH&S pressures faced by Defence in a uniquely large and diverse property portfolio.

There is no other financial assistance or cost recovery available to Defence in terms of managing its heritage estate.

There are significant regulatory and institutional requirements faced by Defence which include a lack of process and schedule requirements under the EPBC Act and ambiguity surrounding expectations for submissions to Department of Environment and Heritage under S.341ZD and SS.26 and 28 of the EPBC Act.

This report presents the findings of an analysis of Defence's obligations for management of its historic heritage resource. The report provides an overview of the Defence estate; the heritage resources owned and controlled by Defence; and the benefits, costs, incentives, and the legal, social and environmental obligations of Defences management of these resources.

## **2.1 OVERVIEW OF DEFENCE'S ASSET BASE AND ITS MANAGEMENT**

### **2.1.1 The Defence Estate**

The Department of Defence (Defence) owns, controls and manages almost 34 million ha within 340 sites. This includes nearly 25,000 built assets. The closest Commonwealth comparison would be the Department of Finance and Administration who manage the Australian government's non-Defence portfolio consisting of 108 properties (Finance Annual Report 2003-2004, October 2004).

This constitutes a large and significantly complex estate, whose management faces a unique array of environmental and operational needs, which are discussed in further detail below.

Defence's heritage vision states: "*Defence will be a leader in the management of its properties with heritage values. Defence will seek to provide a sound balance between Defence capability and the conservation of heritage values.*"

### **2.1.2 Estate and Environmental Management**

The Defence estate is managed through National Operations Division (NOD) and the Infrastructure Division (ID) within the Corporate Services and Infrastructure Group (CSIG), supported by a series of business tools and information systems.

NOD and ID manage facilities and operations both corporately in Canberra and through regional teams. The regional teams, with specific respect to environment and heritage responsibilities include a Senior Environmental Adviser (SEA) for each of the twelve Defence regions. These teams are located within NOD. Each region and SEA is supported by a team of Regional Environmental Officers (REOs) and Environmental Officers (EOs). The role of the SEAs and REOs is to manage the environment of the Defence estate in the regions to meet legislative obligations and support ADF capability and training requirements. It also includes the liaison with regional asset management teams with the same capability objectives. A map showing the Defence regions is at Attachment 1.

In Canberra, the Environment, Heritage and Risk (EH&R) Branch in ID consists of several teams dedicated to various aspects of managing the environment, including Defence Heritage Management (DHM), Defence Environmental Stewardship (DES) and Directorate of Environmental Management Systems (D-EMS).

The EH&R Branch provides corporate direction for environmental issues as well as providing technical support to the regional environmental teams. EH&R also provide liaison and technical advice for Defence's other key estate and capability development teams.

There are a series of tools that assist Defence in managing their property portfolio. In particular, the Defence Estate Maintenance System (DEMS), the Infrastructure Management (IM) and Environmental Management Systems (EMS).

DEMS is a web based system that contains estate information listed by facility and by asset, including asset management and maintenance requirements. The primary function of DEMS is to facilitate the management and maintenance of all Defence's assets. The system contains management, conservation and maintenance information for historic places and individual structures. It is also used to assist with heritage management by identifying heritage issues within Defence sites

The IM is also a web based tool that sets out the policy and procedures for the management of the Defence estate including the procurement of capital facilities and maintenance of existing areas and is the prime reference point for all Defence staff involved in these activities. It includes the processes that are required to manage various issues including environment and heritage legislative obligations.

The Defence EMS is a corporate commitment to support the Defence Environmental Policy. The Defence EMS focuses on three organisational levels: Strategic, which sets the policy direction and Defence-wide strategic environmental programs; Operational, which applies to the corporate and headquarters function; and Tactical, which applies to all Defence sites and facilities.

## 2.2

### ***OVERVIEW OF DEFENCE'S HISTORIC HERITAGE ASSET BASE AND ITS MANAGEMENT UNDER THE EPBC ACT***

The EPBC Act requires all Commonwealth agencies to prepare a Heritage Strategy to outline how agencies will meet their legislative obligations. The EPBC Act also requires agencies to identify and assess the heritage values of their entire property portfolio.

Of the 340 sites and 25,000 assets owned and controlled by Defence, there are a significant number listed on the Commonwealth Heritage List (CHL) with

the majority being listed for historic heritage values. There are currently 124 sites/assets listed on the CHL which are required to be managed by Defence under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Defence also own and control sites which are listed on the Register of the National Estate (RNE) but have not been included on the CHL at this stage. These sites, which through their RNE listing were identified as having heritage significance, may or may not be moved to the CHL in the future. Notwithstanding, these sites need to be managed in recognition of their identified values and in accordance with the Commonwealth Heritage Management Principles in the regulations to the EPBC Act.

This means that with 124 sites listed on the CHL, there are also 78 sites listed on the RNE and 65 indicatively listed on the RNE which have been identified by the Department of the Environment and Heritage as priority areas for management and further assessment. The majority of the listed sites are significant for their historic heritage value or include features with historic heritage value as part of a natural and/or Indigenous heritage place.

Defence heritage assets are managed via two key sources:

- Defence Heritage Management (DHM) - a core team of four personnel in National Office in ID. DHM sets the policy direction and provides technical guidance for the management of heritage issues across the Defence Estate;
- SEAs and REOs (currently 40 Australia-wide) with varying levels of heritage management responsibility in NOD. This does not include associated and subsidiary personnel such as the Comprehensive Maintenance Contractors (CMCs) and Garrison Support Services (GSS) personnel who may also have periodic heritage management responsibilities through their day-to-day management tasks. These regional environmental teams implement the policies at heritage sites and manage works projects accordingly.

## 2.3

### **REPORT STRUCTURE**

The following sections of this report outline Defence's responses and policy positions in a structure accordant with the Productivity Commission's Terms of Reference:

- *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 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*
- *Possible policy and programme approaches for managing the conservation of Australia's historic heritage places and competing objectives and interests.*



*The main pressures on the conservation of historic heritage places*

**3.1 KEY MANAGEMENT PRESSURES**

**3.1.1 Estate Management Pressures**

Table 1 outlines the key pressures on the management of the Defence estate (and the historic heritage assets therein).

**Table 1 Pressures and Requirements**

<b>Pressure</b>	<b>Requirements</b>
Preparedness, operability and government commitments	<p>Upgraded plants and infrastructure</p> <p>New capability and platforms</p> <p>Developed/re-developed facilities to support new capability</p> <p>Upgraded facilities to support upgraded or enlarged capability</p> <p>Asset base rationalisation through disposal of sites with no operational function now or in the future, or collocation of bases, personnel and/or functions</p>
Operational requirements	Continued optimal functioning of training areas, facilities, airfields, depots, manufacturing facilities, offices
Commitments to personnel	Improved living and working environment for today's workforce including refurbishments
Safety and asset management	<p>Building Code of Australia (BCA) compliance</p> <p>Improvements to facilities to comply with current Occupational Health and Safety (OH&amp;S) requirements</p>
Environmental requirements	<p>Management of "legacy issues" for example, remediation of contaminated sites, removal of asbestos, UXO identification and removal, assessment and remediation of stop butts and small arms ranges etc</p> <p>Management of a wide range of sustainable use and compliance issues including but not limited to:</p> <ul style="list-style-type: none"> <li>• Hazardous materials management and storage;</li> <li>• Environmental risk assessment and prioritisation for sustainable management and compliance;</li> <li>• Air quality, acoustics and green building initiatives;</li> <li>• Energy and water resource management.</li> </ul>

## 3.2

### *SUMMARY*

The improvements and redevelopment needed to support capability and provide a functional and safe living and working environment for Defence personnel places a considerable pressure on historic heritage assets. These assets are often not 'fit' for Defence purposes due to OH&S, BCA and current electrical and fire services requirements.

Defence capability is inextricably linked to the use of the best available technology and resources for the required task. Redevelopment of bases to meet new capability requirements results in functionally outdated assets no longer being required, where new, purpose built facilities on the site of redundant buildings and runway/apron expansions over existing buildings to provide safer and more appropriate facilities.

The fundamental issue in retaining Defence assets is finding a viable use for the asset within the core business and operations of Defence.

*The economic, social and environmental benefits and costs of the conservation of historic heritage places in Australia*

The cost and benefits of historic heritage conservation for Defence has been explored through an analysis of the implementation of the EPBC Act requirements.<sup>1</sup>

**4.1*****BENEFITS AND COSTS OF COMPLIANCE WITH THE EPBC ACT REQUIREMENTS***

There are five key EPBC Act requirements as they relate to the management of historic buildings for which costs and benefits have been analysed:

- Heritage Strategy development;
- Identification and assessment of the heritage values of the 25,000 assets in Defence ownership;
- Development of Heritage Management Plans (HMPs) for all CHL listed sites and sites determined through the identification process as having Commonwealth Heritage value;
- Policy documentation and supporting tools in order to comply with EPBC requirements, and the supporting guidelines to ensure widespread implementation and compliance; and
- Reporting requirements under the EPBC Act.

The implementation of these requirements involves:

- Conservation works and management for identified historic structures;
- Adaptive re-use of historic buildings to maintain their heritage values or undertaking measures outlined in HMPs which require implementation; and
- Maintenance of buildings left vacant for potential future re-use but which have no current operational function.

These implementation of these requirements have both costs and benefits to Defence and the wider community.

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<sup>1</sup> With the time available to Defence, this report does not represent a full Triple Bottom Line report. Rather, the purpose and context of the report is to document the issues outlined above to raise a broader awareness of the environmental and heritage pressures faced by Defence.

## 4.2 *ECONOMIC CONSIDERATIONS*

### 4.2.1 *Economic Benefits*

Defence has determined that the direct economic benefits of conservation of historic heritage conservation are limited. However, some indirect benefits have been explored. These arise from potential savings through the adaptive reuse of heritage buildings (on the basis that the building is in good working order and is configured in a largely compatible manner to the identified re-use), in comparison to the costs of demolition and new building construction. This provides a means of protecting the heritage resource controlled by Defence in a manner more economically sustainable in the long term. In addition, if the building has been well maintained there is also the potential for greater financial return on that Defence asset at the time of disposal.

### 4.2.2 *Economic Costs*

There are direct costs to the Department of Defence arising from EPBC Act requirements, these include:

- Costs associated with the development and implementation of the Heritage Strategy;
- Costs associated with identification and assessment of the heritage values of the 25,000 assets in Defence ownership;
- Cost of preparing and implementing Heritage Management Plans (HMPs) for all CHL listed sites and sites determined through the identification process as having Commonwealth Heritage value, on top of the costs of the existing management framework; and
- Costs of preparing policy documentation and supporting tools in order to comply with EPBC requirements, and the supporting guidelines to ensure widespread implementation and compliance.

#### **Heritage Strategy Development and Implementation**

The development of the Defence Heritage Strategy has required internal resources including extensive consultation with the Groups and Services on direction proposed. Implementation of the Strategy requires ongoing staff resources. Currently the Defence Heritage Strategy is in draft form and can only be informally implemented as it has been with the Australian Heritage Council for comment since November 2004.

The EPBC Act requires Heritage Strategies to outline the timeframe for the preparation of management plans and the identification and assessment of an agency's property portfolio. The draft Defence Heritage Strategy sets 2010 as the target for completing these activities.

## **Identification and Assessment of Heritage Values**

Defence is expending significant resources in identifying and assessing the heritage values within the asset base in accordance with the EPBC Act. This is the *Recognising Our Heritage* program. The current cost of Stage 1 of this program (which includes a data check of approximately 600 sites) is approximately \$50,000. The remaining asset base is still required to be data checked and the entire asset base is yet to be processed through identification for potential heritage values. This means that the rest of the Stage 1 process could require approximately \$750,000 to \$1,000,000 in additional funding.

The second stage will include a more detailed assessment and addition of the assets to the Heritage Register as necessary, and management of those sites in accordance with the EPBC Act. It is unknown at this time how many sites will require further detailed assessment and management, but the ensuing cost is anticipated to be significant, based on recent Defence experience each detailed assessment is likely to cost \$15,000-\$30,000.

## **Heritage Management Plan Development**

The largest financial requirement for Defence is the preparation of HMPs for its assets/sites with Commonwealth Heritage values. The cost of preparation of an HMP varies individually depending on complexity, but is estimated to be between \$50,000 and \$80,000 (current experience in the development of HMPs to meet EPBC requirements indicates the average cost per plan is \$58,000). Defence anticipates some HMPs will cost in excess of \$200,000 due to the size and complexity of certain sites.

Based on these initial figures Defence estimates the cost of HMP development for the 124 CHL listed sites as approximately \$8-10,000,000 over the next 5 years in order to meet the timeframe established in the Defence Heritage Strategy. This figure does not include sites that may be transferred from the RNE to the CHL in the interim, or sites that may be determined through the identification process to possess Commonwealth heritage values which would then require a management plan.

Currently there are 78 sites listed on the RNE and 65 sites with indicative listing on the RNE. If these sites are transferred to the CHL, Defence would be obligated to prepare plans of management for them. As sites/assets recognised as having heritage value however, Defence is still required under the EPBC Act to manage those values, whether they are listed on the CHL or not. This constitutes a further 143 sites that may require plans of management and/or ongoing management to maintain and conserve the heritage values. This is potentially another \$5-10,000,000 cost to Defence.

It is unknown at this stage how many additional sites will be identified through the *Recognising our Heritage* program, although current experience indicates that another \$20-30,000 is required to prepare a management plan on top of the heritage assessment costs outlined above. The program is anticipated to

represent a significant on-cost, however, for the eventual management planning and implementation of those unlisted sites. Until the program matures, it is not possible to provide a more definitive estimate of these costs.

In addition, these costs do not include any additional management, reporting or review requirements (in accordance with S.341X).

### **Policy and Supporting Tools**

Defence has committed significant resources to the preparation of policy documents, tools and guides to support the implementation of the Heritage Strategy. This has been undertaken by both DHM's staff and supported by independent consultancies. The cost of this work is difficult to itemise, being made up of full and part time salaries and consultancy fees for tasks which have been instigated and progressing since 2003 in preparation for the commencement of heritage amendments in January 2004.

The economic costs of implementation of identification/assessment programs, policy documentation and HMPs include:

- Conservation works and ongoing management for identified historic structures in accordance with S.341ZC and S.341Y of the EPBC Act; and
- Maintenance of buildings left vacant for potential future re-use but which have no operational function (S.341ZC and S.341V).

### **Adaptive Re-use**

Maintaining buildings as-is can be costly for Defence in terms of sustainability principles, including energy and water efficiency, buildings not meeting OH&S requirements and the financial commitment associated with the maintenance of aging buildings. Outdated and obsolete buildings need to be carefully considered in the context of Defence's evolving capability requirements. The pursuit of adaptive re-use opportunities is Defence's first preference for the preservation of historic heritage buildings. This provides heritage buildings with a continued and viable use that allows their long term asset management. It is difficult to assess the financial cost of this component of Defence's commitments however, since this lies within the overall facilities operations budget.

The upgrade of heritage buildings for current and projected Defence requirements must be reviewed and decided by a cost benefit assessment of each available option, on a building to building basis. Options include: the consideration of viable adaptive re-use; compatibility for purpose of the building configuration; and demolition of the asset and the construction of a new facility.

### **Retention in Stasis**

Another key heritage management principle to retain buildings that have fallen out of use is to retain them in stasis or “mothball” them with minimal maintenance until a viable adaptive re-use can be found for them. While retention of buildings in stasis is a practical and viable heritage management option, it can involve a considerable financial burden for the Defence estate. The maintenance of redundant buildings still requires ongoing funding and while this funding may seem minimal for individual buildings, it can be a significant requirement for sites where multiple buildings need to be retained. This is then multiplied in the context of the whole Defence estate. The maintenance of buildings in this way diverts Defence funds from maintaining other heritage buildings which are utilised and have an operational function. Sites that are retained by Defence also have costs associated with their upgrade and fitout for user requirements.

### **4.3**                    *SOCIAL CONSIDERATIONS*

There are social benefits to the retention and management of Defence heritage places in accordance with the EPBC Act. Heritage places can be greatly valued by Defence personnel and the wider community. In certain contexts heritage can provide a sense of place (through living and working in historic buildings or through the display of memorabilia depicting personnel and bases in earlier times within their original context) and a source of morale, tradition, pride and inspiration.

Also the broader community can become aware of the ADF and access its proud heritage through open days, services, memorials, and volunteer work (for example, 25 volunteers plus a curator, all unpaid, are involved with the running of the museum at the RAAF Base in Townsville).

Furthermore, through the implementation of its heritage programs Defence is assisting in the conservation of a non-renewable resource. Defence heritage places often contain several layers of historical significance that relate to its uses both before and after Defence occupation. These places are valued as part of the community for their connection to pre- and post- European settlement periods as well as their specific Defence association. If heritage places are conserved, places of historical importance to the community are retained, strengthening our connection to and understanding of Australia’s history.

### **4.4**                    *ENVIRONMENTAL CONSIDERATIONS*

#### **4.4.1**                *Environmental Benefits*

In terms of Environmental Benefits, management systems developed for the conservation of Defence heritage places can be integrated with environmental

management systems which can increase the environmental outcomes and synergies.

Environmental benefits also arise from the successful adaptive re-use of certain facilities. Re-use can result in a save on building resources (including energy, raw materials consumption, wood harvest, fresh water supplies, landfill, CO2 production, and greenhouse emissions) that are required by the demolition and the establishment of a new Defence facility.

#### **4.4.2**      *Environmental Costs*

Defence has not found any direct environmental costs or impacts involved in the conservation of historic heritage. However, there is the potential for the retention of a historic heritage asset coming into direct conflict with the need to decontaminate an area within a Defence property or the removal of hazardous materials such as asbestos. There can also be energy and water efficiency costs involved in the retention of historic buildings that have not been upgraded.

#### **4.5**      *SUMMARY*

The social and environmental benefits of the conservation of historic heritage are well documented and recognised by Defence. However the financial costs of compliance and implementation of heritage conservation legislation are significant for Defence with no other financial assistance or cost recovery available. The identification, assessment and management planning requirements are expected to cost Defence at in the order of \$11m over the next 5 years. The physical conservation works required on the listed historic heritage assets would be in addition to this figure and is expected to be a considerable amount.



***The current relative roles and contributions 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***

Many Defence sites have been listed by State agencies on their own State based heritage registers. As a Commonwealth agency, Defence is bound to manage its heritage estate in accordance with the EPBC Act. Defence also operates under a 'good neighbour' policy which takes into account State legislation where it does not conflict with Commonwealth obligations.

***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***

This section outlines the positive and negative impacts of regulatory and institutional arrangements and a summary of the key incentives and impediments to the conservation of heritage places.

### **6.1 POSITIVE IMPACTS OF REGULATORY REQUIREMENTS**

There are no direct positive impacts of the regulatory requirements to Defence's business. The structure within the Environment, Heritage and Risk branch of Defence was already developed in a manner to meet legislative amendments and the heritage assets were already under management via Defence Heritage Management.

While the EPBC amendments provided a new regulatory structure to the management regimes within Defence, it is not considered that there were any positive impacts directly resulting from these changes in. The shift to a stricter regulatory approach to heritage at the Commonwealth level does provide a stronger incentive to seek conservation outcomes where feasible across the Defence estate when compared to the previous legislation.

### **6.2 NEGATIVE IMPACTS OF REGULATORY REQUIREMENTS**

The negative impacts of the Heritage Amendments of the EPBC Act include the delays and costs associated with:

- The lack of specific timeframes during the commenting process;
- A perceived focus by DEH on legislative processes rather than heritage outcomes in the preparation of Heritage Management Plans and the provision of advice under S.341ZD and SS.28 of the EPBC Act; and
- Reporting against the EPBC Act.

#### **6.2.1 Commenting Process**

A previous Defence submission to the Productivity Commission (No 29) noted that the provisions of the EPBC Act had provided more certainty of processes and timeframes which had proved to be a benefit.

The amendments to the EPBC Act do not however include statutory timeframes for DEH to supply comments on documentation such as draft Heritage Management Plans submitted to them. Significant delays have resulted in receiving comments and subsequently being able to finalise documentation and precipitate their implementation. This illustrates a key negative impact of the amended EPBC Act which has significant consequences for Defence in their management of historic buildings.

Defence's Heritage Strategy was prepared in accordance with S.341ZA of the EPBC Act (a Heritage Strategy must be prepared "*as soon as practicable and in any event within 2 years after the later of: c) the time the agency first owns or controls a place; and d) the commencement of this section*") in November 2004. At the time of preparing this submission (July 2005) no formal comments have been received. The Heritage Strategy is the document which sets the direction and policy for Defence's heritage management commitments. All other tools, guidelines and policy positions will flow from this strategic document. Without finalisation of the Heritage Strategy, the preparation, finalisation and implementation of the supporting policy documentation to guide the physical management of Defence's heritage resource, becomes problematic.

#### *Process And Outcomes: Heritage Management Plans*

Defence's objectives are to manage its heritage resources balanced with the diverse ADF capability requirements in accordance with legislative requirements.

In meeting this objective, Defence has been developing an approach to the preparation of HMPs that guides short term facilities management needs as well as long term strategic requirements. Defence HMPs signify a shift from the older style documents, known as Conservation Management Plans (CMPs). Defence found that the CMPs were often not used because while they provided considerable information on the heritage values of a place, minimal management and implementation guidance was included. Defence HMPs aim to be succinct and easy to use, often including a 'handbook' for users.

The guidance provided in Defence HMPs is consistent with the EPBC Act and Regulations. These documents are designed to be outcomes focused supported by appropriate background information. This is of paramount importance since, with such a wide variety of "audiences" including operational, planning and maintenance personnel who are primarily non-specialists and have clear mandates and directives under ADF policy and facilities objectives, these documents need to be focused towards ease of implementation. A practical approach to the articulation of HMPs ensures their implementation in consideration of other ADF interests and objectives.

The appropriate articulation of the HMPs is a matter of ongoing discussion with the Heritage Division of DEH and this has been generally positive. Since the amendments of January 2004, the Heritage Division at DEH (HD) have

been supportive of ongoing discussions in an effort to meet legislative requirements while allowing for an educative process on the needs and realities of managing the Defence estate.

### *Use of the Burra Charter*

There is some discrepancy between meeting *requirements*, and meeting *expectations*. There is currently no explanatory memoranda with respect to HMP articulation. Current DEH expectations are that HMPs will be prepared using the Burra Charter process as the primary tool.<sup>2</sup> While the Burra Charter is a sound *assessment* tool, it is largely incompatible with the needs of *articulation* to ensure that HMPs are readily accessible, understood and implemented.

A heavy reliance on the Burra Charter as a means of articulation can make the process cumbersome and *process driven* rather than *outcomes focused*, and result in much greater emphasis on heritage values assessment information rather than management guidance.

The EPBC Act and Regulations therefore become a matter of varying interpretation, which does not provide certainty to Defence in the preparation of a significant amount of HMPs. The Burra Charter is not a statutory document and is not identified as being required for use in the EPBC Act or Regulations.

While Defence recognises the need for rigorous assessment, the full articulation of process adds unrealistic time and financial costs to each HMP as well as significantly increasing the length of HMP documentation which may make them impractical for on-site use and implementation. As Defence is currently required to prepare well over 100 HMPs for the sites currently listed on the CHL, this becomes a significant burden and risk to Defence and its management of the heritage resource across the Defence estate.

## **6.2.2 *Process And Outcomes: S.341ZD And S.28 Referrals***

### *S.341ZD*

Outcomes can be a problematic objective with respect to the submission of documentation under S.341ZD and referrals under S.28.

Under S.341ZD, documentation is submitted to HD in letter form. The only guideline for these submissions is the wording of SS.341ZC and 341ZD. Although the timeframes for the provision of S.341ZD advice are included in

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<sup>2</sup> The Burra Charter is the common use name for the Australia International Council on Monuments and Sites (ICOMOS) *Charter for Places of Cultural Significance 1999*

the Act, Defence has recently experienced a request for an extension of this timing, which affects project planning and contract management.

### *Referrals and Consent Condition Implementation*

If sites are not listed on the CHL or NHL and are subject to an action with the potential to result in significant impacts, the matter is referred to the Approvals Branch of DEH under S.28 of the EPBC Act.

The assessment of heritage under this section of the Act has no clearly articulated objective or process. While the referral process and requirements are clearly outlined in explanatory memoranda, Defence's recent experience is that DEH use the Burra Charter as the assessment bench mark. This means that the assessment and articulation of submissions under S.341ZD and S.28 are distinct and separate both in process and expectation – the latter expectation according more with the non-statutory Burra Charter rather than the clearly explained referral guidelines as developed by DEH.

The use of the Burra Charter also highlights discrepancies in expectation that makes compliance with the referral requirements difficult to understand and meet.

A recent example of this discrepancy occurred with respect to the Mulwala Modernisation Project. This project has already been approved under the EPBC Act and assessments were undertaken as required by the consent conditions. Due to an unexpected and urgent requirement to replace the boiler facility, one building was highlighted as requiring immediate attention, outside the suite of buildings being impact assessed (which is currently still ongoing). This building was an architecturally non-distinct asbestos sheeted storage shed which was required to be removed and replaced with a new boiler facility to service ongoing operations.

Defence had agreed with DEH to extract this building from the general suite of buildings being assessed, given the critical nature of the need.

The building was assessed and determined to be of no significance individually other than the building representing original fabric. The submission of information to DEH and NSW Heritage Office resulted in markedly differing responses. The NSW Heritage Office responded quickly and noted that they were satisfied with the information.

Subsequent requests by DEH for provision of significant amounts of further information was believed to be disproportionate to the significance of the building which was identified as low.

The information supplied to DEH changed neither the action nor the recommended management measures. The provision of information delayed an action identified as an immediate need by three months.

Defence recognise that appropriate assessment and documentation is required. It is also a commitment at Defence's highest levels that environment and heritage will be managed in accordance with the EPBC Act. Defence is fully aware of and committed to these requirements. However, some clarity of purpose is required. Defence look to DEH to assist them with compliance through clarity of expectation and a focus towards outcomes to manage heritage rather than a potentially disproportionate reliance on process.

### **6.2.3**      *Reporting*

Defence is required to report on its performance against its Heritage Strategy every 3 years (S.341ZA[6]). Defence will most likely be required to provide input into the Minister for the Environment and Heritage's 5 yearly reports to Parliament on the National and Commonwealth lists under SS.324ZC and 341ZH. Both activities will result in a time and resource cost for Defence.

## **6.3**              *TAXATION*

There are no positive or negative impacts with respect to taxation arrangements. As a Commonwealth body, Defence receives no taxation benefits or disincentives for the management of its heritage estate in accordance with the EPBC Act.

## **6.4**              *INSTITUTIONAL ARRANGEMENTS*

The primary regulatory and institutional arrangements managed by Defence are those of the Department of Environment and Heritage (DEH) under the amended EPBC Act. The impacts discussed below include:

- Administration of the amendments; and
- CHL listing quality assurance.

### **6.4.1**          *Administration Of Amendments*

The obvious pressure on Heritage Division (HD) of DEH to administer the newly amended Act has an operational flow-on effect for Commonwealth agencies in terms of delays in receiving comments and subsequently completing compliance documentation. This has resulted in delays with the implementation of those policy documents to manage Defence's heritage assets in accordance with the EPBC Act, specifically the Defence Heritage Strategy.

#### **6.4.2** *CHL Listing Quality Assurance*

Defence has found that the DEH assessments currently supporting CHL listings can be factually incorrect or out of date. This has increased the costs of preparing the assessment component of a HMP because the listing needs to be revisited. Defence has determined that it will need to formally request that the Minister for the Environment and Heritage and the Australian Heritage Council update these listings. The preference would be for close consultation with Defence and for DEH to review their assessments and identify if they are appropriate, prior to full listing on the CHL.

### **6.5** *OTHER IMPEDIMENTS AND INCENTIVES THAT AFFECT OUTCOMES*

#### **6.5.1** *Impediments - Internal Reputation*

Defence's personnel are faced with balancing heritage compliance in the context of immediate practical and operational needs. This means that a significant proportion of Defence Heritage Management's time must be spent in training and educating non-specialist groups and facilitating the ongoing management of the heritage resource through established systems and processes.

The negative impacts of the regulatory system outlined above places pressure on DHM to overcome obstacles to implementation.

These negative impacts combine to create an adverse reputation for heritage needs in the broad operational context. When compounded, heritage management then becomes synonymous with financial cost, time delays and undue compromise of functional needs to the detriment of ADF's ability to operate.

The long term implementation of heritage management and "buy-in" from its personnel is a key part of DHM's approach. This would be greatly facilitated through a proactive approach to the management of the issues discussed here on the part of DEH supported by Defence. This in itself will achieve significant gains in the ongoing management and conservation of the heritage resource both through milestone conservation and adaptive re-use and day-to-day maintenance of historic buildings.

#### **6.5.2** *Incentives – Secondary Enhancements*

Other than the social benefits of conserving heritage as a general theme, and direct the benefit in maintaining service heritage and history, there is no tangible incentive for compliance with the EPBC Act other than compliance for its own sake.

By striving for the direct benefit of compliance with the EPBC Act, Defence have recognised the value of secondary benefits that can be achieved through the process. These supporting initiatives recognise the value of Defence's history, allow opportunities to celebrate and commemorate our past and present Defence personnel, and create access to Defence's history for the public.



*Emerging technological, economic, demographic, environmental and social trends that offer potential new approaches to the conservation of historic heritage places*

Defence are a large and diverse agency. The work undertaken by DHM has proved thus far that:

- Specific guidance is required for personnel “on the ground”, particularly those with little or no knowledge of heritage issues; and
- That there is a broad spectrum of opinions on heritage management within the Defence estate. Some perceptions encapsulate the negatives impacts of managing historic buildings within an operational context while there is general support for the social aspects of conserving heritage.

In reality, Defence must react to the social and environmental trends it perceives within its own ranks and instigate and develop its own initiatives to meet those trends.

Given this, DHM have been developing tools and guidelines to assist Defence staff in managing their heritage responsibilities. This has the added benefit of raising awareness as to the potential ease of managing heritage if embedded within established asset management practices. This is designed to, and is succeeding in, promoting a positive attitude towards heritage management. This is generating a broadening perception of helping people to see the *opportunities* rather than heritage management *responsibilities*. With broad “buy-in” from Defence personnel, this is helping to ensure that the benefits result in minimised costs.

The Heritage Strategy is the first of such documents, under which, a series of initiatives and tools have been created to support the objectives of the Strategy, these include:

- ***Opening the Doors Initiative:*** This is a corporate strategy to create forms of positive publicity. Including, the support of museums and interpretive centres, events, open days, brochures and posters, aimed at both Defence and the broader community.
- ***Defence Heritage Register:*** Defence are systematically adding their historic places and heritage resources to the DHR in accordance with S.341ZB (b) of the EPBC Act. The compliance with the Act is the primary driver, however, a secondary driver has been the establishment of the register to provide accessibility of information and promote positive attitudes towards heritage management. The core register is a web based tool accessible to Defence and the broader public and provides a listing of the existing CHL listed properties with links to their Australian Heritage Database citations (<http://www.defence.gov.au/environment/heritage/pages/register.htm#act>).

The detailed register is provided through DEMS and can be accessed by Defence personnel.

- ***Defence Heritage Toolkit:*** The Toolkit is a “how to” manual designed for use by personnel with heritage management responsibilities who may need further interim guidance. The Toolkit contains a series of Guides and Fact Sheets and specifically targeted towards assisting with the Defence-wide implementation of the objectives set out in the Strategy.
- ***Defence Heritage Panel:*** DHM have instigated the Defence Heritage Panel which currently consists of three companies. The DHP support DHM in meeting their obligations under the legislation and to provide independent advice and technical expertise.
- ***Defence Heritage Report:*** The Defence Heritage Report is both a component of the Opening the Doors initiative and a means of reporting on Defence’s heritage strategy and achievements. As with the other tools noted here, there is a specific secondary objective of raising awareness and creating positive re-enforcement for heritage management issues which focuses on the opportunities rather than just the obligations.

***Possible policy and programme approaches for managing the conservation of Australia's historic heritage places and competing objectives and interests.***

Defence continues to develop its own policy and program approaches in response to the positive and negative impacts of the current system, as well as in response to perceived and real trends and needs within Defence.

In specific relation to historic heritage, Defence is continuing to develop tools and initiatives to support the primary objectives including:

- National policy position and guidance for issues which have a nation-wide interest such as the removal of asbestos from historic buildings, the management of heritage landscape elements which conflict with land management requirements etc; and
- Training materials are being developed to educate the broader Defence community, promote a positive message with respect to heritage management and to clarify the obligations faced by Defence and the opportunities to ingrate them in ongoing asset management practices.

The management of competing objectives and interests is an ongoing area of development for Defence. The very nature of Defence is, at first glance, largely incompatible with heritage management given the need to be a dynamic and evolutionary agency in response to national and international influences. However, heritage investment can contribute to traditions and culture, enhance and provide context to working and living environments, and boost morale and retention for Service personnel.

In order to increase the level of compatibility and to proactively manage competing objectives, Defence has committed significant resources to the development of initiatives, policies and programs to achieve compliance. Which will benefit both Defence and the broader public.

This is an ongoing feature of Defence's commitment to achieving its environmental goals. This would be further facilitated through:

- An introduction of statutory timeframes for the provision of comments supported by appropriate resources within DEH to administer the Amendments; and
- Policy statements and explanatory memoranda as appropriate to remove the ambiguity between submissions under S.341ZD and SS.26 and 28 of the EPBC Act with respect to heritage.

Attachment 1 – Defence Regions

