

## **FEDERATION OF AUSTRALIAN HISTORICAL SOCIETIES**

We believe that the following key issues deserve consideration and study by your Commission:

1. Australia's heritage is an inheritance passed on from generation to generation. It is a living record of places, stories, objects and events which define and sustain our cultural identity with the physical landscape;
2. historic heritage is a fundamental element of Australia's social capital which ought to be valued by the Commission so that appropriate government funding programs can be established;
3. need for government involvement in developing policies for heritage protection nationally, and market issues (private property rights issue with funding support), economic spin off of government funding, private sector v private sector contributions. (see notes below in Appendix 1);
4. owners of heritage places (including governments) have a duty of care to protect those places. Funding support for private owners could include tax incentives, grants and revolving funds. However there are now studies of the market value of heritage buildings including in regional Australia (see Appendix 2) which indicate that heritage listing affects values positively;
5. lack of resources for undertaking heritage studies. The Federation of Australian Historical Societies and other historical societies are all collecting records and artifacts which record local history;
6. All historical societies have cultural collections – documents, graphic documents and artifacts - although many do not maintain an actual museum. These collections have characteristically been assembled from local donors through the goodwill generated by dedicated volunteers. The very large number of manuscripts, ephemeral publications, photographs, prints and material objects which is held by local societies constitutes an irreplaceable distributed national collection of cultural material.
7. extent of income in regional Australia derived from cultural tourism, when the integrity of the natural heritage sites are actually dwindling through drought;
8. Many Australian rural towns have suffered economic decline and depopulation in recent decades. Those communities have harnessed cultural heritage to present to visitors. For example, Broken Hill has found imaginative ways of encouraging cultural tourism through its heritage. In many smaller communities the local historical society's ability to display material and to participate in the interpretation of the district's heritage has supported local authorities, tourism organisations and businesses through difficult times.

9. The economic value of the work of volunteers in historical societies in Australia is enormous. Historical societies undertake thousands of hours per year of voluntary work promoting regions to Australian and international tourists. The not-for-profit sector including historical societies is a very cost effective provider of community services including promotion and conservation of the nation's cultural heritage. This community involvement also provides a framework for community education in cultural heritage values;
10. Volunteers at Historical Societies invest their social capital into the local community. This role is extremely valuable in uplifting cultural values locally and the mental and physical health of the volunteers. (This has already been demonstrated in social policies in the United Kingdom.)
11. Social Capital has already been identified by the Productivity Commission in 2003 as the value of actions that lead to the development of social norms, co-operative arrangements, and shared understandings. The Commission noted that social capital generates benefits to society by reducing transaction costs, promoting co-operative behaviours and enhancing personal well-being. It recommended that further research be encouraged to provide tools for incorporating social capital considerations into policy analysis;
12. the level of government grants and support for historical societies and community organisations and owners of cultural heritage places in regional Australia needs to be increased;
13. the opportunity for implementing a Heritage Care Program across Australia, complementing the Landcare and Bushcare programs, by inputting the historical context of all the local environmental management and rehabilitation. The report, *Public good conservation: Our challenge for the 21st Century*, an interim report of the inquiry into the Effects upon Landholders and Farmers of Public Good Conservation Measures Imposed by Australian Governments, by the House of Representatives Standing Committee on Environment and Heritage addresses, supports and extends this argument. (see also notes in Appendix 1)
14. greater funding for preservation and interpretation of historical sites and buildings. There ought to be financial incentives for owners of heritage buildings to maintain them to high standards. This should complement support for historical societies in identifying and promoting cultural heritage in Australia.
15. standard criteria for determining historical and cultural significance - as under the Burra Charter and publications of many State Heritage bodies. Heritage should be promoted and utilised throughout Australia by all levels of government authorities.

### **Appendix 1**

The major risks in leaving heritage conservation to market forces, both individual owners and heritage developers compared to the cost-effective contribution of the not-for-profit sector include:

- a fragmentation of heritage, incrementally comprising the connection of elements, such as individual privately owned buildings to the whole, to their setting and the broader landscape

- a focus on certain forms of heritage, that are seen to be more attractive either aesthetically or economically or more amenable to future use such as for adaptation / development as a tourism resource etc leaving layers of heritage, types / forms of heritage unprotected, unmaintained / unconserved and managed aspects of Australia's story continuing to the detriment of the full picture, and depriving future generations of their inheritance.

As previously stated by a 1998 Senate Committee inquiry on heritage access, priority must go to fundamental conservation goals.

It is important to emphasise the basic principle of priority to fundamental conservation goals. This is important as a precautionary approach: heritage, once destroyed or sullied, can rarely be recovered. It is also important for avoiding the tyranny of small decisions, whereby incremental developments perhaps done for the purpose of providing disabled access result in destruction of the actual cultural heritage values of the place or building. (Senate Committee 1998:12)

A useful report outlining these issues is:

*Revolving Funds for Historic Heritage, National Incentives Task Force for the Environment Protection and Heritage Council, April 2005*

This information paper by a joint taskforce of Commonwealth, State and Territory heritage officials' analyses how revolving funds operate for historic and nature conservation. The revolving funds concept is very successful and well accepted overseas, and is gaining currency in Australia as a tool for conservation of the natural environment. The Australian Government has contributed \$4 million in recent years to assist various State Governments to establish revolving funds, such as the BushBank in Western Australia. The report suggests that consideration be given to applying the same concept to the historic environment.

Another useful report on this point is a Canadian one dated, 29 June 2001, entitled *Heritage Preservation makes `cents': Heritage planning as community economic development.*

## Appendix 2

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

The study examined the effect of heritage-related planning controls on property values, and on local government rate revenue, focusing on the Victorian gold mining town of Maldon and other towns in the Victorian goldfields area, over the period 1970 to 1990.

The study concluded that:

- "The strict heritage and planning 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. "
- The value of heritage listed residential buildings in Maldon appreciated 1844% over the 20 year period, compared with a lesser appreciation of 1432% for other residential buildings.

- Demand for heritage houses is greater than for other residential property, with shorter sale periods and greater buyer interest. Property values in Maldon are stronger than most towns in the region. Maldon had the second highest average sale price in 1990, behind only Yanckandanda. The townships which all have a significant stock of heritage buildings and strict heritage controls (Maldon, Yanckandanda, Clunes and Beechworth), have higher property values than the four townships in the region with minimal heritage controls (Avoca, Dunolly, Heathcote and Newstead).
- 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' maintenance of individual buildings.
- The impact of heritage listing on property value occurs in two ways. These are (a) the initial effects associated with listing, at the time of listing, and (b) the subsequent change in values over time.
- Heritage listing on a macro level, is not a major factor in determining property value either at the time of listing or following. However, there are individual cases where the effects are more significant, either positive or negative.

The report, *Economic Effects of Heritage Listing* (1995) commissioned by State and Commonwealth heritage agencies in Australia, and undertaken by a team of urban planners, economists, valuers and architects, concluded that:

- "The limited quantitative research which has been undertaken relates to the impact of heritage designation on property values within particular sub-markets, for example, specific residential precincts, or certain types of commercial property. These studies suggest that heritage designation *per se* has little impact on the value of residential property.
- The most recent research suggests that other factors such as location, general amenity, level of ethnicity etc are possibly greater influences on value than heritage designation. A survey of real estate agents active in historic residential areas, undertaken as part of this study, supported the view heritage listing generally has little impact on residential property values. The heritage qualities of historic residential property are generally emphasised as a positive attribute in marketing campaigns by developers and agents" (p. 1).
- "Analysis of the case studies indicates that the economic effects of heritage listing are influenced by the nature of the building and its use; the availability and feasibility of alternative uses; the condition of the building; and the location of the building. As such, it is very difficult to generalise and the assessment of economic effect can only be carried out on a case by case basis" (p. 131).
- "Where there is a fall in value associated with listing (as appears to be the case with the Princess Theatre and the Fitzgerald Hotel), then this tends to be a one-time cost, normally borne by the owner of the building at the time of listing. After listing, the property market tends to inform

itself of the implications of listing and factor this into value calculation" (p. 132).