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Conservation of Australia's Historic Heritage Places

Submission to the
Productivity Commission

by

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I am pleased to submit the following information for the inquiry's consideration. This is based on my experience over 15 years in private architectural practice specialising in the field of historic heritage conservation. Based in Brisbane, my firm provides heritage consulting services throughout eastern and northern Australia focussed mainly on south-east Queensland.

This submission raises what I believe are some particularly-pertinent issues for the inquiry to consider.

Because of the many intangibles which are inherent in the nature of heritage conservation, it is difficult, if not impossible, to present quantifiable data to the inquiry. Much of this submission is therefore qualitative in nature but, nevertheless, based on experience and my honest professional opinion on the matters presented.

I trust my submission is of some help to the inquiry and would be happy to further attest to any of the matters discussed herein.

Ivan McDonald

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PERSONAL INTRODUCTION

I am an architect in private practice specialising in historic heritage conservation. I have been involved in heritage conservation for 25 years and have been actively involved in the National Trust as a former employee, Councillor, State vice-president and chair of the Listings Committee. I am currently a member of the Brisbane City Council's Heritage Advisory Committee and have been, for the last 5 years, Heritage Adviser to both Ipswich and Toowoomba City Councils. My firm is based in Brisbane and provides heritage consulting advice throughout eastern and northern Australia focussed mainly on south-east Queensland.

I appear before the Commission today in a private professional capacity and do not represent any other organisation.

Ivan McDonald

25.7.05

- the “carrot” and the “stick”

There seems to be general public acceptance that the conservation of our historic heritage places is a necessary and worthwhile outcome in a mature society. Where opinion varies is on how this outcome is to be achieved and, more specifically, who should bear the cost.

I find owners of heritage places generally accept the concept of heritage conservation and the need for a regulatory and legislative regime to control conservation outcomes ie having the “stick”. I even find people generally accept the “stick” being wielded on them by way of compliance with heritage controls, even if they are inconvenienced or disadvantaged by more bureaucracy, more cost and more constraints on their private property rights. They accept this on the basis that there is a broad community benefit.

I find owners of heritage places generally do not accept that they should have to bear the cost or be financially disadvantaged by achieving such community benefit. This is because there are effectively no “carrots”.

It seems to me to be patently unfair that, as a community, we place value on our heritage places to the point of legislative control yet we do not, as a community, bear or support the cost of their conservation.

At every level of government there is heritage regulation and control which politicians seem very happy to implement yet at no level of government is there sufficient or effective compensation or assistance for real costs incurred by the owners of heritage places for their conservation.

What few methods of encouragement and support that were once provided have gradually disappeared. I refer specifically to the National Estate Grants Program, the Tax Incentive for Heritage Conservation scheme and, in Queensland, the Queensland Heritage Grants Program. While these sources of funding assistance were always precious little, they were better than nothing.

I am aware of two specific groups of heritage place owners who are particularly disadvantaged by the status quo. These are individual house owners and community groups – especially churches. Unlike owners of commercial heritage buildings (who have greater opportunities to derive income from their buildings, can pass on GST to consumers and can claim repairs and maintenance as tax deductions), house owners and community groups have little or no revenue stream through their buildings, generally cannot pass on GST paid for in conservation works and cannot (in the case of private house owners) claim building maintenance and repairs as tax deductions.

As a matter of public policy, I believe that the community ought to bear a reasonable amount of the financial cost of heritage conservation in line with the degree of community benefit derived from such conservation.

- the principle of “no worse off”

While some owners of heritage buildings are pleased and proud of their building’s status and significance, many owners see it as a curse and financial encumbrance which places them at a financial disadvantage compared to other building owners. While a lot of this perception is incorrect, there are certain aspects of heritage place ownership that are financially disadvantageous.

Some of the misconceptions relate to decreases in property value, restriction or reduction of sale prospects, lack of access to finance and difficulty in obtaining property insurance. While there are certainly instances of all of these outcomes occurring, they are, in my experience, the exception rather the rule.

There are, however, compliance requirements which cost the owners of heritage buildings more than ordinary building owners. At least in Queensland, the definition of “development” that applies to heritage places under the Queensland Heritage Act is considerably broader and triggers more development applications than the general definition of “development” under the Integrated Planning Act. A similar situation exists under Brisbane City Council’s City Plan where heritage-listed places trigger planning applications at much lower thresholds than non-heritage-listed places.

This means that the owners of heritage places often have to bear the cost of preparing and lodging applications for approval - often with professional input - to carry out work that non-heritage-listed building owners do not.

Similarly, work on heritage-listed places often involves higher standards and consequential higher costs than on non-listed places. While it could be argued that repairing gutters in original OGEE-profile rather than the cheaper QUAD-profile or replacing rotten window sashes in matching timber rather in cheaper aluminium adds value to a place, it none-the-less costs the owner more.

It is my contention that owners of heritage places should not be financially disadvantaged by the heritage listing of their property beyond what would reasonably be required of a non-listed property owner and that it should be the responsibility of the regulating authority (at whatever level of government that may be) to ensure that adequate compensation, concessions, waivers or relaxations are available.

For instance, a local authority could waive a planning application fee to defray the cost of professional input into preparing an application.

For instance, a tax deduction could be offered for repairs and maintenance for the cost difference between carrying out the work to appropriate conservation standards and carrying out the work to normal building standards.

In such a system, the community through its elected governments would share some of the financial burden of heritage-listing while reaping a real, (but less-quantifiable), community benefit in the conservation of historic heritage places. Individual owners would and should be no worse off.

- “do as I say, not as I do”

Since economic rationalism became a mantra of government in the 1980s, many fine public buildings which form an important part of our cultural heritage have been made redundant and disposed of by government. This has occurred at all levels of government but has been particularly noticeable with post offices, court houses and schools.

It is my contention that public buildings of cultural heritage significance should generally remain in public ownership as an enduring public legacy. If, because of changing practices, their original uses cannot be maintained, then appropriate adaptive re-uses should be found for them within the public realm.

It seems hypocritical to me that governments espouse the merits of heritage conservation through legislation while disposing of their own (albeit the public's) heritage assets at the same time.

What is more hypocritical is when one area of government neglects their own heritage buildings, sells them off and another area of government imposes stringent conservation outcomes on the new private owner. This happens time and time again with State and Commonwealth properties.

I submit that government policy should be strengthened to limit the opportunity for disposal of public buildings so that they remain public assets for future generations.

- “listing – love it or loath it”

The heritage listing of privately-owned property is often contentious and, at times, highly-adversarial and legalistic. This does not help promote the ideals of heritage conservation but does, unfortunately, create a growing body of resentment amongst private property owners.

Ideally, heritage registers at all thresholds of significance should adequately (but not overly) represent a diverse range of places in a balanced, rational and methodologically-rigorous manner. The current reality of most heritage registers is far from this ideal. One of the particular difficulties in achieving this ideal is the reliance, on the part of listing agencies, on receipt of nominations, often by someone other than the property owner. This is a reactive rather than proactive response and usually creates great angst for the property owner.

In an ideal world, there would be sufficient funds to comprehensively survey all areas and prepare a full range of thematic studies so that most places of cultural heritage significance could be reliably identified. This would be expensive and seems unlikely to happen.

Heritage listing is perceived by many property owners as a negative and an incumbrance. A typical owner's response is, 'What's in it for me?'. This often leads to objection and legal action and tends to create a bad image for heritage conservation. If this perception could be changed, the whole process could be made positive and productive but, in order to achieve such an outcome, the answer to the "What's in it for me?" question has to be able to be answered with some tangible, positive responses. Such responses probably need to be in the form of financial incentives and concessions such as could be applied through the Commonwealth taxation system, grants, land tax and rates rebates, low- or-no-interest loans and the like.

If proper incentives were to be provided, the heritage listing process could be changed from a negative to a positive perception in the community creating a desire (rather than a loathing) for heritage listing. Having people wanting their place listed would allow easier and more-reliable comparative assessments of significance and would relieve much of the current community and government cost in objecting to and appealing such listings.