



Our Reference: 22771 / WC:VG

1 March 2006

Secretary
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Sir

Submission to the Productivity Commission's Draft Report on the Inquiry into the Conservation of Australia's Historic Heritage Places (December 2005)

The Local Government Association of South Australia (LGA) welcomes the opportunity to provide a submission to the Productivity Commission's inquiry on the Conservation of Australia's Historic Heritage Places. The specific findings of the draft Report in terms of recognising the importance of our built historic heritage and the significant role played by Local Government are acknowledged and supported.

The LGA is recognised as the peak representative body for Local Government in the State of South Australia. It is a membership organisation that provides quality service and leadership relevant to the needs of member Councils. The following comments reflect the wide consultation that has been undertaken with Councils, and it is understood that a number of Councils will also be providing individual submissions that are more specific to the nature of their communities, directly to the Commission.

The LGA has also had the benefit of considering the Australian Local Government Association's submission to the inquiry and wishes to convey its overall support for the views expressed therein. In particular, the LGA agrees with the statement by the ALGA that there is insufficient evidence or documented justification to introduce the draft Report's key recommendation [Draft Recommendation 8.1] relating to the use of conservation agreements.

The LGA is strongly opposed to the notion of voluntary listing conditional upon negotiated heritage agreements. Such a system is considered to serve private interests at the expense of inter-generational equity and community benefit. Whilst it is appreciated that the ability to comprehensively quantify the benefits arising from heritage conservation is not an easy undertaking, the LGA rejects any recommendations that would have the effect of significantly altering the foundation of the current listing system being made on the basis of perceived costs.

The vast majority of Councils in South Australia have a firm commitment to heritage conservation with well established and effective heritage protection and conservation mechanisms in place, reflected through Council policies and strategic plans. Councils in South Australia, and no doubt around the country, would be loath to support a system which would effectively erode the extensive

conservation work previously accomplished and potentially lead to a situation where the only items that are conserved are those that were the subject of negotiated agreement.

Furthermore, from a practical viewpoint, the introduction of such agreements would have significant resource implications for South Australian Councils. Many Councils would need to employ additional staff or engage consultants to carry out the extra workload which would include the facilitation of these agreements. Further strain on resources could potentially lead to increased costs for many property owners and ultimately the local communities, including the reduction in the ability of Councils to protect items of particular local value. This is especially relevant as heritage related expenditure by the majority of Councils in South Australia is already constrained by limited sources of funding.

The draft Report appears to fail to recognise or adequately appreciate the legislative requirements and related Local Government practices involved in dealing with heritage matters. Statutory Local Heritage listing of properties is only proposed following comprehensive research and survey to establish historical value and heritage significance. Community participation is governed through both the legislative process and Council policy. The process is transparent and subject to wide community and stakeholder involvement. It is only in the more exceptional cases such as where properties are deemed to be under immediate threat of demolition, that controls are placed on a property at short notice.

Whilst it is acknowledged that there is scope to improve heritage conservation arrangements and practices within Local Government, and there is recognition of the additional imposition that heritage listing has on owners of these properties, significant work has been, and is continuing to be, undertaken at both the Local and State level in South Australia in regard to the protection of heritage places.

The State Government's '*Heritage Directions*' initiative expressly proposes to strengthen procedures for listing local heritage places through the planning process, and the majority of Councils encourage and facilitate heritage conservation through a number of avenues. The LGA views heritage conservation as a shared responsibility between all spheres of government and private property owners. It is widely agreed by Local Government that the sector's resourcing constraints and the implications arising from 'cost shifting' (refer to the Hawker Report – Rates and Taxes: A Fair Share for Responsible Local Government, 2003) creates even more reason for seeking increased Federal and State involvement in providing financial and policy assistance for the protection of, and education about, heritage conservation.

However, there appears to be little in the draft Report that addresses incentives to assist Local Government to encourage heritage protection. This is of particular concern given that a number of significant incentives such as those related to tax relief (e.g. an increase of the range of organisations which are able to receive tax deductible donations of cash; the re-introduction of a tax rebate scheme for persons or organisations undertaking heritage conservation projects) land tax or stamp duty reductions, are within the jurisdiction of the Commonwealth or the States.

It is suggested that in addition to introducing requisite amendments to taxation laws to confer benefits to organisations, a range of initiatives should be considered, including increased funding to programs already in place such as direct grants to owners of heritage places and not for profit heritage organisations; monetary incentives to assist in building restoration and maintenance; incentives for developers to sensitively adapt buildings to new uses rather than demolish for replacement; awards that recognise community efforts; and funding for the provision of heritage advisory services and technical assistance which is offered by many Councils to their constituents at no cost.

Conservation agreements have value in encouraging the protection and on-going maintenance of heritage buildings, but their use needs to be coupled with incentives such as those outlined above, together with programs focused around education/promotion, research and skills training.

To this end, the LGA is especially supportive of the ALGA's Recommendation (number 2) in their submission that 'The Australian Government in particular should play a stronger leadership role in heritage conservation, and give serious consideration to ways in which greater resources can be made available to strengthen this sector of the community, particularly for Local Government'.

In summary, the LGA welcomes the work of the Commission in producing the draft Report and supports the specific findings in terms of recognising the importance of our built historic heritage and the significant role played by Local Government.

The LGA is however concerned that the thrust of the draft Report's recommendations do not appear to promote a balance between community and individual rights. In particular, the recommendations concerning negotiated conservation agreements are strongly opposed. If introduced, the proposals would have potentially serious financial and resource implications for Councils and their communities, together with the danger of a resultant diminution of the character of places, particularly at the local level.

In addition, the LGA encourages further serious consideration being given to exploring the range of incentives that could be introduced to assist all levels of Government to more adequately conserve items of significance and improve the overall outcomes for the conservation of Australia's historic heritage.

Should you require any further information regarding this submission, please contact Victoria Gailit, Senior Policy Officer, on (08) 8224 2067 or email victoria.gailit@lga.sa.gov.au

The LGA would appreciate being kept informed of the progress of the Inquiry.

Yours sincerely

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