

25 July 2005

Mr Herb Plunkett
Assistant Commissioner
Heritage Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Mr Plunkett

CONSERVATION OF AUSTRALIA'S HISTORIC HERITAGE PLACES

Lotterywest is pleased to present its submission to the Productivity Commission Inquiry into the Conservation of Australia's Historic Heritage Places.

As you will see, Lotterywest has been making grants into this sector for than a decade. We look forward to speaking to this submission at your public hearing in Perth on Monday 1 August 2005

Yours sincerely

JAN STEWART
Chief Executive Officer

SUBMISSION TO THE PRODUCTIVITY COMMISSION INQUIRY INTO THE POLICY FRAMEWORK AND INCENTIVES FOR THE CONSERVATION OF AUSTRALIA'S HISTORIC BUILT HERITAGE PLACES

LOTTERIES COMMISSION OF WESTERN AUSTRALIA trading as LOTTERY WEST

Lotterywest Overview

Lotterywest is a Western Australian Government enterprise operating in a commercial environment with an annual income in excess of \$520 million. This is achieved by selling our gaming products through approximately 580 retail outlets throughout Western Australia and by monies earned on investments. Our primary objective is to return profits to all beneficiaries and to the community of Western Australia.

Lotterywest is unique in Australia in being governed by legislation that combines the income generation and distribution functions whereas other lottery systems have separate organisations generating funds and distributing them. Our unique structure allows sales and marketing efforts to work alongside grants and community development with each adding value to the other. That makes a difference to our culture, other achievements and to our international standing in both the lottery industry and in the community sector.

The Lotterywest Grants and Community Development section distributes grants to Local Government Authorities and not for profit community organisations. In the 2004-2005 financial year more than \$65M was distributed in direct grants.

For over a decade Lotterywest has provided grants totalling more than \$17 million to community organisations to support the conservation of important aspects of Western Australia's cultural heritage. In doing so Lotterywest has been instrumental in linking and engaging with the heritage and community sector; promoting best practice, community access to and awareness of the social and economic benefits of our diverse cultural heritage.

Background and Context

Lotterywest has five broad grant areas within which we provide grants. They are to:

- Extend the capacity of not-for-profit organisations.
- Strengthen community service delivery.
- Enhance community development initiatives.
- Value our State's heritage.
- Advance participation in community life.

These areas have emerged over the years in response to community need and demonstrated priorities.

Valuing Our State's Heritage

As one of Lotterywest's five priority areas, significant budgets and grant opportunities have been established over many years in support of our State's cultural and natural heritage. An overview of the six specific grant initiatives developed within the cultural heritage area is presented below.

1. Conservation of Cultural Heritage Grants.

Since 1994 Lotterywest has been making Conservation of Cultural Heritage Grants to help community groups to conserve part of the State's cultural heritage.

Grants are available for urgent conservation work on places or objects of significant heritage value, as well as for the preparation of conservation or treatment plans.

Annual budgets have normally been around \$1M with a total of \$14.4M awarded over the past ten years.

2. Community Histories Grants

Since 2000 Lotterywest has made grants to help communities record and share their history, as a way of maintaining their sense of identity and heritage. A project may record the history of people living in a particular place or may focus on a community of interest.

Grants are available for projects that are accessible to the broad community and have supported the production of books, CD-Roms, brochures, photographic records, oral histories, audio or video tapes.

An annual budget of around \$450,000 is available with a total exceeding \$1.2M having been distributed in the past five years.

3. Interpretation of Cultural Heritage

This grant area was developed in 2003 following a review of our cultural heritage initiatives. These grants aim to assist communities to develop and communicate a better understanding of the significance of their cultural heritage places and objects. Organisations are encouraged to seek new and innovative methods of interpretation. Recent projects have included the installation of signage, and the development of publications and public programs that inform the wider community.

An annual budget of \$350,000 has been made available with \$736,365 distributed in the past two years.

4. Cultural Heritage — General Grants

Lotterywest also considers proposals for capital works, equipment, planning or project costs for heritage related activities which fall outside what may be supported under the three specific programs outlined above.

Museums or historical societies are typical applicants for these grants. They are encouraged to adhere to good historical/heritage/museum practice and to seek appropriate professional advice to shape their projects. Assessment considers the broader community benefits of the heritage-related activity and how it encourages community interaction and involvement.

An annual budget of \$250,000 is currently available with \$848,585 having been distributed in the past four years.

5. Memorials Grants

Grants for the construction, conservation and interpretation of memorials are provided for communities to commemorate an aspect of their culture and heritage where the memorial is deemed significant to the community.

No specific budget has been nominated though grants totalling \$89,345 have been made in the past two years.

6. Interpretive Centre Grants

Lotterywest provides grants for capital works and equipment for the non-commercial components of Interpretive Centres, Interpretive Centres present cultural and heritage information to enable visitors to develop an understanding about aspects of a community. They might also act as a meeting place and starting point for a further exploration, of a site or issue.

While no specific budget has been nominated, substantial contributions such as \$250,000 towards the interpretive Centre at Greenough Hamlet have been made in recent years.

Conservation of Cultural Heritage Grants

More specific detail on Lotterywest's Conservation of Cultural Heritage Grants is given in the section below.

Lotterywest has supported Conservation of Cultural Heritage projects with grants totalling more than \$1 million per annum for over a decade. The consistency and sheer volume of conservation projects that have received this significant amount of financial support has helped secure the ongoing viability of the cultural heritage industry in this State.

Types of Proposals Supported

Priority is given to projects where the community directly benefits from the enhancement of its cultural heritage, In addition:

- The completed conservation works should result in a lasting benefit to the cultural heritage of Western Australia.
- The heritage project must be in Western Australia and provide benefits to Western Australians.
- Local community initiatives are strongly encouraged.
- Organisations should demonstrate that they are active and capable of managing the project.
- It is preferable that the Lotterywest grant is not the sole contribution to the project costs.

Grants are considered only for non-recurrent conservation costs and are not provided for the purchase of places or objects.

The following factors inform our assessment of applications:

- The community benefit of the proposal.
- Evidence that the conservation services will be provided by a recognised practitioner.
- A written statement on the significance of the place/object to be conserved.
- Evidence of the urgency of the proposed works.
- Information about how the proposed works are in keeping with the significance of the place/object.
- Evidence that suitable after-treatment care for the place/object will be undertaken.
- Evidence that a collection management system is in place to safeguard cultural heritage objects once conserved.

Grants for works are usually only considered if a Conservation or Treatment Plan has been completed.

Assessment Process

Due to the overwhelming, demand for funds in the cultural heritage area Lotterywest manages the assessment processes through grant rounds and, where possible, fully supports requests in order to maintain the integrity of projects. The emphasis Lotterywest places on the need for the proposal to establish its 'community benefit' has often proved effective in leveraging complementary funding from Local Government and businesses.

All Conservation of Cultural Heritage Grants applications are assessed against the community benefit criteria before proceeding to technical assessment. This expertise is sourced through Heritage Architects employed under the Department of Housing and Works

A recommendation is submitted to the Lotterywest Board for its consideration, and then to the Minister for Government Enterprises for approval. This process ensures accountability for the grants we provide to the community.

Community Benefit

The Lotteries Commission Act determines that requests can only be supported where there is a charitable or benevolent purpose. The 'community benefit' criteria is therefore an essential component of grants in the heritage area. Lotterywest does not make grants only for the sake of the heritage values embodied in a place but rather for the benefits that place brings to the broader community.

In order to assess the community benefit of any proposal an applicant is required to provide specific information regarding the place to be conserved. Specifically they are asked to demonstrate how the place or object to be conserved will:

- contribute to and strengthen community identity and whether it will contribute to 'a sense of place' for local residents
- involve other community stakeholders and whether the project will contribute to partnerships with other organisations
- meet particular needs in the community and how those needs have been identified
- help to build community cohesion by bringing a range of community groups together, eg school children, seniors or people of diverse cultural backgrounds
- benefit people and groups within the community, describing specifically how
- they will benefit eg improved access, educational benefit, economic benefit.

In supporting community proposals Lotterywest has maintained a 'best practice' approach, ensuring community organisations establish the significance of the place or object concerned, work in accordance with accepted heritage sector practice, engage professional heritage consultants, develop conservation or treatment plans and employ professional heritage practitioners.

Lotterywest maintains a community development approach through the assessment process by guiding and assisting applicants to further develop their

proposal. Unsuccessful applicants are encouraged to reapply if their project has merit but is unable to compete for the available funds in the particular round or if the shortcomings of the application can be addressed.

This flexibility also means that proposals for projects that have merit, but fail to substantiate their heritage claim, may be redirected to other Lotterywest grant areas. Lotterywest therefore has the capacity to support heritage in its broadest possible understanding.

Examples of the Flow-on Benefits of Conservation of Cultural heritage Grants

Heritage places supported by Lotterywest do not have to be listed on the State or National register. This means that the conservation of a place or object may be supported, even if its heritage value is relatively localised but its potential to benefit the community is high. This is particularly apparent in regional areas which may be experiencing a decline in population and economic activity and where the potential of a heritage proposal to increase tourism and therein economic activity is taken into consideration in the assessment process.

The Australian Inland Mission Hospital Museum at Lake Grace is an example of Lotterywest's support for the adaptive reuse of a significant building and the potential it has to inspire the local community and revitalise a town. Lotterywest provided 5 grants totalling nearly \$83,000 to support the development of a Museum to present the history of the building's use as a "bush hospital". Two conservation grants in 1995 and 2000 were complemented by subsequent grants for the production of interpretive signage including plaques, panels and brochures as well as a web page and a soundscape installation at the Museum. These grants reflect high level of involvement and engagement by the local community of 1,500 residents in the project. The Museum has since become a tourist attraction for the town, encouraging occupants of the 65,000 vehicles passing by annually to consider visiting to view the primitive medical facilities and treatments available to rural communities in the early days of the State's settlement.

Lotterywest's approach in supporting cultural heritage is also well illustrated through the grants provided to the Katharine Susannah Prichard Foundation. Over a number of years the Foundation has received various Lotterywest grants totalling more than \$53,000. These not only covered urgent conservation works and heritage consultant fees for Katharine Susannah Prichard's House, home of an early West Australian writer, but also supported the use of the building as a writer's centre and literary Museum. These grants were directed towards archiving records of historical and literary significance; towards the preparation of interpretive material for tour guides; and to support the retention of the building as a place for writers through the purchase of equipment to assist with the preparation of work for publication.

Review

Lotterywest is committed to continuous improvement which means that we regularly review and enhance our business processes and our grants policy to ensure that we are best able to respond to community needs and aspirations and can complement other funding and policy environments.

The Cultural Heritage area was reviewed by an external consultant in 2001 and an Advisory Committee established to provide community and heritage sector input into the revised program structure that resulted from the recommendations.

2004-2005 Grant Round

In the most recent grant round \$1.5M was made available for grants. 105 applications were received with a total request of more than \$4.6M. 90 requests proceeded to technical assessment with 8 applications transferred out of the program and considered under alternate Lotterywest grants programs.

68 of the initial applicants received grants ranging in size from \$3,000 to \$69,000 throughout the metropolitan and regional areas. Of the successful projects, 18 were churches. Other recipients included museums, public buildings, transport facilities and grave sites. Successful applicants included Local Government Authorities, church groups, the National Trust and other community organisations.

A Schedule of approved grants is attached for further reference.

The Future of Lotterywest Cultural Heritage Grants

Lotterywest has a strong track record in providing support through grants to the cultural heritage sector. These grants recognise our State's unique heritage places, acknowledge our diverse cultural identities and complement strong community commitment to cultural heritage projects.

While we are also aware that due to limitations on available funds, many worthwhile conservation projects may be either under-funded or miss out altogether, we are confident it that our contribution is making a difference in communities. Grant support through Lotterywest is instrumental in assisting communities to engage with their own local heritage and has resulted in improved infrastructure for community use. Opportunities have been provided for traditional building skills to be maintained and the community has taken pride in the improved appearance of its buildings.

Lotterywest's continued business success has resulted in annual sales totalling over \$520 million enabling us to give a record \$164 million to the Western Australian community. However, we operate within a mature market where our per capita sales are the highest of any lottery in Australia and Lotterywest is unlikely to experience significant growth. Nevertheless we would expect the current contribution to cultural heritage to remain unchanged as it is protected within our grant making framework and our continued commitment to cultural heritage. Lotterywest looks forward to continuing this strong partnership with the community sector in conserving and preserving our State's rich and diverse cultural heritage.