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The Chairperson
Australian Built Heritage Inquiry
Productivity Commission
PO Box 80
BELCONNEN ACT 2616

Dear Sir/Madam

I wish to make a brief submission to your Inquiry. In support of this submission, I enclose a copy of an article of mine, *The loyalty of a habit*, which considers other values of heritage conservation. The points that I wish to make are:

1. I believe that heritage conservation has economic values, but also as social and cultural values. Your inquiry should be informed by consideration of the social and cultural values, so that economic value is seen in that context.
2. A Fremantle estate agent demonstrated that the value of properties more often than not rise when they are heritage listed. I asked him to make a submission to your inquiry. I understand that he will do so.
3. A common policy for encouraging heritage conversation is to allow planning offsets, -such as relaxation of R codes-in return for heritage conservation. This is a valid policy but needs to be exercised with caution. We have seen, in Fremantle, examples of excessive relaxation for relatively trivial heritage conservation.
4. Those who argue that heritage listing leads to loss of value suggest compensating property owners for this loss. In this regard, I criticised part of the report (1995) of a committee, chaired by Phillip Pandal, which reviewed the WA Heritage Act 1990. I commented: *The committee's report advocates financial compensation for owners for potential loss of value if a heritage order is placed on their properties. I am not aware of any state that offers financial compensation, which is difficult to assess. Most owners can be compensated in other ways: by grants for conservation or restoration work, by planning offsets, by reduction of local authority rates, etc. However, local authorities need to guard against allowing concessions, which are sometimes too generous and can lead, for example, to incremental increase in building densities. Anyhow, studies have shown that heritage classification more often than not leads to increased property value. I argue, that if an owner wishes to be compensated for loss, he or she should offer to transfer to the community part at least of any increase in value due to heritage classification.*
5. We are increasingly aware of the need for sustainability. Many older buildings were built to last for a long time; many new ones are deliberately designed to have a relative short life. Every time an existing building is demolished, apart from some recycling, materials are wasted. In addition, the energy involved in constructing the building has been wasted. It has been argued that there might be some kind of tax on demolitions, partly to cover the cost to the community of disposal of the now wasted material, and partly to encourage sustainability.
6. Many older buildings had verandahs, which provided shade in summer and shelter in winter, and which made the pavements more sociable. Unfortunately, many were removed, by direction of the City of Fremantle, in the 1950s and 1960s. They are now being replaced not only for the values mentioned, but also because verandahs reduce the load on air conditioning, and so contribute to energy conservation.

Yours sincerely,

David Hutchison