

23 February 2006

Heritage Inquiry
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Sir/Madam

**RE: *PRODUCTIVITY COMMISSION INQUIRY
 CONSERVATION of AUSTRALIA'S HISTORIC HERITAGE PLACES***

Further to the request for submissions this matter has recently been reported to Council for its consideration.

A Committee of Council endorsed the submission as outlined below at its meeting on 20 February 2006. The full Council will not meet until the 27 February 2006 to confirm, or otherwise, this recommendation. To meet the nominated 24 February 2006 deadline the submission is forwarded at this time on the basis of the Committee's recommendation. It is unlikely there will be a change. Only in the event Council changes or does not confirm the recommendation will further advice be provided. It is trusted the submission can be accepted on this basis.

The City of Unley requests the Australian Government Productivity Commission to take account of the following issues and in particular note the following key matters:

- a. Removal of the ability for interim compulsory statutory protection of built heritage is not supported;
- b. Statutory listing being predicated on prior negotiation of voluntary conservation agreements with owners is not considered effective or practical;
- c. Significantly increased and expanded government funding and incentives, particularly from higher levels with larger resource bases, is encouraged.

Based on community concern over many years the current policy, legislative and incentives regime has evolved to conserve valuable built heritage. This is mainly through State legislation specifically for state heritage protection and in planning schemes for local heritage places and areas/zones. The Commonwealth also maintains a National Heritage List and informal Register of the National Estate and Commonwealth Heritage List (related to

Commonwealth owned sites). A hierarchy aligns responsibility and funding for heritage conservation with the level of significance, ie National Heritage with Commonwealth, State Heritage with State and Local Heritage with Local Government.

Incentives and grants at all levels are limited, but previous Commonwealth incentives under tax concessions and other programs have significantly diminished over the last few years. The State maintains some funding for grant schemes predominately for state heritage places. The vast majority of places are relevant to local areas and consequently a major responsibility falls to Local Government. The proposed changes have major implications for Local Government management of heritage places within its jurisdiction.

The Commission's fundamental view is the cost implications of listing should be transparent and a greater level of funding in a variety of forms should be offered (in recognition of community benefit) to compensate individual private owners in heritage conservation. The approach centres around establishing a market based voluntary system of heritage conservation agreements for identified significant places to precede statutory listing. This would provide private property owners with benefits to offset the higher maintenance costs and potential opportunity development/value losses to induce agreement for heritage listing.

It is critical to note that the Commission's view is that heritage areas affecting a number of properties similarly with additional zone/precinct/area controls is equitable and needs no such agreements or incentives. The recommendations and implications for a shift to voluntary conservation agreements and compensation is focussed on individual heritage places.

The inquiry findings entail key changes of direction and philosophy, which raise significant implications, as outlined in the key recommendations below:

- *privately-owned properties should be included on a National, State, Territory, or Local Government statutory heritage list only after a voluntary, negotiated 'Conservation Agreement' has been entered into and should remain listed only while an agreement is in force;*
 - *private owners of already listed properties, where the listing occurred after purchase of that property, should be able to apply for a voluntary, negotiated 'Conservation Agreement' and for listing to continue only if an agreement is reached;*
 - *private owners of already listed properties, where the listing occurred prior to the purchase of that property, would remain covered by the existing 'package' of restrictions and concessions (if any). These arrangements would be reassessed at the time of any substantive development application when negotiations for a new voluntary 'Conservation Agreement', would occur and listing would continue only if an agreement is reached; and*
- *State, Territory and Local Governments, should produce adequate conservation management plans for all government-owned statutory-listed properties;*

- *State, Territory and Local Governments should implement reporting systems which require government agencies and Local Governments, with responsibility for historic heritage places, to document and publicly report on the heritage-related costs associated with their conservation;*
- *State Governments should put in place systems for their Local Governments to request compulsory acquisition in cases where this becomes the only way to ensure cost-effective conservation of places of local significance;*
- *State and Territory governments should modify their planning legislation and regulations to remove any requirement to take heritage considerations into account in relation to any individual property other than those requirements relating to zoned heritage areas.*

There is a high degree of community support (surveyed at more than 90%) for heritage conservation. Concerns with a more transparent approach to offset individual costs against community benefit is laudable. However, the notion of a market based voluntary system of agreement to enable subsequent heritage listing is a radical change and has significant implications. Voluntary negotiation before confirming statutory listing would see many current and future potential places open to demolition without control. It would take time to have agreements in place, potentially leading to significant eroding of important built heritage.

The incidence of serious issue or impacts from current heritage control is low, evident through local experience and statistics. The proposed approach would be very resource intensive to implement, need comprehensive expert advice to quantify individual cost implications and potentially involve significant increased funding demands. This seems to outweigh the limited occurrences of substantive implications to suggest there should be a better way.

Heritage listing is but one property control along with a myriad of other planning controls that are accepted constraints within the property and business market place. It is not suggested, nor practical or equitable, that all these other development potential restrictions be taken into account. The concerns of owners about heritage conservation are often related to ill-founded perceptions. Education and assistance to address this would be most beneficial.

The Commission notes there is too much emphasis on 'sticks' and insufficient 'carrots' in heritage conservation management. A better range of incentives or benefits, including but not limited to re-introduction of Commonwealth tax concessions and expanded and continued Government grant programs, to better share costs between the community and owners is strongly encouraged. However, this could be effectively achieved within the context of existing legislative frameworks (which are predominately shown as effective), with all spheres of government providing a greater level of incentives for heritage conservation. Upon listing and interim control, agreements could be resolved or government assistance schemes accessed where justified to help offset opportunity losses and/or increased maintenance impositions. A radical system reform is not considered effective or efficient, and would undermine 30 years of steady evolution in improved heritage conservation.

While separation of management roles for the different levels of heritage (National, State and Local) may be appropriate, it is not as easy to divorce the level of community benefit and therefore funding support. Local heritage may be most relevant to a local area but it is also important to the wider area and concepts of sense of place (distinctiveness and tourism etc) of a region, city and in turn Australia. Also higher levels of government have the widest source of revenue and should provide much more support to the narrower and more constrained local revenue base. The majority of heritage places, and ones with most immediate relevance to community residents, exist in local areas. The lack of serious built heritage funding, and proposed approach for negotiating voluntary conservation agreements, disregards the limited resource and revenue capacity of Local Government.

If the change to voluntary conservation agreements were to be required there would be substantial resources and costs involved in negotiating with owners, quantifying the benefits that may have to be offered and confirming agreements to induce listing. Council currently manages some 190 Local Heritage Places (with little issue) and is progressing the potential addition of a further 170 items in the short term. What increased external funding would be available, or how and what extent of additional local funding (eg rates increase) could be reasonably attained, to assist in the proposed agreement process is unknown.

There could be significant social and environmental implications from the new approach, with an anticipation that many current Local Heritage Places, and any additional ones, could take some time to secure continued listing through implementing negotiated conservation agreements. Consequently, there could be little effective conservation protection maintained and a major loss of important heritage assets over time.

The preliminary recommendations and implications of the inquiry are of serious concern to Council. It is trusted the concerns raised will be given due regard in the review of the draft report.

Yours faithfully

Mark Withers
CHIEF EXECUTIVE OFFICER

Productivity Commission
SUBMISSION COVER SHEET
(not for publication)

Conservation of Australia's Historic Heritage Places

Please complete and submit this form with your submission to:

Heritage Inquiry
Productivity Commission
PO Box 80
Belconnen ACT 2616

OR

By facsimile (fax) to:
Jill Irvine (02) 6240 3311
By email: heritage@pc.gov.au

**Individual/
Organisation:** CITY OF UNLEY

Street address: 181 UNLEY ROAD

Suburb/City: UNLEY **State & P'code:** 5061

Postal address: PO BOX 1

Suburb/City: UNLEY **State & P'code:** 5061

Principal contact: DAVID BROWN **Phone:** 08 8372 5185

Position: POLICY PLANNER **Fax:** 08 8271 4886

Email address: dbrown@unley.sa.gov.au **Mobile:**

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