

CONSERVATION OF AUSTRALIA'S HISTORIC HERITAGE PLACES

The Society did not make an initial submission to the Heritage Inquiry, but having expressed early and formal interest in the project it is now in a position to outline its views before final recommendations are made by the Commission. Most of the points that we might have raised have now been covered in the Draft Report which in overall terms we see as acceptable and in line with our opinions on most of the matters raised.

The two points on which we would like to comment however relate to -

- (1) Draft Recommendations 9.1, 9.2 and 9.3 and
- (2) The sourcing of funds for the ultimate implementation of the recommended procedures outlined in the Draft Report and the practical management of the activities that must follow from their ultimate introduction.

Point No 1.

With regard to the proposals involving the introduction of formal conservation agreements in circumstances where a consensus with the owner of a historic heritage place (whether listed or not) cannot be reached, what then is the situation where the particular property is seen to be essential for conservation in the national interest? In the absence of other mechanisms must the responsible authority then resort to compulsory acquisition procedures as the only way of resolving the problem?

The thrust of our argument is that the national interest must first be served and whilst it is agreed that the owner must be treated with fairness and financial equity, his objections and resistance would need to be overridden in circumstances where a strong case is made by the responsible authority for conservation of a property that fits the relevant heritage criteria.

This leads to our next concern relating to the situation where an owner of a listed historic heritage place, having been granted funds for restoration or other approved purposes, then refuses to renegotiate a fresh agreement at the end on the initial term. While the power to compulsorily acquire property in certain justifiable circumstances would be available, we would not want to see a situation develop where having been the recipient of public funds the owners might then decide to have the listing lifted perhaps for self interest or for any other reason and the relevant authority is left with no means of defending its position.

The public interest must always be treated as paramount, and for the general good of the community such a place should be permanently listed at the appropriate level without any withdrawal options. The value and saleability of such a property would not be affected and owners would always have the option to dispose of specialised properties of this nature under normal market conditions, subject only to the listing

condition. Subsequent owners could also apply for funds for restoration in the general maintenance of the listed place.

The public now has a much more sophisticated view of the need for the ongoing protection of its heritage, and controversial circumstances will always arise in the future where discreet judgements will be called for. The national interest must however always remain the primary concern and must be protected at all times. Once a property is listed on the appropriate heritage register, has been restored with public funds and whether it remains in private or public ownership it should remain on the relevant heritage register in perpetuity.

It is agreed that many small owners have been treated unjustly in the past when their properties have been committed to registers in the name of heritage conservation without consultation and without regard to their wishes or financial positions. The corollary is that heritage in the eyes of many has been sullied because of the lack of sympathy for the affected owner and for the autocratic way in which some of these incidents have been handled.

For the many reasons set out in the Draft Report however, the current objections to listing are capable of being overcome, although the suggested amendments raised in this memorandum should first be addressed in an attempt to ameliorate any future problems that could arise.

On a slightly different tack another angle worth considering is the need for a more equitable distribution of profits from development proposals. Situations can be envisaged where a developer applies for a rezoning or submits a development application in circumstances where a heritage listed property is involved. A good profit is made from the transaction by the other unaffected and unlisted property owners, leaving the struggling heritage-listed home owner without a buyer or having to accept a reduced price for his financial survival.

By introducing a tax or a special municipal rate on those who gain from the development (ie those other than the adversely affected owner/s) the surplus could be applied towards compensating the owner of the listed property through a Council grant generated from the special rate. The funds could then be earmarked for the restoration of the property or to make up for any substantial capital loss incurred in the transaction in the first place.

This may or may not be a practical solution and could prove difficult to administer, but if a scheme along these lines could be developed it might go a long way towards appeasing property owners currently carrying the burden of a listing against their will and over which they had no initial control. It might also cause developers not to take the easy way out by ignoring the plight of the heritage-listed home owner as there would be no financial gain by doing so. This might also go a long way towards conserving the existing stock of historic heritage-listed properties as the financial inducements would offset the need for early demolition or deliberate neglect to rid the affected owner of a problem, regardless of its heritage credentials and of the value of such properties to the nation.

Point No 2.

There is little doubt that the fundamental negative in most matters relating to the conservation and maintenance of historic heritage places is the lack of funding for virtually all purposes. The plea is constantly being made at all three levels of government that there are insufficient funds to undertake the action necessary to protect and preserve our identifiable heritage assets, regardless of the form that may take. The need for a more liberal and enlightened approach is essential if the purposes, and indeed the success of the recommendations contained in the Draft Report are to be achieved. It cannot be allowed to become just another report with all the good work falling by the wayside.

The principal elements of the scheme we have in mind are that a Statutory Authority (SA) should be set up by the Australian Government for the express purpose of raising funds for the purchase, acquisition, restoration, and redevelopment of appropriately selected historic heritage places whether in public or private hands. The question of resale of restored properties should also not be overlooked as in certain circumstances this could be another option. The SA would be administered by a CEO and office staff under a Board with personnel experienced in financial management and expertise in the areas of history, heritage and culture. Decisions could then be taken in line with best practices in deciding which properties should be selected for conservation and restoration etc. whether the owners should be assisted by grants or low interest loans and how they should subsequently be dealt with.

Income for the SA would be derived from profits made on the resale of appropriately restored properties (where agreements with owners cannot be reached and it is in the national interest to acquire the property), from rentals and revenues received from restored tourist type ventures, parks and gardens and the like, the reinvestment of surplus funds pending their use and from any subsidies that might be arranged from governmental or philanthropic sources. In the early years the government might be required to underwrite losses until a steady income stream was established.

We envisage a scheme where the SA would commence with a nominal capital from the Australian Government of say \$1M with the power to raise funds by way of interest bearing deposits, debentures and general fund raising facilities. Investors would be attracted to the Authority through competitive interest rates and perhaps even some govt guaranteed borrowing document at lower rates, but attractive to the conservative investment houses where risk factors need to be minimised. Debentures could be sold on the market as a tradeable commodity or through Stock Exchanges.

An on-demand money market arrangement could also be introduced as there are millions of dollars invested in short term facilities of this type throughout the banks and finance houses and some could almost certainly be attracted to this form of investment. State governments and Councils might themselves be encouraged to invest some of their surplus funds in any or all of these facilities as a further demonstration of their support for this increasingly sensitive and important element in the restructuring of our heritage strategies.

If some taxation concession could also be introduced as an added inducement, the importance of such investments would be further enhanced and both investors and

government would be seen to be doing something tangible for the nation in an area that is urgently in need of help.

Such a scheme would progressively relieve governments at all levels of many of the funding problems they presently face in the execution of projects within their respective jurisdictions, reduce the level of criticism currently directed at them and ultimately provide the nation with a resource of inestimable value that can only increase over time.

To what extent the Australian Government would wish to be committed to a Fund of this nature is of course unknown, but being a government instrumentality it would carry with it the security protections that investments in these types of institutions imply and provide. Perhaps if the initiating government wished to contain its liability it might approach the State governments for guarantees of portion of its liabilities so that areas that would be served by the dispensation of its loans and grants in all States would share in the risk as well as the benefits. Such a consortium of governments would itself add strength and power to an industry approaching crisis point.

A further alternative or additional option would be to allow Councils to add a special rate of one or two cents in the dollar to their general rate revenues, the proceeds of which would be specifically earmarked for heritage ventures of the type now under review, but for use in their own local domains. Over time this could generate quite substantial sums and would encourage Councils to be more responsive to the public call for investment in the protection of our most valued and unique assets – our historic heritage places.

Yours faithfully

President
The Hills District Historical Society Inc
Castle Hill NSW 2154