

Heritage Inquiry
Productivity Commission
P O Box 80
BELCONNEN ACT 2616

Submission Re Draft Report on Conservation of Australia's Historic Heritage Places

The Walter Burley Griffin Society Inc. makes the following submission in response to the Productivity Commission's draft report on Conservation of Australia's Historic Heritage Places. The Society was established in 1988 by a group of people inspired by the need to conserve the unique architecture, landscape architecture and urban planning of Walter Burley Griffin and Marion Mahony Griffin, and to promote the environmental ideals and community life they fostered in Australia.

By way of introduction, we will briefly outline the involvement of the Walter Burley Griffin Society (WBGS) in the areas of concern to your inquiry. The Society is actively involved in efforts to protect the Griffin heritage at all levels of government, with particular experience at local government level. Inevitably, our main relationship has been with the Willoughby City Council (WCC), which is responsible for the Griffin Conservation Area at Castlecrag. As you will be aware, the Griffins developed Castlecrag as a model suburb on a Middle Harbour peninsula in the 1920s and 1930s. Through their vision and creative genius, the Griffins created a special place – a garden suburb of world significance. This significance is derived primarily the far-sighted and significant concepts underlying the landscape design of the Griffin sub-division. Key elements include harmonisation of the built environment with the natural landscape; sensitive planning and architecture to preserve major sandstone outcrops, watercourses and bushland; the narrow roadways that follow the topography and contours, beautifully cut into the rock, and bounded by indigenous vegetation; and the network of walkways, reserves and open spaces, combined with low fences, which reinforce community engagement with the spatial flow of the landscape.

The Society has also focused on the Griffin heritage of Melbourne (including its suburb of Eaglemont), Canberra, Leeton, Griffith and the Griffin/Nicholls incinerators in several cities. A Canberra Chapter of the Society was established in 2004. The WBGS has devoted considerable effort to the production of educational material on Walter and Marion Griffin. With the assistance of state heritage grants, the Society has produced a book, *Building for Nature: Walter Burley Griffin and Castlecrag*, in 1994; and a brochure describing very succinctly the *Griffin Legacy* at Castlecrag. With support from a Department of Environment & Heritage grant, the WBGS is currently finalising an educational website on the lives and works of Marion Mahony Griffin and Walter Burley Griffin. Our education efforts are reinforced by an active programme of talks, guided heritage walks and information stalls.

Framework

From your terms of reference and draft report, there are five elements relating to the conservation of historic heritage places that relate to the interests and objectives of the Walter Burley Griffin Society, namely:

1. The main pressures on the conservation of historic heritage places and the implications of this for heritage management, (ToR 1).
2. The economic, social and environmental benefits and costs of the conservation of historic heritage places in Australia, (ToR 2). This is a core concern of the WBGS, which seeks this information to help promote better public understanding of heritage issues and sustainable outcomes.
3. Your ToR 3 covers the current relative roles and contributions to the conservation of historic heritage places of the Commonwealth and the state and territory governments, heritage owners (private, corporate and government), community groups and any other relevant stakeholders. A key issue that emerges here is the need for consistency in the listing and assessment processes of historic places among expert bodies.

4. The positive and/or negative impacts of regulatory, taxation and institutional arrangements on the conservation of historic heritage places, and other impediments and incentives that affect outcomes, (ToR 4). Our particular concern is improved incentives and funding programs for the owners and custodians of heritage-listed properties.
5. Possible policy and programme approaches for managing the conservation of Australia's historic heritage places and competing objectives and interests. Our particular interest is on strengthening the capacity of local government to develop effective heritage policies and guidelines, liaise with the owners of heritage-listed properties and proposed heritage properties, and to manage local heritage listings in a consistent and proactive manner.

Pressures on Heritage Conservation

While it is a specific requirement of the terms of reference, we note that the draft report only presents a brief analysis of the pressures that affect the conservation of historic heritage places (Section 2.2). The pressures of urban redevelopment and infill described for the inner areas of Sydney and Melbourne are significantly affecting the conservation of Griffin heritage places in these locations. Your report suggests the trend for older established homes to progressively be demolished or renovated and replaced with family homes or multi-unit developments that are larger in proportion to the land they are built upon is, in part at least, offset by increasing 'gentrification'. Thus, increasing affluence may result in new residents taking a greater interest in the past and investing in caring for their heritage.

It is disappointing that the draft report has not explored these issues in any depth. The experience in Willoughby City has been that residents in Conservation Areas, particularly those featuring common streetscapes of fine Federation houses, now strongly value their heritage and have invested in high quality restoration works, leading to a heritage premium on property values within these areas. The more diverse built character of the Griffin Conservation Area, coupled with the rapid rise in land values in the peninsular suburb of Castlecrag, has, however, subjected this precinct to more intensive pressure for larger and more dominant houses that are in conflict with the core principles of Griffin heritage and severely impact on the natural environment.

Accordingly, the WBGS has found its resources stretched in our efforts to protect the Griffin heritage. Nevertheless, our activities to promote understanding of Griffin heritage among residents, councillors and council staff had an impact, but weaknesses in the existing regulatory system mean that good intent does not always result in appropriate outcomes.

The draft report also states that a significant pressure on the conservation of historic heritage places is the high and increasing cost of maintaining these properties. This is linked to "the difficulty in maintaining a critical mass of specific heritage trades and skills", although only limited and conflicting evidence is presented in support of this assertion. The use of the CFMEU submission as a justification of this claim suggests the authors of the draft report lacked objective evidence for the proposition.

Economic, social and environmental analysis

The terms of reference clearly specify that the Commission was to address the economic, social and environmental benefits and costs of the conservation of historic heritage places in Australia. We had anticipated that the Productivity Commission, with its past record of sound economic, social and environmental analysis, would have made a useful contribution to debate in this field. We find the assessment of these issues in the draft report most disappointing.

This section of the report offers a series of anecdotes from various submissions without any rigorous analysis of their validity. It is stated that there are benefits to ownership of historic heritage places, and that these benefits provide adequate incentives to owners to undertake appropriate conservation (Chapter 2 and p. 107), but the role of the existing regulatory system in generating these benefits is not explored. There is also the statement that "owners suffer an erosion of property rights and potential loss of value ... which may, in some cases, encourage degradation and destruction of those values." (p. xxix). Empirical evidence for this statement is lacking and it comes across as reflecting a biased view.

Unfortunately, the anecdotal approach used does not lend itself to a systematic assessment quantification of the costs or benefits of heritage conservation. We have noted above that the Conservation Areas in Willoughby City have had a positive effect on real estate values and this has been confirmed by empirical studies.¹ We urge the Commission to familiarise itself with these findings and similar studies undertaken elsewhere in Australia.

Much of the discussion on the benefits of heritage conservation in the draft report (Section 2.1) focus on incomes and employment generated through tourism. While Canberra's tourist industry may utilise the city's Griffin Heritage as a selling point, the key historic heritage places of concern to the WBGS do not offer potential for tourism benefits. They are residential areas that, through their heritage significance, are regarded by those who live there and in surrounding areas as 'special places' with values that they wish to conserve.

We do not see any meaningful assessment of what these core benefits of heritage are in the draft report, much less an analysis of their value. Similarly, the draft report contained several assertions – and a key finding! – that heritage listing can have a considerable negative impact on the prices of individual properties, but lacks empirical evidence for this.

Because the draft report fails to quantify the economic, social and environmental costs and benefits of heritage conservation, it lacks a sound base for practically all of the recommendations that follow. Without such an empirical base, the report simply becomes an emotional sermon on how governments might divest themselves of any responsibilities relating to heritage matters.

Role of Government

Much of the report is devoted to an analysis of the respective roles and responsibilities of the different levels of government in heritage listing and regulations. Under the principle of subsidiarity, responsibility for a function should be assigned to the lowest level of government that is able to exercise it effectively, and thus as close as possible to consumers to allow them choice as to the services they receive. As noted in the draft report, it is the local council that generally initiates formal heritage identification.

While the bulk of the Griffin heritage that concerns the WBGS is of national or state significance, the Society endorses the principle of subsidiarity. While one submission saw the lack of consistency of heritage conservation advice and decision making as one of the weaknesses of the current policy framework ((sub. 178, p. 2), we concur with the alternative view that the variations between local councils is not a 'problem' that needs to be addressed, but simply an accurate democratic reflection of the interests of the community in each local government area. Australia's local government areas and communities have very different heritage inventories and relationships with that heritage – for example, Sydney's urban councils of Waverley and Penrith, against the 'heritage cities' of Maitland, Ipswich and Maryborough – so each brings its own distinct approach and solutions to heritage issues.

Willoughby City Council has been active in identifying, listing and conserving its heritage since 1995. The Griffin Conservation Area is one of 12 conservation areas in the city, while Council's Local Environment Plan (LEP 95) lists 13 Griffin houses, the Haven Amphitheatre and the Griffin Memorial Fountain as items of State or Regional Significance, together with the hospital and three other houses in Castlecrag. Houses designed by Walter Burley Griffin's partner, Eric Nicholls, are also represented as items of local significance, as well as the works of several modern Australian architects. The WCC planning controls and the Development Control Plan for Heritage and Conservation (DCP 19) are based on well-researched analysis and extensive public consultation. Moreover, the WCC recognises and promotes the benefits of heritage listing, with its website containing the statement: "Recent studies have found that the heritage qualities of residential buildings can contribute positively to property value and are an asset in marketing."

www.willoughby.nsw.gov.au/PageZone_business.asp

Considerable attention is given in the draft report to views that property owners see listing as a negative outcome for the ownership and resale value of their assets. It also states that the inclusion of properties in non-statutory registers has contributed to uncertainty and cost for

¹ Vinita Deodhar, "Does the housing market value heritage? Some empirical evidence"
<http://www.econ.mq.edu.au/research/rdp2004.htm>.

some owners and is a factor in the negative perceptions about heritage listing procedures that are evident in a number of the submissions received by the inquiry.

The report lacks evidence that the assumptions behind these views have been rigorously tested. In the experience of the WBS there is another important factor contributing to the negative perceptions about heritage listing that should be addressed by the inquiry. This relates to the quality of the heritage listing work undertaken by contractors, particularly the effectiveness of consultation with the owners of the properties involved. In a recent instance in Willoughby, Council contracted a firm of respected heritage consultants to carry out a study of the works of a particular architect in the council area to identify their heritage significance and make recommendations for listing where appropriate. Limitations in the available budget for this task meant that little educational material was given to the owners to assist them understand the significance of their houses. The outcome was that Council rejected most of the recommendations for heritage listing due to owner objections, including a house that was listed by the Royal Australian Institute of Architects due to its outstanding significance more than twenty years ago.

This case does not support the draft report's argument for negotiated heritage agreements with owners. It can be anticipated that the demands placed on heritage advisers and consultants in working through the issues and conflicts necessary to arrive at a sound heritage outcome will be even more onerous than those required under more prescriptive approaches. Unless there is a dramatic increase in the funding available to local councils in order to mobilise the required skills for this task, this core problem will remain.

What the draft report does not adequately acknowledge is the degree to which the present heritage management system (at least in New South Wales) has evolved over 20 years or more from a former situation characterised by heritage battles and daily confrontation, to one where conflict and disagreement has been reduced to a tiny minority of cases.

While the important role of local government in heritage conservation is acknowledged in the report, it also states that there had been a relative decline in public sector budget for the conservation of historic heritage places, with much of the remaining funds being swallowed by administration of the system. Again, we do not see any systematic analysis of how this statement might lead to a useful recommendation to address the situation.

Incentives and Impediments

While the draft report makes many statements to the effect that heritage owners are burdened with additional costs, there is a lack of empirical evidence to support these claims (see above). Other submissions (for example DR201) have suggested the scale of these costs have been exaggerated.

Nevertheless, if these costs are a burden, then the Commission was required to address this issue under the fourth item in its terms of reference. We can find no section of the report to indicate that the inquiry has seriously examined this issue. The specific case of the Griffin Conservation Area in Castlecrag, the perceived incentives for unsympathetic extensions, additions and rebuilding continue to outweigh those associated with sound conservation and restoration. Other submissions to the inquiry (eg, DR 201) present a range of possible incentives and these should to be given serious consideration. Given the role of the Productivity Commission, the WBS expected the Commission would provide a thorough analysis of options for federal taxation incentives for the costs involved in maintaining and conserving heritage listed properties. We look forward to this oversight in the draft report being corrected in the final version.

Policy and Programme Approaches

Again we anticipated that the Productivity Commission would have addressed its terms of reference in a systematic and logical manner. Unfortunately, this opportunity has been put aside in favour of an unproven 'grand idea' to radically overthrow the existing heritage management system in Australia by relying on negotiated heritage agreements. This approach remains unproven and the draft report offers no evidence of the short- and long-term advantages and disadvantages that may result from its introduction.

Other submissions – for example, DR201, 204, 205, 206 and 212 – set out effectively the incompatibility of the core draft report recommendations with established planning principles and its likely impact on the conservation of Australia’s historic heritage places. Clearly, there are significant risks and dangers in adopting such a dramatic change to an existing system – that has evolved through years of practical experience and has gained general community acceptance – with a ‘new idea’ that remains unproven. In our experience, the outcomes of efforts to make radical reforms in public policy and administrative processes, both in Australia and internationally have invariably been very different from the results hoped for by the initial promoters. Sadly the costs dominate any benefits that might be achieved.

The Walter Burley Griffin Society is strongly opposed to the core recommendation of the draft report that privately-owned properties should be included on a national, State, Territory or local government statutory heritage list only after a negotiated conservation agreement has been entered into and should remain listed only while an agreement is in force [Draft Recommendation 8.1]. This recommendation is potentially extremely damaging to Australia’s heritage. The present heritage listing procedures that have evolved over the last two decades provide certainty, consistency and equity. The proposed negotiated voluntary agreements would inevitably result in great inconsistency and loss of heritage for future generations. The heritage of Walter Burley Griffin and Marion Mahony Griffin is far too significant and culturally valuable to allow such a deplorable outcome.

Yours sincerely

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