

**AUSTRALIAN COUNCIL
OF
NATIONAL TRUSTS**



AUSTRALIAN HERITAGE STRATEGY DEVELOPMENT

THE DOMESTIC HERITAGE ENVIRONMENT

FINANCING HERITAGE

**Report to Department of Sustainability, Environment, Water Populations
and Communities**

2012

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AUGUST 2012

SUMMARY

In 2010 the Australian Government decided to develop the Australian Heritage Strategy (the Strategy). The aim of the Strategy will be to highlight the importance of heritage to all Australians and provide a common direction for the recognition, protection, commemoration and celebration of heritage across Australia over the next decade.

The Department of Sustainability, Environment, Water, Populations and Communities (DSEWPaC) has identified the need to undertake further research to assist the development of the Australian Heritage Strategy.

The objective of this research project is for the National Trusts of Australia, as a leading non-government heritage organisation, to assist the Australian Government with the development of the Strategy.

A second objective is to develop a major contribution by the combined National Trust movement to the Federal Government's emerging Australian Heritage Strategy.

This report is in two parts:

Part one is an analysis of the domestic heritage environment assessed through input from the National Trust State and Territory bodies.

The study concluded that:

- In terms of heritage protection and conservation the most prominent issue being faced by State and Territory National Trust organisations throughout Australia is the threat to our built heritage. Planned demolition, destruction, abandonment and neglect leading to the degradation of heritage values were reoccurring pressures identified by the Trusts.
- Deficiencies in heritage legislation and/or poor compliance with legislation by owners of heritage listed places or properties are also major concerns of the Trust, which are seen to compromise the long-term protection and conservation of places. This threat is most likely more common and a major underlying factor in the threats to our built heritage.

Part two examines innovative practices for sourcing funding and assistance for heritage in Australia. The study examines A number of established funding

sources from within Australia and overseas, principally in the United States and Great Britain. These include:

- Revolving heritage funds
- A range of taxation incentives
- Negotiated heritage arrangements involving resident curators leasing historic houses and contributing to conservation expenses, specific conservation funding, assistance for rural buildings.
- Privately managed and funded heritage funds
- A national heritage lottery specifically aimed at conservation similar to the UK.
- Commonwealth, State and Territory government partnerships with tourism bodies and heritage property owners to encourage visitation to Australia's heritage properties
- Enabling development policy, similar to the UK, where a development that is contrary to the heritage policy of a place is allowed if it will bring financial benefits to that place which outweigh the harm done.
- Re-establishment of a Commonwealth fund similar to the former National Estate Grants Program which will encourage further research into heritage places and examine potential future impacts due to climate change and population growth.
- A more holistic approach with assistance to privately owned heritage properties which will benefit the heritage values of that place.
- Development of a management/custodianship of the Australian Heritage Data Base by the National Trust of Australia.

A number of recommendations are made which have the capacity of leading towards a best-practice model for the conservation of Australia's heritage places, while in some cases reducing the cost by government in the long term

INTRODUCTION

Australian Heritage Strategy

In 2010 the Australian Government decided to develop the Australian Heritage Strategy (the Strategy). The aim of the Strategy will be to highlight the importance of heritage to all Australians and provide a common direction for the recognition, protection, commemoration and celebration of heritage across Australia over the next decade.

The Strategy will seek to coordinate the significant efforts of government and the private sector in order to build upon achievements over the past few decades.

The Department of Sustainability, Environment, Water, Populations and Communities (DSEWPaC) has identified the need to undertake further research to assist the development of the Australian Heritage Strategy.

Objective

The objective of this research project is for the National Trusts of Australia, as a leading non-government heritage organisation, to assist the Australian Government with the development of the Strategy.

A second objective is to develop a major contribution by the combined National Trust movement to the Federal Government's emerging Australian Heritage Strategy.

Structure

This report is divided into three sections presenting the three major outcomes required by DSEWPaC:

Part One – The domestic heritage environment

Part Two - Financing Heritage. Innovative practices for sourcing funding and assistance for heritage in Australia.

Recommendations

The following recommendations relate specifically to **Part 2 Funding Heritage - Innovative practices for sourcing funding and assistance for heritage in Australia.**

The recommendations are broad and in several cases relate to various sources of funding detailed within the body of text and case studies.

An expectation of estimated budgetary impact is included with each of the recommendations.

Recommendation

A system of national tax incentives focussed on conserving Australia's heritage be made available to owners of heritage listed properties. These incentives are in addition to the current grants systems, which should be retained.

Budgetary impact: small-medium, long term

Recommendation

The Commonwealth Government extends and further develops voluntary agreements with private property owners and/or holders for conservation management of places determined to be of heritage significance on other listings:

- State/Territory Heritage Lists
- Local Government Heritage Lists
- Listing on the National Heritage Data Base (former Register of the National Estate - this would require an amendment to the EPBC reinstating statutory status).

Budgetary impact: small-medium, long term

Recommendation

Provide financial assistance and/or tax incentives to facilitate the operations of preservation funding agencies nation-wide. Funding could be directed to State and local governments, corporations and private not-for-profit agencies specifically for the protection of cultural and natural heritage assets.

Budgetary impact: medium, long term

Recommendation

Institute a revolving fund for heritage listed properties to allow for:

- Reselling properties with protection covenants sympathetic to the conservation requirements of the property and to the buyer.
- Lending to approved individuals or organizations seeking to buy, restore and protect heritage properties.

Budgetary impact: small, long term

Recommendation

Institute a nation-wide lottery specifically aimed at the protection and conservation of the nation's heritage. The guidelines and operation of the fund could be similar to the successful UK Lottery Fund.

Budgetary impact: small, long term

Recommendation

Institute provisions to acquire revenue from established and legally controlled gambling operations. Revenue to be channelled into a specific fund for the provision of heritage conservation.

Budgetary impact: small, long term

Recommendation

Develop a close and formal relationship between Australian government and State/Territory governments, owners of heritage properties and the Australian tourist industry aimed specifically at utilising and promoting the nation's statutory and non-statutory heritage listed properties.

Budgetary impact: small, long-term

Recommendation

Permit specific planning provisions for new development affecting heritage-listed properties where it can be demonstrated, in special cases, that conservation costs are high and could not otherwise be achieved and the benefits to the public outweigh the negative impacts of the development.

Budgetary impact: small, long-term

Recommendation

Develop a natural disaster fund specifically for heritage-listed properties in partnership between Commonwealth and state governments, the insurance industry and not-for-profit organizations concerned with heritage conservation.

Budgetary impact: medium, long term

Recommendation

Reintroduce a program of heritage funding similar to the former National Estate Grants Program.

Budgetary impact: medium, long term

Recommendation

Establish a joint Commonwealth and State heritage partnership fund. The aim of the fund would be to expand the capacity of the commonwealth heritage funding by adding a state-funding component supported by tax incentives.

Budgetary impact: medium, medium-long term

Recommendation

Australia's natural and cultural heritage should be seen as a core priority for the Commonwealth Government.

Budgetary impact: medium, long term

Recommendation

Provide a range of financial support mechanisms for Commonwealth, State and local governments and community organisations that own or manage heritage properties. For example, mechanisms, which would facilitate operational expenses, development of income and lessen the reliance on competitive government funding.

Budgetary impact: medium, long term

Recommendation

Provide sufficient funding or incentive for state and local governments to provide or continue to provide heritage advisory services.

Budgetary impact: small, long-term

Recommendation

Develop a partnership with the National Trust of Australia to manage and maintain the documentation of the Australian Heritage Data Base.

Budgetary impact: medium, long term

The Australian Council of National Trusts and National Trusts

The Australian Council of National Trusts (ACNT) is the peak body and national voice in Canberra of the eight State and Territory National Trust bodies. The National Trusts in Australia are community-based, non-government not-for-profit organisations, committed to promoting and conserving Australia's heritage through their advocacy work and their custodianship of heritage places and objects.

Our Vision is

A nation celebrating and conserving its cultural, Indigenous and natural heritage for present and future generations.

Our Mission is

Through advocacy, research and promotion support the work of the National Trust movement in conserving Australia's heritage.

The National Trusts are the only conservation organisations in Australia concerned with *all* aspects of heritage, natural and cultural, tangible and intangible. We are the pre-eminent independent community bodies that promote conservation of and access to Australia's unique built, natural, cultural and Indigenous heritage.

The National Trusts collectively own and manage over 300 properties together with extensive cultural heritage collections. These properties and collections are an integral part of Australian life and play a role in documenting and interpreting Australian identity, values and achievement. The National Trusts recognise and perform under the guidelines of the *Burra Charter*¹ and the *Australian Natural Heritage Charter*². In doing so, we ensure that our conservation, promotion education and advocacy for Australia's heritage lead towards the long-term social, spiritual, economic and environmental benefit of the community.

National Trust contribution to Australia's heritage

The National Trust of Australia has an outstanding record of saving valuable historic properties and natural features. Many of our treasured places would have disappeared but for the actions of the organisation, its members and volunteers. Through its classification work, which provides recognition of heritage value, the National Trust identifies and records places of significance. These classified places include buildings, public art, industrial sites, historic landscapes, townscapes, cemeteries, heritage gardens and trees, urban bushlands, and 'natural' landscapes. It is estimated that National

Trust volunteers contribute more than 264,000 hours of work to the National Trust programs per annum – valued conservatively at \$25 per hour, this gives a total contribution of about \$6.6 million to the identification, conservation and protection of Australia’s heritage.

PART ONE

THE DOMESTIC HERITAGE ENVIRONMENT

1. State of the Environment 2011

The State of the Environment 2011 Committee released the national assessment of the State of Australia's environment 2011 (SoE2011) in the last quarter of 2011³. The purpose of the SoE2011 is to provide an independent and comprehensive review of key information on the current state of the Australian environment. A major part of SoE2011 is an examination of the state of the heritage environment outlining the problems, their causes and relevant remedial actions.

Putting aside the conclusions made in other sections of the SoE2011 report such as *Inland Water, Land, Marine Environment, Biodiversity, Built Environment* and *Coasts* the conclusions regarding heritage can be summed up as:

- Heritage provides an important context for our perception of us as Australians.
- Australians see natural and cultural heritage as important but vulnerable.
- These sentiments are not reflected in the resources devoted to heritage assessment and conservation.
- The systems we use to manage our heritage places are cumbersome and as a consequence, puts them at risk.
- Climate change poses major risks to natural heritage. Other threats are inappropriate land use, development pressures, loss of habitats and invasive species.
- Indigenous heritage is inadequately documented and protected. Loss of languages, knowledge and traditional practices continues to erode Indigenous cultural traditions and connections to country.
- While there are several well-managed historic heritage places that remain in good condition, the statutory lists and registers that are in place to protect them are inconsistent and incomplete.
- Historic heritage conservation is not well supported by planning and assessment systems and is directly threatened by development pressure.

The SoE11 statement on the current state of Australia's heritage concluded:

Overall, the outlook for Australia's heritage will depend on government leadership and two key factors; firstly, willingness to undertake thorough assessments that lead to comprehensive natural and cultural heritage

inventories, and truly representative areas of protected land; and, secondly, our ability to respond to emerging threats through improved resourcing and more flexible heritage management approaches and processes⁴.

These conclusions on the wider state of Australia's heritage places are consistent with that of the Australian Council of National Trusts.⁵

2. Domestic Heritage Analysis – the state of Australia’s Heritage? Wish we knew.

The 2011 State of Environment report stated that

...the nation’s protected natural and cultural resource is not adequately identified and protected, nor is its conservation adequately resourced⁶

After more that 30 years of government activity across all jurisdictions, and with governments of all complexions, we do not have the basic data to help make informed decisions on the state of Australia’s heritage places. Resources devoted for conservation are continually declining and the problems heritage places are facing seem to multiply with each passing year rather than become fewer.

The key problems ⁷identified by the ACNT throughout the country include:

- The lack of data to enable a comprehensive national picture of the state of Australia’s environment, especially for cultural heritage including Indigenous heritage.
- The increasing loss of Indigenous languages and traditional cultural practices.
- The continuing resource disparity between government provisions for natural and cultural heritage. For example, the decline in Commonwealth historic heritage funding compared with funding through the Caring for Our Country program. There is more concentration by governments in initiating and funding projects involved with natural conservation than there is with cultural heritage. This has been a systemic practice over many years. Cultural heritage, particularly in the form of built heritage, is often overlooked or treated with a degree of disdain during urban development planning.
- Local governments appear to be under-resourced in terms of capacity and skills to deliver improved conservation results.
- Public funding for historic built heritage conservation is declining.
- Funding for all levels of heritage is grossly insufficient for the demand needed even for adequate conservation.

- Former government-owned heritage properties have lost heritage values and integrity where they have been redeveloped for new uses or in other cases abandoned and neglected. An example of this is former Naval Transmitting Station, Belconnen, in the ACT. The station was built in 1938 and was de-commissioned by the Royal Australian Navy in 2005. The station buildings and radio transmitting infrastructure are on the Commonwealth Heritage List, but three main Low Frequency antenna masts which were recognised as being integral elements defining its heritage significance, were removed in 2007 with permission from Minister for Environment & Heritage. The future of the place is still uncertain.
- A general lack of knowledge of Australia's history, particularly Australian history teaching, which then has resulted in a lack of heritage awareness. This has been a problem for many years and now those who have lacked this education are often employed in the roles of dealing with heritage conservation at government and non-government levels. However, with Australian history now being part of the national curriculum for years 5 and 6, 9 and 10 this issue will be at least partly resolved in the future.
- The demonstrable decline in the independence, leverage and professional composition of specialist advisory bodies to the various ministers overseeing heritage legislatures, particularly over the last fifteen to twenty years.

Ironically, the ACNT notes that problems surrounding the lack of empirical data on heritage were identified in the sequence of SoE reports from 1996 to 2011. But there seems to be no real recognition of this problem and certainly no improvements in this area throughout that period. Indeed, glaring examples of this are the downgrading and then eventual demise of the Register of the National Estate under the EPBC Act 1999 and the former Department of Environment and Heritage downgrading its own library, isolating it from convenient public access.

The immediate impact of these decisions was the loss of access to a valuable body of heritage data by those making recommendations affecting heritage places and those wishing to do further research. The lack of reliable and relevant data and the inherent associated problems can only increase in the future if the present situation remains.

The Australian Government also has also been informed of plenty of other evidence for a range of related heritage problems. The 2006 Productivity

Commission⁸ inquiry into the Conservation of Australia's historic heritage places identified a lack of basic data on heritage places as a key issue, and that local government heritage arrangements needed considerable improvement and resourcing.

2.1 National Trust Heritage at Risk analysis

An example of the problems with domestic heritage can be gained by the National Trust *Our Heritage at Risk* program, which has been in existence in one form, or another for over fifteen years.

Each year the state/territory National Trusts compile a listing of places they consider as being under threat of losing their identified heritage values. The listings are compiled from public nominations, Trust member nominations and Trust conservation staff. The program is designed as a partnership with key non-government heritage organizations and is aimed at increasing the objectivity, credibility and capacity to influence community and government attitudes and approaches leading towards more efficacious management and conservation of heritage places.

In 2010 the ACNT conducted an analysis of the places identified by the program⁹. Forty-seven places plus a Region at Risk – the Murray-Darling Basin - out of a total of sixty-three public and member nomination places were selected by the state/territory National Trusts as being most at risk across Australia.

The method used to determine places most at risk was:

- The websites of all state/territory National Trusts were examined for current heritage threat issues.
- Current 2010 *Heritage at Risk* program final nomination lists of a total of 47 places plus the nomination for the Murray Darling Basin as the region at risk were examined to identify heritage threat issues.
- The issues were then tabulated for each state and territory and then assigned broad 'threat categories', which were identified as being common among the places.

Threat Categories – specific

1. Built historic landscapes demolition/ destruction/ degradation
2. Natural landscapes & environments destruction/ degradation
3. Development impact on rare/ endangered or vulnerable species/ populations
4. Deficiencies in legislation and/ or compliance and administration of legislation
5. Movable heritage inappropriate conservation and/ or use
6. Inappropriate use of/ impact on heritage listed places
7. Loss of social values
8. Abandonment & neglect causing destruction/ degradation of fabric
9. Ineffective conservation/ management of cemeteries & graves
10. Inappropriate reuse of former military sites in Australia
11. Pressures on significant trees
12. Inappropriate conservation of wrecks.

The multiple threats associated with the Murray Darling Basin aside, the most common threat to the nominated places was (1) *Built historic landscapes demolition/destruction/degradation* (45%). Twenty-one out of the forty-seven places could be identified as being subject to this threat.

The second most common threat category was (4) *Deficiencies in legislation and/ or compliance and administration of legislation* (36%). This threat category, while high in comparison to others, is probably an underestimation as it is likely that it underlies many of the more obvious and visible evidence of threats. Applying it was therefore somewhat negatively subjective and was done only when it was clear from the descriptions of the threats for each nomination that there was a clear legislative compliance anomaly.

The third most common threat category was (8) *Abandonment & neglect causing destruction/degradation of fabric* (26%).

The remainder of the threat categories ranged between 13% for (7) *Loss of social values* to 2% for (3) *Development impact on rare/ endangered or vulnerable species/ populations*, (6) *Inappropriate use of/ impact on heritage listed places*, and (10) *Inappropriate reuse of former military sites in Australia* respectively.

The study concluded that:

- In terms of heritage protection and conservation the most prominent issue being faced by state and territory National Trust organisations throughout Australia is the threat to our built heritage. Planned demolition, destruction, abandonment and neglect leading to the

degradation of heritage values were reoccurring pressures identified by the Trusts.

- Deficiencies in heritage legislation and/or poor compliance with legislation by owners of heritage listed places or properties are also major concerns of the Trust, which are seen to compromise the long-term protection and conservation of places. This threat category is most likely more common and a major underlying factor in the threats to our built heritage.

3. A view from other non-government organisations

As a part of the assessment/discussion methodology for the domestic heritage environment, the Federation of Australian Historical Societies (FAHS)¹⁰ and Australia International Council on Monuments and Sites (ICOMOS)¹¹ were consulted and invited to put forward their assessment and concerns. These two organizations, along with the National Trusts, have as their main objectives the preservation, interpretation, promotion of Australia's heritage – cultural and nature, tangible and intangible.

3.1 *Federation of Australian Historical Societies (FAHS)*

The Federation was established in 1977, has eight constituent members, one in each state and territory, and is the national peak body representing the interests of about 1,000 historical societies and approaching 100,000 members throughout Australia.

The FAHS believes that the following are major issues of concern within the domestic heritage environment. The organization also recommends that these issues be recognised in the Australian Heritage Strategy.

- Heritage means more than just the buildings and places. Cultural heritage includes movable cultural heritage - the contents of buildings (documents, images and objects that are held in collections) and outdoor heritage objects.
- Support and encouragement need to be given to voluntary community heritage organisations who occupy and preserve thousands of heritage buildings, and who possess and exhibit large collections that form a significant part of the Distributed National Collection. They need assistance with the preservation of sites and collections, and with training in the necessary skills.

- There are deep questions about the success of the heritage regime that was introduced under the EPBC Act and with the replacement of the Australian Heritage Commission by the Australian Heritage Council. Among many problems, the Council has little authority or funding, and the Commonwealth no longer provides the level of national leadership in heritage matters that it did 1975-99. Not all states have taken up the responsibilities allocated to them, and local government has been floundering in its heritage role.
- There is a lack of coordinated Heritage legislation in the States and for local government. Legislation should be harmonised through the COAG or a related process.
- The loss of the Register of the National Estate as an ongoing and active database, and the failure of the Commonwealth and States to establish a satisfactory single national heritage list are important aspects of the failure of the regime.
- It has frequently been questioned whether the linking of environmental, indigenous and built heritage in the EPBC Act has been successful, especially as it has often been felt that environmental heritage has been given such priority of funding and attention that built heritage comes second best.
- FAHS wishes to emphasise that local government is very patchy in its heritage activities. Not all Councils have appropriate heritage studies plans and lists; most do not have a heritage officer, or if they do the officer is often employed only a day or two per week. Local governments complain that they were handed responsibilities but no funding under the EPBC regime.
- FAHS argues that as a priority, the forthcoming Australian Heritage Strategy should seek ways to encourage and assist local governments to be more active in identifying, protecting and promoting their local heritage.
- FAHS believes that there needs to be better assistance and incentives for private owners of heritage properties to care for their properties through grants or tax deductibility.
- FAHS recommends that the forthcoming Australian Heritage Strategy recognise the need for greater community awareness, education and

involvement in heritage through school education and promotion of heritage sites and events.

3.2 *Australia ICOMOS*

ICOMOS is a non-government professional organisation that promotes expertise in the conservation of cultural heritage. It was formed in 1965, and has a responsibility to advise UNESCO in the assessment of sites proposed for the World Heritage List.

Australia ICOMOS, formed in 1976, is one of over 100 national committees. Membership of Australia ICOMOS consists of over 500 members of different categories, and is managed by an Executive Committee of 15 people, elected from the membership. A number of members represent Australia ICOMOS on various ICOMOS International Scientific Committees, as well as on expert committees and boards in Australia.

- **Community** – Australia’s heritage is cherished at the physical and emotional heart of the community. The health of the community is tied to the health of our heritage – a heritage which is part of our social capital. The bonds between the community and its heritage must be respected and nurtured.
- **Support for Heritage** – there needs to be a re-calibration of the nature and level of public support provided for heritage conservation across all tenures. At present the community, in particular private, commercial and community owners bear the heavy burden for conservation with governments only making a very small contribution.
- **Education and training** – cultural heritage places should be an integral part of Australian school curricula – celebrating, commemorating and exploring history and identity. Heritage also has an important role in more broadly educating and informing the wider community. Training in a range of heritage-related areas is also vital, including university, trades and volunteer training.
- **Understanding Australia’s heritage** – decades of research to identify Australia’s heritage has provided a rich legacy of information to help understand and conserve this heritage. But an up to date and comprehensive knowledge has still not been achieved, and the information is spread across many sources. A strategic review of

heritage listing activities in Australia is needed to seek a simplified but effective, coordinated and comprehensive understanding of Australia's heritage, including collation of existing information and future dissemination.

- **Systems of Government** – The Australian Heritage Council needs to be adequately empowered to undertake an ambitious agenda to identify, protect, conserve and promote Australia's heritage. Similarly, the heritage provisions of the EPBC Act must be resourced to achieve the high ideals promoted during the development of the Act.

ICOMOS also include a number of issues that were identified as significant matters for the Strategy during the State of the Environment workshop held in September 2011.¹²

- HERCON principles should be revisited for the current process, as they are still relevant today.
- While the integration of the three 'environments' of heritage (natural, Indigenous, historic) is a desirable outcome, they are not currently easily reconciled as a unified theme – this might create difficulties with the Strategy.
- The heritage that is being addressed in the Strategy is not complete, rather it reflects departmental responsibilities. Intangible heritage, museums, collections and moveable objects should be part of a comprehensive Strategy that honours and recognises a full range of heritage values.
- Community groups are a powerful and important source of information as they are able to look at their own places and provide relevant and accurate information.
- Important to work towards enabling people to see the benefit and value of heritage.
- Recognition that the Commonwealth should show more leadership.
- Need to address the loss of the Register of the National Estate.

4. National Trusts – Teetering on the brink?

The National Trust movement began in the United Kingdom in 1895. Since that time it has spread to many Commonwealth and non-Commonwealth countries across the globe. The Australian movement began in Sydney in 1945. In the main, the various National Trust bodies are not-for-profit organisations heavily reliant on funding through memberships, sponsorships and government grants. While the longevity of the Trusts is apparent (for example, sixty-seven years in Australia) it is by no means secure.

In general, the overall financial state of the National Trust movement in Australia is precarious.

The National Trusts in Australia, along with other not-for-profit organisations such as historical societies, operate at the state or local level, to identify, protect and conserve heritage places of local, state/territory and national significance.

Most of the State/Territory National Trust organisations are struggling and some are already stretched to breaking point, surviving only on financial reserves accrued from previous investments. While there are few National Trust properties open to the public that receive sufficient income from visitation and sales to cover ongoing operating and maintenance costs, the overwhelming majority of community-operated heritage places that are open to the public do not receive sufficient income to cover basic operating and maintenance costs. This has impacted on and impeded new interpretation and comprehensive conservation of these places.

These heritage properties generally operate on an ever-increasing loss margin despite the significant contribution of volunteers and the frugal expenditure on maintenance, conservation and presentation. Such places are at great risk as the average age of volunteers increases and visitor numbers decline, and as basic maintenance and conservation activities decline throughout all the state/territory National Trusts.¹³

National Trust properties are, in general, unable to access adequate funding to enable proper conservation. They rely heavily on volunteers to undertake minimal maintenance, and to ensure the site can be open to the public. This contrasts significantly with many properties in all levels of government ownership where budget funding provides for professional management and conservation, interpretation and education programs.

The ACNT is not criticising the allocation of funding by governments to heritage properties owned or operated by them; indeed, it supports and applauds such funding. The ACNT is simply illustrating the current under-expenditure on maintaining equivalent heritage places of national and state/territory significance. The financial resource gap between the two is wide and widening.

With endemic revenue streams (for example fees from membership, tour events, property visitation) unable to cope with rising annual costs, Trusts have been forced to implement aggressive cost cutting measures. The Trust's annual budgetary planning has moved from a 'not-for-profit' philosophy, through to a 'not-for-loss' exercise and now approaching a 'not-for-too-much' loss approach. Financial sustainability (together with the very function of the Trust movement) is fast approaching the realm of wishful thinking.

The New South Wales National Trust has warned that:

'This leaves the Trust movement to face the harsh reality that if current expense and revenue trends prevail, some properties will have to close, no matter how distressing we find it'.¹⁴

Examples of the financial situation assessed for 2010/2011 come from New South Wales and Victoria – two of the largest and oldest National Trust organizations in Australia:

New South Wales National Trust:

The audited Financial Statements show a loss for the year [2010-2011] of \$133,642. This however disguises the "real" net loss of \$1.6 million and an operating loss (before Investment income and bequests) of \$2.9 million. The reason for this difference is Jobs Grant Income (Stimulus Grants) of \$1.46 million that had to be recorded as income to comply with accounting standards. The corresponding expenditure on property improvements was capitalised. A small amount (\$146K) will be expensed as depreciation over future years. The cash however, has been spent in 2011 (NSW National Trust).¹⁵

Victorian National Trust:

The overall annual result for 2010/2011 shows a deficit of \$633,000 and varies from the \$866,000 profit reported for 2009/10. This is due largely to the acquittal of major projects, which are now recognised in the ear of receipt and not at the time of expenditure. Additional one-off costs also contributed to the annual result, including those associated with our internal restructure, unbudgeted court costs of \$90,000 (for our legal challenge of the Windsor Hotel) and a slower recovery of corporate revenues at Rippon Lea.¹⁶

The financial situation with National Trusts in Australia is, however, not reflected in the Western Australia Trust. Some seven years ago the Western Australian Trust adopted a different business model to that which it and the other State and territory Trusts had to that time used, and which the other Trust to a large extent are still using. The Western Australian Trust now receives significant revenue from the Western Australian Government for the management of Government-owned heritage properties, which effectively funds approximately 20 fulltime employees for the Trust. In addition, with seed funding from the Western Australian Government, the Trust in essence, trades in heritage properties – it buys threatened heritage properties, restores them, imposes conservation covenants on them and then on-sells them at a profit. The Trust also receives regular financial support from the Western Australian Cultural Fund, which was established by the Western Australian Government and which, by law, receives annually a percentage of the mining royalties, which the Western Australian Government derives from the mining industry in that State. Financially this is a most beneficial mode for the Trust in Western Australia, but it is thought by some to have reduced the ability of the Western Australian Trust to advocate for heritage from a strong independent and professional base.¹⁷

While the Western Australian National Trust is alone in Australia by being well funded and supported by the parent State Government, internationally the financial position is also bleak with other National Trusts organisations. Trusts across the world are under significant stress, particularly well-established Trusts such as the National Trust of Scotland. Following the recent Global Financial Crisis the Scottish Trust reported that they did not have enough in reserves to provide a cushion despite its efforts over the past few years. The accounting policy of the Trust recommended that it hold sufficient funds to cover six months of normal operational activity (equivalent to £15 million) and one year of major conservation repairs (equivalent to £2 million) totalling £17 million in general reserves. The Finance Director advised that the Trust only had £4.1 million in its general reserves.¹⁸ A statement in their current strategy specified:

Although we do benefit from government grants and support towards some specific projects, we need to raise most of our income ourselves. The heritage entrusted to us is often inherently expensive to run and unprofitable to manage and, like any other charity, we depend on the generosity of many individuals. We need to get much better at generating our own income, injecting innovation and creativity into harnessing the potential in our estate, in our collections and in our people's talents.¹⁹

4.1 UK National Trust – an exception

An exception to the situation in which Australia's National Trust movement (other than Western Australia) is that of the United Kingdom Trusts. Despite the more severe and uncertain economic climate the UK movement benefits in its size with millions of international visitors each year, a large membership base approaching four million, large rental income streams and the vital support of a heritage lottery. The UK Trust has been able to consistently deliver the services and support their members and the community expectations.

The Board of Trustees Report for 2010/2011 states:

We are pleased to report continuing growth and success this year although we have faced considerable challenges in a much more uncertain climate. 2010/2011 was record-breaking for membership recruitment, with 652,000 people joining the Trust, reaching a new high of 3.8 million members. Visits too broke last year's record with 17.7 million visits to pay-for-entry places. Our conservation performance remains strong and we spent record sums on conservation, repairs and improvements at properties.²⁰

Overall the National Trust organisations in Australia and internationally, with some few exceptions, are suffering major financial stress and are facing bleak and uncertain futures.

PART TWO

FUNDING OUR HERITAGE – Innovative practices for sourcing funding and assistance for heritage in Australia.

1. Introduction

Currently the Commonwealth Government provides two major sources of funding to Australia's heritage:

- Competitive funding programmes under which eligible bodies can apply for specific projects to be considered for funding within a formal round. Examples of competitive funding are the *Your Community Heritage Program*, which is aimed at conserving a wide-range of cultural, and natural heritage values and places; and the *Indigenous Heritage Program* which is aimed at conserving Indigenous heritage throughout Australia.
- Discretionary funding programmes which allocated non-competitive, ministerial approved grants to specific bodies. An example is the *National Trusts Partnership Program* (NTPP) which provides on-going funding to the Australian Council of National Trusts (ACNT). The ACNT then distributes the annual NTPP funding to the State/Territory National Trusts on a project completion basis. The aim of the program is to assist the National Trust bodies to promote and conserve Australia's cultural heritage.²¹

In the past the Commonwealth has provided funding through the Heritage Projects (Jobs Fund) and the Regional Natural Heritage Program.²² Both these funding programs have been completed and are no longer available.

Currently, the diversity and unevenness of funding opportunities adds to the confusion and complexity the community feels when dealing with the heritage registration processes. The Australian Strategy provides an opportunity for different levels of government and the community to work in partnership to collate and distribute available funding effectively and efficiently.

This section investigates innovative means and practices by which the Commonwealth and community organisations can source and provide further funding assistance for heritage in Australia. It examines practices, which have been put in place and have operated successfully by heritage bodies on an international scale. It is considered that each of these practices could be applied within Australia.

2. Taxation

2.1 Tax deductions

The ACNT's Submission to the Australia's Future Tax System Inquiry (October 2008)²³ provides a very good summary of the issues of taxation and heritage.

The ACNT requested the Inquiry body to:

- recognise the tax system does play a modest role in supporting heritage conservation;
- recognise the potential to achieve greater heritage conservation benefits through the tax system;
- make appropriate recommendations to enhance the role of the tax system in achieving good heritage outcomes for Australia; and
- not make any recommendations without considering the impact on those measures which currently support heritage conservation.

One example of a tax reduction incentive is the National Trust Conservation Appeals partnerships, which remain a very successful and cost-effective way of offering tax-deductibility for heritage conservation. An example of these partnerships is with the ACT National Trust.²⁴ This Trust has entered into conservation appeals with three Territory and National Trust listed churches in Canberra: All Saints Anglican Church, St Andrews Church and St John the Baptist Church. These appeal funds assist in the conservation and restoration of each of the churches, and allow for tax-free donations to be made.

2.2 Impacts of taxation on heritage properties

The impact of taxation arrangements on the conservation of heritage places is difficult to identify because of differing state/territory regulations. Regulatory taxation and institutional arrangements vary widely across the country. For example, taxation deductibility of expenditure is relevant to businesses but not private individuals or non-tax paying organisations; certain exemption from taxes (eg GST, land tax, rates) apply differently to alternative classes of ownership; and donations to certain organisations are treated as tax deductible. The overall and differential impact of such arrangements is difficult to determine, as to whether or not they introduce distortions in the market.

This difficulty is compounded by the diversity of participants in the heritage market; from governments that fully fund the operation of certain places,

through community subsidised operations, to private activities either as a business or for private consumption. The funding, taxation and rebates arrangements impact differently on each heritage place; and the lack of special treatment in the income taxation area may be offset elsewhere by access to rate rebates or grants.²⁵

2.3 Taxation credits

The following initiatives have been extracted from a discussion paper compiled by the South Australian National Trust.²⁶

The USA has a system of federal government Historic Tax Credits, which has created over 1.8 million jobs in 36,481 projects over 30 years²⁷. A Rutgers University (New Jersey)²⁸ study on the financial impact of the tax credit scheme has found 60-70% of the costs go to labour, three quarters of the economic impacts remain local and in 2008 alone, there were 58,000 jobs created.

The tax credits scheme has been assessed to be the richest source of historic preservation in the country - \$69.5 million in 2009 alone. Similar studies on tax credits at the state level have also produced such positive findings.

Case Study

The Federal Historic Preservation Tax incentives Program²⁹

This US scheme offering 20% tax credit—began in 1976. Since that time, the National Park Service (NPS) has administered it in partnership with the Internal Revenue Service (IRS) and with State Historic Preservation Offices (SHPOs). To date tens of thousands of rehabilitation projects have been approved, representing billions of dollars in private investment. One of the federal government's most successful and cost-effective community revitalization programs, the Preservation Tax Incentives reward private investment in rehabilitating historic properties such as offices, rental housing, and retail stores. Abandoned or under-used schools, warehouses, factories, churches, retail stores, apartments, hotels, houses, and offices in many cities have been restored to life in a manner that retains their historic character. The

Preservation Tax Incentives have also helped to create moderate and low-income housing in historic buildings.

The 20% credit is available only to properties rehabilitated for income-producing purposes, including commercial, industrial, agricultural, rental residential or apartment use. The credit cannot be used to rehabilitate personal residences. However, if a portion of a personal residence is used for business, such as an office or a rental apartment, in some instances the amount of rehabilitation costs spent on that portion of the residence may be eligible for credit.

In general a building has to be individually listed in National Register or Historic Places or included in a National Register historic district. However, buildings that have been determined eligible by the State Historic Preservation Office for individual listing in the National Register or that may be included in a local certified historic district or in a historic district that is potentially eligible for listing in the National Register may also qualify for the credit.

To be eligible to receive the tax credits the rehabilitation project must be consistent with the historic character of the property and meet all appropriate heritage and construction standards.

After rehabilitation the historic building must be used for an income-producing purpose for at least five years.

A system of Commonwealth tax credits for conservation work on heritage places (including preparation of conservation management plans) could produce similar results in Australia and investigations could be undertaken to consider the range of benefits, a possible form and how it might be implemented.

Such a proposal is not without precedent in other environmental and cultural connections in Australia. For example, there have been tax offsets available to primary producers in relation to Landcare and Water facility activities and tax deductibility exists for private donation of works of art to museums.

However, existing national/state/territory/local heritage places listings as the basis for a taxation model would most likely be limited in scope. We would at least need a broader list upon which tax benefits are based. For example, the Australian Heritage Data Base (former Register of the National Estate 2012) could be a useful listing for the purpose of identifying suitable places.

This listing would need to be revived, updated to current times and then regularly maintained. It could also be combined with state/territory and local government lists as a basis for properties for which tax credits could be available.

2.4 'Green Taxation'

A further option for taxation benefits could come from the retention of embodied greenhouse gases/carbon/energy in existing buildings by opting a policy aimed at adaptive reuse rather than demolition of existing fabric. Such a policy would start to encourage retention of buildings instead of demolition with the inherent energy expenditure required and rebuilding new structures again with the inherent energy expenditures.

At this time it seems that the status quo revolves around a conceptual capital depreciation of aged buildings leading to abandonment ('ghost buildings'), which in turn encourages decay leading to structural instability then to demolition on the premise that a building has become 'beyond economical repair'. Thus a concept of new building on the site of an old one is the primary, and sometimes only, vision when redevelopment is being planned.

A taxation incentive to retain rather than demolish could be instituted with deductions for adaptive reuse of exiting building and fabric.

Amendments to development planning laws that stop the advent of 'ghost buildings' would be more in the state/territory jurisdictions but this does not exclude the Commonwealth from developing some funding programs leading to financial benefits. A program with a title such as 'Reactivating Cities and Towns' to promote the practice of adaptive reuse across major metropolitan and regional centres would be

Recommendation

A system of national tax incentives focussed on conserving Australia's heritage be made available to owners of heritage listed properties. These incentives are in addition to the current grants systems, which should be retained.

3. Negotiated Heritage Agreements

Many of Australia's heritage listed places are privately owned. The EPBC Act 1999 (Section 305) permits the Minister, on behalf of the Commonwealth, to enter into a conservation agreement with the objective of enhancing the conservation and/or the heritage values of a place on the World Heritage List, National Heritage List and the Commonwealth Heritage List.³⁰

The Commonwealth Government could consider extending voluntary agreements with private property owners and/or holders for conservation management of places determined to be of heritage significance on other listings:

- State/Territory Heritage Lists
- Local Government Heritage Lists
- Listing on the National Heritage Data Base (this would require an amendment to the EPBC reinstating statutory status).

3.1 Private Conservation Agreements

A private heritage agreement would require an appropriate legal agreement to be prepared and upon signature, noting as a binding covenant upon the title.

Case Study

The South Australian government enters into heritage agreements for cultural heritage places with provisions in the *Heritage Places Act 1993* to provide for such agreements (Attachment 1).

However, these provisions apply only to places on the State Heritage Register. By contrast under the South Australian *Native Vegetation Act 1991* a heritage agreement may be entered into over almost any area of native vegetation deemed appropriate by the Native Vegetation Council.

In this South Australian case the *Heritage Places Act 1993* would have to undergo a process of amendment to include local government and other listings of places recognised with heritage significance.

The *EPBC Act 1999* would need an amendment to provide for Private Heritage Agreements on places other than listed on the Commonwealth controlled statutory lists. The current act provides such financial assistance to some degree for places on the National Heritage List:

324ZB Commonwealth assistance for protecting National Heritage places

- (1) *The Commonwealth may give financial or other assistance for the identification, promotion, protection or conservation of a National Heritage place to:*
 - (a) *a State or self-governing Territory in which the place or part of the place is located; or*
 - (b) *any other person.*³¹

- (2) *The Commonwealth may give assistance subject to conditions.*

Under the Act, assistance is restricted to places, which have been assessed as meeting the National Heritage Criteria. Consideration could be given to broadening this restriction to include places assessed under other State and Territory acts.

Such a broadening could then include places listed on the former Register of the National Estate, which after February 2012, if not covered by State and Territory acts may have no statutory protection.

Any Private Heritage Agreement at Commonwealth level should then include provisions for properties based on meeting current heritage criteria.

Recommendation

The Commonwealth Government extends and further develops voluntary agreements with private property owners and/or holders for conservation management of places determined to be of heritage significance on other listings:

- ***State/Territory Heritage Lists***
- ***Local Government Heritage Lists***
- ***Listing on the National Heritage Data Base (former Register of the National Estate - this would require an amendment to the EPBC reinstating statutory status).***

4. Heritage Funding in United States

This section examines several methods of heritage places funding available in the United States.

4.1 *The US National Trust for Historic Preservation*³² is a private, not-for-profit membership organization dedicated to saving historic places and revitalizing America's communities. The Trust was founded in 1949 and provides leadership, education, advocacy, and resources to protect the irreplaceable places that tell America's story. Staff at the Washington, DC, headquarters, six regional offices and 29 historic sites work with the Trust's 200,000 members and thousands of preservation groups in all 50 US states.

4.2 *Preservation Fund*

The National Trust Preservation Fund³³ of the National Trust for Historic Preservation offers several types of financial assistance to nonprofit organizations, public agencies, for-profit companies, and individuals involved in preservation-related projects.

In 2010, the National Trust Preservation Fund provided almost \$1.5 million in financial assistance to 375 projects nationwide.

Generally, financial assistance available to restore historic buildings and homes is divided into the three categories below.

4.3 *A Mortgage Program Tailored for Rehabilitation*

The Department of Housing and Urban Development's Federal Housing Administration³⁴ has a flexible loan program that helps developers, investors, and families at all income levels to buy and restore properties in urban and rural historic districts. The program operates through FHA approved lending institutions, and the loans are insured by FHA.

4.4 *Preservation Easement Tax Incentive*

A preservation easement is a legal right granted by the owner of a property to an organization or a governmental entity qualified under state law to accept such an easement. Preservation easements may provide the most effective legal tool for the protection of privately owned historic properties while offering a tax benefit to the owner.

4.5 Resident Curators

Some US states have a resident curator program that allows an individual to live in and restore state owned historic properties. For example in the state of Maryland, interested preservationists submit an application along with a restoration plan, and must be qualified to supervise and finance the restoration work. If approved, the resident curator can live in the historic property for the rest of his or her life in return for financing the restoration of the property.

Case Study

The Maryland Resident Curatorship Program³⁵

(www.dnr.state.md.us/land/rcs/index.asp)



Doncaster House

This program secures private funding and labour for the restoration and maintenance of historic properties owned by the Maryland State Department of Natural Resources (DNR). Curator residents enter an agreement with DNR to restore a historic property and maintain it in good condition in exchange for a long-term (lifetime) lease.

Those interested are able to apply online at the DNR's website to obtain further information on the program.

Purpose.

Resident curatorships provide a method for ensuring the long-term preservation of historic and heritage listed buildings at no cost to the State of Maryland. The DNR pioneered this program in 1982 and currently has about 43 curatorships in operation. The well-developed procedures in the agreement between the resident curator and the DNR has provided a model for initiating similar programs in other US states.

The DNR claims that the resident curators have contributed over \$US 8 million worth of improvements to the publically owned historic buildings.

One such building on offer in the program was Doncaster House.

The Doncaster House was probably constructed in the early part of the 20th century as an office for a local logging company. The Civilian Conservation Corp may have utilized the building and the surrounding area during the 1930s and 40s. At some point, it was enlarged with a kitchen wing to make it suitable as a dwelling. The rather small and simple building lacks central

heating and would require substantial upgrades to make it more habitable. The DNR agreement would support the use of the building as a weekend or holiday cabin.

4.6 *Federal Financial Assistance for Rural Buildings*

The U.S. Department of Agriculture's Rural Housing Service³⁶ offers funds for the acquisition, construction, repair or rehabilitation of homes and apartment-style housing for low and moderate-income residents in rural areas.

4.7 The National Trust Preservation Fund³⁷ includes funds that provide two types of assistance to nonprofit organizations and public agencies: 1) grants from \$2,500 to \$5,000 for preservation planning and educational efforts, and 2) intervention funds for preservation emergencies. Matching grant funds may be used to obtain professional expertise in areas such as architecture, archaeology, engineering, preservation planning, land-use planning, fund raising, organizational development and law as well as to provide preservation education activities to educate the public.

4.8 The Johanna Favrot Fund for Historic Preservation³⁸ provides nonprofit organizations and public agencies grants ranging from \$2,500 to \$10,000 for projects that contribute to the preservation or the recapture of an authentic sense of place. Funds may be used for professional advice, conferences, workshops and education programs.

4.9 The Cynthia Woods Mitchell Fund for Historic Interiors³⁹ provides nonprofit organizations and public agencies grants ranging from \$2,500 to \$10,000 to assist in the preservation and interpretation of historic interiors. Funds may be used for professional expertise, print and video communications materials, and education programs.

4.10 The Southwest Intervention Fund of the National Trust for Historic Preservation⁴⁰ is intended to further preservation efforts of the traditional cultures of the Southwest region, exclusively in Arizona, Colorado, New Mexico, West Texas and Utah. Local partners, nonprofit organizations and government agencies that have strategic opportunities to save sites or help jumpstart preservation projects are eligible for the Fund's small, catalytic grants (typical award \$5,000 to \$10,000). The Fund can support assistance for a single prehistoric or historic place or actions affecting an entire state or part of a state, or several states, so long as all of the states are among the five designated states.

4.11 The Peter H. Brink Leadership Fund⁴¹ helps build the capacity of existing non profit preservation organizations and encourages collaboration among these organizations by providing grants for mentoring and other peer-to-peer and direct organizational development and learning opportunities. The purpose of these grants is to support the leadership and effectiveness of staff and board members of preservation organizations to fulfill their mission and to create a stronger, more effective preservation movement. Grants from the Peter H. Brink Leadership Fund reimburse travel costs and provide an honorarium for the mentor up to a maximum total of \$1,500.

4.12 The National Trust Community Investment Corporation (NTCIC)⁴², makes equity investments in the rehabilitation of historic properties eligible for the 20 percent federal historic rehabilitation tax credit, and where available, state historic tax credits and the New Markets Tax Credit (NMTC). NTCIC invests in projects that have at least \$6.0 million in total development costs and that generate at least \$1.5 million in historic tax credit equity. Smaller deals will be referred to the Small Deal Fund for equity investment consideration. Tax-exempt nonprofit organizations and public-sector developers may be eligible for an NTCIC equity investment by creating a limited liability partnership. NTCIC has a special interest in those projects with a high community benefit.

4.13. Transportation Enhancements Funding.⁴³ Since 1991, US state governments have dedicated over \$2 billion in Federal-aid highway funds to thousands of transportation-related historic preservation projects; historic resources have also benefited from transportation enhancement money for

landscaping, land acquisition, historic bridge and road activities, and streetscapes in historic commercial districts.

4.14 The Historic Preservation Fund (HPF)⁴⁴ provides grants to states, indigenous tribes, and local governments to use for activities like education, preparation of National Register nominations and development of comprehensive preservation plans. The HPF receives annual appropriations from Congress, and this federal money is matched by state dollars. The fund is administered in a partnership between the National Park Service and the states through state historic preservation offices and local governments.

4.15. National Park Service.⁴⁵ Since 1968, the National Park Service has provided funding for a variety of grant programs aimed at protecting the most significant historic and cultural sites. More than one billion dollars has been awarded to federal, state and local governments, tribes, nonprofit organizations and educational institutions for preservation projects in all 50 states and the U.S. Territories. The Historic Preservation Grants Division is responsible for the administration of the National Park Service's preservation grant programs.

Recommendation

Provide financial assistance and/or tax incentives to facilitate the operations of preservation funding agencies nation-wide. Funding could be directed to State and local governments, corporations and private not-for-profit agencies specifically for the protection of cultural and natural heritage assets.

5. Revolving Heritage Funding

A Revolving Heritage Fund⁴⁶ can be described as ‘a pool of capital created and used for heritage conservation typically for the conservation of ‘at-risk’, low-return heritage properties that others [funding sources] are unwilling or unable to invest in.’

A revolving fund is in this definition seen as a ‘developer of last resort’ for heritage places facing demolition by neglect but the concept need not be restricted to ‘at-risk’ places but applied broadly to places, particularly small or medium residences to:

- act as a catalyst for restoration
- demonstrate the economic benefits of heritage conservation
- provide for the disposal of properties with sound conservation outcomes
- to complement the heritage planning and protection activities of Commonwealth, State and local governments and the National Trusts.⁴⁷

Revolving funds are common in other countries although they operate under various different names: they are typically known in the United States as Revolving Funds or Preservation Foundations, and in Britain as Preservation Trusts.

There are two major types involving properties:

- Acquisition and resale (with or without restoration). This involves reselling properties with protection covenants to sympathetic buyers.
- Lending to other individuals or organisations seeking to buy, restore and protect heritage properties. This typically involves use of the funding body’s own capital (borrowed money from a bank or other funding source) to offer loans. The loans are offered with conservation- related conditions, and under terms more favourable than a commercial lender may offer.

The concept of revolving funds has been very successful overseas and has offered one of the most practical strategies available to protect the heritage values of a property.

Two examples of revolving heritage funds in Australia are:

- Historic Houses Trust, *Endangered Houses Fund*⁴⁸
- *Mint Inc* in Victoria.⁴⁹

Case Study

The Historic Charleston Foundation⁵⁰



(www.historiccharleston.org)

Since 1940, Charleston has lost several hundred historic structures and nearly one-third of the antebellum plantation buildings in the surrounding countryside. Countless battlefields and archaeological sites have been destroyed by development. Construction since 1970 has caused significant encroachment on the quantity and quality of our precious heritage sites, sometimes through demolition, but more often through neglect, improper maintenance, insensitive alteration, or large scale sprawl development.

Historic house on Lee St

Historic Charleston Foundation (HCF) is a nonprofit organization whose mission is to preserve and protect the historical, architectural and material culture that make up Charleston's rich and irreplaceable heritage.

Charleston Foundation was the first organization in the country to develop the Revolving Fund as a preservation strategy. The initiation of this fund in 1958 enabled the Foundation to begin the Ansonborough Rehabilitation Project, an extraordinary effort to save a six-block neighborhood bordered by Market, Calhoun, East Bay and Meeting streets.

Through the Revolving Fund, Historic Charleston Foundation sought to purchase, stabilize and resell historic properties with protective covenants in Ansonborough where, over a 12-year period, more than 60 structures were rehabilitated. The accomplishment was hailed nationwide, and other preservation programs across the United States modeled local initiatives on the Charleston program.

HCF's Ansonborough project is considered one of the first successful attempts in the country to preserve an entire neighborhood.

The Revolving Fund was revitalized in 2004 with a \$300,000 gift from a private estate. With this seed money, HCF purchased two dwellings both of which were sold with protective covenants to preservation-minded buyers. In 2005, HCF purchased one of the largest properties in Harleston Village, and one that retains much of its original historic fabric. It, too, was sold to a responsible buyer who placed protective covenants on the property and will soon undertake a sensitive renovation.

Historic Charleston Foundation partnered with Charleston's Habitat for Humanity and the City of Charleston in 2010 on the rehabilitation of a small, single-style house on Lee Street, which was completed in 2011.

This was the first joint project between the three entities. The City of Charleston's Department of Housing and Urban Development identified the property and family in need. Charleston Habitat for Humanity (HFH) confirmed that the family met requirements for assistance and is supervising subcontractors and volunteers. HCF has been involved in the preservation of the historic elements of the building and is contributing funds for the joint project through its Neighbourhood Impact Initiative program. Restrictive covenants were placed on the house by HCF at the completion of the project to protect the property's historic integrity.

Recommendation

Institute a revolving fund for heritage listed properties to allow for:

- *Reselling properties with protection covenants sympathetic to the conservation requirements of the property and to the buyer.*
- *Lending to approved individuals or organizations seeking to buy, restore and protect heritage properties.*

6. National Heritage Lottery

6.1 The UK Heritage Lottery Fund⁵¹

The United Kingdom's Heritage Lottery Fund (HLF) was instituted in 1994. The HLF is administered by the National Heritage Memorial Fund (NHMF), a non-departmental public body accountable to Parliament via the Department of Culture, Media and Sport. The NHMF is responsible for distributing a share of money raised through the National Lottery for Good Causes, to heritage places across the UK,

The Heritage Lottery Fund (HLF) sustains and transforms a wide range of heritage through innovative investment in projects with a lasting impact on people and places. The HLF is the largest dedicated funder of the UK's heritage, with around £375million a year to invest in new projects. Since 1994, HLF has supported almost 32,000 projects allocating £4.7billion across the UK. Funding projects include:

- People's memories and experiences (often recorded as 'oral history' or spoken history);
- Histories of people and communities (including people who have migrated to the UK);
- Languages and dialects;
- Cultural traditions such as stories, festivals, crafts, music, dance and costumes;
- Histories of places and events;
- Historic buildings and streets;
- Archaeological sites;
- Collections of objects, books or documents in museums, libraries or archives;
- Natural and designed landscapes and gardens;
- Wildlife, including special habitats and species; and
- Places and objects linked to our industrial, maritime and transport history.

Case Study



UK Heritage Lottery Fund

(www.hlf.org.uk/)

2014 sees the beginning of a series of centenaries marking the First World War.

Key events and developments relating to the conflict will be commemorated, including the Battle of the Somme, the Gallipoli campaign, the changing role of women, the Armistice and the dedication of the first war memorials.

The Heritage Lottery Fund can provide funds to help you mark these important anniversaries by exploring the history and legacy of the war and helping people understand how it impacted on communities across the UK, especially their own.

The NHMF is working with Imperial War Museums (IWM), who are leading the UK's cultural commemorative programme for the centenaries. HLF applicants can access IWM expertise and resources by joining the centenary partnership.

War Memorials

There has recently been increased interest in the condition of war memorials across the UK. There is a number of funding sources available to help people look after and learn from their local war memorials and to commemorate the heritage of sacrifice and conflict.

6.2 Poker machines

The 2010 Productivity Commission report into gambling estimated that around 600,000 Australians play poker machines weekly at a cost of between \$7,000 and \$8,000 a year per player.⁵² Annually, this adds up to an enormous amount of money, primarily from personal wages, spent on just this one type of gambling. The revenue from poker machines is largely split between government revenue requirements and clubs/poker machine owners.

There is at this time (2011) an ongoing debate over the problems associated with this type of gambling that has reached the level of political ball playing. However, whatever the outcome reached by governments, political parties

and poker machine owners the practice is highly likely to remain a past-time for many Australians.

A scheme to channel some of the revenue received from poker machines to 'good causes' such as the conservation of Australia's heritage is worth consideration.

Such a scheme, which could perhaps be criticized as 'getting into bed with the devil', could be practical if it was accompanied with inherent processes to alleviate problem gambling as well as a range of other 'good causes' such as heritage, arts and culture and forms of community support. It would be something that would require agreement with states and territories, but could be one way of addressing the current political impasse associated with introducing reformed poker machine legislation.

Other considerations in this scheme would be:

- states such as Western Australia who do not have the level of poker machines as others do
- the increasing trend towards on-line gambling which channels the expenditure and potential revenue elsewhere
- other forms of personal gambling (around \$19 billion was spent by consumers on Australian gambling products in 2008-09.)⁵³

Recommendation

Institute a nation-wide lottery specifically aimed at the protection and conservation of the nation's heritage. The guidelines and operation of the fund could be similar to the successful UK Lottery Fund.

Recommendation

Institute provisions to acquire revenue from established and legally controlled gambling operations. Revenue to be channelled into a specific fund for the provision of heritage conservation.

7. Heritage Tourism

Partnerships with Travel Agents and Tourism operators.

Much has been written about the links and interface between heritage conservation and tourism as a way to interpret, promote and fund the conservation of places with recognised heritage values. In fact, the literature forms a whole genre of its own – ‘heritage tourism’.

National Trusts in Australia have long emphasised the need to attract tourists to their properties and have developed tour programs as a major source of revenue raising which can then be utilised in their conservation budgets.

While the heritage tourism literature genre keeps growing with regular input, particularly from academic and professional heritage practitioners; and although National Trusts, along with other non-government heritage organizations have tourism policies and practices in place within their strategic plans, there is a realisation that the process of education and tourism is not reaching expectations. The desired levels of revenue generation are not being achieved even though participation in cultural and heritage related tours and activities by younger, middle and elderly age categories have been predicted to increase in the present decade.⁵⁴

While the reasons for the shortfall in developing ‘tourist dollars’ are most likely multifarious and specific to types of places, there appears to be an overriding connection problem between the National Trusts who own the properties and the travel agents who create tours, advertise them in the public area and sign up the prospective tourist into a structured holiday itinerary.

Most Australian National Trusts do indeed have local, regional and overseas tour programs for which they utilise the services of a travel agent, but the relationship between the two is often based on a series of individual tours planned by the Trusts themselves. An example of this is the ACT National Trust, which has a long-established tour programme offering members and the general public a series of specific and tailored tours in the ACT region throughout each year and one or two overseas tours focussing on cultural and natural heritage places.⁵⁵

What is missing from these heritage tourism policies and practices is a close and well-developed partnership with the Australian travel industry. Australia promotes its tourism and tourist destinations widely⁵⁶, but there is little or no connection between the various government and corporate agencies and the National Trust.

Unfortunately, there is just no partnership programme between the corporate tourist industry who organise and run the tours, the government tourist agencies who promote Australia as a tourist destination and the National Trusts who between them own over a eight hundred properties each suitable for a tourist itinerary. Each entity is aiming at the same target but shooting from different directions. What is need is a long-term coordinated approach with partnerships between Commonwealth and State/Territory Tourist agencies.

Case Study

The US National Trust for Historic Preservation⁵⁷ is a partner in a heritage tourism program. The program provides a fee-for-service consulting service to assist with the development, promotion and management of cultural and heritage tourism programs and efforts. The program is built on guiding principles. Principle 1, dealing with broad government and non-government partnerships, is the most relevant to Australian heritage tourism.

Principle 1:

Much more can be accomplished by working together than by working alone. Successful cultural heritage tourism programs bring together partners who may not have worked together in the past.

Building partnerships is essential, not just because they help develop local support, but also because tourism demands resources that no single organisation can supply. Its success depends on the active participation of political leaders, business leaders, operators of tourist sites, artists and craftspeople, hotel/motel operators and many other people and groups.

Regional partnerships are also useful to cultural heritage tourism efforts. Cooperating in a regional arrangement lets you develop regional themes, pool resources, save money and expand your marketing potential. Those resources include not only money for marketing campaigns, for example, but also facilities (accommodation for travellers) or expertise in tourism, preservation, the arts or another area.

The program has a number of main-player partnerships including: American Association of Museums, US Travel Association, National Association of Tribal Historic Preservation Officers, National Assembly

of State Arts Agencies, and Federal agencies including: US Department of the Interior, US Department of Commerce, President's Committee on the Arts and Humanities, Advisory Council on Historic Preservation.

7.1 Holidays with History – *The Vivat Trust*⁵⁸

The UK Vivat Trust is a registered charity and an active national building preservation trust. Established in 1981, the trust is dedicated to rescuing derelict historic buildings and sensitively restoring them into short stay holiday homes. Properties are let out by a wholly owned subsidiary, Vivat Trust Holidays. This approach to conserving the nation's heritage allows people to experience a living piece of history while the lettings income helps fund future maintenance. The Trust owns and operates 22 historic houses and properties in England, Scotland and Wales.

The Vivat Trust works in three key ways:

- It takes on a long lease from a private owner, develops a restoration scheme, fundraises to meet the project costs, refurbishes and decorates the interior and manages it thereafter as a holiday let.
- It works in partnership with other building preservation trusts or charitable organizations, offering Vivat holiday accommodation as a use for all or part of a building. It provides, if necessary, advice on project development, fundraising and property management.
- It markets historic properties owned by private individuals or charitable organizations.

Recommendation

Develop a close and formal relationship between the Australian government, State and Territory governments, owners of heritage properties and the Australian tourist industry aimed specifically at utilising and promoting the nation's statutory and non-statutory heritage listed properties.

8. Enabling Development

Enabling Development is a policy used by English Heritage to provide and sustain funding for heritage conservation, particularly but not necessarily, for built heritage.

English Heritage defines Enabling Development as ‘development that is contrary to established planning policy – national or local – but which is occasionally permitted because it brings public benefits that have been demonstrated to clearly outweigh the harm that would be caused.’⁵⁹

Normally such development would not be permitted, but it is considered in special cases where conservation costs are high and could not otherwise be achieved and where it can be demonstrated that the current and future benefits to the public outweigh the negative impacts of the development.

Consideration on allowing an enabling development should meet the following criteria.

The proposed development:

- will not materially harm the heritage values of the place or its setting
- avoids detrimental fragmentation of management of the place
- secures the long-term future of the place and, where applicable, its continued use for a sympathetic purpose
- is necessary to resolve problems arising from the inherent needs of the place, rather than the circumstances of the present owner, or the purchase price paid
- and must satisfy a requirement sufficient subsidy is not available from any other source
- it is demonstrated that the amount of enabling development is the minimum necessary to secure the future of the place, and that its form minimises harm to other public interests and
- must demonstrate the public benefit of securing the future of the significant place through such enabling development decisively outweighs the dis-benefits of breaching other public policies.

If it is decided that a scheme of enabling development meets all these criteria, English Heritage believes that planning permission should only be granted if:

- the impact of the development is precisely defined at the outset, normally through the granting of full, rather than outline, planning permission

- the achievement of the heritage objective is securely and enforceably linked to it, bearing in mind the place concerned is repaired to an agreed standard, or the funds to do so are made available, as early as possible in the course of the enabling development, ideally at the outset and certainly before completion or occupation
- the planning authority closely monitors implementation, if necessary acting promptly to ensure that obligations are fulfilled.

Recommendation

Permit specific planning provisions for new development affecting heritage-listed properties where it can be demonstrated, in special cases, that conservation costs are high and could not otherwise be achieved and the benefits to the public outweigh the negative impacts of the development.

9. Heritage Disaster Fund

Over the past few years, Australia has probably seen the greatest number of natural disasters in its recorded history: floods and cyclones in Queensland, bushfires in Victoria, ACT and WA, long-term droughts in Central Australia.

Yet the loss of cultural capital from these events has received little attention. The inclusion of the 'Recovering from national disasters' category in the *Your Community Heritage* program is recognition of the need to provide funding for natural disasters. However, there is a need for funding for emergency heritage responses to natural disasters as well as longer-term assistance for recovery.

There is opportunity to develop a Heritage Disaster Fund as a partnership between the Australian government, the state governments, the National Trust and the insurance industry. Having the insurance industry involved in such a Fund would be an important part of its sustainability. It would be made very clear that the purpose of the fund is not to replace insurance or alleviate insurance companies of some of their responsibilities, but to work with insurers to get the best possible outcomes.

Establishing a Heritage Disaster Fund on its own could be difficult and costly to administer, but if it was part of a larger state Heritage Fund, then resources could be available at very short notice if need be.

The benefits of a Heritage Disaster Fund would include:

- Getting heritage professionals on the ground as early as possible after a disaster to help make informed decisions and the future of damaged places and collections;
- Being able to fund the difference between the insurance cover and the cost of repairs to make retention viable in marginal cases; and
- Funding for disaster management training (for example Museums and Gallery Services in Queensland run disaster management courses for small museums).⁶⁰

Case Studies

*Indonesian Heritage Trust (BPPI)*⁶¹

The Indonesian Heritage Trust (BPPI) is one international example of a community heritage organisation that has the ability to rapidly respond to natural disasters by providing on-ground heritage professionals to assess damage.

*Blue Shield Australia*⁶²

The Blue Shield organization is the cultural equivalent of the Red Cross. It is an international committee, working to protect the world's cultural heritage threatened by armed conflict and natural disasters

The Blue Shield Australia website states:

A delay in an appropriate emergency response inevitably leads to irreparable damage, diminished or complete loss of recovery capacity of cultural items, ongoing physical degradation and potential looting. Where regional networks of cultural institutions exist they have been very effective in providing timely and effective aid to assist local and remote communities to repatriate and rehabilitate cultural items affected in a disaster.

*Canterbury Earthquake Heritage Building Fund*⁶³

Christchurch City Council has launched this fund to help finance the repair, restoration and strengthening of character and heritage buildings damaged during the Canterbury earthquake. An important component of this fund is the commitment of the government to match the funds raised by donations. The website states:

The purpose of the Fund is to provide assistance to owners of heritagelisted buildings to repair damage caused by the Canterbury earthquake of 4 September 2010, Christchurch earthquake of 22 February 2011, and aftershocks. Funding will be targeted at the gap between insurance cover, and the actual cost of repairs and associated works including conservation works, structural upgrading and Building Code compliance works.

The Fund will consist of contributions from territorial authorities, the New Zealand Historic Places Trust, and donations. Any funds received will be matched by the government who have set aside up to \$10 million. This was set up prior to the 22 February Christchurch Earthquake.

Recommendation

Develop a natural disaster fund specifically for heritage-listed properties in partnership between Commonwealth and state governments, the insurance industry and not-for-profit organizations concerned with heritage conservation.

10. Strengthening the Capacity of Local Government – (Revitalising the former National Estate Grants Program)

Contrary to the statement in the Public Consultation Paper that ‘Local governments have embraced heritage protection and celebration’; there are many local governments, particularly in Queensland, that are not embracing heritage at all.

Local governments play a major role in maintaining a sustainable future for heritage in Australia and, in taking a leadership role in heritage, the Australian Government can provide support and assistance to strengthen the capacity of local governments.

Local governments could offer support and assistance for many types of heritage owners including planning and development incentives and fee reductions, surveying and listing processes, rate assistance, awards, heritage advisors and celebrations. Many local governments own and manage heritage places and museums as well.

One of the benefits of the former *National Estate Grants Programme* (NEGP)⁶⁴ was that local government could access Commonwealth funds via the state government for heritage surveys. However, many local governments, such as those in Queensland are still reluctant to establish comprehensive local heritage registers from this survey data for fear of political consequences.⁶⁵

There is an opportunity for the Australian Government to partner with the states, to offer local governments matching funding as well as professional support for such heritage initiatives.

Recommendation

Reintroduce a program of heritage funding similar to the former National Estate Grants Program.

11. State Heritage Partnership Funds

One possible model for establishing funding partnerships is state Heritage Funds. The Funds would be established as a partnership between the Australian Government, the relevant state government and the National Trust.

Some of the advantages of such a fund could be:

- Expanding the capacity of the federal heritage funding by adding a state funding component supported by tax incentives;
- Attracting commercial and private funding through the National Trust, which should be tax-deductible;
- Providing assistance for local government, with the option of matching funding, for heritage surveys, heritage advisors and professional assistance;
- Providing an opportunity to support professional standards of commercial and private fundraising;
- Contributing local knowledge and long-term strategies to the distribution of federal funding;
- Providing funding for capital works to support the financial sustainability of heritage places in public ownership, rather than just conservation works, as the Jobs Fund program was able to do.

Recommendation

Establish a joint Commonwealth and State heritage partnership fund. The aim of the fund would be to expand the capacity of the commonwealth heritage funding by adding a state-funding component supported by tax incentives.

12. Helping Heritage Owners – a more holistic approach

Owners of heritage listed properties fall in to a number of differing categories each requiring differing means of funding to assist in complying with the relevant statutory conservation requirements:

- Commonwealth government
- State governments
- Local governments
- Community organisations
- Institutions
- Corporate owners
- Private owners

12.1 Australian Government

A number of government departments are owners of heritage listed properties and can be setting examples of not only heritage conservation, but also heritage celebration and community engagement. Many Commonwealth Departments do plenty of good work conserving their heritage, particularly when they have a long and proud history and a strong identity linked to its heritage.

However, the threat of budget cuts can reduce activities that are not seen as ‘core business’. It is important that governments set examples by keeping conservation processes ticking over even with reduced resources, rather than none at all, because it is often the build-up of unattended maintenance liabilities that cause so many problems for heritage assets.

It is therefore important to encourage all departments responsible for heritage listed properties to contribute to heritage funding by setting an example to the community in caring for their heritage, as well as celebrating their heritage and continuing their programs of community engagement.

12.2 Department of Defence

The Department of Defence is an example of a Commonwealth Department that is taking a positive role in the management of its heritage properties. Its vision for Heritage management is:

Defence will be a leader in the management of its heritage properties with heritage values. Defence will seek to provide a sound balance between defence capability and conservation heritage values.⁶⁶

However, forecasted budget cuts to Defence put heritage management, while important to the department but not a core business, at risk of being identified as an area for financial reduction.

12.3 State Governments

State governments own many heritage places across a variety of portfolios. While one part of the state government regulates the development of heritage places, others that own them are often not resourced to set an example to the community in the care and celebration of our heritage.

The Queensland Government as an example certainly finds it very difficult to fund the conservation of its heritage places. By contrast, in Western Australia there is a strong partnership between the state government and the National Trust of Australia (WA) in the management of state-owned heritage assets.

Case Study

Mint Inc, Victoria⁶⁷

www.mintinc.com.au

Mint Inc is a seven member committee of management appointed by the Victorian Government to restore heritage properties located on crown land for commercial and community use. The committee is made up of experienced people in real estate, urban planning, architecture, building, and conservation.

Since its inception in 1998, Mint Inc has taken on the management of twelve heritage sites across Victoria, including the former Royal Mint building and complex, undertaking significant restoration works to give the properties a new lease of life.

The management model it has developed seeks to ensure that buildings of heritage significance, owned by the Government and situated on Crown Lands can be adaptively reused and managed successfully, after a full restoration process. The aim for each building is for it to produce sufficient funds to maintain its costs in perpetuity.

Mint Inc has successfully completed the full restoration and leasing of all but one of the buildings under its management, and generates its funds from the

leasing of these buildings and management of the very successful car park on the grounds at the rear of 280 William Street, Melbourne. Mint Inc is currently restoring its latest acquisition, Farm Vigano, significant for its links to Italian migration and culture in Victoria.

These activities generate sufficient funds to ensure that all buildings can fund their maintenance costs in perpetuity and also provide an excess to allow the Committee to extend this model to other Government owned, heritage significant buildings on Crown Lands with the Minister's consent.

12.4 Local Governments

Not only do Local Governments have a key role in supporting heritage owners, many are owners of heritage places themselves.

Below are examples of how two Local Governments in Queensland are raising funds for the conservation of their heritage places.

Case Studies

*Sunshine Coast Heritage Levy*⁶⁸

(<http://www.sunshinecoast.qld.gov.au/sitePage.cfm?code=council-levies#heritage>)

The Sunshine Coast Regional Council has a modest heritage levy in place, which provides funding for its heritage programs. The 2011 Heritage Levy Progress Report states:

At its ordinary meeting on 22 April 2010 council endorsed the implementation of a Cultural Heritage Levy of \$5 per annum on all rateable properties. Council demonstrates its commitment to supporting cultural heritage through the collection of the levy, recognising the important role that heritage plays in building social capital. The resources generated are to encourage greater protection, awareness and celebration of cultural heritage within the Sunshine Coast given the increasing impacts of growth on cultural sites, places, knowledge and artefacts.

The levy supports a Community Program and a Capital Works Program. The Community Program supports trails and signage, the heritage advisory service, forums, festivals heritage tourism initiatives, volunteer programs and

the Heritage Reference Group. The Capital Works program supports the conservation of Council's heritage buildings and archaeological sites.

*Brisbane City Council's Save City Hall Conservation Appeal*⁶⁹

Brisbane City Council has embarked on an ambitious program to conserve and redevelop Brisbane City Hall at a cost of about \$220M. The three-year project is expected to be completed in April 2013.

As part of the fundraising program, the Council partnered with the National Trust of Queensland to establish the National Trust Brisbane City Hall Appeal.

The National Trust Brisbane City Hall Appeal has already raised over \$9M in donations for the project. One of the many successful components of this campaign is the inclusion of a voluntary contribution included on rates notices for the period of the project.

12.5 Community Organisations

Many community organisations that own or manage heritage places access to regular Heritage grants help with management costs, but for small organisations, finding amounts such as \$50,000 for the \$ for \$ grants can be very difficult. The funds, if and when received, are also limited to conservation works and often cannot be applied to administrative or other expenses.

The small community organisations that run museums in heritage places are also trying to raise funds to manage their collections as well as the conservation of their buildings, and have to look at separate sources for such funding. Having more coordinated grants programs would support more holistic applications.

While grant funding is always appreciated, it would be of great assistance to organisations such as these if the grant guidelines were expanded to included funding for:

- Operational expenses to help fund the staff that support the volunteers; and
- The development of income generating facilities at their heritage properties, such as tearooms, to help them become more financially sustainable and less reliant of conservation grants.

Recommendation

Australia's natural and cultural heritage should be seen as a core priority for the Commonwealth Government.

Recommendation

Provide a range of financial support mechanisms for Commonwealth, State and local governments and community organisations that own or manage heritage properties. For example, mechanisms, which would facilitate operational expenses, development of income and lessen the reliance on competitive government funding.

12.6 Heritage Advisory Services

The consultant-based local government Heritage Advisory Services, are widely recognised as very effective and cost-efficient ways of providing heritage advice and support to many heritage owners as well as strategic heritage advice to local governments. However these services are under some threat.

In Queensland local governments have been lagging behind the other states with heritage advisors and part or whole funding from the Commonwealth could provide an important incentive to the state government to provide support for this service. And in South Australia it has recently been announced that the state's Department of Environment, Water and Natural Resources (DEWNR) has axed the consultant based State Heritage Advisory Service as of 1st July, to achieve a saving of \$307,000 per annum.

The State Heritage Advisers provided support for heritage owners through free on-site consultations, as well as assessing development applications. The service was provided to 42 Council areas across SA by nine professional heritage architects and planners. It has been running for over 25 years. It is a core component of State heritage management in South Australia. There are over 2,215 confirmed State heritage owners and many more property owners in 17 State heritage areas that include Port Adelaide, Burra, Goolwa, Gawler, Hahndorf and Colonel Light Gardens that are also directly affected by this decision.

DEWNR has a statutory responsibility to assess State heritage development referrals. Heritage Advisers were doing much of this assessment and reporting work. Last year there were 112 assessments for developments to the value of \$108 million in the City of Adelaide alone.

All heritage enquiries and applications must now be referred directly to DEWNR, to be processed by the State Heritage Unit which has 2.8 in-house heritage architects who are already working at capacity. It is inevitable that a backlog will build up and there will be substantial delays to approvals, disadvantaging State heritage owners.

The South Australian Heritage Council continues to list new State heritage places. But there is now no longer an effective system to support building owners to care for the existing State heritage places, let alone new places.

Some, but not all, Councils have renewed the local heritage contract of the Heritage Advisor and have agreed to make the services available to State heritage owners. Other Councils have not yet determined their response. All State Heritage Advisers have worked closely with State Heritage place owners throughout the whole State for over 20 years, and all are dedicated and determined in caring for heritage places. In regional SA, Councils and community groups have also been strong supporters of Heritage Advisers. As a result of this decision to axe the State Heritage Advisory Service, where there is no local heritage service the community will be left with no regular heritage advice and conservation service at all.⁷⁰

This announcement is another demonstration that state government support for heritage is declining. There is opportunity here from the Australian Government to show leadership by providing incentives for state governments to support heritage at the local level through local government.

Recommendation

Provide sufficient funding or incentive for state and local governments to provide or continue to provide heritage advisory services.

13. Management of the Australian Heritage Data Base (former Register of the National Estate)

The Register of the National Estate (RNE) began its life as a statutory document designed to protect Australian heritage under the *Australian Heritage Commission Act 1975*. By 2004 the Heritage Commission had placed over 13,000 natural and cultural places on the list. Responsibility for maintaining the Register shifted to the Australian Heritage Council, under the *Australian Heritage Council Act 2003 (AHC Act)*. Under the new act the Register lost much of its statutory status but was to survive as the Australian Heritage Data Base. No new places could be added or removed but the minister responsible for heritage was required to refer to the database when making decisions on heritage places under the *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)*.

From February 2012 all references to the Register were removed from the present EPBC Act and the AHC Act and the listing is now maintained on a non-statutory basis as a publicly available archive.

The ACNT along with other State and Territory National Trusts has been concerned about the future of the database and its management/maintenance program.

Register of the National Estate as a Place at Risk

The ACT National Trust has nominated the Register of the National Estate on its 2011 'Heritage at Risk' program. This is a national program intended to raise awareness of heritage issues in Australia, by identifying those places and objects we value which are at risk. It operates annually and with partnerships from other prominent heritage organisations in Australia is coordinated by the Australian Council of National Trusts.

The following is taken from the nomination to the program by the ACT National Trust in 2011.

The RNE, created by the former Australian Heritage Commission Act 1975 is a list of heritage places of local, regional and national significance across the range of heritage environments – natural, Indigenous and historic. The Commonwealth's heritage amendments in 2003 provided for the continuance and maintenance of the RNE through the Australian Heritage Council Act

2003 and required the Commonwealth Minister to have regard to information it contained when making certain decisions under the EPBC Act to which the RNE information was relevant.

Original Use: Identification, protection, conservation and promotion of listed heritage places.

Current Use: Information resource for the Australian community, formal role under the EPBC Act, protection of a range of protection of a range of places throughout Australia, and a basis for key aspects of the Commonwealth State of the Environment Report.

Identification of Current Risk: The 2006 amendments to the EPBC Act and the AHC 2003 will change the status of the Register of the national Estate. From February 2012 it will no longer have a statutory basis and it will merely become an archive document.

The loss of the RNE puts at high risk a number of listed places which are under Commonwealth planning control but do not have legislative heritage protection from the Commonwealth.

In addition, the RNE represents a major national asset developed over decades through the investment of considerable financial and intellectual resources. This valuable and important asset will be wasted by the changes to be made.

Statement of Significance: The Register of the National Estate is Australia's most comprehensive national inventory of natural, Indigenous and historic places considered worth of conservation and protection for current and future generations. Compiled and maintained by the Commonwealth's independent expert heritage advisory body, it includes over 13,000 places of aesthetic, historic, scientific, social or other special values.

Desired outcome/vision: The value of the RNE as a major inventory of Australia's heritage should be acknowledged and cherished. Noting the development of other heritage registers in Australia, the value of the RNE should be properly considered in the context of a strategic review of the range of heritage registers in Australia. Such a review is likely to see the RNE information retained and developed as part of an overall national database of heritage registers.

The statutory status of the RNE should be maintained until the outcome of the strategic review is completed.

13.2 Value of the Australian Heritage Data Base

The Australian Heritage Data Base contains information collected over thirty years on places that:

- are important in the course of Australia's natural and cultural history
- possess uncommon, rare or endangered aspects of Australia's natural or cultural history
- have potential to yield further information that will contribute to an understanding of Australia's natural or cultural history
- are important in demonstrating the principal characteristics of:
 - a). a class of Australia's natural or cultural places, or
 - b). a class of Australia's natural or cultural environments
- are important in exhibiting particular aesthetic characteristics valued by a community or cultural group
- are important in demonstrating a high degree of creative or technical achievement at a particular period
- have a strong or special association with a particular community or cultural group for social, cultural or spiritual reasons
- have special association with the life or work of a person or group of persons of importance in Australia's natural or cultural history.

13.3 National Trust as managers for the documentation of the Australian Heritage Data Base

The role of updating and maintaining the documentation of the Australian Heritage Data Base could, with financial support from the Commonwealth, be taken over by the National Trusts around Australia and coordinated by either the ACNT or a designated lead National Trust.

A scope for National Trust management would include:

- The setting up of the present web based data base on the National Trust website to keep it active.

The National Trusts are in the final phases of setting up a nationally coordinated website which is expected to be active in mid 2012. The website will act as the first port-of-call for information regarding the National Trust of Australia. The present web-based data base could be accommodated within the new web site structure.

- A program aimed at reviewing the present list and cross referencing each place with other main lists – National List, Commonwealth List,

State and Territory Lists, local government lists, and the National Trust listings.

The State and Territory National Trust have instituted and maintained their own databases on recognised heritage places in the form of their heritage listing programs for a period in excess of forty years. Combined, these National Trust databases form an extremely valuable body of data relevant to Australia's cultural and natural development.

- A second program would involve identifying places on the data base, which are not protected by a statutory list, and using the National Trust network and databases assess these places for either nomination to a state/territory/local list or rejection and removal from the data base.
- If such places are assessed as being of significance (most likely at a local level) and there is no local mechanism for protection (some local governments do not have heritage lists) then a third program would establish a National Trust list with the aid of community support to establish a level of recognition until some statutory list is available.
- The present Australian Heritage Data Base could be substantially increased by the addition of National Trust databases.
- Specific NT committees could be set up to administer the data base
- The process of adding new places and maintaining the list (eg with new data on listed places) could be done through the already existing processes each State/Territory National Trust has.

Recommendation

Develop a partnership with the National Trust of Australia to manage and maintain the documentation of the Australian Heritage Data Base.

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