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Merrill Witt on behalf of the Better Planning Network

Ms Merrill Witt you mentioned in your submission that heritage conservation needs to be better resourced. The Discussion Paper referenced some examples of successful programs that facilitate heritage investment and activation:

- **The UK Heritage Enterprise Grants scheme helps communities to repair and reuse derelict historic buildings.**
- **The NSW Endangered Houses Fund is a revolving fund that purchases, conserves, protects and then sells, heritage properties considered to be a risk of demolition or neglect.**
- **The Victorian Heritage scheme is a financially self-sustaining heritage re-use scheme that has potential application to government-owned heritage.**

(a) Do you see how any of these incentive programs can be applied to specific projects within your community?

I would just like to preface my remarks by noting that NSW has an [excellent heritage grants program](#) that supports heritage owners and custodians including local government to deliver a broad range of heritage outcomes. The 2021-23 grant round saw over \$5.9 million awarded to 231 projects across three broad funding categories: Aboriginal Cultural Heritage, Caring for State Heritage and Community Heritage.



The funding provided has proven to be a game-changer for small towns. A grant to the private owner of the Oberon Malachi Gilmore Hall (photo above), for example, not only spurred the restoration of an outstanding Art Deco building, but it re-established the Hall as the centre of the town's community life. Ditto for the Lithgow Blast Furnace site. It's been transformed from a neglected and unsafe building into a spectacular cultural space and tourist destination. In this case, the grant money was also the catalyst for securing additional funding from the local council.

This program should be better funded. The value of the arts/heritage to the economy cannot be underestimated.

In a recent article entitled [Thank art for Australia's top economy](#), the economist Saul Eslake said Tasmania was enjoying a MONA-led recovery. David Walsh's Museum of Old and New Art (MONA) has become the state's biggest tourist attraction and is also responsible for promoting significant improvements in the quality of other arts/heritage sites, galleries, wineries, restaurants, hotels and other tourist-related businesses.

A lottery funding model for heritage restoration and revitalisation has merit

The lottery funding model for [UK Heritage Enterprise Grant Scheme](#) should be considered as a means of expanding NSW's heritage programs. Since 1994, the National Lottery Heritage Fund has distributed over £8.2bn to more than 48,000 heritage projects across the UK.

Further, research by the UK Heritage Enterprise Grant Scheme also highlights heritage's potential as a drawcard for economic activity. "Historic buildings can attract businesses that are more productive and can generate more wealth than is the average across the whole economy," it says, "yet, many historic buildings and sites lie vacant and derelict, unable to fulfil their economic potential."

Idle and neglected heritage buildings are also a problem in NSW, with the Discussion Paper noting that a large number of government-owned heritage items are considered surplus to needs but require ongoing conservation and maintenance.

A similar program to the UK Heritage Enterprise Scheme could be used to restore and revitalise derelict NSW heritage items. The UK program is designed to bridge the funding gap that prevents a historic asset in need of repair from being returned to a beneficial and economically productive use by partnering enterprising community organisations with commercial entities to rescue neglected historic buildings and sites and return them to viable productive uses.

According to the selection criteria, projects need to clearly demonstrate why investing in heritage is good for business and good for the economy as a whole. Grants are substantial and range from £250,000 to £5 million.

For 2021-22, the Heritage Enterprise said it is prioritising heritage projects that will meet six outcomes as a response to the COVID-19 pandemic.

They are:

- a wider range of people will be involved in heritage
- the funded organisation will be more resilient
- people will have greater wellbeing
- people will have developed skills
- the local area will be a better place to live, work or visit
- the local economy will be boosted

(b) Can you recommend any points on how these schemes may be improved?

The [Endangered Heritage Fund](#) (EHF) is a conservation program that identifies significant ‘at risk’ properties and saves them from demolition or unsympathetic development. Sydney Living Museums applies its expertise in order to conserve and protect the identified properties, which are then offered back to the marketplace for future generations to enjoy.

The EHF is effective, but it’s too modest in scale. Since 1993, only nine properties have been saved. The reliance on funds from the sale of the properties it conserves acts as a brake on how many projects can be funded.

Like the NSW EHF, the [Victorian Working Heritage scheme](#) is a financially self-sustaining heritage re-use scheme, but it has access to an additional source of funding, a one-off government investment in the form of ongoing revenue from at Royal Mint car park in William Street. The Scheme draws on this dedicated funding source to transform suitable heritage properties into affordable, rent-paying community assets. Rents generated from the restored buildings also contribute to the self-funding model.

Established in 1998, the Scheme has restored and now manages 16 heritage buildings with a net worth of \$120M (2018/19). A key feature of the program is finding contemporary uses for the assets that contribute to their continued care.

Perhaps some elements of this scheme could be incorporated into the NSW EHF to help it grow and expand. A dedicated source of funding from a state government investment or a lottery, for example, could accelerate the development of this important and successful program.

(c) Have you heard of any other incentives schemes interstate or overseas that could be considered?

Hong Kong has a [Revitalising Historic Buildings Through Partnership Scheme](#) which is considered an innovative social public-private partnership initiative. It strives to strike a balance between sustainable development and heritage conservation by adaptively re-using suitable government-owned historic buildings. The objectives of the scheme are:

- To preserve and put historic buildings into good and innovative use;
- To transform historic buildings into unique cultural landmarks;
- To promote active public participation in the conservation of historic buildings; and
- To create job opportunities in particular at the district level.

Government-owned historic buildings considered suitable for adaptive re-use are identified for inclusion in the Revitalisation Scheme. Non-profit-making organisations (NPOs) with charitable status are invited to submit applications for using these buildings to provide services or run business in the form of social enterprise. Joint ventures of NPOs are welcome.

In their applications, NPOs are required to provide detailed plans on how the historic buildings will be preserved and their historical significance brought out effectively, how the social enterprise will be operated in order to achieve financial viability and how the local community will benefit.

The Scheme provides a one-off grant to cover the cost of major renovations to the buildings, in part or in full; ensures only a nominal rental is collected for the buildings so the NPOs can prosper; and provides a one-off grant to meet the starting costs and operating deficits (if any) of the social enterprises for a maximum of the first two years of operation at a ceiling of \$HK5 million, on the prerequisite that the social enterprise proposal is projected to become self-sustainable after this initial period.



One of the largest and most successful projects in recent years was the transformation of the former Central Police Station Compound, which reopened in 2018 as Tai Kwan - the Centre for Heritage and Arts in Central.

I visited Tai Kwan in March 2019. With its beautiful courtyard, great restaurants and artist-run boutiques, it's a welcome refuge from one of Hong Kong's busiest commercial centres. The former police station's holding cells have been restored and opened to the public as a nod to its heritage.

2. Ms Merrill Witt your submission pointed out that "the number of items added to the State Heritage Register (SHR) have plateaued in recent years (around 22 new listings per year). Important buildings like the Art Gallery of New South Wales are still not listed."

(a) With regards to the Art Gallery of New South Wales do you know if it's not listed on the SHR because an application has not been placed or if the application has been sent through and just not accepted?

The architecture of the original section of the Art Gallery is very highly regarded. Architect Andrew Andersons [regards](#) the Walter Liberty Vernon designed facade of the Art Gallery of NSW as Australia's finest 19th-century public building.

I'm not sure why it hasn't been heritage listed, but I suspect it's because the building isn't considered at risk. Nevertheless, a state heritage listing would be an affirmation of its considerable architectural merit.

(b) What would you say is the reason for the plateauing of items added to the SHR in recent years?

Unfortunately, heritage listings at both the state and local level are often contentious. Too often, the owner of a prospective heritage building will resist a listing because they believe it

limits their development opportunities and leads to higher renovation and maintenance costs. Demolition is also usually prohibited.

On numerous occasions, property owners have hired their own heritage consultants to challenge a recommendation by Woollahra Council's heritage staff to list their property as a local heritage item.

At the state level, recommendations for heritage listings by the NSW Heritage Council have also been challenged on occasion by the Heritage Minister. The failure to add the Sirius building to the SHR is the best known most recent example. The decision was extremely controversial because not only is the Sirius building considered [one of Sydney's finest examples of brutalist architecture](#), it also has enormous social and cultural significance. It was one of the first examples of a "social offset" public housing project designed to re-house residents displaced by redevelopment in the Rocks.

As we mentioned in our submission, better resourcing of state and local heritage departments would also likely facilitate quicker listings. The NSW Heritage Council should have its own dedicated staff and a dedicated funding stream should be provided to local councils for their heritage work. As this response has tried to highlight, the contribution of heritage to economic activity and social well being cannot be underestimated.

Both the Government and the councils also need to do a better job of educating people about the benefits of heritage-listing their buildings and facilitating or promoting a whole range of incentives to encourage people to do so.