VALUING THE PRICELESS: THE VALUE OF HISTORIC HERITAGE IN MELBOURNE

*We, the government of the state wish to put an end to the unhealthy practice which has created much disgust, because one permits buildings to be destroyed and thereby robs the town of its majestic appearance. Therefore we command that buildings constructed by the old shall not be desecrated. Those police officers who do not intervene when monuments are threatened by violence shall, after they have been whipped, have their hands cut off.*

_(Roman emperor 457-461)_

*Cultural Heritage Monuments and Historic buildings as value generators in a post-industrial economy: With emphasis on exploring the role of the sector as economic driver._*

Directorate for Cultural Heritage, Norway

Thank you for the opportunity to make a submission to the Plan Melbourne Refresh.

As is evident in my submission, I do not pose an original view. To the contrary, compared with the edict to value and protect heritage, my position is decidedly benign.

I made a similar submission to the first Plan Melbourne. I note the significant improvement in the current draft document by the addition and increased consideration of,

- environmental sustainability,
- accommodation (especially residential), and
- place (that is, the public domain including heritage)

As in my previous submission I intend to focus on heritage. It is my view that heritage continues to be under valued. If that is the case, why is that so? I intend in my submission to explore this position and also the implications and opportunities should heritage values be better addressed in the final Plan Melbourne.
Firstly, some threshold questions

What is the current government’s vision for a future Melbourne? What will Melbourne look like and how will it be as a place to live?

What heritage and historic legacy should be left for future generations?

What is the current government’s policy position on heritage protections and specifically, is it development over heritage?

Having established the relative importance of heritage, what is the responsible Minister going to do to preserve heritage in Melbourne for the future? How should the heritage conservation and preservation policy, be described in Plan Melbourne?

If it is that current policy and practice, does undervalue heritage, what is the potential total value of heritage? How can that potential be realized in the plan for Melbourne’s future?

**Place in Plan Melbourne Refresh**

As I understand it, place includes the built environment and urban design and heritage. It is my view heritage continues to be under valued because the definition of heritage is again largely confined to heritage buildings and places for their tourism values.

This is surprising: There is an extensive body of knowledge, well researched and applied, overseas and in Australia, that testifies to the value of heritage economically, socially and culturally. Victoria was a contributor to the Productivity Commission’s 2006 report on the value of Australia’s heritage. I know that Heritage Victoria has taken steps to update this work, but it seems to have low priority. Why?

**Catching up on heritage values’ recognition**

I contend that, if the total value of heritage were developed as policy supported by strategic planning integrated into the other key policy areas of the Melbourne’s future plan, there would be significantly wider benefits for Melbourne into the future. But to achieve the delivery of the real value of heritage, heritage must be taken seriously. For example, Melbourne’s victorian and federation heritage, that is an important point of difference, has suffered continuous loss in quality and quantity, should be protected and leveraged explicitly within the future plan.

Put simply, in policy and strategic planning terms, heritage would be a independent policy area, and also matrixed into a number of other policy and planning areas such as the economy and business development, accommodation and sustainability, training and employment, the city’s reputation for livability
and social enterprise.

Recommendations for the final Plan Melbourne

I posed some threshold questions, and below, suggest some answers. I have listed some of the elements that I suggest need to be in the final plan.

1. Heritage and Plan Melbourne – A chance for a lasting legacy

1.1 Essential ingredients: Political leadership, clear vision, real policy and smart strategies that give heritage recognition and role in Melbourne’s future.

What is Minister going to do to preserve heritage within Melbourne’s planning and development policies where already the quality of heritage is reduced and remaining integrity under threat. ie Heritage overlays offer little protection, commercial and industrial areas unprotected and attractive to larger developments.

1.2 Plan for action might,

Select out that heritage we most value and care about and want to protect for the future,

• That is, certain buildings and areas where no destruction of heritage is permitted

Apply innovative solutions to ensure heritage is better considered and protected in planning decisions,

• Statutory planning decisions are increasingly subjective and planners interpretation of current HOs, random and frequently factually incorrect.

Put in place arrangements where heritage destruction must be offset at developers cost. Options for real costing or offsetting of heritage to consider:

• Using model of native vegetation (triple bottom line methodology)
• Setting government charges on development where new uses are made on property or land, to prevent windfall developer profits and to provide for public interest and contribution to public infrastructure,
• Encouraging quality development better integrated into quality urban design by government setting price on use of public assets and infrastructure by each additional resident brought in by a new development.

Raise profile of heritage leadership by a political heritage champion at ministerial level, including
• Elevating the profile of heritage authorities eg Heritage Council, Heritage Victoria, Government Architect, even supporting National Trust's advocacy, and
• by setting up a new heritage arm/section in Future Melbourne authority, and

**Increase incentives for heritage property owners and also encourage public to support heritage values,**

• Recognise that most of heritage properties are in private ownership and thus private sector covers cost of maintaining quality of heritage.
  - more places for owners and public representative in heritage related bodies.
  - More incentives for owners to restore and maintain properties, - residential, commercial, corporate and institutional.
2. Factoring in the total value of heritage within Plan Melbourne

2.1 Considerable expert knowledge on the value of heritage needs to be reviewed and applied to Melbourne’s future. An early task might be to update the previous work done by Heritage Victoria as part of the Productivity Commission’s 2006 report on the value of heritage.

2.2 How should these values be embedded into Plan Melbourne? Questions that might be asked and answered might include:

- What is the value of heritage to the future of Melbourne, and
  - How to apply the principles of total value of heritage in planning for city’s future; economic, social and cultural?
  - How to integrate heritage impacting policy areas into the strategic plan to maximize of economic benefits.
- What values does Minister place on heritage buildings and precincts and their contribution to modern cities?

The Minister has already made changes to the leadership in heritage bodies. What signals did Minister intend and what changes for heritage does Minister intend as result of current review of Plan Melbourne,

2.3 How will this review deliver future proofing for Melbourne?

- Who is going to manage and deliver on Minister’s Melbourne legacy, and
  - Who is going to represent heritage values
- Get the right people around the leadership table,
  - Get people with serious track record across all the disciplines of city planning, heritage, society and project and change management.
  - Who are to be the state architect and manager of state heritage assets
- Get the right structure for responsible implementation authority.

2.4 Simple changes can quickly improve heritage protections

There are many overseas, and even Australian, examples of different and better instruments. Eg Boston, Sydney.

Councils are currently unable or unwilling to protect heritage as a priority. The extent to which it is more a culture of unwillingness or the determined advance of the ever increasing demands by the developers, is a question to be answered.

Even with the same planning schemes, councils, through decisions of statutory planners, have been changing the interpretation of policies and planning schemes. This is evident, for example,
2.5 Lack of consistency in protection of Melbourne’s heritage

Notwithstanding the loss of heritage arising from State planning decisions, the results for heritage protection and conservation, from councils’ decision across Melbourne has been inconsistent.

As concerning, is the increasing randomness of decisions on developments involving heritage within a council. The lack of instruments imposing standards on heritage information required in permit applications, on heritage reporting and recording and on the measures attributed to heritage values, all contribute to a perception of ad hocery in statutory planning decision making.

The irony is, that statutory planning involves billions of dollars of funds and profits for developers and sucks up significant resources of the councils’ budgets, arguably unnecessarily, and with poor accountability, because of the labyrinthine processes now common place.

2.6 A review of the Planning and Environment Act might be a future step to update and improve related planning matters.

For example, the review might analyse the interjection of statutory planning, heritage protection and values and question whether the current statutory planning system delivers results intended for heritage? If not how should the review recommend the Act be improved to reflect policies on valuing and the protection of heritage? Opportunities presented as part of the review might be,

- include an audit to assess what has been lost and why, and
- recommend a review of current mix of council and state planning schemes and how well, or not, this split in responsibilities, delivers heritage protections as intended.

2.7 Current review of the Heritage Act, 1995 provides opportunities for heritage protection are also presented by the Specific area to cover might be reviewing the significance of Victoria’s only World heritage site to Victoria’s future and the effectiveness of the current Act, including the section on the World Heritage management plan documents and the management of the site and environs area.
3. Giving Heritage its place in Plan Melbourne

3.1 Vision and challenges: Government’s vision is that Melbourne will be a global city of opportunity and choice and is proud of Melbourne’s high international liveability rating. Government is aware that this rating, and the factors that define liveability, are drivers to continuing prosperity in an increasingly competitive world.

Melbourne, though, is confronted with unprecedented population growth at the same time Victoria’s economic base is changing. The challenge for government in its strategic planning is to identify all the key directions and initiatives that will effectively lead it towards its desired outcomes.

3.2 Value of Melbourne’s heritage: Melbourne’s heritage is a key contributor to Melbourne being a distinctive liveable city. However, despite its obvious significance, heritage is under-rated in the PlanMelbourne. Why is that?

Part of the reason is that heritage is most often defined by its intrinsic or non-market values such as cultural, social, environmental, green and built heritage values; heritage also has an economic value; and the economic value or its equivalent market value, has not been taken into account. There are internationally accepted definitions for the values of heritage and methodologies for analysing the economic values of heritage. The economic value of heritage informs debate on decisions to protect and conserve heritage over and above for the intrinsic values heritage provides. Why is there a gap?

The omission adds to the risks the very heritage that is needed to ensure Melbourne’s continuing status as a destination for liveability, will be degraded or destroyed. So if the usual market interests do not champion heritage’s values, government on behalf of the public interest, should step in.

Ref: Heritage Council survey on public recognition and support for heritage conservation and protection.

Ref: The best of many references on defining heritage values is , chapters 1 and 2.

3.3 Melbourne’s distinctive heritage: Within 20 years of European settlement, Melbourne became rich from gold and a magnet for migration and by the 1880’s during the period of the international and centenary exhibitions, the city was known as marvellous Melbourne. Even into the 1970’s Melbourne was renown as Australia’s most European city and the most intact Victorian-style city in the world – having retained the world’s largest stock of intact Victoria period buildings in the world. Since then, and at increasing speed, the quantity and quality of Melbourne’s built heritage environment has substantially diminished.

3.4 The future minus heritage: Modern developments by their mass and numbers have progressively broken up the heritage precincts - residential, industrial and institutional - and shopping strips, fragmented, isolated and overwhelmed even distinctive public buildings (such as the Hotel Windsor and the proposed W Hotel degrading the architectural and heritage contextual relevance of Parliament House). The very heritage
values that developers seek to leverage for their profits are ironically degraded with each additional development.

*When and where will be the tipping point for heritage values?* Will an overwhelmingly modern high rise, city be attractive and liveable? How might Melbourne plan to find the balance between the old and the new and blend the best of both heritage and modern design and maximize the benefits of both? When will the people Melbourne needs, the moneyed lifestyle seeker, the creative artist and intellectual, the tourist, the investor and student, go elsewhere? What happens when Tourism Victoria can no longer market Melbourne’s lauded distinctiveness, heritage and ambience?

There are lessons from overseas where cities with different histories and built forms, have taken different strategic planning decisions: Paris is the grand-dame, Florence the medieval living museum, Barcelona, best of varying architectural periods, Seville has its old city and modern public complex. London uses heritage to burnish its credentials and its regional cities rely on their heritage aspects to survive the passing of old industries. Hong Kong with its mass of modern skyscrapers has lost its vestiges of history and heritage places but also its clean clear skies.

Moreover, and a lesson for Melbourne, those cities that do well at maximizing their heritage assets reap the economic benefits from holding their tourism attractiveness even in otherwise strident economic periods.

### 3.5 Delivering jobs and investment:

The government clearly aspires to an economy built from knowledge institutions and services that will need to attract and retain creative people as well as investors.

Implicitly, based on government’s vision for a liveable city, one assumes the plan would build up the tourist driven elements of the economy to improve tourist related jobs creation. Conservation and restoration works on heritage buildings and precincts would generate further jobs and specialist skills.

- Undertaken strategically, there should be high and sustained demand for people with the various skills in heritage building restoration, and in turn
- This demand would encourage the setting up of training courses for especially the young people and school leavers, in these traditional building techniques and tourism and hospitality.

Quality heritage housing commands high market values that in turn adds revenue to state incomes in increased stamp duties and to councils through increased property rates.

So heritage properties, precincts and neighbourhoods, not only improve the quality of life of a place for its people but heritage when strategically valued, protected, conserved and promoted also returns a multiplier factor from investment into the economy.

*Recommendation:* Government adds heritage initiatives into objectives for jobs and investment.
3.6 Liveable communities and neighbourhoods

The plan states government’s aspirations to retain and build on Melbourne’s heritage. *This is positive but what is needed to ensure success?* Despite best efforts, the past failures to deliver heritage protection outcomes, demonstrate the difficulties for heritage in increasingly contested times from development, property and land acquisition and public funding.

Many eminent reports on Australia’s governments’ and councils’ capacities to protect heritage, conclude that current heritage and planning policies and legislation and regulation and cross authority responsibilities, coupled with poor application of heritage’s actual values, repeatedly fail to deliver the desired heritage protections. W

Recycling heritage buildings should be the preferred starting point in urban design and in development planning. The principles of sustainable heritage, that is, valuing the existing resources in the building, its previous and current purposes should a given. Policies should provide for on the most appropriate mix of old and new, to deliver the best outcome for the new development in its neighbourhood and in the local urban context.

**Recommendation:** Injecting references to the total values including the economic value of heritage into the plan.

**Recommendation:** Adding heritage related initiatives on the direct (tourism) and indirect (liveability, jobs and training) values.

**Recommendation:** In review of the *Victorian Heritage Act*, government has rightly placed a priority on the fundamental building blocks for heritage reform. Review can immediately draw on research and reports on failures and best practice, from Australian and overseas.

**Recommendation:** Government could review the effectiveness since WH citation, of the statutory framework for the management, protection, preservation and promotion of the values of the World Heritage REB and Carlton Gardens and the surrounding environs area and significant views. A review would have regard to section 46 of the Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

**Recommendation:** Government might also review the Heritage Council’s profile, its role and responsibilities and capacity to champion heritage into the future. Similarly government must be acutely aware of the leadership and decision-making needed from Heritage Victoria to deliver on any government plan to secure heritage’s maximum contribution to Melbourne’s liveability and the economy.

**Recommendation:** Government might consider adding to the heritage expertise in the Metropolitan Planning Authority to integrate heritage values thinking and knowledge into decision-making.