

5 April 2000

The Secretary,
House of Representatives
Standing Committee on
Environment and Heritage
Parliament House
Canberra ACT 2600

Re: Inquiry into the Impact of Conservation Controls imposed on Landholders.

I am responding to the invitation contained in your advertisement in the *Sydney Morning Herald* on 1 April 2000 to make a submission on this subject.

To introduce myself, I am a Conservation Landscape Architect practising in Paddington, NSW, with university degrees in Arts (Modern History), Landscape Architecture, and Heritage Conservation. During my 10 years of practice, I have undertaken numerous heritage studies and conservation management plans, the more significant of which are contained in my short resume, attached as Appendix A.

My particular interest in this topic arises from my experience with regard to the determination of curtilages for heritage places, particularly in rural areas. For easy reference, a curtilage is “the area of land surrounding an item or area of heritage significance which is essential for retaining, maintaining and interpreting its heritage significance. It can apply to either land which is integral to the heritage significance of items of the built heritage; or to precincts which includes buildings, works, relics, trees or places and their setting”¹.

However, I have also been involved in recommending items of landscape heritage for inclusion in heritage schedules to local environmental plans made by Councils in New South Wales. These may include carriage driveway plantings, landmark trees, dry stone walls, man-made lakes and ponds, and gardens of all sizes and layouts. All such items have an impact on landholders and farmers.

The project of most relevance to your Committee was that involving the determination of appropriate curtilages for eleven heritage homesteads in the dairying district of West Dapto. In the course of deciding an appropriately sized curtilage, I was enjoined by the Project Planner in Wollongong Council to identify where, within the curtilage, some development might be permitted in order to generate funds for the future maintenance of the heritage homestead. This led to an interesting discussion with the Planner about the extent to which the ‘public good’ needed to be taken into account, as well as the needs of the property owner.

¹ See Heritage Curtilages, a manual which I prepared for the NSW Department of Urban Affairs and Planning in 1992-94, and which was published in conjunction with their Heritage Manual in December 1996.

In the course of examining the issue of the ‘public good’, I undertook a literature survey on the value that might be placed on land designated as having heritage value. (If your Committee is interested, I could provide a list of the papers I consulted.) I distilled the findings of this research and prepared the attached letter to the Planner – see Appendix B.

In accordance with the Planner’s request, I did identify an area within the heritage curtilage of each of the eleven properties where some appropriately controlled and designed development could take place, which would not detract from the significance and future interpretation of the homestead as a residence of a working farm. Each possible development site within the curtilage for each place was carefully selected, and the controls recommended for development there were tailored specifically to its situation. Three examples of these recommendations are attached as Appendix C.

As I said, the purpose of such possible development was to enable the property owner to generate sufficient funds to be able to maintain the heritage homestead in good condition. Alternatively, if the owner sold the farm and it was subdivided for future residential development, the funds so generated could be placed into a Trust Fund which would be managed by Wollongong Council and spent on the conservation and maintenance of the heritage places.

In a subsequent conversation with the same Planner, we discussed the need to provide compensation for the owners of rural properties which contained woodlands which were deemed to be of natural heritage significance. We focussed on woodlands because these generally were located on relatively flat or rolling country which would be suitable for intensive subdivision and future development. Other types of landscape such as escarpments, river valleys, wetlands, flood plains or coastal edges were generally excluded from development because of practical, physical constraints. The Planner argued, and I did not disagree, that owners of woodlands should receive some form of compensation for development opportunities they had to forgo if these woodlands were set aside for conservation purposes. Just what form that compensation should take was not resolved, but there are several possibilities. These were spelt out in a paper I prepared for another Council recently, and for convenience are listed below.

Economic value of natural areas

Determining the economic value of natural areas set aside for conservation assists in determining appropriate mechanisms for their protection. This economic value is distinct from monetary or income-generating aspects and is concerned primarily with the maximisation of social well-being. This embraces the concept of “the public good”. (Public good = a good or service provided or funded by the public sector on the basis of a perceived benefit to the community).

This acknowledged value is linked to the principle of inter- and intra - generational equity – i.e. it may require a contribution in monetary terms from all members of the community to maintain the resource. The following aspects should be taken into account when determining community value for environmental resources:

a. The value of visitation/direct use

Benefits derived from environmental resources may include recreation, education, scientific research, clean air etc. These benefits add to an individual’s well-being, as do the benefits obtained from the consumption of goods (such as timber and blue metal). From an economic standpoint, values can be associated equally with the consumption of goods and services purchased in markets and with the services from environmental amenities for which no payments are made. One

advantage of environmental resources is that they provide ‘joint supply’ – i.e. compared to other finite resources, their use/consumption by one person does not diminish the supply to others.

b. *The values deriving from ‘externalities’*

The benefits which nearby residents, or visitors to, the conserved area will gain in the enjoyment and contemplation of its natural qualities. This may be reflected in the increased amount of money that people are prepared to pay for home lots nearby or overlooking those areas. There is also a contribution to the national and local income in the form of benefits from tourism.

c. *The option value*

The conservation of the resource (such as a woodland, park, wetland, etc.) keeps open the options for future generations (inter-and intra-generational equity). This value stems from the combination of society’s uncertainty about future demand for the resource and uncertainty about its future availability.

d. *The quasi-option value*

This is the value obtained from the opportunity to get better information by delaying a decision to develop that may result in irreversible environmental loss – the precautionary principle

e. *Existence value*

The benefit gained from people simply knowing that a heritage asset will continue to exist, and that there will be no market simply for existence values.

f. *Bequest value*

This relates to the fact that current generations obtain benefit for conserving and or acquiring environmental resources for future generations.

On a broader level, current economic theory recognises the fact that profit maximisation must be limited by concerns for the physical environment and community priorities for landuse. While the private sector may exert pressure to maximise profits, the public sector decision-maker has, instead, an objective to maximise social welfare, and therefore the interests of all members of society and any externalities that a project may cause.

The difficulty in quantifying environmental and heritage benefits of a place in cost terms or dollar value may result in a lack of full knowledge about its contribution to the public good. Ultimately the economic value of an environmental resource is perhaps ultimately measured in an individual’s or society’s **willingness to pay** to conserve natural heritage areas (for example), or **willingness to accept that compensation should be paid** for loss of development rights over those areas. A number of suggestions are canvassed below.

Direct contributions from Council rates

Because heritage is often defined as those things which the community values and wants to keep for the benefit of present and future generations, it is often argued that all members of the local government area – and sometimes of the State or Nation – should be prepared to contribute a small percentage of their rates and/or taxes to ensure that adequate funds are available for the conservation and on-going maintenance of a heritage item or place. Variations on this are rate relief for the owners of properties which have been listed as heritage places or conservation

areas, or heritage grants or similar funding to assist in well formulated conservation works. That, however, usually relates to specific built items rather than larger areas such as, for example, a woodland with high conservation values.

Environmental Trust Fund Levy

An alternative is to set up an environmental levy requiring landowners and/or developers of rural lands across the whole LGA to pay an environmental levy on all land purchases to go into a Trust fund. The funds could then be used for acquisition and management of lands to be conserved elsewhere in the LGA. This should, of course, be preceded by a public awareness campaign to inform the community of the particular issues and land development pressures involved, and to seek to win their support for such a levy.

Tradeable development rights

In order to protect/conservate areas of native vegetation on land which is already zoned for residential development but which has remnant vegetation on it and for which developers and/or landowners hold an expectation for a certain \$ return, it is sometimes possible to:

- provide development rights on land elsewhere (at a regional scale)
- allow higher densities on portion of a parcel of land in return for retention of vegetation on the other portion of it. It should be recognised that the bigger the portion retained, the more ecologically viable it would be.

See also Binden, J. September 1992. *Australian Planner*. Transferable Development Rights.

Developer contributions

Negotiate with the relevant State planning authorities to require developers to contribute funds to go towards the acquisition of lands for conservation purposes - not playing fields or public open space, but areas with natural heritage values.

Community Title

It is sometimes possible to attain conservation objectives by means of creating a community title over land to be subdivided, which spreads the payments for the conserved areas over all the beneficiaries of the subdivision while conserving the portion with heritage value. For example, if a portion of land is divided into ten parcels, then in order to conserve three parcels for bushland while still retaining the developers' profit, the buyers of the seven blocks would pay a higher premium for their land. This would enable the purchase of the three conservation parcels by the community, who would own the land and be responsible for its future conservation and maintenance.

Concluding Remarks

There is more I could say to amplify the points raised in this short submission. However, as I am a busy practitioner, I shall leave it to your Committee to decide whether you would wish me to do so, either in writing on specific aspects, or appearing before your Committee.

I realize that just as the benefits of conserving our heritage are enjoyed by us all, so the 'burden' or costs of conserving and properly maintaining should also be. I trust that some of the suggestions outlined above will be taken up at the Federal, State and local levels in Australia.

Yours faithfully

(Director)