

Managing Our Heritage

a review of heritage place management
in Victoria



Heritage Council
Victoria

June 2003

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Preface

This report is the result of sustained cooperative endeavour by all the members of the Committee. Special contributions were made by Jo Brownlee, who wrote the section on DSE; Ray Supple, who wrote the Section on Parks Victoria; and Stephen Hare, who wrote the Section on the National Trust. Ray Supple and Stephen Hare also contributed passages now contained in other sections. The format of the case studies was substantially the work of Jo Brownlee and Tim Hubbard. Ray Tonkin and Paul Roser wrote significant parts of the report. Jan Schapper wrote the section on universities and co-edited the whole report.

During the course of writing this report, a restructure of government departments has occurred, and both Heritage Victoria and heritage-related sections of the Department of Natural Resources and Environment are now part of the Department of Sustainability and Environment.

The editors would like to thank all who contributed to the report for their participation in this new approach to heritage place management in Victoria.

John Dwyer
Jan Schapper
Co-editors

The Heritage Council's Heritage Place Management Committee

The function of the Heritage Place Management Committee is to inquire into heritage place management in Victoria.

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Executive summary

The genesis of this report was a media campaign conducted by the National Trust in 2001, which drew attention to the financial difficulties and other problems that the Trust was experiencing in managing its portfolio of heritage places on behalf of the community.

It was considered that the matters highlighted by the National Trust should not be considered in isolation, and that it would be preferable to consider the state of heritage place management generally. On advice from the Heritage Council, the Minister for Planning established a Committee of the Heritage Council with representatives of relevant stakeholders to examine the State's portfolio of heritage places open to the public and the management of them, to investigate the market for such places, and to advise as to options for the future. The Committee consisted of representatives of the Heritage Council and Heritage Victoria, Parks Victoria, the Department of Natural Resources and Environment (subsequently Department of Sustainability and Environment (DSE), and the National Trust. The terms of reference adopted by the Committee are set out on page ix.

The underlying premise of the investigation and the recommendations of the report is the vision for heritage in 2005 as stated in the *Victorian Heritage Strategy*:

'Victoria's diverse cultural heritage will be recognised as a key resource of the State, and will be managed in a sustainable way to maximise benefits for the whole community.'

Unless the state of affairs revealed by the report is addressed, the Government may not achieve its objective to manage in a sustainable way Victoria's cultural heritage so as to maximise benefits for the whole community. Sustainable management requires a good understanding of what is to be managed so that resources may be appropriately marshalled and applied using a coordinated approach. The government needs to be well informed about the extent and condition of the heritage places in Victoria and what is required to conserve them.

Government's first role is leadership; to set an example in the sustainable management of its own heritage places and by its dealings with the heritage places in its property portfolio, and by adopting policies that actively discourage heritage places from falling into disuse. Government has a responsibility to adopt strategies which avoid redundancy and facilitate sustainable reuse of heritage places.

The Committee has gathered a great deal of information about heritage places. A database of about 460 places was compiled. This was complemented by a Parks Victoria database containing 167 places selected from its Historic Places Inventory of 2500 places. DSE reported a portfolio of over 7000 known historic places on Crown Land. Faces with these numbers, the Committee was not able to give a complete account of the quantity and condition of heritage places in Victoria. The full extent of the portfolio was not able to be determined, but a representative sample comprised of the major part was obtained. Although there was material before the Committee to show that there was a backlog of essential maintenance of heritage places, with estimates that millions of

dollars were required, the Committee did not attempt to assess the overall condition of heritage places in general or the particular needs of any place. For the government to be fully informed more work needs to be done. For the government to be able to monitor the degree to which sustainable management of heritage places is being achieved, the work of the Committee should be continued and extended. This is the Committee's first recommendation.

There is at present no body or organisation that is appropriately resourced to carry out this work.

The Committee suggests that an effective way to ensure that the government is provided with the appropriate information and advice would be to establish a Committee of the Heritage Council to advise the government on the development of an overall plan for achieving sustainable management of heritage places in Victoria. The proposed Committee should be chartered to:

- Continue the work of this review in monitoring the extent, conservation and performance of publicly presented heritage places.
- Advise government on the current position from time to time as to the conservation and presentation of heritage places.
- Develop a strategic direction for presentation and resourcing of publicly accessible heritage places.
- Advise on proposals for government acquisition of heritage places.
- Advise government on strategies to avoid redundancy and to facilitate re-use of heritage places.
- Establish a coordinated management environment for heritage places presented to the public.
- Investigate the experience of managing heritage places in England, the USA and elsewhere, and in particular the factors which have made heritage management in England sustainable.
- Develop criteria for measuring the extent to which sustainable management of heritage places is being achieved.
- Review progress in achieving sustainable management of heritage places.
- Develop community awareness and education programs on the steps being taken to achieve sustainable management of Victoria's heritage places, and run awards programs to encourage sustainable management and innovative presentation of heritage places

The Committee should consist of persons appointed from nominees of departments, local government authorities, community organizations and owners of heritage places. It could be called the Heritage Places Advisory Committee. This report recommends that a Heritage Places Advisory Committee be established and provided with the resources required to carry out its functions.

The findings of the Committee have implications for all managers of heritage places and, in particular, for government agencies such as DSE and Parks Victoria, and the National Trust. There may need to be some rationalisation of the portfolio, involving priority-setting within the public sector and the moving of some assets to the private sector, with appropriate protection such as covenanting. Heritage conservation does not depend on public ownership, and may even be impeded by it. All stakeholders agree that a coordinated and cooperative approach is required to address problems that apply to heritage places generally. There is a need for a body to carry out this function. This report recommends that this function be performed by the Heritage Places Advisory Committee.

Key findings of the Committee relate to the funding required for the sustainable management of heritage places. The heritage place portfolio is a valuable asset for Victoria that benefits the economy of the State. Extra funding is needed at this critical time so as not to lose the resource before it is appropriately used and appreciated. In

relation to government funding, there is no overall plan for the allocation of funding for the conservation and presentation of heritage places. Further, the Committee has found that there is a need for a substantial increase in the level of public investment in Victoria's heritage places. The immediate need is for 'step-up' funding to catch up with maintenance arrears, to provide for restructuring of the heritage portfolio, and for the establishment of innovative management models. If such funding were provided, sustainable management of heritage places should thereafter be able to be achieved by continuing funding at a moderately increased level.

Community support for heritage places is reflected in the efforts of volunteers, without whose gifts of time and energy many heritage places would not survive, and in the funds which the managers of heritage places are able to raise from their operations. The Committee has found that support is needed for the contribution by volunteers and local communities, and that most heritage places open to the public are not financially viable in themselves.

The Committee has sought to address these findings by a number of recommendations. For the development of a plan for the allocation of an appropriate level of funding to provide for sustainable management of heritage places, it is recommended that the charter of the Heritage Places Advisory Committee include the following:

- Advise the government on the provision of financial and technical assistance to owners of heritage places presented to the public, including possible new sources of funding such as lotteries.
- Develop programs designed to strengthen the contribution by volunteers and local communities to the sustainable management of heritage places by providing structural, organisational and possibly financial support.

In addition to government funding, the Committee considers that more financial support for heritage places could be obtained from private philanthropy and recommends the establishment of a community based Heritage Places Foundation to increase the level of private philanthropy for heritage places. The Foundation should be under the auspices of a non-government body (the National Trust may be a suitable organization). The Foundation should have the capacity to receive tax-deductible donations and to distribute funds for the conservation and presentation of heritage places. The Foundation should be established with a Board of Trustees appointed by the Minister from nominees put forward by relevant stakeholders.

Under the second term of reference the Committee has made many findings about the existing management arrangements for heritage places open to the public. It considers that, in addition to the matter of funding, the sustainable management of heritage places would be assisted by the development of management models for heritage places and best practice benchmarks for management and presentation to the public for use by local government authorities, Committees of management, and private operators. The Committee recommends that the Heritage Places Advisory Committee be chartered to:

- Develop management models for heritage places, and best practice benchmarks for sustainable management and presentation of heritage places
- Produce guidelines for heritage place conservation, management and presentation for use by local government authorities, Committees of management, and private operators

Innovative presentation and interpretation of heritage places open to the public should be encouraged. Creative and imaginative ideas are needed to provide useful conservation solutions. Good design can make a major contribution to effective management and interpretation of heritage places. The Committee recommends establishing a Government funded Heritage Places Fund, as a complement to the Public Heritage Fund or an extension of it. This public funding initiative would stand alongside

the private funding proposal of a Heritage Places Foundation. An initial substantial allocation and subsequent annual allocations would enable the Heritage Council to provide funding for innovative presentation and interpretation of important places managed and presented by government and local government authorities. The Heritage Places Advisory Committee could make recommendations to the Heritage Council on allocations from the Heritage Places Fund.

Managers need to be well informed about the market for heritage places. The Committee's findings under the third term of reference have led to the recommendations concerning a market survey and analysis. The charter of the Heritage Places Advisory Committee should include:

- Coordinate market analysis of the demand for heritage places, visitor needs and economic and social benefits of visits to such places.

The success of the New South Wales Historic Houses Trust has led the Committee to recommend that consideration should be given to funding an agency to operate key heritage places on behalf of the government, to the standard of the Historic Houses Trust. The Heritage Places Advisory Committee should be charged with investigating this matter and advising the Government on it.

There is a growing recognition of the importance of cultural heritage. It is clear that not all values held by the community can be expressed in monetary terms and that other values such as aesthetic, historical, scientific, social and symbolic values all play a part in our appreciation of our natural and cultural environment. Victoria has a rich and diverse record of our culture in its heritage places. There is a wonderful opportunity to fully explore this and to use it as part of our present and future, as well as preserving our past.

Terms of reference

The terms of reference for the investigation were to:

- 1 Establish the extent of the heritage property and house museum portfolio in Victoria.
- 2 Review existing management arrangements with a view to making recommendations on future arrangements which deliver improved management and presentation of heritage places.
- 3 Examine the market for heritage and house museums and provide recommendations on the economics of such ventures.
- 4 Examine the need for any additional or alternative arrangements to advise government on the viability of the portfolio and options for monitoring heritage property acquisition and disposal.

Summary of recommendations

FIRST TERM OF REFERENCE — EXTENT:

Work should continue on determining the extent and condition of the heritage property and house museum portfolio in Victoria.

SECOND TERM OF REFERENCE — MANAGEMENT:

- 1 The level of public investment in Victoria's heritage places should be substantially increased.
- 2 A Heritage Places Foundation should be established.
- 3 A Heritage Places Fund should be established.
- 4 The government should review statutory provisions that may inhibit the successful and innovative management and presentation of heritage places on Crown land.

THIRD TERM OF REFERENCE — MARKET:

- 1 A market analysis should be undertaken to ascertain the demand for heritage places presented to the public. The analysis should be supported by the Heritage Council, the National Trust, Parks Victoria, and Tourism Victoria.
- 2 The analysis should seek to define the extent of interest in visiting heritage places, the interest in various types of places, the nature of such interest, and the levels of willingness to pay. Guidance should be sought on themes and place types that should be presented and who should present them.

FOURTH TERM OF REFERENCE — FUTURE OPTIONS:

A Heritage Places Advisory Committee of the Heritage Council should be established and resourced.

Contents

Preface	iii
The Heritage Council’s Heritage Place Management Committee.....	iv
Executive summary	v
Terms of reference.....	ix
Summary of recommendations.....	x
List of Appendices.....	xiii
List of Figures	xiii
List of Tables.....	xiii
1 BACKGROUND TO THE REVIEW	
1.1 Introduction	1
1.2 Scope of the Review	1
1.3 Method	2
1.4 Conclusions	3
2 THE FRAMEWORK FOR HERITAGE IN VICTORIA	
2.1 Philosophical Framework and Definitions	4
2.2 Heritage Protection in Victoria	6
2.3 Government’s Responsibilities and Role	9
2.4 System for understanding heritage place management and its funding in Victoria.....	10
2.5 Conclusions.....	10
3 THE DATABASE	
3.1 Database criteria	13
3.2 How information for the database was gathered	13
3.3 Limitations.....	15
3.4 Database findings	15
3.5 Conclusions	18
4 PUBLIC SECTOR MANAGEMENT	
4.1 State Government	19
4.2 Department of Sustainability and Environment	21
4.3 Parks Victoria	24
4.4 Mechanics Institutes	32
4.5 Special Trusts and Boards established by legislation.....	33
4.6 Local Government.....	34
4.7 Conclusions	35
5 COMMUNITY AND PRIVATE SECTOR MANAGEMENT	
5.1 Freehold and Not for Profit Private Trust/Company	39
5.2 Universities	41
5.3 The National Trust of Australia (Victoria).....	43

5.4 Conclusions	50
6 MANAGEMENT MODELS ELSEWHERE	
6.1 Historic Houses Trust New South Wales	53
6.2 Historic Places Trust New Zealand	54
6.3 English Heritage	55
6.4 English National Trust.....	59
6.5 Other managers.....	60
6.6 Cultural Tourism.....	62
6.7 Economic Benefits of Cultural Tourism.....	63
6.8 Conclusions	65
7 SUSTAINABLE MANAGEMENT	
7.1 Sustainability	67
7.2 Management Expertise is Fundamental to Sustainability	69
7.3 Volunteer and Community Contribution	72
7.4 Funds which heritage places generate for themselves	74
7.5 Philanthropic Funding	75
7.6 External Sources of Funding	79
7.7 Conclusions	87
8 CASE STUDY ANALYSIS	
8.1 Introduction	89
8.2 Case Study Method.....	90
8.3 Case Study Summary.....	90
8.4 Conclusions	94
9 FINDINGS AND CONCLUSIONS	
9.1 Extent.....	96
9.2 Management	97
9.3 Market.....	102
9.4 Future Options	104
10 RECOMMENDATIONS	107
GLOSSARY	113
BIBLIOGRAPHY	114
APPENDICES	115

LIST OF APPENDICES

1 Database.....	115
2 Parks Victoria database of places.....	128
3 Summary of verbal submissions.....	134
4 Parks Victoria volunteer activity summary.....	138
5 Heritage place case studies.....	140

LIST OF FIGURES

1 Heritage places in Victoria.....	11
2 Framework of funding arrangements for heritage places in Victoria.....	12
3 Distribution of municipal council responses to Heritage Council enquiry – metropolitan.....	14
4 Distribution of municipal council responses to Heritage Council enquiry – regional.....	14
5 Pie chart of types of heritage places.....	16
6 Pie-chart of owner categories of heritage places.....	17
7 Pie-chart of owner categories of homesteads and house museums.....	18

LIST OF TABLES

1 Key events in history of heritage preservation in Victoria.....	6
2 Examples of Committees of Management.....	22
3 National Trust trading results.....	47
4 National Trust properties requiring urgent works (\$)......	49
5 Types of historic visitor attraction in England.....	64
6 Voluntary activities of non-profit organisations.....	76
7 Donations to non-profit organizations in Australia.....	77
8 Private foundations in Australia distributing more than \$1m annually.....	78
9 Examples of Public Heritage Program funding.....	80
10 Commonwealth Heritage Program grants in Victoria in 2001.....	84
11 Municipalities known to have heritage advisory committees.....	85
12 Case studies sources.....	89
13 Case studies summary of visitor numbers and revenue.....	91

1 Background to the Review

1.1 Introduction

Victoria has a tradition of public acquisition and management of heritage places. This tradition is the result of a view that heritage preservation can only be guaranteed through public ownership. As a consequence, State government agencies, local government and the National Trust have established significant portfolios of heritage places and collections. The expectation of the community is that these places and collections will not only be preserved but will be presented to the public.

In early 2001 the National Trust undertook a media campaign to highlight the financial difficulties it faces maintaining its property and collection portfolio. The government responded in two ways:

- The Minister for Planning pointed out to Parliament the success of the Public Heritage Program.
- The Minister sought advice from the Heritage Council on the future for heritage place management in Victoria.

A Heritage Places Management Committee was set up under the auspices of the Heritage Council and with membership drawn from the Department of Natural Resources and Environment, Parks Victoria, the National Trust and Heritage Victoria.

This report constitutes the Heritage Council's review and recommendations to the Victorian Government.

1.2 Scope of the Review

This report is concerned with heritage places that are accessible to the public and are interpreted in some way for their cultural heritage values. The places may be presented with explicit, on-site interpretation to a visiting audience, or the on-site interpretation may be non-existent, or access to the site may be limited.

The range of types of places considered is broad and goes beyond the concept of the traditional house museum. It includes civic buildings that are no longer needed for their original functions, such as court houses and town halls; industrial places, and places with a continuing original function but with intrinsic heritage values, such as botanical gardens.

Information was gathered on hundreds of heritage places. Presentations were received from a number of government and non-government organisations involved in heritage place management.

The Heritage Places Management Committee determined that the most effective way to review the management of heritage places in Victoria was to carry out a program that included:

- preparation of a database
- a detailed investigation into public, community and private heritage management
- an investigation of management models elsewhere
- the requirements of sustainable management
- a case study analysis.

1.3 Method

1.3.1 Information gathering

The Committee wrote to all municipal councils in Victoria seeking information on places owned or managed by local authorities and presented to the public as heritage places. Information was sought as to the extent that places are open to the public, their management arrangements, and visitation figures.

The Committee met on 19 occasions. Two meetings were hosted by regional municipal councils (the City of Greater Bendigo and City of Ballarat). The Committee also met twice at properties managed by Parks Victoria (Woodlands Homestead, Tullamarine and Werribee Park Mansion, Werribee) as well as at Tasma Terrace in East Melbourne, the home of the National Trust.

The Committee received presentations from a number of municipal councils, including the City of Ballarat, City of Greater Bendigo, City of Moreland, City of Melbourne and Shire of Campaspe.

The Committee heard from a variety of individuals and organisations representing different owner/manager models. These included the owner of a small privately operated museum in Ballarat (Montrose Cottage), and from a not-for-profit trust (Sovereign Hill, Ballarat).

An advertisement was placed in the *Age* newspaper on Saturday 2 March 2002 requesting submissions from the public. A similar notice was placed on the website of the Heritage Council from 1 March 2002 to 1 April 2002.

Among the organisations that responded in writing were the Astronomical Society of Victoria (Old Melbourne Observatory), Puffing Billy Railway, and Buda Homestead, Castlemaine. Mr Warwick Forge also made a submission.

The Committee determined that the terms of reference were best addressed by not republishing the Heritage Register or the National Trust's Register in this report. These lists of heritage places are readily available to the public, and there is no need to duplicate information contained in them. There are, however, many heritage places which are not included in these Registers. The Committee decided to compile information from the bodies managing heritage places about the places they currently manage.

Four main sources were identified: municipal councils, Parks Victoria, the Department of Natural Resources and Environment (NRE) and the National Trust. As noted above, in October 2001 the Committee wrote to all Victorian municipal councils requesting information about heritage places owned or managed by that municipality.

1.3.2 The database

Information obtained from those councils that responded has been systematised and compiled into a database (see Appendix 1). Information provided by NRE and the National Trust has also been incorporated in the database. Parks Victoria also provided their own database of parks and reserves containing significant heritage places (see Appendix 2).

A great deal of information has been gathered about hundreds of heritage places in Victoria. However, the information is clearly incomplete because 27 municipal councils did not provide information, although some incomplete information relating to those councils was gleaned from other sources. Some limited information about heritage places

in private ownership was also obtained, although resources were not available for a fuller investigation of these places.

The database investigation is reported in detail in Chapter 3.

1.3.3 Public, community and private sector management

As a result of the information in the database, the Committee determined that greater detail and answers to specific questions were required. This led to a detailed examination of heritage management in the public, community and private sectors which is reported in Chapters 5 and 6. As part of this detailed investigation, a number of verbal presentations were made to the Committee. These are reported in Appendix 3 and included in the examination in Chapters 4 and 5.

1.3.4 Managers of heritage places outside Victoria

During the examination of the public, community and private heritage sectors, it was found that there were references to, and comparisons with, organisations outside Victoria which managed heritage places. It was thought useful to review key selected organisations to see whether their management methods could be useful in the management of heritage places in Victoria. This review is reported in Chapter 6.

1.3.5 Sustainable management

As the material was being gathered, it became apparent to the Committee that the requirements for sustainable management of heritage places had to be considered, particularly funding. Chapter 7 reports on this consideration.

1.3.6 Case study analysis

The data from the preceding studies was found to be diverse, far-ranging and daunting in quantity. A means of drawing it together and analysing it in a meaningful and useful fashion was sought. To this end a case study was undertaken of 12 heritage places selected from the database (Appendix 1) and 5 heritage places which are not in the database but were selected from the Parks Victoria database (Appendix 2). This case study analysis is reported in Chapter 8.

1.3.7 Findings, conclusions and recommendations

Findings, conclusions and recommendations were derived from the material examined in Chapters 1 to 8. These are reported in Chapters 9 and 10.

1.4 Conclusions

This review was instigated as a result of the Minister seeking advice from the Heritage Council. The Committee determined that the most effective way to review the management of heritage places in Victoria was to carry out a program of studies as follows:

- A database was prepared — Chapter 3.
- A detailed investigation was conducted into public, community and private heritage management — Chapters 4 and 5.
- An investigation was conducted of management models elsewhere — Chapter 6.
- The requirement for sustainable management were considered — Chapter 7.
- The data was analysed using a case study approach — Chapter 8.
- This material was drawn together into findings, conclusions and recommendations in Chapters 9 and 10.

2

The framework for heritage in Victoria

This chapter outlines the philosophical and theoretical background to heritage in Victoria. It explains the Government's responsibilities and notes and outlines a system for understanding heritage places management and funding.

2.1 Philosophical framework and definitions

The importance of heritage places in Victoria is demonstrated by the following statement from the *Victorian Heritage Strategy* released by the Victorian Government in April 2000:

Victoria's diverse cultural heritage will be recognised as a key resource of the State, and will be managed in a sustainable way to maximise benefits for the whole community.

Victoria has a rich heritage resource which consists of buildings and structures, gardens, cultural landscapes, industrial sites, archaeological sites, shipwrecks, and irreplaceable collections of objects. This report proceeds from the premise that the primary object of the management of such heritage places is to protect and conserve them. This accords with the first main purpose of the *Heritage Act 1995*, which is:

to provide for the protection and conservation of places and objects of cultural heritage significance and the registration of such places and objects.

This investigation addresses the objectives of the Victorian Heritage Strategy (2000) — to support proactive management and sustainable uses of heritage assets by:

- recognising and supporting best practice in heritage management
- more efficiently and equitably allocating available resources for heritage management and conservation.

It has long been accepted that it is sound conservation practice to adopt a process of identification followed by an assessment of significance, leading to the formulation of a conservation policy and then management in accordance with the policy. The Victorian Heritage Register clearly identifies places of heritage significance and sets out why they are important. This is a key component in the protection of Victoria's heritage, as provided by the *Heritage Act*.

The Victorian Heritage Register does not include as many places as the National Trust Register. Places of local or regional significance, as distinct from State significance,

are not included in the Victorian Heritage Register, but may be in the National Trust Register. In some cases different views have been taken as to the level of significance of a place. A key difference between the Registers lies in the consequences of registration. No legal consequences follow from inclusion in the National Trust Register. However, places included in the Victorian Heritage Register may not be demolished, damaged, developed or altered without a permit, save for some limited exceptions.

Places of local significance not included in the Heritage Register may be protected by Heritage Overlays in local planning schemes.

This report considers places of heritage significance presented to the public as heritage places, irrespective of their level of significance.

Following the formation of Australia ICOMOS (International Council on Monuments and Sites) in 1976, The *Australia ICOMOS Charter for the Conservation of Places of Cultural Significance* (the Burra Charter) was adopted in 1979. The principles on which the *Heritage Act* is based are those adopted by Australia ICOMOS and are set out in a statement of objectives for legislation to protect the National Estate.

The 1999 Revision of the Burra Charter gives the following answer to the question, 'Why conserve?'

Places of cultural significance enrich people's lives, often providing a deep and inspirational sense of connection to community and landscape, to the past and to lived experiences. They are historical records that are important as tangible expressions of Australian identity and experience. Places of cultural significance reflect the diversity of our communities, telling us about who we are and the past that has formed us and the Australian landscape. They are irreplaceable and precious.

These places of cultural significance must be conserved for present and future generations.

In this context, it may be seen why an important part of the management of heritage places involves public access and use. Through access and use, communities may connect with places that are significant to them. The education of coming generations and of the community as a whole is enhanced by access to places of cultural heritage significance, and by appropriate interpretation of these places so that the stories which give meaning to them are known. Access supports the appreciation of their significance and increases the understanding of the need for their protection. A sense of community ownership and involvement in heritage places is vital to their successful management.

At the same time, management must be sustainable. Sustainability means more than taking measures to ensure that the use of heritage places is consistent with their conservation. Sustainable management requires that funding for the conservation of the physical elements of heritage places be secure. It is not enough simply to preserve structures from wear and tear. Maintenance must extend beyond the prevention of deterioration. Heritage places should be presented to the public in a state that enables them to be fully understood and appreciated, if the 'deep and inspirational sense of connection' is to be available.

2.2 Heritage protection in Victoria

2.2.1 History of heritage legislation in Victoria

Early developments

The concept of preservation of heritage has received prominence in Victoria only since the Second World War. By the 1950s a concerted campaign for the preservation of the State's mid-19th century historic buildings, furniture and associated objects was underway, culminating in the formation of the National Trust of Australia (Victoria) in 1956. In the absence of legislative protection the National Trust acquired properties in order to save them. Soon after its formation, the National Trust appointed a Survey and Identification Committee, which began work in January 1957. The work of surveying and classifying significant buildings and objects resulted in the publication of the first edition of the National Trust's Register in 1972.

The first pieces of heritage legislation in Victoria were the *Government Buildings Act 1972* and the *Archaeological and Aboriginal Relics Act 1972*. There was no formal statutory process for protecting culturally significant places that were privately owned until the passing of the *Historic Buildings Act 1974*. This was subsequently replaced by the *Historic Buildings Act 1981*.

Table 1 Key events in the history of heritage legislation and protection in Victoria.

1946	<i>Town and Country Planning Act 1946</i>
1956	National Trust of Australia (Victoria) established
1959	Como House opened to the public
1965	ICOMOS formed
1972	World Heritage Convention <i>Archaeological and Aboriginal Relics Act 1972</i> <i>Victoria Conservation Trust Act 1972</i> First edition of the <i>National Trust Register</i> published
1974	<i>Historic Buildings Act 1974</i> established Historic Buildings Council
1975	Australian Heritage Commission established <i>National Parks Act 1975</i>
1976	Australia ICOMOS formed <i>Historic Shipwrecks Act 1976</i> (Cwlth)
1978	<i>Crown Land (Reserves) Act 1978</i>
1979	Burra Charter adopted by Australia ICOMOS
1981	<i>Historic Buildings Act 1981</i> National Trust Register of Significant Trees of Victoria launched
1982	The Register of National Estate in 1981 published by Australian Heritage Commission
1983	<i>Museums Act 1983</i>
1984	<i>Victoria's Heritage — A Future for the Past</i> published
1995	<i>Victorian Heritage Register</i> published by Historic Buildings Council Heritage Council established by <i>Heritage Act 1995</i>
1999	Revised Burra Charter adopted by Australia ICOMOS Second edition of the <i>Victorian Heritage Register</i> published by Heritage Council
2000	Victorian Heritage Strategy adopted

Heritage Act 1995

The *Historic Buildings Act* was superseded by the passing of the *Heritage Act 1995*. The new Act greatly expanded the concept of statutory heritage controls — from merely buildings or sites with architectural or historical significance to any place with cultural heritage significance. Cultural heritage significance now encompasses archaeological, aesthetic, architectural, historical, social or technical (scientific) values.

While heritage place protection was slow to achieve prominence in the minds of Australians, it became increasingly important throughout the latter half of the 20th century. By the year 2000 Australia had any number of community organisations working for the preservation and conservation of heritage places. These groups had on many occasions played an important political role and influenced the actions of politicians and the formulation of public policy.

Victoria has traditionally led the other states in the development of heritage legislation and protective programs. The 1974 *Historic Buildings Act* was Australia's first piece of heritage legislation imposing controls on private property. The *Heritage Act* is generally considered to be the most advanced piece of such legislation in the country. And the Public Heritage Program has been an innovative response to public pressure on government to take better care of public and community assets.

2.2.2 The Victorian Heritage Council

As a statutory authority constituted under the *Heritage Act*, the Heritage Council is the State's main decision-making body on heritage issues. Its ten members are appointed by the Governor-in-Council upon the recommendation of the Minister for Planning. The major functions of the Council are to:

- act as the primary source of advice to the Minister of Planning and Local Government on heritage issues
- determine which heritage places and objects are added to the Victorian Heritage Register
- hear appeals on permit applications determined by Heritage Victoria
- approve or reject recommendations for loans and grants from the Heritage Fund for registered heritage places
- promote public understanding of Victoria's cultural heritage and to conduct community education and information programs.
- oversee implementation of the *Victorian Heritage Strategy* (2000).

Although the *Heritage Act* provides authority for the Heritage Council to acquire property, the Council and its predecessor (the Heritage Buildings Council) have never become *managers* of heritage places. The Heritage Fund, managed by the Council, has provided resources to acquire property (most recently, for example, Archbold's Treatment Works at Chewton and the Mortlake Mill) but the Council has always handed the property to the Crown or other alternative managers. In the case of Archbold's, the Shire of Mount Alexander has become a Committee of Management under the *Crown Lands Reserves Act*. At Mortlake the incorporated body managing the place was granted the funds to acquire the property in its own right.

In 1991 the Valuer-General of Victoria reported on the cost implications of conserving heritage places. The report concluded that the most economic way to conserve heritage places is to assist the owner of the property to carry out the role. It is better in general to provide financial and technical assistance to owners rather than have the

government acquire and manage heritage places.¹ The Heritage Council has adopted this approach.

The *Victorian Heritage Strategy* commits the government to the ongoing conservation of the State's heritage by ensuring that the community not only owns that heritage but is supported in its efforts to know, communicate, protect and manage that heritage.

2.2.3 Heritage Victoria

The Heritage Council receives professional advice and administrative support from Heritage Victoria, which is within the Department of Sustainability and Environment (DSE). As a central government agency it provides information and advice about heritage places generally. It supports the Heritage Council through management and maintenance of the Heritage Register and the archaeological inventory, the assessment of applications for permits, the assessment of applications for assistance, and the management of subdivision, appeal and hearing processes under the *Heritage Act*.

The Director of Heritage Victoria is also the 'Executive Director' appointed under the *Heritage Act*. This person also has statutory responsibilities to recommend places for addition to the Heritage Register, determine permit applications and provide financial assistance in accordance with resolutions of the Heritage Council. The Director is also responsible to the DSE for the day to day management of Heritage Victoria and the delivery of a broad range of programs and services, including:

- advice to the Minister for Planning
- heritage input to DSE and government projects and programs
- support to local government with the administration of heritage protection responsibilities
- advice and assistance to the public on heritage issues
- management of assistance programs such as the Public Heritage Program
- management of the shipwreck protection and research provisions of the *Heritage Act* and the Commonwealth *Historic Shipwrecks Act* (1976)
- support to private property owners in the investigation, management and interpretation of their heritage assets, including responsibilities for archaeological investigation
- management of a conservation laboratory and care of a public collection of archaeological relics
- delivery of heritage education programs.

2.2.4 Funding programs managed by the Heritage Council and administered by Heritage Victoria

Heritage Fund

Enabled by section 135 of the *Heritage Act*, the Heritage Council administers a heritage fund which in part provides assistance in the conservation and management of cultural heritage. The Heritage Fund is established as a trust fund in the Public Account and receives monies from various sources, including that derived from fees paid under the *Heritage Act*. Funding assistance is usually in the form of low-interest loans or grants to owners of places listed on the Victorian Heritage Register. Several programs are funded by the Heritage Fund, including a loan interest subsidy program to allow owners to borrow funds from the provider of their choice, and a financial assistance program for the

¹ *The Preservation of Historic Buildings and Sites and the Cost Implications*, J Alan D'Arcy, Valuer-General, Victoria 1991

employment of heritage project consultants. The focus is on privately owned places and smaller developments.

Special Assistance

The Heritage Council also has authority under the *Heritage Act* to recommend special assistance, usually in the form of land tax exemption and rates remission. Both land tax exemption and rate remission require the approval of the Minister for Planning, and land tax exemption requires the consent of the Treasurer. Rates remission also requires consultation with, and the consent of, the relevant rating authority, which is usually the local council. Exemptions and remissions are granted on the basis that an equivalent amount is spent on conservation work.

The Public Heritage Program

The Public Heritage Program is administered by Heritage Victoria. It was established to assist State and local government agencies to recognise, maintain and capitalise upon heritage assets as part of an economically valuable cultural resource. The program also helps local government identify, through heritage studies, significant heritage places, and to provide heritage advice.

All grants from the Public Heritage Program must be approved by the Minister for Planning.

2.3 Government's role and responsibilities

2.3.1 Heritage Strategy

The *Victorian Heritage Strategy* (2000) conveys the government's vision for non-Indigenous cultural heritage. It is committed to the ongoing conservation of the State's heritage. The Strategy broadens the focus of heritage from listing and interpretation to celebrating and encouraging community ownership of its heritage. The concept of heritage has moved far beyond the traditional view of it as 19th century buildings and mansions. It now embraces gardens, landscapes, precincts, industrial sites, cemeteries, objects and artefacts.

The Strategy highlights the limited resources available for the conservation and management of heritage places and objects. It states that more effective and efficient utilisation of existing resources can be achieved through the development of agreed priorities for funding.²

2.3.2 Government asset management and leadership

The Victorian government has a responsibility to provide leadership by demonstrating best practice management of its own heritage properties. As one of the largest owners of heritage places, the government has a responsibility to show that they are assets of the State. There are more than 600 State government buildings listed on the Victorian Heritage Register, and many more are protected through heritage overlays in planning schemes.

The government accepts responsibility for providing total asset management guidelines and policies to government agencies for all its assets.³

² *Victorian Heritage Strategy*, April 2000, p. 2

³ *Sustaining Our Assets. Government Asset Management Policy Statement*, State Government of Victoria Department of Treasury and Finance, December 2000

Government agencies are responsible for their own property, and the Department of Treasury and Finance monitors how agencies manage that property. Heritage Victoria assists in providing advice and enabling the conservation of these heritage listed places. A Government Heritage Charter setting down more detailed provisions for heritage places is currently being prepared.

The Commonwealth government provided specific management guidelines to heritage asset managers in the *Draft Heritage Asset Management Manual*.⁴ The guidelines provide notes on current best practice in heritage management.

2.4 A system for understanding heritage place management and its funding in Victoria

2.4.1 Management framework

Much of this report is devoted to describing the current models for managing heritage places in Victoria. The framework in which these models operate is described in Figure 1. This framework recognises the Heritage Council and Heritage Victoria as the focal points for government policy and leadership, the delivery of heritage information and education, and overall stewardship of heritage places. It also identifies them as the regulators and protectors of heritage places and reinforces that their role is not to own or directly manage places.

The framework identifies the main public sector heritage managers and their links back to the Heritage Council and Heritage Victoria. The success of these links depends on the heritage management capability of the various bodies. For example, Parks Victoria and the Department of Sustainability and Environment have some expertise as heritage managers, while the expertise available to some local government managers is highly variable.

The framework also identifies the position of community organisations and the private sector. Their role is also outlined in some detail in the following chapters.

2.4.2 Funding Framework

Figure 2 identifies existing and potential funding arrangements for heritage places. This framework identifies a range of government funds available for the restoration, maintenance and development of heritage places.

2.5 Conclusions

- There is a comprehensive and effective legislative framework for heritage protection and management in Victoria at a State and local level.
- Many organisations, both public and private, deal with heritage in Victoria. The Heritage Council is the peak body. Effective government and community organisations, in particular Heritage Victoria and the National Trust, exist for protecting this heritage.
- It is generally understood that heritage places need to be managed in a sustainable fashion and need to be run as efficiently as possible, however that may be defined.
- Organisations that manage heritage places may have many management models and styles. These will be investigated in the following chapters.

⁴ *Draft Heritage Asset Management Manual*, Committee of Review [on]Commonwealth-Owned Heritage Properties (c1996)

- Communication and co-ordination between organisations which manage heritage places will also be examined.
- It is clear that there is a wide variety of funding sources, including a range of private, corporate and philanthropic funds which are generally available to non-government managers. These may not be understood or effectively accessed and the amount available may be insufficient to satisfy the need.
- From an initial examination of funding sources, it appears that there may be a gap in relation to private funding, as there is no general heritage foundation which can accept *private, tax-deductible donations*. The establishment of a Heritage Foundation administered by trustees representing stakeholders could fill this gap. This point is examined further in Chapter 8, 'Sustainable Management'.

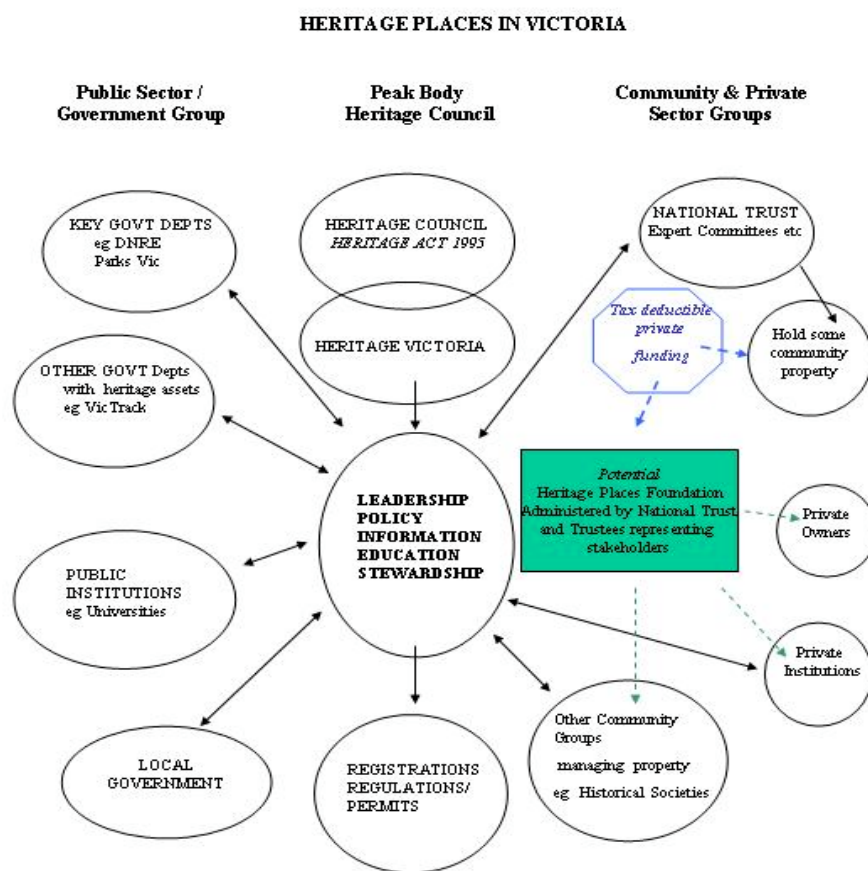


Figure 1

Figure 1 The current framework for managing heritage places.

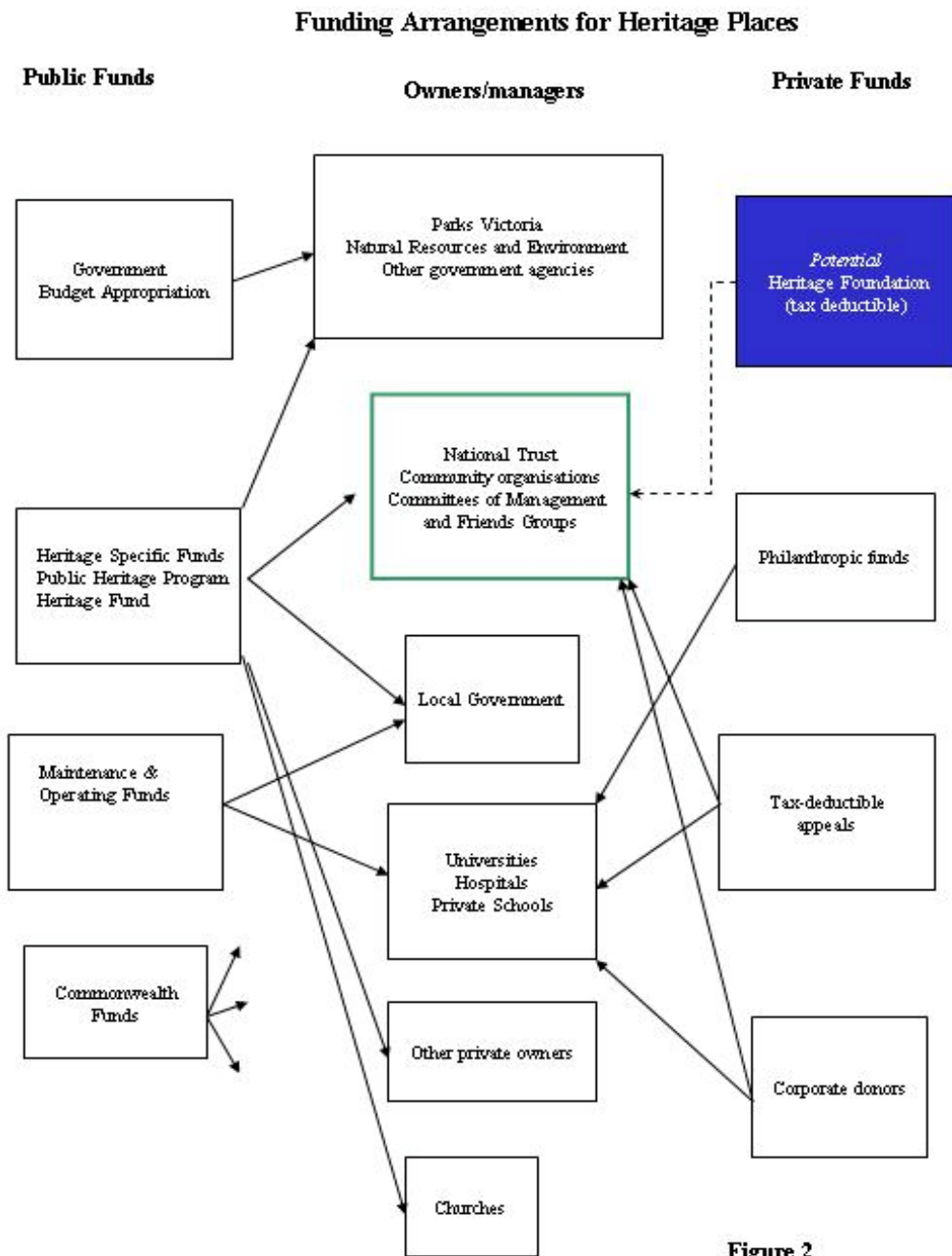


Figure 2

Figure 2 Existing and potential funding arrangements for heritage places.

3

The database

This chapter investigates the nature and extent of the heritage places portfolio in Victoria. This is done by preparation of a database as follows.

3.1 Database criteria

Criteria for inclusion in the database are that:

- (a) a place be identified as a heritage place by being included in one or more of the following:
 - the heritage overlay to the local planning scheme
 - the Register of National Estate
 - the Victorian Heritage Register
 - the National Trust Register
- (b) and that the place be in some way open to the public and presented, or capable of being presented, to highlight its heritage values.

3.2 How information for the database was gathered

3.2.1 Municipal councils

Local government bodies in Victoria are significant owners of heritage places. The Committee wrote to all Victorian municipal councils in October 2001 requesting information about heritage places owned or managed by the municipality and which were presented to the public for their heritage values. Fifty-one of the 78 municipalities in Victoria replied. The distribution of responses is shown in Figures 3 and 4.

The failure of some municipalities to respond to the Committee's request is unfortunate. It is clear that municipalities such as Boroondara, Port Phillip and Hobsons Bay, for example, have within their boundaries many heritage places; and the Committee would have been materially assisted by responses which provided information about their management. The Committee notes that some of the municipalities which failed to respond have been criticised in the media for their approach to heritage issues.⁵ Whatever the reason for the failure to respond, the result is that the survey is not fully comprehensive. The Committee has, in some instances been able to obtain information from other sources. The database is not as complete as the Committee would have wished, and the analysis made cannot cover properties about which the Committee is unaware.

⁵ See for example *Progress Leader*, 7 October 2002

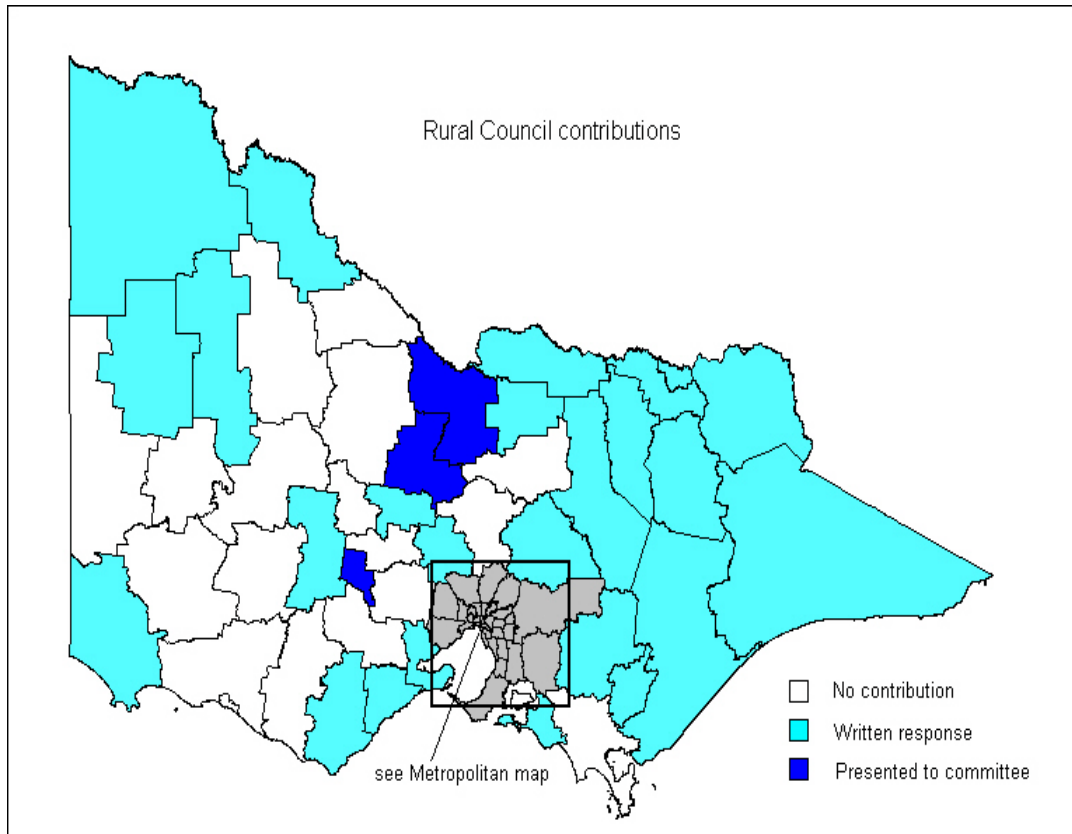


Figure 3 Rural municipal council responses to Committee's enquiry.

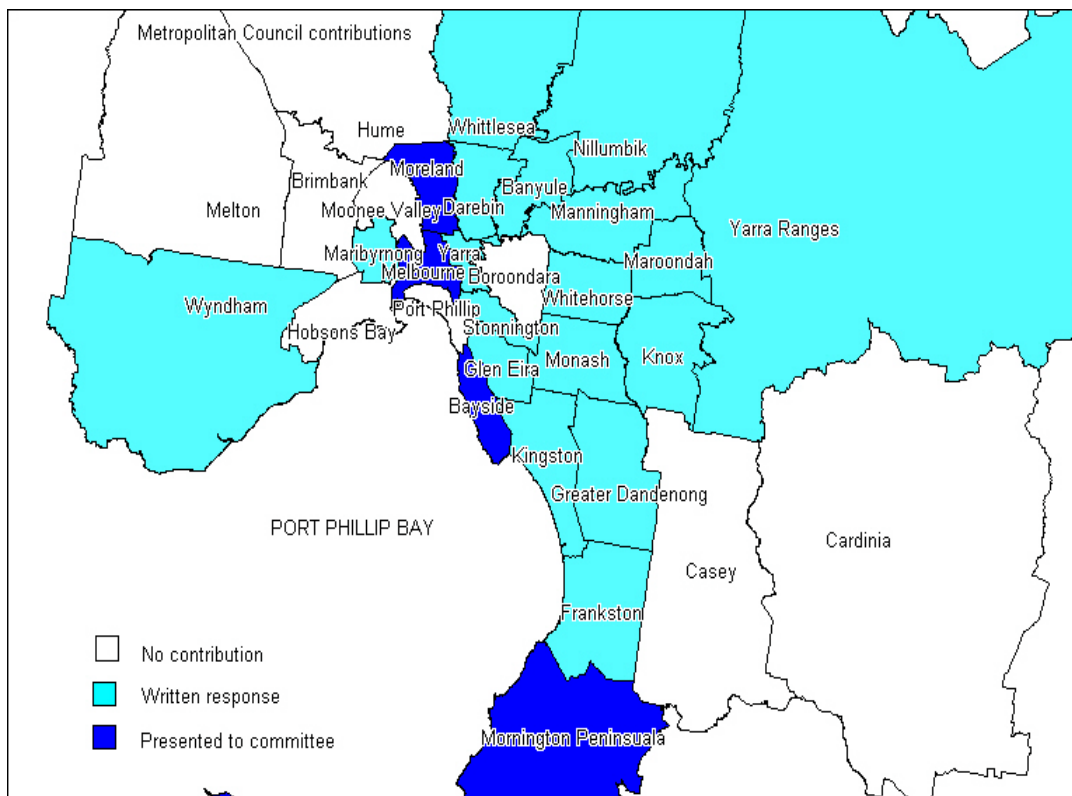


Figure 4 Urban municipal council responses to Committee's enquiry.

In addition to written contact with the municipal councils, selected councils accepted an invitation to make verbal submissions directly to the Committee. A summary of these submissions is reported in Appendix 3.

3.2.2 Other managers

In addition to municipal councils, the Public Land Management Division (within the Department of Sustainability and Environment) and Parks Victoria both have responsibility for a substantial number of heritage places. Detailed overviews of the heritage management operations of these agencies are given in Chapter 4. The National Trust of Australia (Victoria) is also a major owner of heritage places in the State. An overview of the Trust's place management is given in Chapter 5.

3.3 Limitations

It has already been suggested that there is no way of definitively determining the number of interpreted heritage places across Australia.⁶ Within Victoria there exist various sources of information about privately operated places, but no comprehensive list of heritage places open to the public is maintained.⁷

The database includes public places that retain a primary purpose beyond heritage interpretation, but where the place may occasionally be interpreted or heritage tours might be run.

No attempt has been made to include a number of place types in the database. For example, cemeteries have been omitted. While several of the State's most historic cemeteries are heritage-listed, they tend to have an ongoing use above and beyond their presentation for heritage values. Private houses and gardens that are open to the public a few days per year as part of the Open Garden Scheme have also been excluded as being too numerous to identify, although some are heritage places.

3.4 Database findings

This research revealed at least 450 places that are presented to the public for their heritage values. It also revealed that many more are managed on behalf of the community. A significant number of places, while primarily used for other purposes, also present their heritage values to the community. The distribution of responses is shown in Figures 3 and 4.

A database (Appendix 1) of places presented to the public for their heritage values was collated. The database is not intended to be a comprehensive list of all places in the State that are open to the public for inspection. It provides an overview of the range, type and number of heritage places in the State that are open to the public.

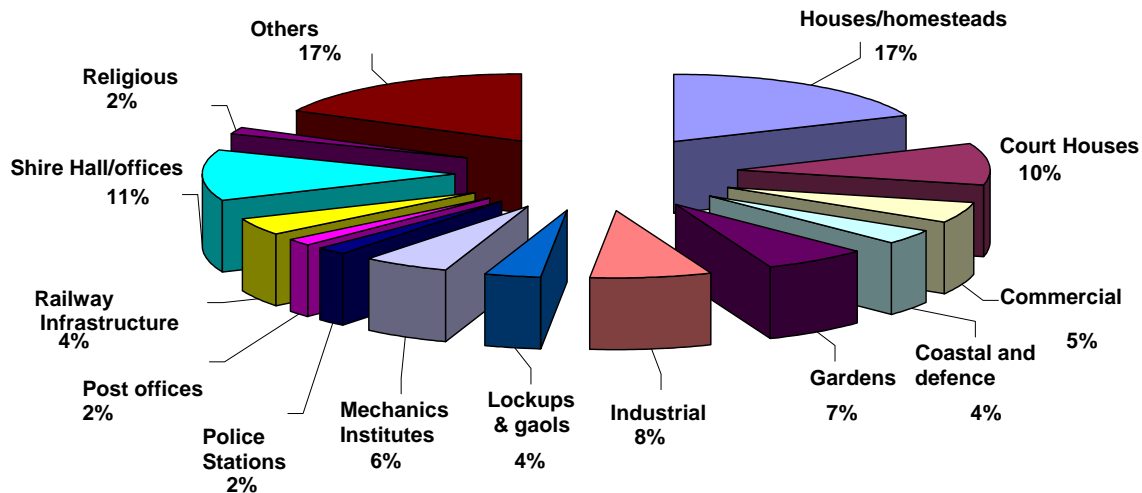
⁶ Michael Pearson & Sharon Sullivan, *Looking After Heritage Places*, Carlton (1995) p. 290

⁷ Museums Australia (Victoria) do not maintain a current list of house museums or even Victoria's museums, but rely instead on a publication *Museums of Victoria* (3rd ed. 1993). That list is now nine years old, and it does not distinguish heritage places from non-heritage places, and was therefore of limited use to the investigation.

3.4.1 Types of heritage places

The types of historic places are identified in Figure 5. Places are identified typologically: for example, as shire halls, railway infrastructure, gardens, or industrial places.

Figure 5. Types of heritage places presented to the public



From Figure 5 it can be seen that the type with the largest representation is house and homestead museums. This group was so significant that it was analysed further (see section 3.4.3). There are also many redundant public buildings with heritage values, such as shire halls, post offices, court houses, police stations, lockups, gaols and mechanics institutes.

The amalgamation and subsequent reduction in the number of municipal councils in 1995 resulted in many of these public buildings becoming redundant. Many former shire halls are now community centres, often open part-time and otherwise available for hire. There is little or no heritage interpretation for most of these places. The administrative superstructure of the 19th century has been steadily dismantled, and the State government itself has relinquished the use of many places, such as court houses, and schools. Some religious communities in Victoria have relinquished the use of a large number of historic places, due either to demographic changes or mergers⁸. However, in many cases the local community⁹ generally values them as symbols of the community and often still makes some use of them, although their history and historic value is poorly understood and may not be presented.

3.4.2 Owners of heritage places

Figure 6 shows the percentage breakdown of different owners of heritage places other than those managed by Parks Victoria. Parks Victoria is manager of several thousand places although the full extent of heritage places within parks is not known. 'Crown Reserve' refers to historic places reserved under the *Crown Land Reserves Act* and

⁸ The formation of the Uniting Church of Australia in 1977 resulted in many surplus buildings, many of which have been subsequently disposed.

⁹ 10% of heritage places in the database are managed by or used by historical societies.

managed by a committee of management. While the proportion of heritage places presented to the public on Crown Land Reserves relative to the overall figure is substantial, most of the approximately 4500 Crown land reserves are not actively presented to the public.

Figure 6. Heritage place owners

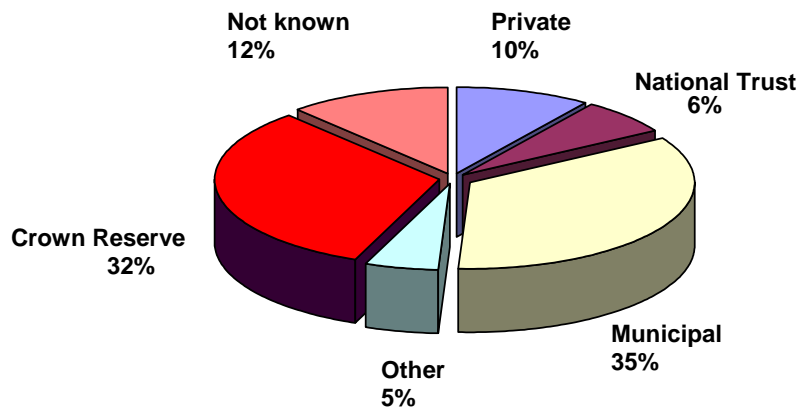


Figure 6 demonstrates that, overwhelmingly, governments at various levels (or State and local government) manage the majority of heritage places. It is significant that, while the National Trust manages only 6% of heritage places open to the public, these are often iconic heritage properties with a high profile in the community.

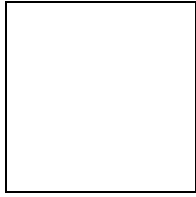
There are probably hundreds of places around the State that are privately owned and contain a business that trades on the heritage values of the place. This is especially true of accommodation places such as bed and breakfast accommodation, although no comprehensive list of such places has been compiled. However, the database highlights examples of places where a museum or other form of interpretation is now the principal business of the place.

3.4.3 Owners of homesteads and house museums

Because house museums and homesteads made up such a large percentage of total heritage sites (17%; see Figure 7), further analysis of this particular group was undertaken.

A breakdown of owner types is given in Figure 7. There are many thousands of historic house and homesteads around the State that are privately owned and not open to the public, although from time to time any number of them may be opened for public visitation. There are 104 homesteads and 231 houses on the Victorian Heritage Register; 47 of these are actively presented to the public.

Eighty-five homestead and house museums were identified in the database. Forty-five of these are included on the Victorian Heritage Register. Some 20% are managed by the National Trust and 20% by the Crown. Municipal councils manage a further 36%. These figures indicate that the Crown and the National Trust are major shareholders in this type of heritage place. The Crown has departments and resources set up to handle this level of involvement. However, the National Trust, which is a relatively small organisation largely supported by community funding, finds this responsibility financially onerous.



3.5 Conclusions

- The full extent of the portfolio was not able to be determined, but a representative sample comprised of the major part was obtained.
- There are many hundreds of places being managed for their heritage significance. database of about 460 places which fitted the adopted definition was compiled (Appendix 1). This was complemented by the Parks Victoria database of heritage places (Appendix 2).
- A number of government departments, notably the Department of Sustainability and Environment and Parks Victoria, have responsibility for a substantial number of heritage places.
- Local government bodies, either as committees of management under the *Crown Land Reserves Act* or in their own right, are significant managers of heritage places.
- The State government has its own large portfolio of heritage places; the general public wants these places preserved, and also wants to be able to enjoy access to them appropriately presented. Funding at present is insufficient to meet these public expectations and in some cases even to maintain the heritage places.
- Many heritage places on public land no longer serve their original use, and in that sense are redundant and at risk of being abandoned.
- Regional communities carry a relatively greater share of the burden of managing heritage places than does metropolitan Melbourne.
- The National Trust manages 6% of the portfolio, but many of its places have a high profile and iconic status in the community.
- There is a lack of diversity in the types of places presented to the public by the National Trust. There is a strong focus on the traditional house museum presentation.

4 Public sector management

As a result of the examination of information collected in the database, the Committee determined that greater detail and answers to specific questions were required. This led to a detailed examination of heritage management by a number of agencies, which is reported in this chapter.

4.1 Places owned or managed by the State government

4.1.1 Direct management

The State government continues to directly manage a range of heritage places, and uses some of them for government administrative purposes. In many instances there is an expectation that their heritage significance will be presented to the public. This expectation grows as the buildings age. The re-establishment of government departments and agencies in refurbished heritage buildings also brings with it a curiosity about a building's past, and a pressure to interpret this history to occupants and visitors. The public expects that these buildings will be available for inspection, and that there will be some interpretation of their history.

The three tiers of the Constitution — legislative, executive and judiciary — all involve the use of functioning places that have heritage significance, such as Parliament House, Government House, the Old Treasury Building and the Supreme Court. Many historic government buildings have ceased to be used for their original purpose. Some examples are the City Magistrates Courts, the Melbourne Observatory and the Royal Mint.

Parliament House

While Parliament House has an ongoing use as part of the State government's legislative structure, it is also presented as an important heritage building with an equally important heritage collection. Its primary use means that there is little question about its economic viability as a heritage place.

Government House

This property plays an important role in the administration of the State, and successfully doubles as a heritage site worthy of visitation. The public subsidy involved in maintaining it is accepted as part of the administration of the State, and its presentation as a heritage site is not seen as being an impediment to that use or in itself the subject of a subsidy.

Old Treasury Building

This building continues to serve as government offices, accommodating the Executive Council chamber and offices for former Premiers. These uses have been supplemented by museum and corporate entertainment uses which are designed to assist the place in remaining an independent and financially viable operation.

Supreme Court

While the Supreme Court serves an effective practical purpose as the centre of the State's legal structure, it is also seen and interpreted as an important heritage place.

4.1.2 Infrastructure managers

It is also not unusual for government property managers to find themselves owning and managing places which are not of any particular use to their core business, however through dint of public pressure they are obliged to continue to keep them in use and available to be presented in some manner for their heritage significance. In other words they are an important part of the community's view of its heritage and there is an expectation that public resources will be directed to their care. Whilst it is not seriously expected that they be presented as heritage museums, there is an expectation that they will continue to be part of the landscape. Two examples of such infrastructure managers are discussed below.

VicTrack

VicTrack retains ownership of a number of railway buildings for which it has little use. Of the 130 railway and tram places listed on the Victorian Heritage Register, 115 are owned by VicTrack. Where sale is impractical, VicTrack is often obliged to maintain the building as an important part of the heritage of a place. This may involve finding an alternative use for the place. VicTrack considers that it is important that its properties are well presented in line with community expectations.¹⁰ As part of its role in maintaining Victoria's heritage railway buildings, VicTrack has established a Heritage Advisory Panel in consultation with the Department of Infrastructure. The panel will enable VicTrack's Board to prioritise the list of heritage rail buildings in order of importance for restoration, and to determine funding allocations.

The Docklands Authority

The Docklands Authority has, as a result of its charter, found itself in possession of substantial heritage assets. There is a public expectation that these assets will be maintained for those heritage values. The Authority is therefore faced with the challenge of ensuring that the heritage values are maintained, even though it has no long-term role in the management of the properties. The public expectation is that that the heritage values would be available for interpretation in the short to medium term and that in the longer term management arrangements would continue to satisfy that expectation.

10 Specification Brief, 2001, for *VicTrack Infrastructure on the Victorian Heritage Register*, March 2002

4.2 Department of Sustainability and Environment

4.2.1 Introduction

The Department of Sustainability and Environment (DSE) is a State government department established in part to manage the government's involvement in land management, conservation and environment and resource management issues. It is committed to supporting the development of sustainable natural resource based industry in Victoria, improving knowledge of the environment, building community partnerships, and protecting and conserving Victoria's natural and cultural heritage. As part of its role, DSE manages (directly and through delegation) reserved and unreserved Crown land across Victoria. The Department is the single largest 'owner' of historic places in Victoria, although much of the direct management of those places is delegated to others, including Parks Victoria (see section 4.3).

4.2.2 Crown Land Management

The Crown Land Management Branch (CLM) is responsible for the administration of the *Crown Land (Reserves) Act 1978* and the *Land Act 1958*. The *Crown Land (Reserves) Act* enables the reservation of Crown land for public purposes and the appointment of committees of management to manage the land, including any heritage values. A committee of management may consist of trustees, representatives of other government departments, local councils, locally elected committees, or Parks Victoria and the National Trust. Table 2 highlights the range of different managers who directly or indirectly have management responsibility for heritage places on Crown land reserves.

There are more than 7000 reserves in the CLM portfolio. A significant proportion of these reserves have heritage value or contain places with heritage values, although only 130 are exclusively reserved for historic purposes. Many reserves incidentally contain places with heritage values. Some examples are sports reserves with historic grandstands or swimming pools, municipal depots with historic structures such as incinerators or sale yards, and botanic gardens with clear historical significance in their own right.

It is clear to the committee that places designated as historic reserves are not the only places expected to be maintained and presented for their heritage significance. For example the Shire of Indigo is responsible for 55 reserves, of which five are designated as historic; but others, such as Barmutha Park and its historic (but unused) grandstand, clearly have historic significance, and the shire as a committee of management endeavours to maintain it and present it for its heritage significance. Similarly, the City of Greater Geelong manages the Geelong Botanic Gardens and the Eastern Beach Reserve as far more than places of botanical importance and recreation. This situation repeats itself throughout the state.

Although local government manages many historic buildings, many committees of management that manage Crown land with heritage value are small local interest groups that cannot fund restoration or improvement works, and in some cases cannot even undertake maintenance works.

Table 2 Some examples of committees of management.

Committee of management	Reserves listed as historic or used as a museum
The Mint Incorporated	Former Royal Mint Building Former Horticultural Society Hall
National Trust of Australia (Victoria)	Castlemaine, Market Building Heidelberg Police Residence Melbourne, Old Melbourne Goal Melbourne, Tasma Terrace Port Fairy, Mills Cottage Smythesdale, former Lock Up South Melbourne, Polly Woodside (Dry Dock) Yarra Glen, Gulf Station Former Port Fairy Powder Magazine
Indigo Shire Council	Beechworth, former Powder Magazine Rutherglen Battery Tourist Reserve Beechworth Historical Precinct Chiltern Lockup Chiltern Community Purposes (Museum)
Gippsdown Reserve Committee of Management Incorporated	Old Gippsdown Folk Museum ('Gippsland Heritage Park')
Walhalla Board of Management Incorporated	Walhalla Post Office Walhalla Mechanics Institute and Library Reserve Walhalla Board of Management (Long Tunnel)
Phillip Island Nature Park	Churchill Island
Historic Buildings Management Committee, Parks Victoria	20 properties, mostly former court houses in rural towns such as Beaufort, Hexham and Yackandandah

The Mint Incorporated reported that the reservation of the Horticultural Hall for conservation and community purposes prevented any commercial use of the premises, even though such a use would have guaranteed its future maintenance as a heritage place. Mint Inc pointed out that it was fortuitous that it was in a position to subsidise the restoration of the building and its consequent occupation by the City of Melbourne for non-commercial purposes.

Maintenance, day-to-day management and development of reserved sites are the responsibility of the committees of management. Many committees of management of historic places on Crown land depend on State and Federal government grants of various types for catch-up maintenance and development or improvement. The financial

sustainability of many historic places on Crown land is a concern. Owning and delegating management to a well-meaning but unfunded group will not guarantee conservation.

CLM does not receive a budget allocation to maintain historic places on Crown land, although an annual appropriation to DSE is directed to the National Trust to assist it with its role as a committee of management. In recent years this has been \$233,000 and has been directed to the management of the Old Melbourne Gaol. DSE offers some direct assistance to committees of management in the form of heritage advice from the Historic Places Section, and committees can access limited funds through grants from the CLM Crown Lands Improvement Program (CLIP). However, the CLIP grant program does not specifically target heritage places.

4.2.3 Historic Places Section

The Historic Places Section (HPS) is located within the Parks, Flora and Fauna Division of DSE. This section focuses mainly on assisting delegated managers with the management of their historic places. It also maintains the Department's Historic Places database (with about 7000 known historic places on public land) as well as the Historic Places resource collection, consisting of slides, photographs, maps, research material and a research library.

HPS prepared a Position Statement for the previous Department of Natural Resources and Environment regarding the management of non-Indigenous historic places. This has four main points:

- NRE will act in a responsible and professional manner in addressing and managing its heritage obligations on public land for the present and future generations.
- NRE will conserve and manage a state wide representative sample of historic places on public land in the form of a Cultural Sites Network
- NRE will enlist and utilise a wide range of management options to best conserve and utilise historic places on public land for the benefit of all Victorians.
- NRE delegated managers and providers will acknowledge and utilise this position statement in the management of their own property portfolios.

It has also developed the Cultural Sites Network (Appendix 5) for the department.¹¹ This is a thematically representative portfolio of historic places on public land which provides a framework to:

- facilitate and prioritise activities
- review and consider acquisition and disposal issues
- 'tell the story' of public land in Victoria.

Conservation plans for historic places on Crown land are encouraged, and assisted or facilitated by the HPS. The proportion of historic places on public land with conservation plans is low. The committee was unable to gain a clear understanding of the effectiveness of the Cultural Sites Network. It would seem that without funding there is limited opportunity to use it to prioritise activities or to play a role in acquisition issues. In fact, where important places have been offered to the State (such as the former Napier Waller House in Ivanhoe) there has been consistent advice that the main criterion for agreeing to establish a reserve is the understanding that the place will not place any financial obligation upon the department. In other words, any committee of management has to demonstrate its independent financial capacity.

The Committee understands that HPS and CLM have provided advice to the National Trust on management of properties for which it is a committee of management. There has been an active attempt to consider options for the reassignment of reserves to alternative managers. This is similar to a review undertaken by Parks Victoria regarding its

¹¹ *Cultural Sites Network: A Guide*, Ivar Nelsen, Historic Places Section NRE (December 1999)

management of 20 former Historic Buildings Management Committee properties (see section 5.3.8).

The Committee was convinced of the level of commitment of officers of CLM and HPS to deliver in accordance with the position statement outlined above, but felt that the former NRE as a whole showed a very low level of concern or commitment for the historic places of which it is the custodian. This contrasts with its concern and commitment to places of natural significance.

The following observations were made about the heritage management regime of the former NRE:

- Public ownership or the establishment of committees of management does not automatically overcome funding, management or sustainability difficulties.
- Generally speaking, the most effective Committees of Management are local government authorities and not individual community groups.
- There is a misconception that public ownership of historic places equates to public access and public funding or support.
- Tourism offers potential for promoting and using historic places but demand for heritage tourism venues is not infinite.
- The quality and effectiveness of heritage tourism venues and experiences vary considerably but generally are poor, repetitious and uninspiring, and there is potential to improve the visitor experience.
- Non-Indigenous heritage does not enjoy the same public and government profile or support as Indigenous and natural heritage.
- Virtually all historic places on public land depend on external support or funding for any development other than routine maintenance, and for some of that as well.

A strategic state-wide tourism or management context such as the Cultural Sites Network is required to avoid duplication and to facilitate the focusing of limited resources. Considering the breadth of this task, this should be managed as a partnership between various departments and groups rather than as a monopoly by one organisation.

4.3 Parks Victoria

4.3.1 Background

Parks Victoria manages 16% of the land area of the State, in parcels ranging from large national parks to individual blocks of reserved land. The non-Indigenous cultural heritage associated with this land is widely distributed around the State. It forms a rich tapestry of buildings, structures, gardens and landscapes, industrial sites, shipwrecks and moveable objects, which are increasingly valued by the community as tangible links to the past. The park-based nature of this heritage estate gives a special dimension to the organisation's heritage management role as compared with, for instance, the role of the National Trust.

Historic places have been transferred to Parks Victoria to manage because they were parts of larger parks and reserves or because Parks Victoria (or its predecessors) was the most appropriate protected area management agency available at the time.

Parks Victoria acknowledges that the primary objective of a heritage management regime is the protection of historic places and objects. However, the use of historic places and objects for leisure, tourism and education activities helps fulfil another major objective of heritage management, which is to communicate the importance of these places and objects, and the stories which give meaning to them, as well as explaining the need for their protection.

The Committee accepted Parks Victoria's commitment to sustainable management of historic places and objects for the long-term benefit of all Victorians. This role complements its more recognised role as a manager of natural values and open space.

Integrating heritage management with these other management roles is an important objective of the organisation.

4.3.2 Basis for management

Legislation, government policy and accepted best practice in heritage management direct Parks Victoria's management of historic places. This includes the enabling land management legislation such as the *Crown Land (Reserves) Act 1978*, the *National Parks Act 1975* and the identification and protection legislation, particularly the *Heritage Act 1995* administered by Heritage Victoria.

4.3.3 Policy framework

In addition to legislative requirements, Parks Victoria is directed by the following policy framework:

- The *Victorian Heritage Strategy* (VHS) gives overarching strategic direction for heritage management in Victoria. Parks Victoria has linked its strategy to the actions and strategies set out in the VHS.
- The Burra Charter of Australia ICOMOS (International Council on Monuments and Sites) is an acknowledged best practice guideline for managing historic places in Australia.
- *ICOMOS's International Cultural Tourism Charter; Managing Tourism at Places of Heritage Significance* sets out principles for interpretation and visitor use at historic places.
- The Cultural Sites Network (see section 4.2.3) advocates a thematic approach to the prioritisation of historic place management.

4.3.4 Parks Victoria's Corporate Plan

Parks Victoria's Corporate Plan for 2002–2005 is a key document directing the management of Parks Victoria's heritage estate. It states that the purposes of the organisation are to:

- conserve, protect and enhance environmental and cultural assets
- responsibly meet the needs of its visitors for quality information, services and experiences
- provide excellence and innovation in park management
- contribute to the social and economic well being of Victorians.

4.3.5 Parks Victoria's role

Parks Victoria manages a large and diverse collection of historic places. In discharging this heritage stewardship role it recognises that community participation, the provision of education and interpretation and, where possible, maintaining public access are all vital aspects of heritage management.

Parks Victoria recognises that the commercial use of places needs to be consistent with and complimentary to its primary objective of heritage conservation. The desire to make a place commercially viable can place pressure on the fabric of a place. It can also be the source of high-quality conservation and interpretation works.

4.3.6 Parks Victoria's heritage estate

Parks Victoria has a portfolio of 2500 places listed in its Historic Places Inventory. Almost all these places are on public land. They include 40 major historic buildings and complexes, such as Werribee Park, Coolart, the Mt Buffalo Chalet, Wonthaggi State Coal Mine, Andersons Mill at Smeaton, and six lightstations. Parks Victoria is currently responsible for the 20 habitable historic buildings previously managed by the former Historic Buildings Management Committee.

Other places of less prominence but of importance within the portfolio are alpine huts, mining sites, settlement sites now largely archaeological in nature, transport routes, landscapes, gardens, historic reserves, fences, natural features with a strong community attachment, graves, cemeteries and monuments.

A significant proportion of Parks Victoria places contain moveable objects which make a vital contribution to the cultural significance and interest of Parks Victoria's heritage estate.

The 2500 places in the Historic Places Inventory are only a proportion of the actual number (as yet unknown) in the Parks Victoria estate. Large numbers of unrecorded places, mostly archaeological in nature, are known to exist within parks and reserves.

4.3.7 Management of historic places by Parks Victoria

Mansions and homesteads

Parks Victoria manages a relatively small number of mansions and homesteads, including Werribee Park, Point Cook, Hawkstowe, Woodlands, Glenample and Nyerimilang. Most are within the Greater Melbourne area. All are set within the broader landscape of a park. Case studies of Werribee Park, Coolart, and Woodlands Homestead are included in Chapter 8.

Werribee Park

Werribee Park is by far the most important, elaborate and expensive Parks Victoria property in terms of operation and maintenance. The cost of maintaining and operating Werribee Park with finite resources has focused on efforts to establish a range of uses to help defray operating and maintenance costs while continuing to provide conservation and quality customer service.

In addition to the initial conservation and infrastructure developments costing several million dollars, Werribee annually consumes about one third of Parks Victoria's cultural values management program funding. It also requires substantial resources to maintain the gardens, grounds and visitor services. It raises revenue from some of its activities, but not enough to cover all management costs (see the case study in Chapter 8). The most significant recent change has been the establishment of a hotel and winery on part of the site. In addition to the paying customers, large numbers of visitors use the open space park and gardens.

Coolart

Like Werribee Park, Coolart is open to the public. The site entry fee does not return sufficient revenue to cover costs. However, the historic buildings could be better utilised. A recent expression of interest process failed to identify a viable and compatible commercial use.

Woodlands Homestead

Woodlands Homestead is set within the Woodlands Historic Park near Tullamarine. It is relatively well maintained, although not fully restored or utilised. It is not interpreted to its full potential, and there is a substantial program of capital works needed to complete the restoration of the north wing of the homestead. There are insufficient resources to provide visitor programs, and most of the face-to-face interpretation and access to the homestead is provided by the volunteer Friends Group.

Parks Victoria was unable to attract a suitable use from a recent expression of interest process, although some interest was shown by an organisation that considered taking international tourists to the site.

Parks Victoria's ability to attract a compatible commercial use for Woodlands Homestead may be constrained by the current provisions within the *National Parks Act*

which limit the length of a lease over a property managed under the Act to seven years. The Committee believes that this may be too short a period for potential lessees to recover any investment they might need to make, particularly where substantial investment is required. A review of such provisions is warranted for heritage places.

Glenample Homestead

The Glenample Homestead near Port Campbell is in a similar situation to Woodlands. It is located close to the Twelve Apostles but does not attract many visitors. It has been leased to a private tenant to run as a museum and coffee shop. Unfortunately the business has not proved viable.

In general, the historic homesteads that were managed by the former Melbourne Parks and Waterways are more fully restored and have higher levels of staffing and better visitor facilities than places such as Woodlands, Nyerimilang and Glenample that used to be managed by the former National Parks Service.

While Parks Victoria has made provision for repairs and maintenance of historic places and objects, the organisation's overall management funding for major works has diminished. Hence, while Parks Victoria is able to maintain its heritage estate it does not have the resources to improve the sustainability of major heritage places.

This lack of major works funding for historic places from within the organisation has been offset to some extent by Heritage Victoria's Public Heritage Program. This program has funded some of the more urgent conservation works at major heritage complexes and features. Generally most of the major buildings and complexes managed by Parks Victoria are relatively well maintained, but several are a long way from being fully conserved, accessible and interpreted for the public to understand and enjoy.

Although very few in number, historic places that contain major built structures such as mansions, homesteads or lightstations tend to dominate the focus of heritage management within Parks Victoria.

Other major historic building complexes

Andersons Mill

The mill complex at Smeaton also lacks insufficient funding to make the whole complex accessible to the public and fully interpret its history and significance as a museum property. While the buildings are all structurally sound, there are insufficient resources in terms of both finance and staff, but the current level of visitation at Andersons Mill is not sufficient to justify upgrading the access and interpretation.

The mill is open once a week, and Parks Victoria is committed to making it more accessible to the public. The introduction of a compatible commercial use on the site is seen as a means of making the property a more viable and attractive visitor destination. A combination of events venue, museum, education facility and commercially operated visitor facility would seem to be the right mix for the property. A business options study has been completed, and the attractiveness of the property to potential commercial operators is still being canvassed.

Days Mill

Days Mill at Murchison has similar management requirements to Andersons Mill. However, it is in a more isolated location, requires more conservation and interpretation work and, although it has been in public ownership for 15 years, is not open to the public on a regular basis. The Friends Group periodically holds open days.

Mt Buffalo Chalet

Mt Buffalo was proclaimed a National Park in 1898. Located within the Park, Mt Buffalo Chalet is the largest of the major heritage complexes managed by Parks Victoria that

continues to be used for the purpose for which it was built. Maintaining the viability of this use will necessitate periodic upgrading of services and facilities. The challenge will be to ensure that such upgrading respects the heritage significance of the chalet. The chalet is leased to a commercial operator.

Lightstations

Gabo Island, Point Hicks, Wilsons Promontory, Cape Schanck, Cape Otway and Cape Nelson lightstations are a major part of the Parks Victoria heritage portfolio. They are expensive to manage and maintain and have limited income-earning capacity. They have an ongoing need for both capital and maintenance work. The four lightstations that are accessible by road have been leased to private operators, who in turn provide accommodation for tourists. Apart from Cape Schanck, the lightstations are in remote locations. Parks Victoria directly manages the lighthouse within the Wilsons Promontory National Park due to the significance and sensitivity of the surrounding National Park. Gabo Island can be accessed only by light aircraft. It is still fully managed by Parks Victoria and it has not been possible to identify a suitable commercial operator to run the lightstation.

The lightstations that are leased do not provide a substantial financial return to Parks Victoria as it has been necessary to discount rents according to the value of works that lessee's have been required to undertake. The leasing of the houses at lightstation for accommodation is consistent with the Parks Victoria policy of conserving historic places and providing visitor access. Proposals to incorporate the lightstations reserves into the surrounding national parks may create difficulties by limiting the organisation's ability to lease them to private operators to provide tourist accommodation.

Note: The previous comments about the lease provisions within the *National Parks Act* limiting the length of a lease over a property within a national park to seven years apply in these cases as well.

Historic Buildings Management Committee properties

The Historic Buildings Management Committee (HBMC) was established in 1987 as a committee of management under the *Crown Land (Reserves) Act*. Parks Victoria has managed this committee since July 1999. Its portfolio comprises 21 sites with 30 historic former government buildings. This includes habitable historic courthouses, schools, mechanics institutes and the Geelong Telegraph Station. Virtually all are located in towns or urban centres and have been leased to local councils or community groups. Parks Victoria believes that most are used for purposes that are not directly related to Parks Victoria's core business of conservation and interpretation. A review of the management of these historic properties found that Parks Victoria is essentially acting as the lease manager for the properties. Over the past 15 years the condition of these properties has improved. They are now in a good state of repair and well managed. Parks Victoria is looking to local government or local communities groups, with the support of Heritage Advisory Services (sponsored by Heritage Victoria), to become direct managers of these places.

Consequently, Parks Victoria has resolved that it will give priority to sites with a high strategic value in relation to its key historic themes and links with Parks and Reserves (particularly Smythesdale, Skipton, Jamieson, and Maldon courthouses). Appropriate alternative managers will be identified for sites of little or no strategic value (particularly Carlton, Daylesford, Drysdale, Hexham, Lancefield and Toongabbie courthouses). Parks Victoria will continue to manage these properties until alternative managers are identified.

Through the review of the management of these places, Parks Victoria has resolved that its role in the management of historic places should focus on those places that:

- are in established urban or non urban parks and reserves or Land Conservation Council or Environment Conservation Council recommended parks and reserves, i.e. park-based historic places, or
- are in an area where Parks Victoria has a management presence and are required or intended to be accessible to the public.

Parks Victoria, having more clearly identified its role in heritage management, is keen to work with other organisations to develop a framework that will help coordinate the conservation and interpretation of Victoria's heritage.

Other places

The Committee believes that the HBMC model has been effective and should not be discounted as a powerful model for the future. The management of the former Royal Mint building by Mint Inc follows a similar model.

Major industrial structures

Walkerville Lime Kilns are among a number of major industrial or engineering structures managed by Parks Victoria. Most are in a semi-ruinous state. The dilemma with such ruined structures is the extent to which they can be stabilised. They are often very rare, unstable and subject to decay or in situations where they are vulnerable to natural processes that are very expensive to combat. Other places with similar management issues are the No. 5 Brace Building at Wonthaggi State Coal Mine, Noojee Trestle Bridge, Eldorado Dredge, Fort Nepean, and the Maude & Yellow Girl Mine battery at Glen Valley near Omeo.¹²

Huts and other structures in National Parks

Parks Victoria manages many simple historic buildings such as cattlemen's huts. Huts in isolated locations such as the Alpine National Park have particular management issues. While they are relatively robust and easy to maintain, they can be subject to damage from harsh environmental impacts or from people using them inappropriately. They are particularly prone to damage by fire. The presence of historic huts in National Parks can also generate problems due to conflicting management objectives for natural and cultural values. Huts that are accessible by 4WD vehicles can attract large numbers of people. Visitors can have adverse impacts on the natural values as well as the huts. Thus huts may be blamed for impacts which in other circumstances may be blamed on inappropriate visitor behaviour.

Cultural landscapes

One of the strengths of Parks Victoria's heritage estate is the very significant cultural landscapes. In some cases, such as Woodlands Historic Park and the Mt Alexander Diggings National Heritage Park at Castlemaine, the whole of the park and reserve is a cultural landscape. In other situations, however, they are limited to a small part of the park or reserve. The conservation and management of the heritage values within constantly evolving ecosystems present a special challenge. The management of the heritage values within these cultural landscapes has to be balanced with the management of the natural values, pest plants and animals, fire and visitor requirements. Smaller cultural landscapes such as Buchan Caves and Vaughan Mineral Springs have a long history of visitor use. Their historic visitor facilities are in need of conservation, yet the level of visitation may not be sufficient to attract the necessary major works funding.

The Committee observed that there is ongoing tension within Parks Victoria over culture versus nature. Whilst this report does not provide an opportunity to advance that

12 The Maude and Yellow Girl Gold Mine battery was substantially damaged in the recent bush fires.

debate, the Committee felt that Parks Victoria was yet to resolve the contradictions involved with the notion of human settlement making a contribution to evolving ecosystems.

Historic gardens

The historic gardens managed by Parks Victoria provide a further dimension to the heritage management task for Parks Victoria. These gardens include Seawinds, Doongalla Estate, Alfred Nicholas Memorial Gardens, George Tindale Memorial Gardens, the former R K Williams Nursery and the Mt Dandenong Arboretum.

Archaeological places

Individual sites such as mines, saw mills and house sites may require only occasional conservation action. It is often just as important to provide a basic level of interpretation to ensure that these sites are understood and not disturbed through ignorance. These sites are not expensive to manage, but there a large number of them competing for limited resources.

While interpretation is an integral part of heritage management, Parks Victoria separates funding for the cultural values management program and the visitor services program. The limited amount of heritage management program funding is sufficient for ongoing maintenance and repair of significant historic places, but it does not provide for major works or the provision of visitor facilities, including interpretation. Historic places compete with natural features and recreation sites for resources for visitor facilities

4.3.8 Resources for visitor facilities

Parks Victoria's has limited funding for its visitor services program and has to provide for a vast network of natural, cultural and recreational sites that are accessible to the public. The funds required to maintain and replace all the existing visitor facilities over the next ten years has been estimated at \$240.6 million, with an additional \$460.1 million required over the following fifteen years. This is exclusive of what may be required for new interpretation and visitor centres. These funds are currently not available. Parks Victoria believes that the provision of visitor facilities for heritage places is generally a low priority compared with the need for facilities for visitor safety or facilities in parks with high visitor numbers.

4.3.9 Major works funding for historic places

The estimated cost of fully implementing the recommendations of Parks Victoria's Heritage Management Strategy is \$20 million in major works funding over 10 years plus \$1.25 million per annum for maintenance and recurrent costs. Included in this estimate is \$7 million of major works funding for conservation and development work at Werribee Park and \$5 million for upgrading infrastructure and services at Mt Buffalo Chalet.

Aside from the funding estimates for Werribee Park and Mt Buffalo Chalet, this estimate is limited to:

- heritage conservation works
- presentation of a representative group of places
- making habitable buildings accessible and suitable for compatible uses
- stabilising a small number of significant ruins to meet risk management specifications and make them suitable for presentation to the public.

The estimate does not include funding for the development of compatible commercial uses, which would generally be the responsibility of the private sector. Nor does it include the cost of works to places currently leased, which are normally the responsibility of the lessee (Mt Buffalo Chalet being a notable exception).

4.3.10 Parks Victoria's heritage management skills

Part of the challenge at Parks Victoria is to achieve recognition and understanding both within and outside the organisation for its important role as a heritage manager. Most of the staff at Parks Victoria are natural resource managers and most are unfamiliar with the management of historic buildings and structures. It is vital to provide them with the necessary skills and background information to ensure that they understand the importance of our heritage estate and make adequate provision for the management of the estate.

4.3.11 Parks Victoria's approach to heritage management

Parks Victoria indicated that it was addressing some of the major heritage management issues by:

- working cooperatively with other agencies to develop a state-wide approach to heritage management and identify opportunities for attracting resources for major works
- defining a role in heritage management and developing a strategic approach to heritage management
- focusing on places representing key themes (using the Historic Themes Framework of the Australian Heritage Commission¹³) to raise awareness and develop new interpretation program and strategic partnerships
- upgrading staff skills and integrating heritage management processes into Parks Victoria's management systems
- limiting additions to the estate to locations where Parks Victoria has a management presence. Where places are recommended or intended to be accessible to the public, represent one of the key historic themes, determined to be important in completing a comprehensive state-wide system of representative historic places, and are not small township allotments.
- seeking alternative managers for places more appropriately managed by others.

4.3.12 Community involvement

Parks Victoria indicated that it is keen to raise awareness about its heritage estate and to involve the community in managing historic places and objects. It believes that the community should be involved in all aspects of heritage management, including planning, conservation works and presentation. Community ownership and understanding will contribute significantly to conserving historic places and objects. Friends Groups play an active management and interpretation role at many Parks Victoria properties. A summary of volunteer activities supporting cultural values management by Parks Victoria is provided in Appendix 4.

Parks Victoria stated that it will pursue partnerships with other bodies to maximise its management effectiveness. The private sector, particularly at the local level, has expertise which can play an important part in assisting with the management of historic places.

Parks Victoria is one of the few organisations that can tell a wider historical story by interpreting whole landscapes. It cares for places with diverse natural and cultural values which, when interpreted together, can tell stories of cultural and environmental change. Some of the key historic themes are best reflected in landscapes rather than at specific places. Landscapes embrace individual components into a whole of greater importance; for example, the mining landscapes of Central Victoria.

¹³ The six key themes identified by Parks Victoria are Mining, Shipping along the Coast, Settling the Port Phillip District, Accessing Natural Treasures, Living in Remote Areas, and Defending Colonial Victoria.

4.3.13 Findings

The major findings emanating from the analysis of heritage management at Parks Victoria are as follows:

- There is a need for major works funding for large significant historic complexes, both to conserve them and make them more sustainable.
- There are currently inadequate human and financial resources in the organisation to realise the full potential for visitor services: access, presentation and interpretation.
- There appear to be difficulties in achieving better recognition for cultural heritage within organisations which have traditionally focused on natural resource management
- More could be done to recognise and acknowledge the notion of human settlement making a contribution to evolving ecosystems.
- The achievement of a realistic balance between the conservation of historic places and establishing commercial uses to both attract visitors and help defray operating costs is challenging for the organisation.
- There is a need to better understand the carrying capacity of places with varying levels of visitor facilities to ensure that they are being sustainably managed.
- There is a lack of regulations in many of the more remote Historic Areas whose legal status is only Crown land. Lack of regulations makes it difficult for rangers to deal with inappropriate visitor activities or behaviour in Heritage Areas.
- There appears to be a genuine desire by Parks Victoria to work with other organisations to facilitate a coordinated approach to the conservation and presentation of heritage places in Victoria.
- There is a need for mechanisms to facilitate compatible commercial uses for heritage buildings protected under the *National Parks Act*.
- There is a need to review lease and other regulations to ensure that they do not work against cultural heritage conservation.

4.4 Mechanics' institutes

There are a number of mechanics' institutes of Victoria which retain a library collection. Mechanics' institutes played a major role in the life of many Victorians in the 19th and early 20th century by offering an education and library service. Their role declined with the development of the public library system after the Second World War.

While most of the mechanics' institutes buildings survive, the role of most has changed radically. Many retired buildings are now used by historical societies or as craft halls. Some are used for community or social services. Some still lie empty and only a very few still contain a library or offer a library service. A very few in rural areas retained their collections when their importance was realised by influential community members.

The Minister for Local Government has legislative responsibility for operating mechanics institutes under the *Libraries Act 1988*. Mechanics' institutes which retain a library collection exist on impossibly small resources. Ballarat Mechanics' Institute holds a most important book, newspaper and archive collection — a collection of possible national significance which includes material salvaged from other institutes, and in some case not available anywhere else. Ballarat draws its income principally from leases and rentals of shops and current members' subscriptions. The funds are barely adequate to keep the doors open, and any cataloguing or conservation measures must be funded from external resources.¹⁴

¹⁴ *The Libraries of the Mechanics' Institutes of Victoria*, Local Government Division, Department of Infrastructure (June 2000), p. 3

The Mechanics' Institutes of Victoria Inc., an umbrella organisation for mechanics' institutes was formed in 1998. This provides the institutes with a forum for discussion of common issues and to promote the place of the institutes in the community.

The Local Government Division of the Department of Infrastructure responded to the report on mechanics' institutes (*The Libraries of the Mechanics' Institutes of Victoria*, June 2000, Local Government Division, Department of Infrastructure; also called the Clancy report) by establishing the Mechanics' Institutes Community Partnerships Program, inaugurated in May 2000. The program is a commitment of the Bracks Government to working in partnership with mechanics' institutes and public libraries to preserve their valuable historical resources, recognising the valuable place of mechanics' institutes in the community.

4.5 Special trusts or boards established by legislation

4.5.1 Puffing Billy Railway

Puffing Billy Railway is operated by the Emerald Tourist Railway Board in conjunction with the Puffing Billy Preservation Society. The operation is owned and managed by a statutory authority (the Emerald Tourist Railway Board) under the provisions of the *Emerald Tourist Railway Act 1977*. Elements of the railway are registered by Heritage Victoria.

The Emerald Tourist Railway Board is effectively independent and self-governing, relying on volunteers for much of its labour, management and administration. No recurrent government or operating subsidies are provided and the operation retains a commercial focus at all times. The employment of 50 staff represents less than half of the labour required. The substantial volunteer component (more than 670 active volunteers) of the railway's operation and the contribution of the Puffing Billy Preservation Society (which has four of the nine representatives on the Board) distinguishes this type of operation from other friends or volunteer groups whose activities are normally limited to interpretation but rarely conservation activities, restoration or management.

A \$40,000 grant was provided to the Emerald Tourist Railway Board earlier this year for a management review.

The railway is open to visitors 364 days per year and attracted 256,000 visitors in the year to June 2001.

4.5.2 Royal Zoological Gardens (Melbourne Zoo)

The Melbourne Zoo is managed by the Zoological Parks and Gardens Board of Victoria under statute of the *Zoological Parks and Gardens Act 1995*. Melbourne Zoo is clearly one of the world's great zoos and it is one of the oldest. The Zoo has an innovative master plan that involves displays a representative sample of the world's fauna and flora in a series of bioclimatic (or habitat) zones.

The Zoo acknowledges its past, maintains all its heritage assets and strives to include interpretive material on the history of its twelve listed buildings and the listed Briggs Freeman Carousel, one of the oldest carousels in Australia. Notable recent achievements have been the return of the giraffes to the Giraffe Enclosure and ongoing conservation work to the carousel (see case study in Chapter 8).

4.5.3 Trust for Nature

The Trust for Nature is a non-profit organisation established under the *Conservation Trust Act 1972*. Its mission is to ensure that all significant natural areas in private

ownership in Victoria are conserved. The Trust engages in a number of activities for that purpose:

- It acquires, conserves and manages areas of conservation value.
- It facilitates donations of land and monies for conservation purposes.
- It protects valuable natural bush in private ownership with conservation covenants, which landowners place on their land to permanently protect it from subdivision, clearing or other threatening activities, and through the Stewardship program supports covenanting owners' management of the land by land care works, fencing, and rates and tax rebates.
- It acts as trustee of funds and properties held for conservation purposes.
- It facilitates and promotes fundraising appeals, land purchases and other conservation activities, in particular by use of the Revolving Fund from which land is purchased, covenants are placed on the land to give it permanent protection, and the land then sold with the proceeds coming back to the fund.
- It gives support and advice to local communities wishing to conserve important areas.

The Trust has become the owner of properties of national significance, for cultural as well as natural heritage values. It currently holds title to 57 properties (excluding properties involved in the Revolving Fund). The Trust owns a number of notable properties, including Ned's Corner Station near Mildura (30 000 ha); Mt Elgin Swamp, Nhill (700 ha); Naringinalook Grassland, Numurkah (18 ha) and Pallister's Reserve, Orford (300 ha). All land owned by the Trust is managed in accordance with best nature conservation practices, and frequently involves a committee of management. Properties continue to be purchased and then retained and managed by the trust or transferred to the parks and reserves system.

The Trust for Nature has been very successful in achieving its aims. It is a highly regarded and effective organisation. The Act allows for cultural heritage management, but nature and conservation is the core business of the Trust and cultural heritage place management is incidental. For this reason the Committee did not investigate it more fully.

4.6 Places owned or managed by local government

4.6.1 Council owned and operated

The Committee's research revealed that local councils own and operate innumerable heritage places, but the level of success varies greatly. Maribyrnong Council is one of a number of councils that have published 'Heritage Plans'. The Council states that the objective of managing heritage places is to demonstrate best practice in care given to public heritage places, and to encourage and facilitate best practice in the management of other heritage places. Sound management of heritage places under the control of the City 'will demonstrate Council's commitment and concern for heritage throughout the municipality'.

Bendigo Town Hall

In 2000 the Public Heritage Program contributed nearly \$1 million towards restoration of Bendigo Town Hall, which is owned and managed by the City of Greater Bendigo. The City reported that this building will be used for conferences and events, with a commercial caterer. The council do not expect it to make enough money to cover the costs of maintenance, and believe that it will be hard for anyone to operate it profitably.

4.6.2 Historical society or Friends group management of municipally owned places

It is a widely held view in local communities that historic buildings are well suited to the activities of the local historical society, particularly when the purpose of that organisation is linked to the heritage of the building. The historical society often organises an interpretation of the history of the building and provides access for the public, as well as pursuing its own focus. Many historical societies are encouraged to take over the management of heritage buildings that are the responsibility of local government, particularly since the amalgamation of councils, as this option is one that is acceptable by a community that does not want to see 'Our Town Hall' or 'Our Court House' being used by private operators for commercial purposes.

A corollary to this position is that management by historical societies and Friends groups can generate their own sense of proprietorial 'ownership' and exclusivity of use. Such groups can be territorial or have other agendas, such as protecting access to archives and collections for individual work, such as publications.

Section 86 of the *Local Government Act* enables councils to support communities in managing places under council control. One of the most significant Section 86 operations was that established by the Shire of Campaspe to manage the Echuca Port. The Committee felt that this model had positive features and, if there is capacity to raise income, was a good option for local heritage places.

Black Rock House (Bayside Council)

Black Rock House, now owned by Bayside City Council, was acquired in 1975 by the former City of Sandringham. The council managed conservation works at the house and then the Friends group collected furniture and objects in collaboration with the local historical society in order to better interpret the house to visitors. The council maintained a close relationship with the Friends group until the 1995 municipal amalgamations.

Since 1996 the Friends has been left alone to manage the property as they have seen fit. General admission to the property is just two hours per week, although groups such as schools can visit by arrangement. Money raised from admission amounts to less than \$2000 p.a. The house is also occasionally used by the local historical society and the Friends group for exhibitions, talks, etc. The Friends of Black Rock House, an incorporated body, is not a Committee of Management for the property.

Historically the property has suffered from a lack of management imagination. There has been no council funding for conservation during the last six years except for some works to the stables. Black Rock was not considered to be a tourist area, and the house was not seen as a tourist drawcard. The property had no single council department to look after it until the Arts and Culture Department was formed two years ago.

Bayside Council has recently commissioned a new management plan for the property. The plan addresses management issues: how the place should be managed, the opening hours of the museum, appropriate use of the house, gardens and stables, the provision of proper toilets, etc. In general, how can the museum be made more attractive to visitors and be better marketed?

Bayside Council concludes that the property needs to be made more viable in the long term, and that it could make more money by being managed better. The opportunities for the property need to be assessed against the limitations imposed by conservation constraints. A proper budget is required for money for future works.

4.7 Conclusions

- A wide diversity of heritage place assets are owned and managed by the public sector. These assets include those held by VicTrack and the Docklands Authority, the Melbourne Zoo, cultural landscapes and gardens, lime kilns and mining sites, as well as the more conventional

heritage places such as historic houses and homesteads. They range from the grand to the humble and include Parliament House, Government House, the Supreme Court, grand mansions, mills, lightstations and cattlemen's huts.

- The State government has its own large portfolio of heritage places. The general public wants these places preserved, and also wants to be able to enjoy access to them and to have them presented appropriately.
- Government's first role is leadership: to set an example in the sustainable management of its own heritage places and by its dealings with the heritage places in its property portfolio, and by adopting policies which actively discourage heritage places from falling into disuse. Government has a responsibility to adopt strategies which avoid redundancy and facilitate the reuse of heritage places.
- The grand buildings usually do not have financial problems. Their original and often ceremonial uses are frequently preserved, and budgets for maintenance and management are part of the general operation. Heritage also adds gravitas and pomp to ceremonial occasions and becomes part of the image and marketing of the place. Hence heritage is seen as worth funding. However, even the grand buildings have required the provision of special funding for major restoration works. As for the lesser places, funding at present is often insufficient to meet public expectations and in some cases even to maintain the heritage places.
- Change of use has often caused the management of heritage places to change. Change in social and administrative patterns have accounted for many redundancies. Council amalgamations have made a number of public buildings redundant. Changes in library and education systems have removed the original use from many buildings. Mechanics institutes are particularly at risk. Rationalisation of police stations and courthouses has left many heritage buildings without their original purpose. The inadequacy of old buildings in meeting current standards of accommodation brings change. Heritage buildings may need to be fitted out to current standards while still retaining their heritage values. Remote places such as light stations present difficulties, added costs and reduced marketing opportunities.
- Many heritage places on public land no longer serve their original use, and in that sense are redundant and at risk of being abandoned. Government should seek to avoid this outcome, and should keep public buildings in the continued use which is often essential to their conservation whenever possible. Where adaptive re-use by government is not feasible, the options of protection by heritage listing, by covenant, or by planning protection before sale into the private sector should be explored.
- VicTrack and the Docklands Authority manage a number of heritage places, some of which have become superfluous to their core business. Difficulties in funding heritage conservation within these and other public sector organisations may be offset to some extent by Heritage Victoria's Public Heritage Program; although the limited funds available need to be increased. Creative solutions for the re-use of such places should be encouraged.
- The Department of Sustainability and Environment (DSE), formerly part of the Department of Natural Resources and Environment, directly and indirectly manages the majority of Victoria's public land, comprising about one third of Victoria. The portfolio includes over 7000 known historic places on Crown land, making the Department the largest 'owner' of heritage places in Victoria.

- In the main, DSE manages heritage places on Crown land by the appointment of committees of management. Although some committees of management obtain some funding from State and Federal government grants, the financial sustainability of many heritage places on Crown land is not assured.
- Most heritage places on public land depend on external support or funding for any development other than routine maintenance, and in some cases for that as well.
- The committee of management model for managing heritage places has in some cases been very successful. The Mint Inc. is an excellent example, although its success is to a large extent due to cross-subsidisation by the revenue from the car park in the grounds of the Mint. Many of the more successful committees of management involve local government authorities, who can draw on their organisational and other resources to manage and maintain heritage places. But many committees of management of heritage places on Crown land are small local interest groups unable to fund restoration or improvement works or, in some cases, even to undertake maintenance works.
- The Historic Places Section of DSE manages a considerable heritage resource, including a database of about 7000 historic places, and a collection comprising photographs, slides, maps, research material and a research library. The question whether other resource collections such as those at Heritage Victoria and the Department of Infrastructure library are being duplicated should be considered. The Historic Places Section has developed the Cultural Sites Network (Appendix 5) for the Department. This seems to provide guidelines for dealing with heritage places. But without funding there appears to be limited opportunity to use it.
- Parks Victoria manages 16% of the land area of the State. It emerged as a major manager of heritage places, having an inventory of 2500 historic places. Appendix 2 contains 167 places selected from that inventory. Parks Victoria must manage its assets for several objectives, including leisure, tourism, education and communication, as well as heritage conservation. But they are committed to the sustainable management of heritage places, which is seen as complimentary to the more recognised role as a manager of parks for natural values and open space. However, the traditional focus on natural resource management has at times caused difficulties in achieving appropriate recognition for cultural heritage.
- There is a need for major works funding for large, significant historic complexes in the Parks Victoria portfolio, both to conserve them and make them more financially viable. Options for creative re-use should be fully explored.
- Parks Victoria seeks to work with other organisations to facilitate a coordinated approach to the conservation and presentation of heritage places.
- There is a need to facilitate compatible commercial uses for heritage buildings protected under the *National Parks Act* and to review statutory provisions that may inhibit successful and innovative management and presentation of heritage places on Crown land.
- Several trusts or boards established by legislation demonstrate excellence in heritage place management. Puffing Billy Railway is an example of an independent organisation which effectively manages heritage and integrates it with tourism. It

relies on community support and sectional interest input from 670 active volunteers as well as 50 staff. The Melbourne Zoo is a world-class organisation that celebrates and capitalises on its heritage, using it as part of its marketing strategy.

- Local Government authorities carry much of the burden of the management and interpretation of heritage places. They are among the most successful committees of management of heritage places on Crown Reserves in cases where the property is used for an active purpose and the authorities' resources can be applied to conservation with the support of the local community. A number of councils are actively trading on their heritage portfolio, and are managing places so that their heritage significance is presented to the public in an ongoing way. Although some places managed by local government authorities are well resourced and managed, others seem to need more than the capacity and resources available. Some authorities struggle to support a proliferation of heritage places and are challenged in setting priorities for support by communities that are anxious to save everything that may have a museum, tourist or public use value.
- Some redundant buildings have become homes to local historical societies or Friends groups. This seems at first glance to be a good use. However, a sense of exclusivity and alienation from the community at large has been reported in some cases.
- Many heritage places in public ownership would not have attained their present level of conservation and presentation to the public without the support of volunteers and the support of local communities. But small community organisations will not usually be able to achieve sustainable conservation of heritage places under their care without substantial outside financial assistance.
- Partnerships and other cooperative arrangements between government organisations at various levels and other bodies may assist in the more effective use of resources in achieving sustainable management of heritage places.
- There are lessons for other heritage place managers to learn from the models considered in this Chapter in relation to the effective use of volunteers, the need for excellence in presentation of places and the value of heritage assets which have novel and interesting features.
- The establishment of a reserve to protect historic values can impede the use of a place for purposes which may assist its conservation and presentation.

5

Community and private sector management

5.1 Freehold and not-for-profit trust or company

5.1.1 Freehold and operating as museum or open house

This model involves a private individual or group holding freehold title and operating their place in whole or part as a site of heritage significance for presentation to the public. This is probably the most challenging model because it requires the enterprise to deliver a commercial return or to be sustained by sponsorship or philanthropic gesture.

The majority of privately owned and operated heritage places on freehold land are house or homestead museums. Relatively few are other types of museums. Only 40 places were identified in the database as being privately owned and operated museum places, some of which are not-for-profit private trusts. A few places, such as the Buchan Butter Factory and the Wesley Church at Warragul, have been purchased by heritage groups. However, there are scores of privately operated bed and breakfast businesses that successfully trade from historic homesteads around regional Victoria, and the majority of these places actively trade on and promote the heritage component of the property. These cater for all sectors of the tourism market, from basic backpacker accommodation (for example the privately operated Youth Hotel Association hostel 'Emoh' at Port Fairy, and the former Castlemaine Gaol) to the top end of the touring market, of which there are hundreds of examples.

A group of freehold places that are not house museums are historic wineries. Wineries such as Chateau Tahbilk in the Goulburn Valley and All Saints Winery on the Murray River engage their visitors not only by their cellar door activities but also by their museums with memorabilia and their collections of old winemaking equipment housed in heritage-listed buildings.

The following are some examples of privately owned and operated house museums.

Montrose Cottage, Ballarat

The Committee took the opportunity to visit Montrose Cottage and speak to the owner of this privately operated museum. This has been a successful and award-winning privately run venture for many years. While the owner has shown great resolve and a degree of creativeness, this museum also demonstrates, particularly in recent times, that a venture of this scale without solid public support will struggle to make ends meet.

Old Macaroni Factory, Hepburn Springs

The Old Macaroni Factory is a privately owned and operated museum. The interior decoration comprises a comprehensive and elaborate series of frescoes that are among the earliest in Victoria. They depict the Italian struggle in the mid 19th century for a free and united republic. Restoration work has been going on for eleven years, funded by a

number of different cultural heritage programs. A fundraising appeal has been launched to raise funds to finish the task. The local historical society has launched the appeal, which has tax-deductible status, on behalf of the owner

Byramine Homestead

The current owners report that they successfully present this historic 1840s homestead to the public five days per week. The homestead, on the Murray Valley Highway, is available for hire for lunches, dinners, business functions, weddings, etc.

5.1.2 Not-for-profit private trust or company or membership organisation with freehold property

A number of heritage places in Victoria operate on this model. Among the most viable are those places set up as trusts with the benefit of an endowment fund from the estate of the owner.

Johnston Collection

Established under the provisions of the will of William Johnston, this property has been established as a museum of fine and decorative arts by the W R Johnston Trust. The Trust enables the preservation and development of this unique English Country House style collection. It has a reputation as being a special place for visits and has set new standards as a house museum through its independent financial means.

Sovereign Hill

Without doubt this is the most successful of a series of 'theme museums' established during the 1970s throughout regional Victoria. It has succeeded through a mix of creative development and limited but ongoing public subsidy, by means of grants and assistance. There is little doubt that its economic value to Ballarat far exceeds the level of public support that it has received.

Warragul Heritage Preservation Association Inc.

This Association recently purchased the former Wesley Church for \$42,000 with a view to making it available for public use as a community heritage site. The acquisition comprises only the church and its footprint of land. The President's Annual Report shows that while the Association has been very successful in raising \$83,000 in donations and about \$25,000 in in-kind support, there is no doubt that the venture will only succeed with the help of public subsidy. \$300,000 is required from State and municipal grants to restore and extend the church in order to make it a viable venue.

5.2 Universities

Places like the Universities of Sydney, Melbourne, Adelaide, Queensland and Western Australia have older campuses with substantial collections of heritage buildings. They could be described as Australia's sandstone universities or, in Melbourne's case, built on 'solid bluestone foundations'. Many of Victoria's universities are managers of heritage places. In common with other historic universities in Australia, Melbourne's older universities have established an image that is in part derived from their history and the heritage significance of their campuses, and they encourage students and others to appreciate these values.

The rapid growth of tertiary education in the latter half of the 20th century has led to the construction of a series of modern campuses that by and large lack the physical image associated with the older establishments. Nonetheless they still seek to reinforce their academic reputations by providing attractive physical environments.

Over the past 20 years a number of colleges of advance education, technical colleges and teachers' colleges have come together to form new multi-campus universities. In some instances these institutions have inherited significant heritage buildings (for example, RMIT University and Deakin University at Stonnington) or have subsequently acquired property that provides the heritage image that they seek.

Universities throughout the world have a strong tradition of managing museums and presenting heritage in that form to the broader community. This appreciation of the built heritage could be seen as an extension of that traditional role.

The University of Melbourne

The University of Melbourne and its associated colleges are often recognised as having the greatest heritage value, both academic and architectural. This comes from its status as the oldest university in Victoria and an image drawn from the 'sandstone' building stock. One only has to look at the promotional material from the university, items such as graduation programs and recruiting brochures to see the place that history plays. In addition, general articles in the press tend to use photos of the historic area of the university to promote educational issues.

Despite the addition of substantial new structures to the university since the 1950s, the 19th century core is still used for educational purposes. Additional properties have been added around the fringe of the campus, particularly in Carlton and Parkville, and these may have their own heritage value. Rural properties such as Strathfieldsaye and bequests such as the McGeorge house in suburban Ivanhoe have also been acquired, bringing with them a heritage value that is often expected to be interpreted as part of their management.

University colleges such as Newman, Queens, Ormond and Trinity reinforce this heritage image, and also willingly interpret their history and heritage to students, staff and external visitors. Newman College, for example, remains a place of pilgrimage to students of the work of Walter Burley Griffin and Marion Mahoney Griffin.

The university has tackled the heritage management task in a systematic way. An internal heritage committee provides advice and guidance on significance, change and interpretation. The university also relies on advice from Heritage Victoria with respect to buildings included on the Victorian Heritage Register.

There has been an attempt to produce a series of conservation plans for many of the older buildings, such as the Old Quadrangle, where much research and restoration has been carried out. This approach has been less successful in satellite campuses and landscapes, where the university administration fears that recognition of heritage values may limit development options. The successful heritage management exercises have been underpinned by good general master-planning processes.

Several University of Melbourne campuses have Friends groups with supportive roles. Friends of the Grounds provides a support group for the main campus, Friends of Burnley operates at the Burnley College campus, and there may be other groups.

RMIT University

Whilst not quite as old as the University of Melbourne, RMIT has a long and proud history and as a consequence has a number of buildings on its central campus of heritage significance. Like the University of Melbourne, RMIT has been anxious to showcase these 'sandstone' buildings as part of its image.

RMIT also has a long tradition of expansion into surrounding real estate and as a result has acquired other heritage significant buildings (Storey Hall, Foresters Hall, Emily McPherson College, parts of the Old Melbourne Gaol). While these acquisitions may have been primarily motivated by convenience, they now form part of the University's growing heritage portfolio.

More recently RMIT has gone out of its way to acquire other heritage structures as part of its consolidation as the 'University in the City'. They include the former Magistrate's Court, the Police Lock-Up, the former Police Garage or Exercise Yard of the Old Melbourne Gaol, and the Capitol Theatre. The university has not only reinforced its heritage portfolio, but has gone to some length to interpret the history and heritage of these places as part of their management and use.

RMIT has also been anxious to ensure that it manages works and interpretation of these heritage buildings in a systematic way. For instance, it employs a recognised heritage architect as part of its facilities management area, commissions conservation management plans and heritage investigations, and engages effectively with Heritage Victoria in the management and interpretation of its registered heritage buildings.

Like the University of Melbourne, RMIT stakes its reputation on its built heritage as well as its academic record.

Coincidental acquisitions

A number of universities have become the owners and managers of heritage places as a consequence of mergers or amalgamations. For example, Deakin University is the proud owner of Stonnington in Toorak, a former home of Victorian Governors. It has undertaken extensive restoration work there, uses the building for teaching, and makes it available for other functions and for the interpretation of its heritage significance.

La Trobe University acquired the former Convent of the Good Shepherd in Abbotsford, but although it undertook a considerable amount of restoration and used parts of the site for the teaching of health sciences for some time, it never really capitalised on its heritage significance as a marketing or image building tool. It ultimately left the site, which is currently proposed to be developed as a community arts precinct.

Conscious acquisitions

As indicated above, a number of universities have recently made conscious acquisitions of heritage properties. In part these have been acquisitions of convenience, but in a number of cases they have been conscious attempts to establish a heritage image for the institution.

Perhaps the most unusual was the acquisition of a number of small buildings by Deakin University in the 1980s and their relocation from sites around Victoria to the Waurn Ponds campus of the University. This exercise was undertaken as part of the teaching program in Australian Studies. The University spent considerable sums restoring the buildings, but other than for teaching never really interpreted the structures to the general public. This project has now been abandoned and the University is now seeking to sell off the structures.

Victoria University of Technology (VUT) has actively sought out heritage properties to add to its property portfolio. The Caloola complex at Sunbury has been sensitively recycled as the Sunbury campus of that institution. In undertaking this project, VUT was anxious to ensure that it was done in the context of a conservation management plan, with specialist heritage supervision and in full cooperation with Heritage Victoria.

VUT also acquired the former Victorian Government Records Office in Queen Street, Melbourne, as a campus for its continuing legal studies courses. It was active in seeking out a recognised heritage property for this purpose. It has also pursued a sensitive approach to its conversion into a teaching facility.

La Trobe University recently acquired the former Mayday Hills Psychiatric Hospital at Beechworth for its International Hospitality School and uses its heritage significance as a strong marketing tool.

Deakin University converted historic wool stores in Geelong as a icon campus for the University in central Geelong, and the University of Ballarat has established a campus in the historic heart of Ballarat, in Camp Street. This site will be particularly important in promoting the image and presence of this small university, as well as associating it strongly with the story of the development of Ballarat.

5.3 The National Trust of Australia (Victoria)

The National Trust is a community-based organisation that owns and manages heritage places and undertakes heritage advocacy.

5.3.1 Structure

Incorporated in May 1956, the National Trust of Australia (Victoria) is a company limited by guarantee, governed by a board of 15 directors (the ‘council’) elected by its members. It has over 40 full-time and 100 casual staff and over 1200 volunteers working at its 50 properties. It also has 14 metropolitan and regional branches and over 70 volunteer committees. The Trust has associated bodies in each State and Territory operating as a part of the Australian Council of National Trusts. The National Trust in New South Wales is of similar size and composition to the Trust in Victoria, and the other States are smaller on most measures. The Australian Council of National Trusts reports membership of about 80,000 Australia wide.

5.3.2 Mission

‘The Mission of The National Trust of Australia (Victoria) is to be an independent membership organisation committed to the Conservation of our heritage by its own action and by involvement and education of the community.’

Four statements of intent support the Trust’s Mission:

- Developing a strong and committed membership.
- Encouraging the conservation, interpretation and presentation of heritage places and objects of cultural and natural significance.
- Maintaining financial and operational independence.
- Providing an environment for achieving personal excellence and growth for all employees and volunteers.

5.3.3 Conservation principles

The National Trust conserves and presents properties and collections in its care according to the principles of the Burra Charter. The Trust claims that precedence is given to the conservation of the cultural significance of the property over the desire to maximise income from commercial activities.

5.3.4 Background¹⁵

The formation of the National Trust was triggered in 1954 by concern over the auction and imminent demolition of the Toorak mansion 'Werndew'. It followed the model of the National Trust in England and commenced with a support base of some of Melbourne's most prominent identities.

The primary difference between the National Trust of Australia (Victoria) and its English antecedent is the emphasis on hard advocacy by the National Trust of Australia (Victoria). The English National Trust is predominantly a property manager, conservator and tourism operator, having stepped in to save some of England's premier mansions and castles where the combined weight of inheritance taxes and running costs of large estates threatened their future. The English National Trust now has over 250 properties open to the public and has annual revenues of just under £200 million (about \$555 million), over half of which is generated from membership subscriptions, donations, sponsorships and bequests. The annual maintenance bill for these properties is in excess of a £60 million (about \$166 million), roughly equivalent to the amount received in membership income.

Like the National Trust of Australia (Victoria), the English National Trust no longer acquires property unless it meets strict criteria, including endowment or income potential sufficient to meet the maintenance needs of the property. The exception to this principle is the English National Trust's acquisition of coastal areas paid for through the public appeal fund, the Neptune Foundation. The Trust already owns 600 miles of coastline in its quest for acquisition of over 900 miles of unspoilt coastline. The Trust's recent and widely publicised acquisition of the Victorian period property 'Tyntesfield' was an interesting departure from this principle. The Trust raised over £1.5 million (about \$4.1 million) in 50 days from 50,000 donations across the world, and two benefactors provided separate donations of £4 million and £1 million (about \$13.8 million). In a dramatic decision, the National Heritage Memorial Fund (NHMF) pledged £17.5 million (about \$48 million), the largest amount ever awarded by the Fund for a single project.

By contrast, the National Trust of Australia (Victoria) owns or manages just over 20 properties opened to the public and has annual revenues of around \$6 million, of which around \$1.2 million comes from membership subscriptions, donations, sponsorships and bequests. The properties of the English National Trust are a major contributor to Britain's tourism, and the Trust is very often the first exposure for overseas visitors. The National Trust movement in Australia benefits from this association insofar as the brand name of the National Trust benefits from the reciprocal rights offered by the worldwide Trust movement.

From its early days, the founders of the National Trust of Australia (Victoria) recognised that property acquisition was not only needed to protect threatened properties, but also to inspire emotional and financial support. To activate that support it needed tax deductibility. Both were achieved in the Trust's first year of operation when it acquired Como from the Armytage sisters Constance and Leila for A£110,000 — funds the Trust did not have at the time. In fact the Trust did not complete the repayment of the 'vendor finance' until June 1966, after substantive public appeals. Later administrations would explain that the Trust was founded on tax deductibility for which public donations and bequests flowed. The National Trust is a listed recipient of tax-deductible donations under Section 30-228 of the *Income Tax Assessment Act 1997*.

Como was first opened to the public in 1959. At its peak it received over 90,000 visitors a year — the third-largest tourist attraction in Melbourne after the Museum of Victoria and the Zoo. Victoria now has 11 major tourist attractions within the CBD and this number is growing, contributing to a decline in Como's annual visitor numbers to around 30,000.

¹⁵ The National Trust's history is recorded in its publication '*In Trust — The First Forty Years of the National Trust in Victoria 1956–1996*' (1996)

During the 1960s and 1970s the fortunes of the Trust blossomed as volunteer committees formed and branches began to spring up throughout Victoria. The Trust acquired many properties through bequests, donations, as a Crown Land Reserve Committee of Management and by purchase.

The 1960s and 1970s were heady days for the Trust. Its many acquisitions were made in the expectation that public support would continue to finance acquisition and restoration. The Trust had a high public profile and an elaborate hierarchy of Patrons, Presidents, vice-Presidents, Chairman and a host of specialised committees and subcommittees, all served by a small professional administration. In the 1970s the Trust moved to bolster its professional staff. In 1980s the Trust adopted the Burra Charter, and properties continued to be added to its considerable property portfolio.

One of the more contentious property acquisitions (with the benefit of hindsight and the subsequent pressure on finance) was the purchase in 1980 of Labassa, a magnificent mansion in Caulfield. This was followed in 1984 by the purchase and demolition of one of the many blocks of flats and houses that had been built around the mansion. Aided by substantial support from corporate sponsors (Coca-Cola Amatil in 1988 and the Australian German Association in 1989) the Trust undertook extensive restoration work and continued with restoration works with the help of financial aid from the Historic Buildings Council. Following the 1987 economic downturn the Trust narrowly averted a financial crisis. In spite of this the Trust still purchased, at the height of the market and after a decade of burgeoning property prices, the Orrong Road frontage to Labassa, to address resident's objections to visitors parking in their street. This was the last major property acquisition of the Trust. Attitudes to property acquisition and management were irrevocably changed by property prices and the Trust's own financial challenges to manage its existing properties.

The changed economic climate and stiffening competition in the philanthropic environment made the challenge of fundraising more difficult. The Trust sold several properties, not as part of a cohesive plan but to maintain cash flow. It was also a process that did not meet with universal support within the organisation, and only in the last decade has there been broad acceptance of the need to keep significant properties that accord with a property acquisition policy.

For several groups of members, volunteers and supporters there is continuing and understandable reluctance to part with properties that are dearest to them but do not help to achieve the Trust's mission. It is not coincidental that of the fourteen Trust branches, several have a close association with a property or several properties in their region, e.g. Geelong, Mornington Peninsula, Bendigo, North East, Port Fairy and Portland. As the founders of the Trust correctly identified, properties are a rallying point for members.

In the face of new financial strictures the Trust grappled with the issue of what was the acceptable level of commercial activity within its properties. Many argued that commercial activities would overwhelm conservation principles. As time has passed and the Trust has reckoned with more than one cash flow crisis, it has continued to expand its commercial activities, but at a rate that reflects the lack of risk capital available to it rather than reflecting a clear policy. The Trust's experience with managing heritage properties over a long time gives it a better than average insight into what is in the best interests of the property being conserved.

It is because of this experience that the Council of the National Trust committed to a set of conservation principles in August 2002 that require conservation to take primacy over commercial activities, yet knowing that commercial activities were necessary for conserving the Trust's properties. In short, the Trust is acknowledging that the nature of those commercial activities can be tailored to the long-term interests of the properties, and is challenging both itself and others to approach heritage conservation using this new framework. For example, the ballroom and swimming pool area of the property Rippon Lea is leased for many days of the year to an external caterer for use, as its former owners

would have used it but at a much greater intensity. Visitors to the property see the ballroom set up as it would have been on ball days, and the lease provides not only for restoration of the area affected but contributes greatly to the restoration and continual maintenance of the property.

5.3.5 Recent financial performance

The National Trust's disclosure practices differentiate between trading and non-trading results. Comparative results for 2001–02 are set out in Table 3.

The National Trust claimed that there was some disruption to trading at its key properties as a result of executing around \$4.5 million of projects, including:

- Centenary of Federation funded restoration projects at Como, Polly Woodside Melbourne Maritime Museum and the Bendigo Joss House
- the donor-funded restoration project at Rippon Lea
- Trust-funded projects at Glenfern, the lake irrigation and drainage pilot project at Rippon Lea, and site operations for the relocation of the Polly Woodside Melbourne Maritime Museum.

The Trust also says that trading performance was affected by an internal reorganisation to improve staff and systems capabilities and by the downturn in overseas tourism numbers from late 2001. Examination of the Trust's last two year's operations shows that servicing of the above-mentioned property improvements, ostensibly financed externally, was also partly financed by the Trust's sale of properties. However, this practice is not new. The Trust has financed itself in this way for at least the last decade, as indicated from the decline in Trust liquidity in each year since 1988 as reported by the Trust's annual reports. Financing Trust activities from property sales is not sustainable. The Trust says it expects a substantially improved performance from properties and retail (closing the gap on break-even) in 2002–03.

Table 3 National Trust trading results.

	2001–02	2000–01
	(\$000s)	(\$000s)
Trading result		
Properties	(488)	(434)
Farming operations	265	27
Sale of goods	29	91
Conservation	(390)	(407)
Net membership	314	272
Marketing, public relations & tourism	(240)	(198)
Other administration	(639)	(337)
Trading deficit	(1149)	(987)
Net trading result		
Special projects	(1655)	328
Endowments	39	(3)
Donations	1272	321
Net revenues from sale of financial assets	341	23
Net revenues from sale of other assets	1499	250
Net trading surplus	1495	919
Reported surplus (deficit)	346	(68)

Major restoration and improvement projects planned for advancement in 2002–03 (subject to finance) include:

- Expansion of the Legal Precinct. An enlarged tourism precinct incorporating the former City Watchhouse and the Magistrate's Court 1 with the Old Melbourne Gaol, in conjunction with RMIT University and the Department of Justice, to show a journey through the Victoria's justice and penal system. The expanded experience is expected to add considerably to visitation numbers.
- New facilities at Gulf Station for picnicking and day visitors to the Yarra Valley, to complement existing tourism facilities in the region.
- Completion of the Water Conservation Project at Rippon Lea.
- Upgrade of fire service facilities at Tasma Terrace.
- Government-funded restoration works at The Heights and Barwon Park in Geelong, and the Steam Packet Inn in Portland.
- Upgrade of facilities at Mooramong for schools and group stays.

5.3.6 Properties

The Trust owns or manages over 50 properties, only one of which makes an operating surplus on all measures — the Old Melbourne Gaol. Properties such as Rippon Lea and

Como are clearly subsidised by the Trust but less obvious are the subsidies applying to acquired properties. For instance, the cost of servicing the capital purchase price of the Orrong Road property in front of Labassa is a subsidy not yet revealed by the Trust's measurement mechanisms. While eliminating 'cross-subsidies' is not a practical reality for the Trust, minimising cross subsidies is receiving growing emphasis as members and the community tailor their support based on their perceptions about which properties are favoured within the Trust portfolio. Its financial circumstances dictate that the Trust prioritises those properties that make the greatest contribution to its financial well being. The Trust's view is that regional properties do not have this potential thus the propensity for applying government grants to regional properties, wherever possible.

Many of the properties in the Trust's current portfolio would not be acquired under its current property and acquisition policy. However, due to the nature of the commitments made to testators, over half of the Trust's properties cannot easily be disposed of. In the case of properties it can sell, the Trust negotiates a solution for ongoing management and protection of the property using tools such as the Heritage Covenant available to it under the *Heritage Act*. In substance, properties identified for sale will be returned either to private ownership, with sympathetic owners prepared to conserve the property and periodically open the property to the public, or to local government and institutions with a good record of heritage conservation. The advantage of sale is that it provides much-needed funds for restoration and also reduces the Trust's property maintenance backlog.

In seeking to apply a management model for each of its properties according to the marketable characteristics, the Trust's properties are advantaged by the combined marketing, tourism and educational thrust available through the Trust. Overseas visitors to the Trust's properties make up over 45% of total number of visitors. Expenditure on marketing each year exceeds \$350,000 (net of export market development grants) including extensive tourism marketing in Australia's prime tourism markets. To extend its marketing assistance to externally owned and managed properties, the Trust is now negotiating relationships whereby non-Trust owned heritage properties might also be listed in the Trust's 'Property Open' brochures in exchange for member benefits.

The trading focus of the Trust at its properties is to improve visitor services and facilities, seeking to establish in the visitors minds that at a Trust property they can expect to have available morning and afternoon teas and in many cases simple, good-value meals, thoughtful retail and clean bathroom facilities set in well-maintained grounds in an historic setting.

In operating its properties the Trust either receives full or part rate remissions from local Councils. The Trust is also assisted in the management of its properties by the Friends groups and volunteers. The Trust's 2001–02 Annual Report discloses support of 87,000 volunteer hours at a cost saving of over \$2 million.

5.3.7 Maintenance backlog

Property repairs and maintenance each year cost in excess of \$250,000 and the cost of maintaining the gardens of Trust properties by seven full-time gardeners approaches \$300,000. Many properties acquired by the Trust were acquired in a condition requiring significant catch-up maintenance. Table 4 shows properties requiring urgent works totalling \$6.8 million.

Table 4 National Trust properties requiring urgent works.

Property	Cost of works (\$m)
Barwon Park	1.1
Gulf Station	0.5
Labassa	1.5
Mooramong	0.3
Union Bank Bendigo	0.3
Glenfern	1.2
Total	6.8

5.3.8 Trust membership

The Trust has a membership of around 30,000 in Victoria and 80,000 Australia-wide. A recent Australia-wide members survey found that over 69% have been with the Trust for over 5 years. 40% of members believe the Trust receives most funding from membership subscriptions, and 15% per cent believe that the State or Federal Government provides the majority of the Trust's funding.

5.3.9 Trust events

The Trust operates two annual events: the Heritage Festival and the Heritage Home Show. In 2001–02 the Heritage Festival reintroduced the Open Heritage Scheme. The Open Heritage Scheme, an extension of the Open Garden Scheme, invites private and public property owners to open their doors to the public over a weekend. The scheme is to encourage financial support both for the property and the Trust, and educate a wider audience about Victoria's heritage.

5.3.10 Philanthropy

The Trust has considerable experience with endowments, and many of its properties were acquired through donations and bequests. A working example of an effective relationship between the National Trust and a philanthropic trust occurred in 1996–97 when the Andrews Foundation established the Rippon Lea Endowment Fund for conserving Rippon Lea. The 1995 *Rippon Lea Master Plan*, which formalised the plan for ongoing conservation and restoration works at Rippon Lea, was financed from the Fund. In the last year the National Trust applied a contribution of over \$900,000 from the Rippon Lea Endowment Fund to Stage 4 of the plan: the restoration of the ballroom, swimming pool and northern face. In 2003–04, in collaboration with the Andrews Foundation Trustees, the National Trust plans to use monies from the fund to partly pay for the Water Conservation Project (the remainder coming from fund-raising activities) to restore and interpret this unique and innovative feature and provide for the water needs of the property on a self-sustaining basis, as it did under an earlier owner.

As another example, in 2001, the Trust purchased farm machinery valued at over \$150,000 using funds to be paid over five years from the McKinnon Trust. This machinery has made a major contribution to the improved farm performance, and in turn contributed to the conservation of the Reserve and Homestead.

5.3.11 Goods and Services Tax (GST)

The Trust has recently received exemption from the application of Goods and Services Tax to admissions of all qualifying properties, i.e. those Trust properties where revenues

are below 75% of the costs of operation.¹⁶ Many of the Trust's products and services include the uncosted contribution of volunteers, which distorts the case for exemption.

5.3.12 Findings

- The National Trust is insufficiently resourced to finance the operation of its existing property portfolio.
- Despite some rationalisation, the Trust still has a large maintenance backlog.
- The Trust has recognised the need for rationalisation of its property portfolio, including the sale of some places.

5.4 Conclusions

- Hundreds of places in the community and private sector are managed for their heritage significance. They range from small operators to the large and well-known heritage icons such as Sovereign Hill, Como and Rippon Lea.
- Heritage may be the core business of these places (e.g. privately run house museums) or may be a useful addition (e.g. bed and breakfast accommodation). Many tourism and other business activities use heritage as a marketing tool and capitalise on the heritage nature of their place.
- Educational institutions use heritage places to add gravitas, history and a sense of being well-established to their image. Universities particularly stake their reputation on their built heritage as well as their academic record, and there is a conscious attempt to establish a heritage image for the institution. This is frequently enhanced by the location of the institutions in old areas of town, giving a 'town and gown' connection which is also highly marketable.
- An excellent opportunity is provided by the demand by educational institutions for heritage places. The creative adaptation and re-use of heritage places can assist in funding and managing heritage throughout the State, and new partnerships could increase this. In many instances the institution has purchased the heritage building (e.g. Deakin University's conversion of the Woolstores in Geelong). However, there are opportunities for leases and other financial arrangements.
- The level of public interest in traditional house museum presentation is decreasing. This contrasts with the increased level of general interest in the conservation of our heritage throughout the community. Within the National Trust there is still a strong focus on traditional house museum presentation. The conservation of heritage places that are house museums will require community support and funding beyond that derived from admission charges and associated activities. There may need to be some rationalisation should this not occur.
- Heritage places open to the public are, in general, not financially viable in themselves. Although many management models are based on the premise that the heritage place should be sustainable in its own right from admission charges and related visitor based revenue, current experience suggests that many members of the visiting public see the historic fabric of the place as a backdrop or setting for complimentary commercial activities. Even with such commercial use, sustainable conservation of heritage places may not be achieved.

¹⁶ As the only property that trades at a surplus the Old Melbourne Gaol is the Trust's only property that does not qualify for exemption.

- In general, private operators struggle to make museums financially viable. The large iconic operations such as Sovereign Hill do better by being creative and adventurous, and by clever marketing. They also appeal to a wider audience, including educational groups and international tourists. The National Trust, with all its expertise and years of practice, has only one substantial property that makes an operating surplus on all measures — the Old Melbourne Gaol. Cross-subsidies assist others. Others (such as Labassa) are big liabilities. All in all, the National Trust is insufficiently resourced to finance the operation of its existing property portfolio.
- An additional burden at many heritage places is the maintenance backlog that has built up over the years or which existed when the property was acquired. Despite some rationalisation, the National Trust still has a large maintenance backlog. Times are harder for organisations such as the National Trust because there is more competition for the philanthropic dollar and a slower economy generally. Friends groups and volunteers make contributions in kind but the pool of volunteers shrinks as the labour market shifts due to social change.
- A rational approach to property viability would indicate that some properties should be sold. The National Trust has recognised the need for rationalising its property portfolio, including selling some places. This is a balancing act for an organisation such as the National Trust, as it has been recognised from the outset that properties are a great rallying point for members, and much loyalty and volunteer effort is involved. A careful information campaign is needed prior to any changes of ownership. Sale of a select few places would release much-needed funds for the conservation of others.
- The National Trust is working hard to present its properties at a uniformly high standard so that the visitor can expect to find quality refreshments, tasteful retail items and clean bathroom facilities as well as an enriching heritage environment.
- The National Trust has lost a number of active property and special issue committees. They have tended to move away from the committee of management structure which other agencies such as the Trust For Nature have found so effective. Such committees are particularly useful in regional areas remote from the head office.
- Regional properties have less potential to generate funds than easily accessible metropolitan and city properties. There is a need to be on the tourism map. New initiatives of Tourism Victoria may offer some options for marketing places that coincide with their campaigns. Gulf Station in the wine region of the Yarra Valley may fall into this category.
- There is a conundrum regarding commercial activities and heritage places, in that commercial activities help make a place financially viable but may detract from its heritage value by increasing wear and tear or by changing the visitor experience. The National Trust has adopted a policy whereby heritage conservation takes primacy over commercial activities. The Trust acknowledges that commercial activities can be carefully selected and tailored to the long-term interests of the properties. Imagination and good design are required to provide creative solutions.
- Endowment of properties increases the potential for properties to be self-funding. The WR Johnston bequest is a good example of this.

- One of the greatest opportunities to be identified is the educational sector's requirement for heritage places. New and different partnerships could offer solutions to some conservation problems. For example, Illawarra, previously an historic home, is now leased by a school. Other opportunities should be sought out.
- Rationalisation of portfolios, creative solutions and unlikely alliances are needed to conserve and manage heritage places in community and private ownership.

6 Other models — lessons learned from other places

The Committee determined that it should consider heritage place management in places outside Victoria to see what lessons could be learned from that experience. Selected for examination were the Historic House Trust in New South Wales, the Historic Places Trust in New Zealand, English Heritage, the English National Trust, and other managers of heritage places in England. The English experience is founded on a tradition of what is today called ‘cultural tourism’, which has demonstrated the economic benefits of heritage places. Each of these examples of the management of heritage places is considered, and conclusions are drawn.

6.1 New South Wales Historic Houses Trust

History

The New South Wales Historic Houses Trust (HHT) was established in 1980 by the NSW government to manage and present two government-owned historic properties, Vaucluse House and Elizabeth Bay House.

From its very beginnings it was provided with substantial government support and was seen by the then Premier, Neville Wran, as a vehicle to demonstrate outstanding historic house and museum interpretation. It is a measure of that support that, while the HHT had only two properties to manage, it was graced with 20 staff and a full-time Director from the very beginning. During its 23 years it has also had a strong board of trustees (10 members) and high-profile chairmen. The current Chair is Jack Munday.

The HHT now manages 13 properties, has 147 staff and manages an annual budget of \$19 million. Its acquisition of properties initially followed a classic model. In its first 10 years it took responsibility for six properties which, with the exception of the Rose Seidler House, were all late 18th and 19th century grand houses or properties. 1990 saw a big expansion of the HHT’s operations, taking control of Hyde Park Barracks, the Justice and Police Museum and the newly constructed Museum of Sydney. These latter acquisitions took it away from its initial focus on historic houses and placed it firmly as a major player in the management of museums in Australia.

The HHT has also been innovative in its role in saving a Walter Burley Griffin house at Castlecrag, running exhibitions throughout NSW, providing a conservation resource centre and more recently being given management of Government House.

More than any other organisation in Australia, the HHT has demonstrated leadership and innovation in the presentation of heritage places and has shown that there is room for improved management practices in this area.

Current operation

The annual report for 2000–01 showed that the HHT had total revenue of \$19.082 million, including a \$13.25 million recurrent appropriation from the government and a further \$776,000 as a capital appropriation. A further \$483,000 came as ‘cash reimbursements from the Crown Entity’. Thus \$14.5 million of income came from the NSW government. A further \$2.675 million came from sales of goods and services, and the balance was generated from a variety of sources, including interest on monies invested and sale of property.

The HHT’s properties, plant and equipment were valued at \$115.564 million as at 30 June 2001.

During 2000–01 the HHT had 147 (effective full-time) staff positions and its employee-related budget was \$8.998 million.

The HHT reported a total of 1,992,716 visitations to its properties, being a mix of paid admissions (255,290), free entries, touring exhibitions, and through traffic on a number of sites that can be entered without reference to a ticket office. Some 70% of visitors were drawn from the local market and 30% from the international market. The age profile showed that 15% were under 25, 36% between 26 and 45, 38% between 46 and 65 and 10% over 65.

During the reported year nine exhibitions were held, 5 major books and 21 research papers were published and 38,000 students participated in 42 school education programs.

Throughout its 22 years the HHT has been the subject of much envy and awe. To some, the annual commitment of \$14.5 million to 13 properties appears to be extravagant and potentially detrimental to the conservation of heritage sites in alternative ownership in NSW. The Committee has not been able to investigate overall heritage place management in NSW, and therefore the HHT model has been considered in isolation from wider issues in that State. The appeal of the HHT model needs to be properly measured against any possible negative impact on (and possible lack of funding and resourcing for) the broader mass of NSW heritage places presented to the public.

This must be balanced by considering the extent of the use of these properties and the range of activities undertaken by the HHT, and comparing those with the budget and equivalent level of activity of other major arts institutions.

The HHT is far more than the preserver and presenter of historic houses. It has moved from this limited role to being a major museum operator in Australia and has demonstrated remarkable innovation in collection, conservation and presentation. It has also been selective in what it takes on, and as a result now manages a portfolio of high-profile properties and museums. So while this model is attractive and clearly makes a significant contribution to NSW’s arts and tourist industries as well as its general economy, it is clearly not a model that will solve all heritage management and presentation problems.

6.2 New Zealand Historic Places Trust

The New Zealand Historic Places Trust/Pouhere Taonga is a charitable trust established by an Act of Parliament in 1954. It is governed by a Board of Trustees and a Maori Heritage Council.

The Historic Places Trust is funded primarily by government grant. In 2000–01 a government Arts Culture and Heritage grant and grants from the New Zealand Lottery Grants Board contributed 65% of the operating revenue budget of NZ\$6 million. Membership and subscriptions contributed just over 10% and property income and merchandising also 10%.¹⁷

¹⁷ *Report of the New Zealand Historic Places Trust/Pouhere Taonga for the year ended 30 June 2001.*

The New Zealand Historic Places Trust manages a large number of heritage buildings and sites around New Zealand, 21 of which are open to the public and managed by Crown staff. In 2000–01 these properties had 82,000 visitors.

New Zealand Lottery Grants Board

Community organisations can apply to the Lottery Environment and Heritage Committee for funding grants for projects which ‘promote, protect and conserve New Zealand’s natural, physical and cultural heritage’. Such projects can include historical publications, museums, *whare taonga* and art galleries as well as the conservation of historic buildings, structures, rolling stock, archaeological sites and *wahi tapu* sites. There is also a separate fund specifically for the conservation of *marae* buildings and *tanonga*.

6.3 English Heritage

The management of heritage places in Britain has evolved through a number of streams. Currently heritage places are managed by English Heritage, the English National Trust, local government bodies, and private owners and trusts. Ancient monuments and historic sites were for many years managed by the Ministry of Public Building and Works in England, Wales and Scotland. Ancient monuments were protected under the *Ancient Monuments Act 1913* and the *Historic Buildings and Ancient Monuments Act 1953*. By 1970, nearly 700 places of an immensely diverse character and size were under the Ancient Monuments Branch of the Ministry. The great majority were ruins and archaeological sites, such as sites from pre-history (e.g. Stonehenge and the Avebury Stone Circle), Roman ruins like sections of Hadrian’s Wall, ruined castles such as Kenilworth Castle, and ruins resulting from the dissolution of the monasteries (e.g. Fountains Abbey and Mulchelney Abbey.) The Ministry was also the manager of royal buildings such as the Tower of London and Dover Castle, and palaces such as Hampton Court Palace and Kensington Palace. The Ministry managed houses and gardens as well, such as Heveningham Hall and Chiswick House. But their primary concern was with earthworks and ancient monuments.

Another factor in the preservation of heritage places has been their listing, which began under the *Ancient Monuments Protection Act 1882*. At first confined to prehistoric and Roman monuments, listing has gradually been extended by later Acts to general architectural conservation. The key piece of legislation for the establishment of the modern system was the *Town and Country Planning Act 1944*, although it was not until the *Town and Country Planning Act 1968* that the requirement for a permit to demolish or alter a listed building was introduced, and Crown buildings began to be listed. By the 1990s, under the *Planning (Listed Buildings and Conservation Areas) Act 1990*, the system had become far-reaching indeed. On the basis of the numbers of listed buildings quoted in English Heritage Annual Report 1994, Andrew Saint wrote:

The usual figure cited for England, some 440,000 in 1994, refers to individual list entries, many of which cover several separate structures. If these separate structures or properties are individually counted, by some estimates the number can be raised to about 750,000. That means three-quarters of a million English objects, from pillar boxes to palaces, which an owner cannot legally alter in any substance, inside or out, without consulting the local authority and submitting plans for listed building consent.¹⁸

18 A Saint ‘How Listing Happened’ in M Hunter [ed] *Preserving the Past* (1996) p. 115

By August 2002 there were 376,094 entries on the list of Buildings of Special Architectural or Historic Interest. Grade I buildings comprised 2.5% of all entries, Grade II* buildings 5.7%, and Grade II buildings 91.8%. The total number of individual buildings is estimated at more than half a million. The discrepancy arises because, for example, a terrace of houses or a group of farm buildings are often given as a single list entry.¹⁹

In 1998 a 'Monuments at Risk Survey' of England was published. It estimated that there were about 300,000 recorded monuments in England covering approximately 8500 sq km or 6.5% of the land area.²⁰ In addition, there are now in England more than 100 Sites and Monuments Records (SMRs), mainly based in local authorities or shared partnership agreements. SMRs record all sites of interest, whether protected or not, and it is estimated that around 1 million sites are listed on SMRs in England. There are proposals to establish unified Historic Environment Records to coordinate the SMRs.²¹

The *Historic Buildings and Monuments Act* also set up Historic Buildings Councils for each of England, Wales and Scotland. The main duty of the Historic Buildings Council was to advise the Minister of Works on the exercise of powers in connection with the preservation of buildings of outstanding historic or architectural interest and in the making of grants for the repair of historic buildings.²² The Historic Buildings Council for England had significant funds to administer; UK£575,000 in 1969–70 rising to £2.25 million by 1973–74.²³ Subsequently, other sources of funding for heritage conservation were established. Under the *National Heritage Memorial Act 1980* independent trustees were appointed with authority to give financial assistance for the acquisition, preservation or maintenance of land, buildings, or structures deemed important to the national heritage. The National Heritage Memorial Fund (NHMF) was launched, endowed with a lump sum and an annual budget of over £5 million a year. Peter Mandler gave the following account of its effective operations:

The new fund could provide cash endowments to the English National Trust to enable it to take on unfunded houses, as with Canons Ashby, Belton House and Calke Abbey; it could provide a cash endowment for an independent trust to maintain a house, as at Burton Constable in Yorkshire; it could buy important works of art in the open market or by private treaty, either for deposit in a national collection or to be left in situ in private houses open to the public; and it could act as an independent but specially positioned lobby for further heritage expenditures, often on a breathtaking scale: at the height of Thatcher's public expenditure squeeze, in February 1985, the NHMF winkled out of the Treasury a £25 million pounds top-up to allow it to purchase Kedleston, the contents and grounds of Weston Park and the furniture at Nostell Priory, mostly for transfer to the English National Trust.²⁴

Even apart from the special grant of £25 million, the sums involved in these examples were large. For example, the NHMF contribution to Canons Ashby was four-fifths of the necessary endowment of £1,254,000; to Belton House £4 million for the park and contents plus £4 million for capital repairs and endowment; and to Calke Abbey £2 million pounds.²⁵

A further source of heritage funding arose under the *National Lottery Act 1993*, through which substantial grants for heritage have been made from lottery funds. Since 1994, some £1700 million has been provided from the lottery fund. The grants awarded in England by the Heritage Lottery Fund in the year ended 31 March 2002 (excluding some

19 *State of the Historic Environment (SHER)*, English Heritage, 2002, p. 20

20 *SHER* 2002, p. 10

21 *SHER* 2002, p. 8

22 *Figures in a Landscape, A History of the National Trust*, J Gaze (1988) p. 152

23 P Mandler, 'Nationalising The Country House', in M Hunter (ed.) *Preserving the Past* (1996) p. 111

24 P Mandler, *The Fall and Rise of the Stately Home* (1997) pp. 410–11

25 Op Cit Gaze pp. 156–7

earmarked funds and approvals in principle) amounted to £237,154,704, made up of 1725 individual grants awarded in the following categories:²⁶

Urban Regeneration	89 grants, totalling £53,303,668
Community and Local Heritage	1138 grants, totalling £7,743,916
Heritage Main Grant Programs	353 grants, totalling £158,003,370
Places of Worship	142 grants, totalling £17,457,650
Tomorrow's Heathland Heritage	3 grants, totalling £646,100

The *National Heritage Act 1983* established the Historic Buildings and Monuments Commission to take over the care of ancient monuments and historic buildings from the Department of the Environment. The Commission later became English Heritage. Mandler has described this initiative of the Thatcher Government as follows:

English Heritage was set up in 1984 under Lord Montague of Beaulieu, charged with making the government's historic buildings and monuments more entrepreneurial and also with administering the HBC grants more efficiently.²⁷

Samuel Raphael claimed in 1994 that English Heritage had some 500,000 properties for which it was in some final sense responsible.²⁸ Unfortunately he did not cite any reference for the proposition. He may well have been referring to listed properties rather than to properties managed by English Heritage. English Heritage, as the successor to the Ministry of Public Buildings and Works and the Department of the Environment, manages hundreds of heritage places open to the public, many of them ruins. These are presented to the public in a distinctive style. Lawns and gravel borders and pathways are characteristic, as can be seen from a publication such as *English Heritage From the Air* (1994). The display of ruins often involves rather more than introducing lawns and gravel. As David Lowenthal reminds us,

Demands for intelligibility often justify altering ruins; the picturesque but shapeless Roman sites, medieval castles, and monastic ruins in British state care have been made more comprehensible by lowering ground surfaces, heightening walls, revealing buried details. Subsequent additions that confuse the scene are removed . . . The surrounding sward, cropped with military tidiness, enhances the bleak, austere, and majestic mood the public has come to expect from ruins.²⁹

The heritage places managed by English Heritage have in this way come to have a distinctive style of presentation which, however artificial it may be, has come to be regarded as the appropriate model. And it should not be forgotten that English Heritage also manages many outstanding properties that are not ruins, such as Audley End House, Saffron Walden, and Heveningham Hall in Suffolk. English Heritage is the government's statutory adviser on the historic environment. It is an 'executive non-departmental public body' sponsored by the Department for Culture, Media and Sport (DCMS). DCMS has overall responsibility for heritage policy in England. English Heritage's powers and responsibilities are set out in the *National Heritage Act*.

Working in partnership with the central government departments, local authorities, voluntary bodies and the private sector, English Heritage's objects are to:

²⁶ *SHER* 2002, p. 87

²⁷ Op Cit Mandler p. 410

²⁸ S Raphael *Theatres of Memory* Verso p. 211

²⁹ D Lowenthal, *The Past is a Foreign Country* (1985) p. 271

- conserve and enhance the historic environment
- broaden public access to the heritage
- increase people's understanding of the past.

Funded by the government and from revenue earned from property visitations and services, it is the government's major source of public funding for rescue archaeology, conservation areas, and repairs to historic buildings and ancient monuments. English Heritage has been given the same benefits from tax relief as charities under the *Income and Corporation Taxes Act 1988*.

In 2001–02 English Heritage expenditure was £144,510,000, which was £405,000 less than the previous year. Of this, £54,751,000 was spent on managing English Heritage properties.³⁰

English Heritage's responsibilities are met by:

- acting as a national and international champion for heritage
- giving grants for the conservation of historic buildings, monuments and landscapes
- maintaining registers of England's most significant historic buildings, monuments and landscapes, including the Register of Parks and Gardens of Special Historic Interest that contains some 1400 sites, working in partnership with local authorities to manage change to these nationally important landscapes.
- advising on the preservation of the historic environment including advising:
 - DCMS on proposals to 'list' buildings of special historic or architectural interest
 - local authorities and, where necessary, the Department of the Environment, Transport, Local Government and the Regions on applications for listed building consent relating to Grade I or II* buildings or the demolition of any listed building
- encouraging broader public involvement with the heritage
- promoting education and research
- caring for Stonehenge and over 400 other historic properties on behalf of the nation (including many places that feature as landmarks in England's history) from prehistoric and Roman sites to medieval castles, great abbeys, gardens, historic houses and industrial monuments
- maintaining the National Monuments Record as the public archive of the heritage
- generating income for the benefit of the historic environment.

English Heritage retains around a 9% share of the historic attractions market. Its income earned from admissions was £9 million in 1998–99. The properties provide a spread both in terms of size — Stonehenge has consistently been in the top ten visited historic attractions in the country for which admission is charged — and geographically, with properties ranging from Berwick Upon Tweed to the Scilly Isles. There were about 5.5 million recorded visits to staffed English Heritage historic properties (about 140) in 1998–89 as well over 5 million more estimated visitors to the remainder of its properties with free access.

English Heritage employs over 1000 people, including custodians, historians, architects, archaeologists, conservators, civil engineers, surveyors, curators, marketing specialists, educationalists, gardeners and support staff. The Chairman, CEO and administration are centrally based, along with marketing, archaeology and major projects departments. Major functions of care and conservation of historic environment are regionally based, and properties are classified into regions and managed through a regional team.

In November 2002 English Heritage published the *State of the Historic Environment Report (SHER 2002)*. This documented the quantity and condition and sets out the economic and social potential of all the country's historic buildings, rural sites and

30 *SHER 2002*, p. 84

landscape, archaeology, heritage tourism and education. The launch of *SHER 2002* was reported in *Garden History Society News* (volume 66, winter 2002). The report is said to be the first of its kind in Europe, and annual editions are proposed. It was produced in partnership with the whole of the heritage sector. The similarity between the subject matter of *SHER 2002* and the work of this Committee is apparent, and the Committee has derived useful information about the current situation in England as well as ideas about the factors which are relevant in considering the economic benefits of heritage places.

6.4 English National Trust

Another important manager of heritage places is the English National Trust. It is a registered charity, founded in 1895 to ‘preserve places of historic interest or natural beauty permanently for the benefit of the nation’. It is independent of government and receives no direct government grant or subsidy for its general work. The English National Trust is one of Europe’s leading conservation bodies, protecting through its ownership, management and covenants, 248,952 hectares (615,173 acres) of land of outstanding natural beauty and 600 miles of coastline. It is responsible for historic buildings dating from the Middle Ages to modern times, ancient monuments, gardens, landscape parks and farmland leased to over 1100 tenant farmers.

By 1995 the English National Trust had 246 buildings in England open to the public, which Gerald Cadogan classified as follows:³¹

Country houses.....	1212
Town buildings	263
Village buildings	194
Farm buildings	195
Buildings with historical associations.....	176
Mills (agricultural & drainage)	137
Castles & towers	98
Mills (industrial), mines presses & engines	49
Abbeys & chapels (pre -Reformation)	810
Roman	411
Chapels & churches (post-Reformation).....	412
Other : Lighthouses	2

A significant number of the country houses managed by the English National Trust passed into its ownership under the Country Houses Scheme established in the 1930s. Under the *National Trust Acts* of 1937 and 1939, the Trust could accept country houses and estates in lieu of death duties, with the proviso that an endowment in the form of land or money should also be given to provide for maintenance.

The growth in public interest in heritage places in England is reflected in the growth in membership of the English National Trust. In the 1960s membership grew from 100,000 to 175,000, but then took off to reach 850,000 by 1980 and 2,000,000 by 1990. Mandler says that the English National Trust has become one of the most powerful non-governmental bodies in Europe.³² On 31 December 1993 it stood at 2,189,386.³³ By 2001 the membership was 2.8 million.³⁴

31 H Newby [ed.] *The National Trust: The Next Hundred Years*(1995) p. 123

32 Op Cit Mandler, p. 411

33 Op Cit Newby p. 26

34 *SHER 2002*, p. 67

Turnover in 2001–02 was £199.3 million — membership revenue of £62.8 million (3 million members) and fund-raising revenue of £38.8 million — with a net surplus £10.3 million from assets of £744.8 million.

The English National Trust has adopted the following principles:

Core priorities

- Showing leadership in the regeneration of the countryside.
- Expanding the provision of lifelong learning and education.

Vision

- To inspire present and future generations with understanding and enjoyment of the historic and natural environment through exemplary and innovative work in conservation, education and presentation.

Objectives

- Inspire support.
- Improve conservation and environmental quality.
- Manage our affairs effectively and efficiently.
- Develop our people and our knowledge.

The English National Trust has prospered through its partnership with the people and government of Great Britain. Its financial health is supported by membership growth and retention, and fund-raising. The Trust's trading activities are significant, and they are built around quality retail and catering experience.

The English National Trust operates with framework controls rather than central controls. Properties are governed by budget and cash allocations made according to a formula. Properties have latitude in operating within the budget framework, but they must accede to framework policies such as core operating hours, purchasing from a central retail inventory, and accountability against membership sales targets.

The English National Trust's developed commercial framework works together with the conservation division. In common with other divisions of head office, the conservation division operates as a specialist adviser to the regions and the properties. Properties are staffed by a mixture of commercial and conservation specialists responsible for meeting the expectations of a discerning clientele.

The English National Trust is regionally based (11 regions) having little reliance on a branch structure referred to as 'centres and associations'. The centres and associations are supported by the Trust but they do not speak on behalf of the Trust. Each centre and association has a standard constitution.

6.5 Other managers of heritage places

The part played by English local government authorities in managing heritage places open to the public should not be overlooked. As noted below, the houses open in 1976 included 60 managed by individual local authorities. Notable examples included Aston Hall in Birmingham, which has been managed as a municipal museum since 1864; The Bowes Museum, Barnard Castle; the Royal Pavilion, Brighton; Heaton Hall, Prestwich, which has been managed by the city of Manchester since 1902; Temple Newsam House, acquired by the Leeds Corporation in 1922; Kenwood House at Hampstead Heath, donated to the London County Council; and Chiswick House, London. Some properties owned by the National Trust are maintained and administered by local authorities, such as Shugborough, Great Harwood (Staffordshire County Council) and Tatton Park, Knutsford (Cheshire County Council). Raphael claimed that local authorities had a greater role than the National Trust:

If there was a single agency that transformed heritage from an enthusiasm into an industry it was not the country house owners or the National Trust, intent on rescuing private property from confiscation or ruin, but rather the local authorities, many of them Labour, and the museum curators, many of them, after their own fashion, new-wave social historians, and the environmentalist campaigns, all of them, in some sort, radical, who seized on youth Training Schemes and the Manpower Services Commission to take on paid and extra hands.³⁵

Local authorities continue to spend large amounts on conservation aspects of planning work, although there has been a reduction of 8% in resources from 1996 to 2000. The figure for 1999-2000 was £42,604.³⁶

As a perusal of an annual publication such as *Historic Houses, Castles and Gardens* will confirm, many heritage places in England are open to the public but still in private ownership. Despite the vast inherited wealth that sustains some of these places, such as Chatsworth, Castle Howard and Blenheim Palace, many lesser-known places are struggling to survive. Mandler says that the majority of the 2000 family seats still extant in the United Kingdom in the 1970s have been vulnerable and that as many as a quarter may have been sold since then. Warwick Castle, an early entrant in the Houses open Scheme, was sold in 1978 to Madame Tussaud's. The concentration of wealth needed to support a grand historic house is unlikely to persist in its historic form. Fewer families are willing to play cultural custodian and to have their lives centred on the management of an inherited heritage place. The popular support for heritage places does not seem to generate, on a sustainable basis, what is needed to conserve many places.³⁷

One thing that does emerge from a study of the English experience is that cooperative arrangements between different owners have often been made to meet local requirements and opportunities. Reference has already been made to National Trust properties maintained and administered by local authorities. There are similar arrangements in some cases between English Heritage and the National Trust. The management arrangements for the World Heritage site known as Hadrian's Wall provide an interesting example. Graeme Aplin³⁸ has given a breakdown which shows the various managers and management arrangements which are in operation. About two-thirds of the wall, 74 kilometres out of the total length of 117 kilometres, is within Northumberland National Park. The majority of sites along the length of the wall are managed by English Heritage, but not necessarily owned by them. Some of the sites along the wall, such as Banks East Turret, Harrows Scar Milecastle, Leahill Turret, Pike Hill Signal Tower, and Piper Sike Turret, are managed by Cumbria County Council. Birdoswald Fort is managed by Cumbria County Council on behalf of English Heritage. South Fields Fort and Museum are in the care of Tyne and Wear Museums. Wallsend Fort and its Heritage Centre are operated by North Tyneside District Council and Tyne and Wear Museums. Houseteads Fort Site is owned by the National Trust, but maintained and managed by English Heritage, while the fee-paying car park is run by Northumberland National Park authority. The National Trust also owns about eight kilometres of the wall adjacent to Houseteads, and over 1000 hectares of farmland through which this length of wall runs. Vindolanda Fort is owned and managed by the Vindolanda Trust, although some features are in the care of English Heritage. Access to features near Willowford are controlled by Willowford Farm, and a small charge is levied. Carrawburgh Fort is in private ownership, but English Heritage cares for an area around it, including the Temple to Mithras.

35 Op Cit Raphael p. 238

36 *SHER* 2002, p. 84

37 Op Cit Mandler, pp. 416-7

38 Graeme Aplin, *Heritage. identification, conservation, and management* (2002) p. 247

Cooperative arrangements of this complexity will not be required for heritage places in Victoria, but this example supports the view that for each place the advantages of cooperative arrangements should be considered, and that managers should be slow to rule out such arrangements on the ground that they are too difficult.

Although there are features of the English experience that are plainly not applicable in Victoria, much can be learned from a careful study of that experience. That study could not be carried out in the preparation of this Report, but enough was done to establish the need for a full examination.

6.6 Cultural tourism

There is a long-standing tradition in England of visiting country houses and gardens. Some houses have been open to the public since the 18th century, and Warwick Castle has been open to the public on a commercial basis, daily except for Christmas, almost every year since 1885.³⁹

In the 1930s only about 50 houses were open to the public, but this number increased dramatically following the Second World War. In 1952 there were 221 houses and castles regularly open to the public. By 1976 the total had risen to nearly 700. As for gardens, there were three open in 1955 and 118 in 1976. The distribution of houses open between owners in 1976 was as follows: about half were still in private ownership, and the remainder held by various private and public bodies including the National Trust (150), the Department of the Environment (50), and individual local authorities (60).⁴⁰ Mandler gives figures that are a little different, but in substance the picture he paints is the same.

Since the Second World War, there has been an enormous rise in the number of visitors to heritage places in England. In 1977, for example, 17 million visitors were attracted to monuments (largely ruins) under custodianship in Britain. Visitors to the many monuments without custodial staff were not recorded.⁴¹ It was not only ruins that attracted a growing number of visitors. As the number of places to visit grew, so did the popularity of visiting open houses. Mandler provides the following survey information:

As early as 1977, the General Household Survey found that visiting historic buildings was the second most popular outdoor leisure pursuit, after walking (ahead of dancing, swimming and visits to the seaside), though it had been behind the seaside as a summer activity in 1973 . . . the historic buildings figure was considerably lower in 1987.

He points out that it is difficult to obtain accurate and consistent information about what he calls heritage consumerism because the many different surveys are made on different bases, and it is difficult to compare them. He refers to the annual reports of the *English Heritage Monitor* and other surveys.⁴² Mandler also says that,

A British Market Research Bureau study for Mintel in March 1993 found that a third of the entire adult population had visited a stately home in the last year, more than any other kind of historic site. and another survey (the reference is to the English Heritage Monitor for 1992 and 1994) suggests the figure may be higher still, perhaps over half of all adults. Country houses have thus gained in popularity amongst historic sites, at a time when visiting historic sites of all kinds has gained in popularity versus other uses of leisure time.⁴³

39 Op Cit Mandler, p. 108

40 see A Emery *Historic Houses Castles & Gardens*, (1976)

41 M Thompson, *Ruins Their Preservation and Display* (1981) p. 10

42 Op Cit Mandler, p. 473

43 Op Cit Mandler p. 411

Whatever the difficulty in interpreting the results, it is clear that market information of this kind is of great, if not irreplaceable, value to the managers of heritage places. In the absence of such information, assumptions about what visitor numbers a heritage place may hope to attract could lead to unsound decisions. The perception of the Committee has been that there has been, in Victoria, a falling rather than a growing demand for visiting heritage places. It would be useful to test this assumption by market survey and to seek to understand the underlying reasons for the market trends.

6.7 Economic benefits of cultural tourism

Cultural tourism has so many forms that there is no text on the contribution to economic value that can claim to be definitive, and there are few texts that refer specifically to the economic value of heritage tourism. However, two studies prepared in association with the English National Trust in the UK are of worth in assessing the value of heritage tourism. Entitled 'Valuing our Environment', the two 2001 studies were prepared (coinciding with the impact of the foot and mouth outbreak in the UK) on behalf of the environment sector organisations of the North East of England and in a separate study of Wales. The National Trust (England and Wales) was a partner in each study.⁴⁴ The environment industry in the UK (renewable energy, waste minimisation and clean technologies) is estimated to be worth approximately £9 billion, and £400 million in the North East where over 20,000 people are employed in this sector. The findings from the studies are summarised as follows:

North East (Cumbria)

- The North East has a strong industrial base; manufacturing generates 28% of regional GDP compared to the average of 8%.
- One in 18 jobs is linked to the environment: 51,666 jobs and £1,106 million (some 5% of regional GDP) depend on a good-quality environment
- Over the next 10 years an annual growth of 5% is expected in land-based industries and 2% in regional tourism, leading to an additional 26,427 environment-based jobs by 2010.
- In 2000 around 67,000 people (7% of the regional workforce) were directly employed and another 28,000 indirectly employed in the tourism industry in the North East, with direct 27,000 jobs and 11,000 indirect jobs dependent on the natural and historic built environment.
- In 1998 there were 14.4 million visits to tourism attractions in the North East, to attractions as various as (all 1999 figures):
 - Free entry — Hadrian's Wall (500,000), Durham Cathedral (466,559), Druridge Bay Country Park (250,000).
 - Charged entry — Cragside Estate NT (121,482), Housesteads Roman Fort EH/NT (114,003).

⁴⁴ The full reports are available on the Internet at www.nationaltrust.org.uk

- Tourism day visits to Cumbria generated £344 million in 2000. In the same year, holiday staying visits accounted for £468 million.

Wales

- Around 25% of the land area is designated as National Parks or Areas of Outstanding Natural Beauty. Over a third of the coastline is Heritage Coast.
- One in six jobs is environment linked with 169,000 jobs (17% of Welsh employment) and £2.8 billion (9% of regional GDP) depending on good quality environment.
- Investment in the environment can contribute 35,000 new businesses and a growth of 135,000 jobs in Wales by 2010.
- In 2000 around 23,000 people (2% of the regional workforce) are directly employed and another 7000 indirectly employed in the tourism industry in Wales.
- Tourism day visits in 1998 generated £893 million, and in 1999 holiday staying visits accounted for £895 million.

More general information than that derived from these studies is contained in *SHER 2002* (see section 6.2). That report confirmed that tourism is one of the largest industries in the UK, accounting for 4.9% of GDP and employing over 2 million people. Taken together, UK residents and overseas visitors spent more than £31 billion on 162.8 million trips.⁴⁵ Many of these trips included visits to heritage places. Furthermore, tourism in England is said to depend largely on retaining and protecting significant elements of the historic environment.⁴⁶ In 2001, 24% of all trips to the countryside were to heritage sites. The English Tourism Council's 2001 survey of visits to historic visitor attractions reported on 1041 sites (out of almost 2000 recorded on the database) for which a response was received.⁴⁷ The 1041 sites were divided into seven categories, and the 57,681,000 reported visits apportioned between them. The following summary table is adapted from *SHER 2002*.

Table 5 Visits to historic attractions in England.

Category	Sites (% of sample)	Visits (% of sample)	Total visits	% change from 2000
Castle	10	15	8,729,000	-8%
Garden	16	14	8,089,000	+4%
Historic House	35	24	14,042,000	-6%
Historic Monument	7	4	2,402,000	-14%
Other historic properties	12	6	5,635,000	-4%
Heritage/visitor centre	11	13	7,474,000	-4%
Place of worship	8	23	13,309,000	-6%
TOTAL	100	100	57,681,000	-5%

Despite the fall of 5% in visitor numbers, which the survey attributes in part to the outbreak of Foot and Mouth Disease and to the reduced international tourism following the events of 11 September 2001, these numbers are very large. The survey reports an

45 *SHER 2002* p. 46

46 *SHER 2002* p. 52

47 Of these sites, 51% were in private ownership, 20% National Trust, 15% Local Authority, 12% English Heritage and 3% other government department or agency

indicative overall income in 2001 for the sector of between £280 and 300 million. The British Tourist Authority calculates that only 4% of what a visitor spends is retained by the attraction itself.

The most recent figures on heritage places in private ownership, set out in *SHER 2002*, were provided by the Historic Houses Association (HHA), which covers England, Scotland and Wales. HHA estimated that there were 2140 privately owned substantial historic houses in 2000, one-third of which were regularly open to the public. These included 332 privately owned historic houses, gardens and associated visitor attractions that opened regularly to the public, of which 290 were in England and Wales.

A further 355 houses in England and Scotland and Wales had occasional access or a commercial use in which there was some form of public access. The National Trust had 279 similar properties. HHA calculated that the tourism associated with privately owned houses contributed around £1.6 billion annually to the economy.

As a particular example, Hadrian's Wall (discussed earlier as an example of cooperative arrangements between a number of agencies) attracts around 1.25 million visitors a year, with almost a quarter of the visitors to the central sector coming from overseas. It is estimated that tourism in the area is worth £200 million annually and supports at least 750 small and medium tourist businesses.⁴⁸

6.8 Conclusions

- The NSW Historic Houses Trust has used the substantial government funding available to it to engage in highly imaginative presentation of the small portfolio of heritage places under its control. The HHT has been highly selective in what it will take on and this policy has paid off. It demonstrates leadership and innovation in the collection, conservation and presentation of heritage places; and has achieved a standard of excellence which managers of heritage places should seek to emulate. The HHT has reinforced its dominance of the field by activities such as its heritage publishing and the running of seminars and lecture series.
- The HHT is under the Minister for Arts, rather than planning or environment ministries, which reinforces the perception that its heritage places are significant cultural assets and that heritage is a part of culture.
- In New Zealand and in England lottery funds for heritage have made a substantial contribution to heritage conservation and presentation to the public.
- Consideration should be given to making lottery funds available for heritage places on a similar basis in Victoria.
- The experience of managing heritage places in England, the United States and any other relevant places should be thoroughly investigated. The reasons for the very large growth in the numbers of visitors to English heritage places in recent decades should be examined.
- The development of cultural tourism in England suggests that there is room for more development in Victoria. An understanding of the similarities and differences between the English experience and the Victorian should be sought.

48 *SHER 2002* p. 48

- There is much to learn from the work which has been done in England about the contribution which heritage places make to the economy, including that derived from cultural tourism; and about the gathering of statistical information concerning visitors to heritage places.
- The factors which have made heritage management in England sustainable should be investigated.
- The English experience demonstrates the value of cooperative arrangements between different owners and managers of heritage places; and of coordination of heritage place management. Similar cooperation should be encouraged in Victoria.
- Conservation in England is less affected by a divide between natural and cultural heritage than is the case in Victoria. The English National Trust has derived much of its membership growth from the fact that it operates on both sides of the divide. There is a need in Victoria for greater understanding of the relationship between conservation of our cultural heritage together with our natural heritage leading to the sustainable management of both.
- The business structure of the English National Trust, which combines structural support using standard operating format and procedures, together with centralised specialist technical advice and support, with a degree of decentralisation in control to regions and individual properties, should be applied more extensively in the management of heritage places in Victoria.
- Consideration should be given to funding an agency to operate key heritage places on behalf of government to the standard of the Historic Houses Trust.

7

Sustainable management of heritage places

This Chapter begins with an examination of the meaning of sustainability.(7.1) It then considers the proposition that management expertise is fundamental to sustainability.(7.2) The contribution by volunteers and the community is then considered.(7.3) Turning to funding, the chapter then examines funds which heritage places generate for themselves.(7.4) There is a section on philanthropic funding.(7.5)

External sources of funding are then considered.(7.6) The chapter concludes with a section on achieving sustainable management.(7.7)

7.1 Sustainability

Since the 1980s, the concept of sustainability has been applied to many aspects of human endeavour. In its traditional meaning the word referred to enduring, to keeping going indefinitely. Since John Rawls included in his influential *A Theory of Justice* (OUP 1971) Section 44 on the 'Problem of Justice between Generations', attention has been given to the need to avoid using up the world's natural resources for the current generation, to the detriment of future generations. At the same time, the growing environmental movement has warned of the catastrophic consequences of unsustainable development.

After the publication of the 'Brundtland Report' by the UN World Commission on Environment and Development in 1987, sustainable development came to be seen as a necessary objective of economic policy to ensure that, when the needs of the present were being met, the ability of future generations to meet their own needs was not compromised.⁴⁹ Sustainable development is now defined as development that can be maintained at a steady level without exhausting natural resources or causing severe ecological damage.⁵⁰ The principles of ecologically sustainable development are now enshrined in Section 3A of the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth), following their endorsement by international summits and inclusion in the United Nations Convention on Biological Diversity.

The conservation of heritage places has always contained elements of preserving the past for future generations, and fits easily into discourse about sustainability. In fact the

⁴⁹ see B Lomborg *The Sceptical Environmentalist* (2001) p. 91 and P Hay. *Main Currents in Western Environmental Thought* (2000) pp. 212–219

⁵⁰ *Collins English Dictionary* (1994) p. 1554

conservation of heritage buildings may make a direct contribution to environmental sustainability. *SHER 2002* pointed out that the recycling of heritage buildings avoids wasting the embodied energy in the materials from which they are made and avoids the use of modern materials such as aluminium, which have even higher levels of embodied energy. The embodied energy in the brickwork alone of a typical Victorian terrace house is the equivalent of over 31,500 litres of petrol.⁵¹

The refurbishment and re-use of heritage buildings can thus be seen to be significant in terms of environmentally sustainable development.

The Biodiversity theme report of *Australia: State of the Environment 2001* report defined 'sustainable' as referring to an activity that is able to be carried out without damaging the long-term health and integrity of natural and cultural environments. This definition recognises that the concept applies to the cultural as well as the natural environment. This chapter considers what is required for the cultural heritage of Victoria to be sustainably managed.

The Natural and Cultural Heritage theme report of the same report said:

Sustainable heritage means that the nation's heritage is respected and appreciated by Australians and international visitors; that the use of, and visits to, heritage places and objects contribute to the social and economic well-being of the nation and its constituents without detriment to the heritage resources; and that the integrity of the heritage resources is never jeopardised.

The Report noted that 'there exist some significant threats to the sustainability of Australia's heritage', and went on to consider 11 key threats. The discussion includes the following propositions:

- Little quantifiable data (as to physical condition of heritage places and objects) are available to assess the condition or health of heritage places, and no national monitoring system is in place.
- Many places are under significant threat from urban expansion, redevelopment and rezoning on urban fringes, and from neglect or abandonment in rural areas.
- Government reorganisation in all jurisdictions has resulted in assets that are redundant but have heritage value. Loss of function has resulted in changed and lost heritage values for many places.
- There has been a declining involvement of people in historic heritage and an increase in natural heritage or environmental issues. As heritage becomes more professional in its methods and employment patterns change towards shift and untenured work, there are fewer skilled volunteers available.
- Places are only sustainable as heritage sites if they are adequately funded and protected so that their values are known and respected.

At the conclusion of the Report the question is posed, 'How sustainable is our heritage?' The Report gave the following answer:

Despite all the research in the natural environment on sustainability, there has been no development or testing of models applicable to heritage places. In natural heritage places there has been a declining expenditure on the conservation management of protected areas and a consequent lack of monitoring of environmental changes. There is much evidence of the pressures affecting sustainability of historic heritage especially in urban areas. We know from experience that there is a point where the heritage value overrides economic potential; however such places are only sustainable as heritage sites if adequately funded and protected so that their values

⁵¹ *Australia: State of the Environment* (2001) p. 40

are known and respected. Funding by government, particularly local government, is being seen as part of the sustainability of places in the Heritage Trails program in Queensland for instance. It is sustainable because the community values it enough to adequately fund it.

That sustainable management of heritage places requires funding is obvious. But it requires much more than an assured income. When the terms of reference were being framed for the Committee, they included:

Examine the market for heritage and house museums and provide recommendations on the economics of such ventures.

It was anticipated that sufficient information to fulfil this term of reference could be derived from the inquiry into the management of heritage places on a case by case basis, and that an understanding of the market could be obtained from the experience of the operators of heritage places. Although a considerable amount of anecdotal material can be derived from the case studies and the opinions of the managers of heritage places, the Committee is concerned that views as to the market formed on that basis may be unreliable, and could be influenced by assumptions about the existence of a demand for heritage place experiences that are not soundly based. This Report expresses beliefs held by the Committee concerning market expectations and the economics of operating heritage places open to the public based on a considerable experience of running them. But no market analysis or survey or evaluation of the economic value has been conducted for the purposes of this Report.

The view has been expressed strongly to the Committee that a survey or evaluation of the economic benefit is necessary as a precondition to any sound recommendations about sustainable management of heritage places. The Committee accepts that it would be wrong to act on the basis that there is an inexhaustible demand for heritage places, and it has not done so. In fact its findings include the opinion that the demand for traditional house museum presentation of heritage places is low and decreasing. But that assessment may be unduly pessimistic, and an approach based on undue pessimism may be just as unsatisfactory as an approach based on undue optimism. A market survey may not avoid these difficulties, but it is likely to reduce the risk of error. In the absence of such a survey it seems best to report that a full examination of the market for heritage and house museums has not been carried out, and to conclude that a market analysis and evaluation of economic benefit should be conducted on behalf of relevant stakeholders.

7.2 Management expertise is fundamental to sustainability

Management expertise associated with operating a heritage place is growing in importance in the total mix of factors required for sustainability, just as the inherent heritage characteristics of the place being conserved are diminishing. Competition for custom has irrevocably changed the operating climate. No longer can operators of heritage places expect visitors to arrive simply because the doors are open.

For example, at one time Como Historic House and Garden received over 90,000 visitors per year, but the rise in competition changed tourism habits, so that a change in approach was needed. Now the National Trust markets extensively overseas, particularly in Asia, and is targeting new domestic markets.

The international and interstate traveller is increasingly discerning, demanding a rare cultural experience or at least integrated standards of presentation and service (often with

food and retail facilities) that fits with what is most often a time-constrained itinerary. International and interstate travellers do not venture far from the major cities except to pursue a higher level of cultural experience, and for them the location and transport are key factors in planning an itinerary.

Increasingly, domestic visitors are seeking places where heritage is simply a backdrop or part of the ambience for communing with friends. Heritage places challenged by uncompetitive features or interpretation, lack of resources, or location and transport hurdles will increasingly be revealed and found wanting by the marketplace.

For example, at Wonthaggi State Coal Mine better marketing is required to improve visitor numbers and hence sustainability. Without the volunteers (who are ageing) it would be difficult to provide service at close to the required level.

Tourism is highly seasonal, and managing seasonal troughs generally requires that operators be market savvy in the mix of events and functions they provide during this time. Equally, the uses made of heritage places tend to differ in intensity and activity, and the challenges also differ from those of a purpose built facility. To ensure that environmental safety and health standards are maintained, active management systems are needed to compensate for the limitations of the structural systems. Volunteer involvement reduces staffing costs but also introduces a different range of people management issues.

7.2.1 Sustainability and usage

Sustainability of heritage places relies heavily on identifying and executing a usage plan that is commercially robust — recovering both the costs of operation and contributing substantially to the ongoing costs of maintenance while balancing the obvious commitment to the heritage fabric of the place — something that is not always easy, as the National Trust's history observes. For example:

- Werribee Park carries a considerable shortfall on its operating budget, including maintenance, which is funded from the budget of Parks Victoria. The high cost of maintaining this first-class facility is mitigated but not eliminated by commercial users of the Park such as the hotel and winery. Werribee Park receives considerable volunteer support and contributes substantially to Victoria's social fabric through free entrance to the Park. (Compare this with the cost charged by the National Trust to non-member visitors to Rippon Lea.)
- At Woodlands Homestead and Andersons Mill, visitor numbers are low and cannot be used to justify improved visitor facilities. At Woodlands the operator relies on the Friends group for support. Parks Victoria has recently sought expressions of interest in operating the property with a view to introducing another income stream and making the property more accessible.

The National Trust's view of creating sustainable solutions is that a successful alternative use is likely to share a similar character to the original, albeit adapted to the changed circumstances. To do otherwise requires the establishment of a new and separate business model that would not draw on or rely on the identity of the heritage place.

7.2.2 Economic benefits of heritage places

The indirect economic benefits from ancillary services used by people visiting heritage places should also be considered when determining the sustainability of heritage places.

In 2000–01 the Australian Bureau of Statistics' Australian National Accounts calculated the tourism GDP for Australia to be \$31,800 million. Of this \$1200 million (or 4%) was produced by libraries, museums, arts and other entertainment services, which roughly equate to 'attractions'. Within these figures nearly all tourism production occurs at the ancillary services rather than at the attraction. In 2000–01, this included transport (\$4400 million), cafes etc (\$2500 million) and accommodation (\$2800 million).

There are no studies that quantify the economic benefits of heritage tourism through these ancillary services. Information from the National Visitor Survey conducted by the Bureau of Tourism Research could be used to produce figures on visitor spending and activities. Similar research into the economic benefits associated with the Australian Alps National Parks is currently under way.

Some information is able to be derived from the Victorian government's *Tourism Plan 2002–2006*. In the Plan, cultural heritage tourism is grouped together with arts and theatre tourism. Cultural heritage tourism is considered as a product 'which can include any of the following: built structures, and their surrounds, cultural landscapes (including multicultural), sites, areas, precincts, ruins and archaeological sites, sites of important events, commemoration sites, contents of buildings and significant relics, objects, artefacts, collections of objects and product that houses or collectively promotes objects of cultural heritage significance e.g. National Trust attractions, museums, tours, trails and festivals.'

The Plan says that 48% of all international visitors to Australia in 1999 participated in arts and cultural heritage activities, and that approximately 2 million arts and cultural heritage visitors visited Australia. These visitors stayed longer in Australia (average 35 nights) than the average international visit (26 nights). Victoria's share of these visitors is considerable, with over 600,000 international arts and cultural heritage visitors per year, or 57% of the total international visitors to Victoria. Of all international visitors to Victoria, 38% visit history / heritage buildings, sites or monuments.

Victoria had over 2 million overnight domestic arts and cultural heritage visitors in 2000. This was 27% of the market, and the second highest share after New South Wales (30%).

Of all arts and cultural heritage visitors to Victoria, 37% visit history / heritage buildings. This is a greater percentage than for any other category of arts and cultural heritage attraction: 36% visited museums or art galleries, 18% attended performing arts or concerts, 18% visited art and crafts workshops or studios, 18% attended festivals or fairs and 6% saw movies. Arts and cultural heritage visitors participate in more activities (5.2 activities per visitor) than the average visitor to Victoria (2.7 activities per visitor).

The Plan indicates that the number of arts, theatre and cultural heritage visitors to Victoria is decreasing as a percentage of total visitors, having fallen from 14% in 1998 to 11% in 2000. The Plan suggest that 'despite history and heritage sites being amongst the most visited of all arts and cultural heritage attractions in Victoria since 1996, Victoria's reputation as a state that offers the opportunity to discover unique history and heritage could be improved.'⁵²

This material suggests that heritage places make an important contribution to economic activity in Victoria, and that specific surveys should be conducted to identify more precisely the full extent of that activity and how the management of heritage places could increase the known economic benefits.

7.2.3 Growing maintenance backlog

There is considerable evidence from the case studies and across the places listed within the database (i.e. historic places open to the public) that the contribution towards ongoing maintenance costs is below what is required for sustainability. What is particularly concerning for the sustainability of heritage places is that the backlog of maintenance works is accumulating. The National Trust reports a maintenance backlog of urgent works of over \$6.8 million for its 50 properties. For example, Labassa was in need of urgent repair before being acquired by the Trust, and its future will continue to be in question until a clear use is found for the property. The National Trust believes that the Polly Woodside Maritime Museum can be made profitable at an operating level, but that

⁵² Victoria's *Tourism Plan Summary: Arts, Theatre and Cultural Heritage Tourism 2002–2006*

it will be unlikely to be able to absorb the cost of restoring the deteriorating condition of the hull.

At Buchan Caves the facilities have deteriorated. Although some of the above-ground infrastructure has been upgraded, additional resources are required to bring the below-ground facilities up to date.

7.3 Volunteer and community contribution

There is ample evidence of the growth of volunteering in Australia. A recent study by the Department of Human Services in Victoria called 'Giving Time' found that over 1.1 million Victorians donated nearly 200 million hours of work as volunteers to 50,000 volunteer-based organisations in the study year 2000. The contribution of volunteers in Victoria was valued at over \$10 billion, or over 7% of gross state product, and since 1992 had risen at a rate around double that of the Victorian economy as a whole.

From the case studies and database it is clear that very few heritage places are 'opened' to the public of Victoria without support and assistance from volunteers and the community. Simply by the act of opening heritage properties to the public, volunteers contribute real worth to the community, but their contribution is far more. For example:

- At Woodlands (a Parks Victoria property) the Friends have a major role in the management of the homestead, maintaining the gardens, raising funds, obtaining grants, and doing most of the face-to-face interpretation. Each month volunteers contribute 96 hours as guides and 56 hours in the gardens. In fact, were it not for constraints on volunteer availability affecting the level of interpretation in the homestead, the present visitation mix (of 77,000 people visiting the park in 2000–01, only 5000 visited the homestead) might be more even.
- At the State Coal Mine at Wonthaggi (a Parks Victoria property) the Friends assist with the management of the site, act as volunteer guides (some guides are former miners), raise funds and work on the site.
- At Buda Homestead in Castlemaine (Castlemaine Art Gallery and Historical Museum) in the last twelve months, Buda volunteers and other volunteer groups, including Hands on Heritage (a Heritage Council program in conjunction with Conservation Volunteers Australia), Green Reserve, Green Corps and community organisations have commenced or completed a number of conservation projects.
- Through various community committees, the Mount Alexander Shire Council successfully obtained grant funding and promotes the Castlemaine Diggings Park, the Great Dividing Trail Association, the Shire Walks and Trails Advisory Board and the Mount Alexander Shire's Heritage Advisory Board.
- At Labassa (a National Trust property) volunteers carry much of the burden of management and open the property (once a month, by appointment, and for functions).

Closer analysis is necessary to draw firm conclusions about the level and value of the volunteer contribution to heritage conservation, but it is clearly considerable. Volunteer involvement also engenders community ownership of heritage places, not just by the volunteers but also by the wider community. The National Trust reports the volunteer contribution as nearly 90,000 hours per annum at a value of over \$2 million. Further analysis goes beyond the scope of the current study, but the following general observations can be made.

Where a property has volunteer and community support, the threshold costs of operation are reduced and in some cases eliminated. However, even with volunteer support many of the case studies show that the contribution towards ongoing costs of maintenance is less than that required for sustainability.

Not all volunteer groups occupying heritage places have as their primary purpose the conservation of the heritage places they occupy. For many volunteer groups the heritage significance of the place they occupy is incidental to the mission of the association they serve, e.g. a historical society or community group. These places should be considered to be at risk.

The case studies mainly involve a second category of volunteer groups; those for whom the significance and the features of the heritage place are their inspiration and the focus of their involvement. In managing heritage places, the loyalty of this category of volunteer groups to the heritage place they manage is evidenced in their actions and statements. As well as the positive contribution made by these volunteers, they may display a loyalty to the place that is so fierce that it results in negative behaviour — where the desire to control unwittingly raises barriers to options for improved sustainability and could even exclude those better positioned to help, even the place's owner.

There is also a certain homogeneity about interests and objectives of many within the case studies volunteer groups, and this manifests itself in the similarities in interpretation. As volunteer groups seek not only to manage the property but also to manage themselves, there is a tendency to keep things simple. Imaginative interpretations were evident when more than one volunteer group interacted together, such as at the Castlemaine Diggings Park.

7.3.1 Ageing and succession within the volunteer community

Many of the case studies were examples of heritage places operated by mature aged volunteers. In the absence of clear succession within the volunteer groups, a serious question must be asked: Is the volunteer support itself self sustaining or renewable? The evidence indicates that volunteer groups operating from properties are ageing, and few appear to have a clear succession. Thus more and more properties are likely to fall back onto the state for their care. The presence of an umbrella body with a volunteer program in the management mix is considered a positive factor both in the sustainability of the property and in fostering of community ownership.

7.3.2 Risk management and environmental health and safety

Highlighted by recent concerns about the level and extent of litigation, Risk Management has become a growing concern for the community and for volunteer groups. Because the heritage conservation sector relies on volunteer support, the Committee expects that the management of risk for many smaller community managed heritage properties would be below the standard that would be accepted within the commercial environment. Furthermore, volunteer managers, less conditioned to the rapid changes that have occurred in the management of risk and therefore less equipped to deal with those risks, continue to rely too much on insurance as a blanket protector of volunteer committees.

7.3.3 Impact on regional communities

Regional communities provide a relatively greater level of supporting managing heritage properties than metropolitan Melbourne. Improvements in communications and transport have led to the decommissioning of the distributed network of services formerly servicing rural Victoria. Post offices, telephone exchanges, court houses, schools and many other buildings are now used for variety of alternative purposes, and by different managers. Many of these groups face the same dilemma faced by the major heritage managers, or possibly even a worse one — funding even basic repairs and maintenance, let alone specialist restoration.

7.3.4 The role of umbrella organisations working with volunteers

The National Trust believes that many of its properties are not individually sustainable as heritage attractions; for example, Como House and Gardens, Rippon Lea Estate and Polly Woodside. However, as a part of a larger organisation the National Trust expects that properties such as Como and Rippon Lea could be secured for the future with support from endowments or government. In 2001–02 Rippon Lea generated revenues of just over \$0.5 million, including support from a catering contract. Restoration and maintenance costs were supported from an endowment from the Andrews Foundation. The Trust cross-subsidises many of its properties with the surplus from the Old Melbourne Gaol, probably the most popular heritage attraction in Victoria with nearly 120,000 visitors annually generating revenues of over \$1 million.

While there was no apparent uniformity in the small sample of case studies examined, on balance the case studies suggest that, where volunteers work as part of an umbrella body such as the National Trust, Parks Victoria or a municipality, the disciplines applied by these organisations to the management of properties in their care gives a stronger focus and a greater likelihood of the sustainability of the property. This would also apply where the property's significance to the community is such that it elicits significant local community support.

Having put the case for volunteers working within a larger organisational framework, the Committee heard of several cases where loyalty to the property manifests itself in difficult relationships for the owner or manager of the property, particularly where opportunities are sought to enable the property to contribute a greater share of its own funding. It was common to hear that a breakdown in relationships had occurred at some stage between the owner's representative and the volunteers. This is most often evident when the organisation singlemindedly pursues a financial contribution from the property but does not articulate the benefit to the property or to heritage conservation in general.

On balance the Committee concludes that to engage the energies of volunteers and provide meaningful contribution to the community, strong, vibrant volunteer organisations are needed and must work collaboratively with government so that real growth in social capital is achieved — in this case focused on heritage conservation.

7.4 Funds generated by heritage places for themselves

Many heritage places open to the public make a charge for admission and seek to generate funds from the sale of merchandise to visitors. This is a common feature of the management of heritage places in other countries and is very well established in England, for example, where English Heritage and the National Trust both earn millions of pounds annually from admissions to their properties. In addition to admission fees, a well-run shop may add to the visitor experience of a heritage place by the sale of publications and appropriate merchandise, and can generate profits for the operator. Similarly, a well-run café or restaurant may add to the attraction of a heritage place, possibly increasing visitor numbers and generating profits. Some heritage places seek to increase revenue by hosting functions such as weddings, musical events or theatrical performances. The income generated at Rippon Lea includes payments by a catering contractor, who operates a business that uses some parts of the house and grounds for functions.

The case studies disclose a range of ways in which heritage places seek to raise revenue from the operations of the places themselves. The Royal Melbourne Zoo is in a class of its own, with an annual income (excluding a government grant of \$9.45 million) of some \$22 million. Two other properties generate revenue of more than \$1 million — Werribee Park and the Old Melbourne Gaol. Buchan Caves has an income of \$614,000.

Rippon Lea, Como Historic House and Garden and the Melbourne Maritime Museum (Polly Woodside) each generate about \$300,000 per annum. Other heritage places in the case studies for which figures were supplied generate less than \$100,000 per annum: State Coal Mine, Wonthaggi; Gulf Station, Yarra Glen, and Buda Historic Home and Garden, Castlemaine. The income that heritage places are able to generate makes an important contribution to their conservation. But the only heritage place in the case studies for which income of this kind exceeds expenditure is the Old Melbourne Gaol. This is consistent with the experience of other places. It is simply unrealistic to expect that heritage places in general will be able to be conserved on a sustainable basis by funds that they generate for themselves. Moreover, there are many heritage places for which it is inappropriate or uneconomic to charge any admission fee. Some of the places in the case studies are managed on this basis — Howqua Hill Historic Area, Castlemaine Diggings National Heritage Park and Maldon Historic Reserve. This is consistent with the English experience, where both English Heritage and the National Trust manage some places where visitors are not charged for admission. In many places there is a box for voluntary donations.

7.5 Philanthropic funding

As a society we still commonly refer to only two sectors, business and government, but a third sector has until recently escaped attention in Australia, the non-profit sector.

The following is an extract from a paper by Mark Lyons, Professor of Social Economy in the School of Management at the University of Technology, Sydney and co-director of the Australian Centre for Cooperative Research and Development. He is the author of *Third Sector — The Contribution of Non Profit and Cooperative Enterprise in Australia*.

Two-thirds of adult Australians belong to at least one association, club or society; one-quarter, more than three million, describe themselves as active members. More than two-thirds make at least one donation to such organisations during a year. These organisations constitute a **third** sector.

What third sector organisations have in common (and what distinguishes them from organisations in the other two sectors) are six features: the centrality of values; the complexity of revenue generation; their reliance on volunteers; the difficulty they have in judging their performance; their complex accountabilities and the likelihood that they will experience board/staff conflict.

Internationally, after adjusting for our smaller population, Australia's nonprofit sector is almost as large as the United States'. It is larger than the UK and as large as Canada's. Unlike those countries, where the weight of the sector is in a single field (e.g. health in the US and education in the UK), in Australia the nonprofit sector is equally strong in several fields – education, community services, health and sport and recreation.

However, rates of giving and volunteering are lower in Australia.

Internationally, the third sector has grown remarkably over the past 35 years. This growth has been helped by many factors:

- The collapse of communism
- The near collapse and subsequent modification of the welfare state

- Recognition of an environmental crisis
- Growth of an educated middle class in many previously underdeveloped countries

Many forecasters see a greatly enhanced role for the third sector (or civil society) in this new century. Nonetheless, the third sector faces many challenges — new environmental and social problems, the transformation of the old order by globalisation, the growth of consumerism, from businesses seeking new markets.

The Victorian Government publication *Giving Time — The Economic and Social Value of Volunteering in Victoria* estimates that the value of organised volunteering in Victoria is \$4.3 billion, and that this figure is \$10 billion when indirect or unorganised volunteering is included.

Many third-sector organisations report declining membership and financing difficulties. However, *Giving Time* concludes that ‘the idea that volunteering and volunteer organisations are declining ... is contradicted by the vibrancy, abundance and diversity of the nearly 50,000 volunteer based organisations in Victoria.’

What these organisations are experiencing is competition, and in some cases this is profit-based competition, for the first time. Fortunately, the philanthropic sector is also growing, but perhaps not at the same rate of growth as non-profit organisations in Australia. It is not without significance that volunteers in non-profit organisations devote over half their time to fund-raising (Table 6).

Table 6 Most frequent voluntary activities of non-profit organisations.

Activity	Percentage
Fund-raising	56
Management	45
Teaching	44
Administration	41

Source: Australian Bureau of Statistics survey 4441.0 Voluntary Work, Australia

Australia's philanthropic sector totals about \$5.4 billion a year. Of this, individual donations account for \$3 billion and businesses (including sponsorship) \$2 billion (37% of the total). Government support for non-profit organisations totals about \$8.5 billion a year. Some 71% of the Australian population 15 years and over gave to non-profit organisations in 1997.

The first Charitable Trusts in Australia were established in the late 1890s. Charitable Trusts and Foundations distribute millions of dollars each year to education, the arts, welfare, health, the environment and medical research.

Table 7 Donations to non-profit organisations in 1997.⁵³

Field of activity	Donations (\$ million) 1997	% of all donations
Arts and culture	17	0.6
Education and research	457	16.4
Health	121	4.4
Community / welfare	478	17.2
International / overseas aid & development	312	11.2
Religion	1025	36.8
Environment / animal welfare	65	2.3
Interest groups	18	0.7
Sport and recreation	246	8.9
Other (including emergency services)	41	1.5
TOTAL	2780	100

Table 8 includes only Australian private foundations whose primary purpose is to make grants, and for which we were able to obtain information. It does not include corporate foundations, charities, or foundations whose income is derived from legislated levies.

The total amount disbursed annually by these foundations is \$74.9 million.

The latest Australian Tax Office statistics confirm a 6-year rising trend in individuals claims for donations to charities and other public funds. Claims of \$632 million were made in 1998–99, an increase of 7.4% on the previous year. About 3.3 million taxpayers made claims, which is about a third of total individual taxpayers.

Previous research⁵⁴ based on 1997 data found that 66% of total individual donations were not claimed as a tax deduction and that around 5.2 million Australians made donations to charities without making a claim for a deduction in their income tax return.

It is obvious to the Committee that very little of this money found its way to cultural heritage conservation.

⁵³ The Australian Non-profit Data Project, Centre for Australian Community Organisations and Management, University of Technology, Sydney

⁵⁴ Givewell: www.givewell.com.au/not_claimed.asp

Table 8 Private foundations disbursing over \$1 million per annum in Australia.⁵⁵

Foundation	Annual disbursement (\$ million)
The Pratt Foundation	10.2
The Myer Foundation	9
The Ian Potter Foundation	7.7
Colonial Foundation	5.5
Jack Brockhoff Foundation	3.8
The William Buckland Foundation	3.4
Helen Macpherson Smith Trust	3.2
Vincent Fairfax Family Foundation	3*
Garnet Passe & Rodney Williams Memorial Foundation	2.7
The Foundation for Young Australians	2.5
The R.E. Ross Trust	> 2
CEPA Trust	> 2
AMP Foundation	1.9
Edmund and Caroline Resch Memorial Fund	1.8
Collier Charitable Fund	1.8
The Baxter Charitable Foundations	1.8
Ramaciotti Foundations	1.6
The Gandel Charitable Trust	> 1.5
John T. Reid Charitable Trusts	1.5
Thyne Reid Charitable Trusts	1.5
Greater Melbourne Foundation (previously known as the Lord Mayor's Charitable Fund)	1.5
The Triton Foundation	1.4
William Angliss Charitable Trust	1.3*
The Alfred Felton Bequest	1.3
Foundation for Rural and Regional Renewal	1

7.6 External sources of funding

7.6.1 Heritage Council Financial Assistance Program

The Financial Assistance Program is the Heritage Council's main capital works fund for private owners. It has very limited financial resources. The criteria for assessment of applications has been refined and a budget strategy developed to target particular projects. In 2001–02 the Heritage Council approved grants totalling \$352,180 and loans totalling \$174,220. A \$70,000 grant and \$100,000 interest-free loan allocated to the former Iron

⁵⁵ Philanthropy Australia

Store in Geelong was the largest financial assistance program offered for many years. This is a highly significant building that is rare in world terms.

A small proportion of the Heritage Fund is directed to the Hands on Heritage Program. This program is operated jointly by Conservation Volunteers Australia and the Heritage Council. A number of projects have been undertaken by the National Volunteer Program, Green Reserve and Green Corps. In 2001-02 eighteen heritage registered sites have benefited from the program, receiving 320 days of volunteer activity.

7.6.2 Public Heritage Program

The Public Heritage Program,⁵⁶ administered by Heritage Victoria, was established in 1999 to assist State and local government agencies to recognise, maintain and capitalise upon heritage assets as part of an economically valuable cultural resource. Grants from the Public Heritage Program must be approved by the Minister for Planning.

The program also helps local government identify, manage and promote heritage places that are in private or public ownership and to provide seed capital to initiate and launch heritage projects. Three types of funding are available under the program:

- 1 Capital works funding for the conservation, adaptation and interpretation of public heritage places.⁵⁷
- 2 Grants to local government for studies to identify and document heritage places with a view to their protection in planning schemes.
- 3 Grants on a dollar-for-dollar basis to assist local councils to engage a heritage advisor.

The program aims to:

- increase awareness of benefits of conservation (applicants are required to list the benefits of heritage conservation the project will bring)
- encourages best practice heritage asset management through conservation management plans setting policies for management
- extend the vision beyond fabric stabilisation to use and interpretation
- encouraging adaptive re-use
- broaden regional development opportunities offered by heritage places
- encourage strategic partnerships.

Levels of funding

The earlier Government Heritage Restoration program allocated \$16 million over 135 projects between 1994–95 and 1998–99. From 1998–99 to 2000–01 The Public Heritage Program distributed \$12.5 million to 175 projects. The State government allocated \$4 million to the program in 2002–03. Examples of grants that have supported places open to the public for their heritage values are given in the table below.

Table 9 Examples of public heritage program grants.

Place	Recipient	Amount
St Helliars, Abbotsford	Abbotsford Convent Coalition	\$100,000
Queen Victoria Gardens, Beechworth	Shire of Indigo	100,000
Bendigo Town Hall	City of Greater Bendigo	940,000
Bendigo Tram Sheds		12,000
Central Deborah Gold Mine		10,000

⁵⁶ The Public Heritage Program is the successor to the Government Heritage Restoration Program

⁵⁷ The funding for 2002 has been expanded to include places that have a public benefit, e.g. churches.

Cape Shanck Lightstation	Parks Victoria	45,000
Buda Homestead, Castlemaine	Castlemaine Art Gallery	5,000
Tutes Cottage, Castlemaine	Castlemaine Diggings C of M	5,000
Chewton Town Hall	Shire of Mt Alexander	15,000
Old Police Lock-up, Chiltern		30,000
Kow Plains Homestead, Cowayre	Mildura Rural City	88,850
Former Fire Station, Daylesford	Shire of Hepburn	55,000
Eaglehawk Court House		32,850
Former Railway Shed, Echuca	Shire of Campaspe	344,000
Eldorado Dredge	Parks Victoria	12,000
Bendigo Pottery		20,000
Kyneton Museum	Shire of Macedon Ranges	50,000
Lal Lal Blast Furnace	Parks Victoria	40,000
Rio Vista Homestead, Mildura	Shire of Mildura	40,000
Airlie Bank Homestead, Morwell		18,000
Nowa Nowa Timber Trestle Bridge	Parks Victoria	62,000
Royal Melbourne Zoo Carousel	Zoo Board	200,000
Point Cook Homestead	Parks Victoria	20,000

The Public Heritage Program provides capital works funding for public heritage places. While funding has enabled conservation, adaptation and interpretation of culturally significant places for the benefit of communities and has sought to enhance the ongoing economic potential of places, the focus of funding has been conservation problems. \$940,000 was provided for the restoration and repair of the Bendigo Town Hall. A use or mix of uses for the building is still being sought.

7.6.3 Parks Victoria Community Conservation Grants Program

A range of grants are available to community groups for developing projects that will enhance natural, cultural or heritage values, or build community awareness and participation in parks and reserves. This covers all public land, whether or not is managed by Parks Victoria. In 2002–03 a total of \$1.1 million was allocated to 262 projects throughout the State.

Recommendations on funding priorities and the direction of the Grants Program are made by the Parks Victoria Grants Program Advisory Council to the Minister for Environment and Conservation. The aims of the Grants Program are to:

- protect and enhance the natural, cultural and heritage values of Victoria's parks;
- further develop and support the creation of a parks network that includes parks, trails, rivers, creeks and coastlines;
- provide diverse recreational, educational, cultural and tourism opportunities across Victoria;
- facilitate the involvement of the wider multicultural community in the protection and enhancement of Victoria's parks.

7.6.4 Other government programs

Linking the Past – Preserving Victoria’s Railway Heritage

This is a state-wide program operated and funded by VicTrack (see Section 4.1.2). It aims to restore and conserve rail buildings that are considered to have historic cultural, social and economic significance. In the run-up to the 150th Anniversary of Victorian Rail Operation (12 September 2004), almost \$4 million will be spent on this ongoing program. This financial commitment will be overseen by the Heritage Advisory Panel, which will also be seeking alternative funding sources such as Heritage Victoria and private sponsorship. Applications from heritage or community groups for funding to restore buildings and bridges will also be considered.

A key benefit of this program is the potential to employ local skilled people and ensure the preservation of artisan skills by training young people in the community.

Crown Lands Reserves Improvement Program

The Victorian Department of Sustainability and Environment offers some direct assistance in the form of grants from the Crown Lands Reserves Improvement Program, which is administered by Land Victoria (within DSE). Some \$8 million was provided from 1999–00 to 2002–03. The program provides for funding up to 50% of total project costs to selected reserves for works that will add value to the reserves and increase their benefit to local, regional and statewide communities.

While this program does not target heritage places, heritage places may clearly benefit; for example, by arresting the deterioration of a building, providing interpretation or preparing management strategies.

Arts funding

Arts Victoria has a number of funding programs, and at least two of them appear to have the capacity to provide support to heritage places, particularly where they are being used as a museum or for other arts activities.

Regional Arts Infrastructure Fund

The Regional Arts Infrastructure Fund provides financial support to assist and encourage the development of networks of arts organisations and arts facilities throughout regional Victoria. Funding is available for local government, local communities and regionally based arts organisations for projects that enhance the capacity of the State’s regional arts infrastructure to deliver a high-quality arts experience for people living outside Melbourne. These projects range from the construction of major new venues and facilities at regional centres to small projects that will improve a local or community arts resource.

There are a number of categories to this fund and the ones which appear to be relevant to heritage places include:

- *Regional Galleries and Museums* This category provides funding to owners and operators of public galleries and museums in Regional Victoria to undertake upgrades and improvements to their buildings. The fund’s aim is to support the State’s network of exhibition spaces in its key public galleries and museums.
- *Regional Community Arts Facilities* Funding is available to Local Government bodies and community based not-for-profit organisations for small building projects aimed at enhancing facilities for community based practice of the arts. Grants under this program will generally range from \$10,000 to \$50,000. Unless special circumstances apply, a grant will not normally exceed 50% of the total project cost.

Regional Community Arts Resources

Grants in this category are offered to support an investment in resources for local arts organisations (building fit-outs, equipment, tools, etc) that will enhance and encourage local arts and cultural activities such as festivals, local drama, music, art or writing groups, local museums and historical or heritage groups. Grants in this category are fixed amounts of \$2500, \$5000 or \$10,000.

Cultural Infrastructure Program

The Cultural Infrastructure Program provides financial support to assist and encourage development of arts organisations and arts facilities in metropolitan Victoria. Funding is available for local government, local communities and metropolitan-based arts organisations, for projects that will enhance the capacity of the State's metropolitan arts infrastructure to deliver a high-quality arts experience. The projects can range across all artforms and add value to the quality and diversity of arts facilities throughout metropolitan Victoria. The program also supports works that relate to occupational health and safety and risk management issues.

The program also has a number of categories for which heritage interpretation and management could fit:

- *Minor Capital Works* This category is for the development of high-quality cultural venues and the creation of secure and efficient accommodation for arts organisations. Funding is generally directed towards organisations that are making a significant alteration to their public programs. A wide variety of arts projects will be considered for funding.
- *Collection Management & Specialist Capital Equipment* Funding priority is given to projects that will enhance or improve the organisation through the purchase of specialised capital equipment. This category is also designed to support projects for small to medium sized museums.

Marketing and Audience Development

The Marketing and Audience Development program assists arts organisations to develop audiences through broadly based strategic support for research, audience development and marketing initiatives, and training and skills development. The program has an industry-wide, cross-art form focus, and its key objectives include:

- improving accessibility of the arts to all Victorians, particularly those in regional or rural areas
- enhancing the viability of the arts sector (particularly small to medium size organisations) and broadening the audience base by supporting the sector's marketing, promotional and audience development efforts.

To achieve its objectives the program focuses on four key areas:

- cooperative marketing and audience development
- research
- seminars and training
- on-line marketing initiatives.

As with the other programs, there are categories into which heritage management and interpretation would fit.

Cooperative Marketing and Audience Development Support Initiative

The Cooperative Marketing and Audience Development Support Initiative aims to broaden arts audiences across Victoria by facilitating cooperative activity by arts organisations, local councils and key stakeholders. Funding is available for organisations wishing to develop cooperative pilot projects in Victoria. Organisations wishing to

develop cooperative pilot projects are invited to submit proposals seeking support for either of the following:

- *Planning* Research, feasibility study or development plan phase of a cooperative venture.
- *Implementation* The implementation phase of a cooperative venture.

Applications will be considered from arts organisations, arts councils and arts umbrella groups and local government, but must be made by an auspicial organisation or lead agency on behalf of the partnership. Priority is given to applicants based in regional or outer suburban Victoria, or applicants developing projects to meet the above aims.

Community Support Fund

The Community Support Fund re-invests gaming machine revenue into the Victorian community. Projects and programs funded through the Community Support Fund are assessed to ensure they create social benefits for the Victorian community. The Fund is administered by the Department of Premier and Cabinet, and more than \$487 million has been allocated since inception, including \$170 million in 2000-01.

In 2000–01, \$3.5 million was awarded to the Abbotsford Convent Coalition to facilitate development of the historic, State-registered St Hellier’s Convent as a public-use facility. The Community Support Fund contributed \$2 million of the \$4 million allocated to the Public Heritage Program for 2002–03.

Mechanics’ Institutes Community Partnerships Program

One-off grants totalling \$85,000 were provided in 1999–2000 to 11 mechanics’ institutes to assist with the preservation and conservation of collections, and for developing infrastructure to make the collections more accessible to the community through partnerships with public libraries.

Commonwealth Heritage Program

This program is administered by Environment Australia and is open to private owners, legally incorporated not-for-profit organisations and local government authorities. The program supports the conservation of places of cultural significance — historic and Indigenous heritage. Only historic or Indigenous places on the Register of the National Estate, its interim list, or a State heritage list that provides long-term Statutory protection, are eligible for funding. Projects that aim to identify Indigenous heritage places for appropriate listing or conservation planning may also be supported. Funding will predominantly be for on-ground works. Approved Victorian projects for 2000–01 are shown in Table 10.

Table 10 Commonwealth heritage program grants in Victoria, 2001.

Place	Grant
Warrock Homestead, Casterton	\$100,000
Royal Society of Victoria Building — structural preservation and rectification of damage	92,000
Eldorado Dredge — Public access and Interpretation	45,000
Ballarat Mechanics' Institute — conservation	189,000
The Heights — restoration	85,000
Luna Park Carousel Organ — restoration	91,340
Central Deborah Mine, Bendigo	105,000
Gumnuts Cottage — restoration	15,400
Old Macaroni Factory	36,650
Total	758,990

Grants in Aid to the National Trusts

This program allocates funds to the Australian Council of National Trusts and the State and Territory Trusts. The grants are to support activities that increase public awareness, understanding and appreciation of Australia's cultural heritage and enhance and promote its conservation, and assist the Trusts to advocate and work for the preservation and enhancement of the National Estate.

Local government heritage funds

As well as establishing local heritage advisory committees, a number of municipal authorities have established funding programs to assist private owners of heritage places. The first local heritage committee was established by the former Town and Country Planning Board at Maldon in 1977. At that time the State government administered a central revolving fund from which loans and grants were provided for conservation works in Maldon. Since then a number of other local councils have established heritage advisory committees and rotating heritage funds, although not all committees have been established for the purpose of making recommendations for loan funding. Some councils simply believe that it is important to involve the community and have the benefit of community input on important heritage issues.

Table 11 Local government areas known to have heritage advisory committees.

LGA	Role of committee
Ballarat	The committee is an advisory committee to Council.
East Gippsland	The committee may be inactive.
Glenelg	The committee is an advisory committee to Council.
Greater Bendigo	The committee is an advisory committee to Council. It has a broad role in commenting on heritage issues. The committee works to a strategic heritage plan. Recommendations for loan funding are only a minor role.
Greater Geelong	The committee is called 'Heritage Geelong'. It has a broad role in commenting on heritage issues.
Hepburn	The committee is an advisory committee to Council. It is believed to have a broad role in commenting on heritage issues.
Indigo	The committee is now an advisory committee to Council. It has a broad role in commenting on heritage issues.
Manningham	The committee is an advisory committee to Council. It has a broad role in commenting on heritage issues and also makes recommendations for small grants from Council's own fund.
Melbourne	The Melbourne Heritage Restoration Fund Committee is made up of nominees from State and local government and the National Trust. Its primary role is to endorse recommendations for loan funding.
Mount Alexander	The Maldon Committee makes recommendations for loan funding to Heritage Victoria. A shire-wide committee has also been formed as an advisory committee to the Mount Alexander Shire. The committee has a broad role in commenting on heritage issues and also deals with natural heritage.
Moyne	The committee's terms of reference relate almost solely to the provision of loan funding.
Queenscliff	The committee is an advisory committee to Council. It has a broad role in commenting on heritage issues as well as the provision of loans.
Warrnambool	A Committee has been established.

Melbourne Heritage Restoration Fund

The Melbourne Heritage Restoration Fund (MHRF) was established in 1988 through a partnership of the City of Melbourne and the State government. Both parties contributed a

total of \$600,000 to the initial fund, and a further \$100,000 was contributed from the Commonwealth's Bicentenary Fund. The fund was further supplemented by \$1.85 million as a result of a property settlement between the State government and the City of Melbourne.

The fund is managed by a committee of management consisting of senior representatives of the City of Melbourne, State government (Department of Infrastructure and the Heritage Council) and the National Trust. It is established as an incorporated association under the legislative provisions for such associations and is required to report annually to the ACC. The committee of management is supported by an advisory committee whose membership is drawn from officers of the same organisations. It directly employs a heritage architect and an administrative officer on part-time contracts. From time to time these resources have been supplemented by other consultant and contract staff.

The initial charter of MHRF was to provide low-interest loans for the restoration of heritage places throughout the former City of Melbourne. Over time this charter has been modified to enable some grants to be paid from the fund, and to enable the provision of supplementary funds. The charter was also modified to enable assistance to be directed to heritage places in other inner and middle ring municipalities of Melbourne.⁵⁸

The fund has provided substantial assistance to restoration projects such as Royal Terrace in Fitzroy and numerous smaller residential and commercial projects. Perhaps its most significant success has been the 'Front up in Style' project, under which commercial property owners have been provided with a mixture of grant and low-interest loan assistance to undertake verandah restoration. This has had a dramatic impact on some shopping strips in the CBD, and more recently the inner and middle ring municipalities have been encouraged to utilise the fund for similar projects.

At the end of the 2001-02 financial year the MHRF had total assets of \$3.3M. The committee of management has been keen to preserve the capacity of the fund to provide assistance well into the future and has resisted pressure to disperse the funds as substantial grants.

Land tax and rate remission

Land tax exemption and rate remission are allowed for under Section 144 of the *Heritage Act 1995*. Both land tax exemption and rate remission require the approval of the Victorian Minister for Planning, and land tax remission additionally requires the authority of the Treasurer. Rate remission also requires consultation with the relevant rating authority (usually the local council). Exemptions and remissions are granted on the basis that an equivalent amount is spent on conservation work.

Tax-deductible donations

The National Trust's appeal program can provide assistance to some property owners to achieve the conservation and restoration of their heritage places by establishing a National Trust 'External Appeal'. Monies donated by third parties towards the restoration of the heritage place or object are tax deductible.

The key components of the scheme are:

- The funds for the restoration are in the form of donations by third parties.
- The place or object must be classified by the Trust.
- The funds are used only for the repair, recreation, restoration, maintenance or protective works to buildings and objects.
- The restoration of the place will not result in a financial benefit to a commercial owner.

⁵⁸ Heritage places in the Cities of Bayside, Stonnington and Moonee Valley were among the recipients in 2002.

- If the place is on government land, it must be listed on the Register of the National Estate.
- The Trust receives donations and issues tax-deductible receipts.
- If required by the Trust, owners may have to enter into a covenant with the Trust to ensure the conservation of the items which are the subject of the appeal

Commonwealth Register of Cultural Organisations

The Register was established in 1991 and allows qualifying cultural bodies to offer donors the incentive of a tax deduction. The Register provisions are contained in the *Income Tax Assessment Act 1997*. Activities that are covered relating to heritage places are the promotion or preservation of movable cultural heritage, i.e. items of cultural heritage significance *excluding* buildings. Restoration work on a building can be allowed tax deductibility in this scheme only if the building is used for the promotion of one or more of the eligible cultural activities. The Federal Minister for the Arts and the Treasurer approve new appointments to the register.

The National Trust is a listed recipient of tax-deductible donations under Section 30-228 of the *Income Tax Assessment Act*.

7.7 Conclusions

- Balancing the factors required to achieve sustainable management is not easy. The response to the circumstances that apply to each heritage place must be flexible and imaginative. In shaping such a response, consideration should be given not only to the particular needs and opportunities of each place but also to more general factors that apply to most if not all heritage places in Victoria.
- It is unlikely that a heritage place open to the public will generate sufficient revenue from admission fees, retail sales and other activities to provide for ongoing conservation, let alone a maintenance backlog.
- The support of volunteers or friends groups may provide material and even irreplaceable assistance for a heritage place, but will not achieve sustainable conservation without outside support.
- The supply of volunteers cannot be taken for granted and may not continue without appropriate management. An influx of younger volunteers is needed as a matter of urgency.
- The successful involvement of local government authorities in heritage place management may be a natural expression of community support.
- A heritage place that is supported by a local government authority may be more likely to be sustainably managed than one where community support is limited to a volunteer group, however well intentioned.
- Off-site or ancillary economic benefits of heritage tourism should be factored into any calculation of sustainability.
- Private philanthropy may be one expression of community support.
- It will be important to develop mechanisms to attract private philanthropy to assist in making places more sustainable.

- There is a backlog of essential maintenance required for the conservation of most heritage places.
- Without a significant increase in public expenditure to ensure that heritage places are sustainably managed, the conservation of Victoria's cultural heritage will not be achieved, despite all that is being done by the people and authorities, public and private, now managing heritage places.
- There is a bewildering complexity of government funding sources that heritage places may be eligible for. For government expenditure to be effective it should be coordinated and appropriately targeted to complement the funding available from other sources.
- If an appropriate amount of step-up funding were provided to catch up with maintenance arrears, to provide for restructuring of the heritage portfolio and for innovative management models to be established, sustainable management of heritage places should be able to be achieved by a continuing level of government funding comparable with existing levels.
- To achieve sustainable management of heritage places, partnerships are needed between government agencies, local government authorities, local communities, groups of Friends and other volunteers, community organizations and other bodies and persons managing such places to bring to bear the resources which can be mustered by these different sectors in a coordinated approach to their conservation.

8

Case study analysis

8.1 Introduction

So far in this report, a number of models of heritage management in many different organisations have been investigated. This has generated data that is diverse and daunting in quantity. A means of drawing the data together and of making comparisons between examples that vary in scale, type of organisation and type of heritage place was sought. To this end a case study of 17 heritage places was undertaken (Table 12).

Table 12 List of case studies.

Place	Source
Royal Melbourne Zoo, Melbourne	Database
Werribee Park, Werribee	Parks Victoria / Database
Woodlands Homestead and Historic Park, Greenvale	Parks Victoria / Database
Andersons Mill, Smeaton	Parks Victoria
Coolart, Somers	Parks Victoria / Database
Buchan Caves, Buchan	Parks Victoria / Database
State Coal Mine, Wonthaggi	Parks Victoria / Database
Hoqwua Hills Historic Area, Howqua River Valley	Parks Victoria
Castlemaine Diggings, Castlemaine and Maldon	Parks Victoria
Como Historic House and Garden, South Yarra	Database
Gulf Station, Yarra Glen	Database
Labassa, Caulfield North	Database
Old Melbourne Gaol, Melbourne	Database
Duke and Orr's Dry Dock / Polly Woodside, Melbourne	Database
Rippon Lea Estate, Rippon Lea	Database
Buda Historic Home and Garden, Castlemaine	Database
Former Royal Mint, Melbourne	Database

8.2 Case study method

From the database prepared for this investigation (see Appendix 1) and reported in Chapter 3, twelve places were selected for further analysis. From Parks Victoria's Historic Places Inventory (see Appendix 2) a further five places were selected. These places were chosen to give a representative sample of different types of heritage place and to give a range over different scales and models of management. Selection was also influenced by the availability of data and the cooperation of the organisation concerned, as preparation of the case study data was time-consuming and detailed.

Standard headings were established so that comparisons could be made. These covered basic information such as name, location and type of place, conservation, Friends groups, visitation, business model and finance. They concluded with a brief tabulated analysis of the individual operation.

8.3 Case study summary

A summary table of visitor numbers and revenue for the properties is given in Table 13. The following condensed property summaries have been extracted from the full case studies, which are provided in detail in Appendix 5.

Royal Melbourne Zoo

The Melbourne Zoo is of the world's great zoos, and one of the oldest. Although secondary to the zoo's core business of science and education, heritage is important and is conserved and interpreted. The place maintains its original use, while updating to current standards. The Zoo has some financial problems, for which it has approached the government for assistance.

Werribee Park

This is a diverse operation encompassing hotel, grounds and farm, polo venue and winery, with a high level of professional conservation and interpretation. Despite the public perception of a highly successful operation, and even though the cash flow is large, it still is not profitable. Parks Victoria's aim is to make it 'cost neutral'.

Woodlands Homestead and Historic Park

Woodlands' potential has not been fully realised. There is a range of cultural heritage assets that could be better utilised, and a more imaginative and creative approach could be adopted. This requires expertise and a professional approach and is beyond the scope of the excellent and dedicated volunteers. Future opportunities at Woodlands may be constrained by the leasing limitations of the *National Parks Act* (see section 4.3.7). A recent expression of interest process failed to attract a suitable lessee.

Andersons Mill

The potential of Andersons Mill has not been fully realised. Again, more visitors, diverse and interesting events and further interpretation could be explored but improvement might not be easy.

Table 13 Summary of visitor numbers and revenue for case studies.

Heritage Place	Last available visitor numbers (2000–01, or 2001–02)	Revenue from admissions and commercial activity
Royal Melbourne Zoo	673,000 (excluding Friends visits)	\$21.95m (excluding a government grant of \$9.45m)
Werribee Park Mansion	80,000 at gate (excluding hotel guests and non-paying park visitors)	\$1,226,000 (including rent, events, entrance fees and filming)
Woodlands Homestead	5,000 (park visitors = 77,000)	No revenue collected
Andersons Mill	7,000 (including 4,000 at annual festival)	No revenue collected
Coolart	18,000	\$83,803 (comprising donations, entry fees and shop revenue)
Buchan Caves	60,000	\$614,611 (comprising camping fees, cave tours, sales at the shop, and roofed accommodation)
State Coal Mine, Wonthaggi	19,000	\$77,730 (entrance and mine tour fees)
Howqua Hills Historic Area	54,000 day visitors (plus 26,000 camper nights)	No revenue collected
Castlemaine Diggings National Heritage Park and Maldon Historic Reserve	Annual visitation estimated to be 150,000	No revenue collected
Como Historic House and Garden	30,000	\$300,000 (including admissions, café and retail)
Gulf Station	8,500	In excess of \$70,000
Labassa	2,400	Less than \$50,000
Old Melbourne Gaol	140,000	\$1.15 million (net of commission) from entrance fees, events, retail
Polly Woodside	33,000	\$70,000
Rippon Lea Estate	50,000	\$50,000
Buda Historic Home and Garden	7,000 (excluding function patrons)	Approx. \$20,000 (admissions, gift shop, plant nursery, functions, fundraising events and, donations)

Coolart

Coolart homestead is well conserved and a useful cultural heritage resource, but more could be made of the historic buildings. The main focus is nature conservation, although the historic environment is very rich and appealing. The house makes a contribution but does not cover the overall costs of the place, and it is under-utilised. A recent expression of interest process failed to find a viable and compatible commercial use.

Buchan Caves

Another Parks Victoria responsibility, Buchan Caves is relatively close to breaking even, and it could be postulated that, once maintenance and conservation works are up to date, it could be profitable. Visitor numbers are high, despite the remote location, and the enterprise offers a commercial focus for the local area. The limestone karst geology and caves offer a different, adventurous and exciting experience, and requires careful management.

State Coal Mine

The State Coal Mine is well maintained and managed and offers an engaging industrial heritage experience. Visitor numbers are comparable to Coolart but only approximately one-third of those at Buchan Caves, despite the relatively easy access from Melbourne. Better marketing and integration with the Shire and local community may assist in raising visitor numbers. Like other places managed by Parks Victoria, it requires ongoing funding to operate. Some reasonably costly conservation work is required.

Howqua Hills Historic Area

This area provides a gateway focus for the Alpine National Park, but its potential in this regard is not being fully realised. Visitation is relatively high and consists of day visitors and campers who use the historic park precinct. Its potential could be better realised by improved interpretation and visitor facilities. No visitor revenue for the reserve is collected.

Castlemaine Diggings National Heritage Park and Maldon Historic Reserve

A complex of gold-mining relics and sites, this series of linked heritage places is attracting much support. Visitation is high and will get higher, and interpretation and community participation are increasing. This reserve is an example of a successful partnership with the local community, and demonstrates the need to be able to measure the indirect benefits of such a project.

Como Historic House and Garden

This is the flagship property of the National Trust. Despite being close to the heart of Melbourne, visitation at Como has dropped to about half that of Buchan Caves, in East Gippsland. Real costs of operating Como are considerably greater than revenue, and cross-subsidisation within the National Trust occurs.

Gulf Station

Operated by the National Trust, Gulf Station is an excellent example of a pioneer farm. It has a fine suite of heritage assets and has great potential for these to be further interpreted and appreciated. Situated in the popular wine region of the Yarra Valley, Gulf Station could be utilised more fully as a tourist destination. It offers an authentic Australian

experience to local and international visitors alike. The National Trust has identified Gulf Station as their property with the greatest potential for improved performance.

Labassa

A National Trust mansion illustrating fine interiors and decorative detail, Labassa is a conundrum. Visitor and membership numbers are very small, despite its suburban location, and it has no clearly defined use or potential. Conservation work is detailed and expensive and the property is a burden on the National Trust.

Old Melbourne Gaol

The Old Melbourne Gaol is the National Trust's most successful property. It is a large bluestone cell block dating from the 1850s, and because of its sturdy construction the maintenance demands are not as high as many other properties. There is a wide-ranging program of interpretation, including night performances. The close association with Ned Kelly is a large part of the appeal to Australian visitors. The National Trust indicates that the financial surplus is about 20%, which makes this property one of the financial success stories in the State. The Old Melbourne Gaol owes much of its success to being an excellent, well-marketed heritage asset with great stories attached, located in the heart of Melbourne and attracting a high number of overseas visitors. There is no Friends group associated with this property.

Duke and Orr's Dry Dock Precinct / Polly Woodside, Melbourne Maritime

Museum

A dock and shedding maritime complex with a berth for the iron barque Polly Woodside make up this heritage place. The National Trust operates this complex with the support of a very active supporters group. Visitation has fallen in recent years, possibly due to the conservation works disrupting access. Again, this property is not financially viable in its own right but is heavily subsidised by the National Trust. It does offer an engrossing and unusual heritage experience related to maritime heritage and sailing ships.

Rippon Lea Estate

A suburban estate and mansion of proportions very rare in Australia, Rippon Lea offers a glimpse of living on the grand scale. Were it not for the income derived from an exclusive long-term catering lease allowing functions based in the ballroom, Rippon Lea would run at a substantial loss. Maintenance and conservation are large expenses, and Rippon Lea is subsidised by the broader operations of its owners, the National Trust.

Buda Historic Home and Garden Inc.

Buda, a regional house museum and garden, has a loyal group of supporters. Visitation is relatively low but increases with Festival events. It is owned by the Castlemaine Art Gallery, which puts it in a slightly different portfolio to many other house museums, and is leased and run by Buda Inc., which struggles with the responsibility and the costs.

Former Royal Mint

The establishment of Mint Inc. has been an outstanding success and has provided funds for an extensive restoration and fitting out of important buildings. It is so successful that Mint Inc. can subsidise a second Melbourne property, Horticultural Hall. This example demonstrates the power of the Crown Land Reserves committee of management system, where a commercial use is available and appropriate.

8.4 Conclusions

From an examination of the Case Study data in Appendix 5 and the summary provided above, the following conclusions emerge:

Financial

- On examining the budgetary situation of the heritage properties studied, it became evident that fewer than a quarter are financially viable in their own right. This can be coped with in government-managed places by the allocation of additional funds. The National Trust attempts to cope with the non-viability of particular places by cross-subsidisation and support from membership subscriptions and other fundraising. The burden is onerous for relatively independent heritage places not backed by a large organisation. Whatever the support system, it is evident that heritage places, as now presented, are generally not self-funding.
- The case studies reveal the depth and variety of direct and indirect grants programs accessed by heritage place managers in both the public and private sectors.
- There is considerable evidence from the case studies and other places listed in the database that the provision for ongoing maintenance costs is below what is required to conserve the heritage places.
- The case studies support the view that the presentation of heritage places is not sustainable without a complementary commercial operation unless other substantial funding is provided to support it.
- The economic benefits to the community from heritage places should be factored into the analysis of the viability of heritage places.
- The stand-out performers are those that have been innovative, finding financially viable and appropriate uses and providing an interesting and exciting experience for visitors. Sound financial planning and careful and supportive use of volunteers is also a key to good performance.

Heritage as a secondary concern

- Places whose primary concern is not heritage but include heritage assets have an opportunity to successfully incorporate heritage in their business if they manage their heritage assets appropriately. The Zoo is a fine example of managing heritage while getting on with being an excellent modern facility. The place was purpose-built and retains its original use. However, changes in zoo practice have been accommodated while still retaining and celebrating heritage.

Supporters and volunteers

- Supporters and volunteers are a key resource in the management of heritage places. They require technical and organisational support, and with these can be a powerful force in heritage conservation. If volunteers are not supported, the responsibility becomes burdensome and effectiveness is diminished. Volunteers and supporters bring additional skills and knowledge, networks, contacts and fresh ideas. However, the current cohort of volunteers is ageing, and in general there is not an influx of younger people into volunteer groups.

- The *Crown Lands Reserves Act* committee of management model has the potential to work well if properly resourced and supported.

Innovation in presentation and interpretation

- The case studies reveal that most heritage places fail to realise their potential. There is too much of the same kind of experience; in particular, there are too many house museums offering traditional heritage place interpretation. Few places seem to have changed the way they have been presented for a long time.
- New and interesting experiences and presentation of heritage places are important.
- The success of Buchan Caves highlights the importance of offering a different experience. Combining natural and cultural heritage with an exciting underground experience, Buchan Caves overcome the disadvantage of a remote location to offer a great heritage experience.
- There are many interesting and different heritage places in Victoria. There is plenty of potential for quality heritage experiences offering variety and fine insights into our past. Not enough is made of this potential.

9

Terms of reference and findings

An analysis was carried out of the information contained in the database (Appendix 1), Parks Victoria's Historic Places Inventory (Appendix 2), the submissions made to the Committee (Appendix 3), the summary of Parks Victoria volunteer group activities (Appendix 4) and the case studies (Appendix 5). As described in Chapter 1, the Committee adopted the following approach to ordering the material:

- The framework for heritage protection in Victoria was considered in Chapter 2.
- The database was analysed in Chapter 3.
- Public sector management was considered in Chapter 4.
- Community and private sector management was considered in chapter 5.
- The experience of managers outside Victoria was considered in Chapter 6.
- The requirements for sustainable management were considered in Chapter 7.
- The case studies were analysed in Chapter 8.

From this material and analysis the Committee has made findings in relation to the terms of reference which are set out in this chapter. The recommendations of the Committee are set out in Chapter 10.

9.1 Extent

Term of reference

- 1 Examine and report on the extent of the heritage property and house museum portfolio in Victoria.

Findings

- 1.1 The full extent of the portfolio was not able to be determined, but a representative sample consisting of the major part was obtained.
- 1.2 There are hundreds of places being managed and presented in Victoria for their heritage significance.
- 1.3 Places are fairly evenly distributed between categories, except for house museums and a significant proportion that are former civic buildings (probably because so many were made redundant by council amalgamations and changes in use).
- 1.4 A database of about 460 places that fitted the adopted definition was compiled (Appendix 1). This was complemented by Parks Victoria's Historic Places Inventory (Appendix 2).

- 1.5 The State government has its own large portfolio of heritage places. The general public wants these places preserved, and also wants to be able to enjoy access to them and have them appropriately presented.
- 1.6 There is a wide diversity of heritage place assets owned and managed by the public sector. These assets include those held by VicTrack and the Docklands Authority, the Royal Melbourne Zoo, cultural landscapes and gardens, lime kilns, mining sites, and the more conventional heritage places such as historic houses and homesteads. These range from the grand to the humble and include Parliament House, Government House, the Supreme Court, grand mansions, mills, lightstations and cattlemen's huts.
- 1.7 A number of government departments, notably the Department of Sustainability and Environment (DSE; formerly part of NRE), and Parks Victoria, have responsibility for a substantial number of heritage places.
- 1.8 DSE / Crown Land Management directly and indirectly manages the majority of Victoria's public land, comprising about one-third of Victoria. The portfolio includes over 7000 known historic places on Crown land, making the Department the largest 'owner' of heritage places in Victoria.
- 1.9 Parks Victoria manages 16% of the land area of the State. It is a major manager of heritage places, having a historic places inventory of 2500 places. Appendix 2 lists 167 places selected from that inventory.
- 1.10 Local government bodies, either as committees of management under the *Crown Land Reserves Act* or as owners in their own right, are significant managers of heritage places.
- 1.11 A large number of places in the community and private sector are managed for their heritage significance. They range from small, privately owned places such as Montrose Cottage to large and well-known icons such as Sovereign Hill, Como and Rippon Lea.
- 1.12 The National Trust manages 6% of the portfolio, but many of its places have a high profile and iconic status in the community. There is a lack of diversity in the types of places presented to the public by the National Trust. There is a strong focus on the traditional house museum presentation.

9.2 Management

Term of reference

- 2 Review existing management arrangements with a view to making recommendations on future arrangements which deliver improved management and presentation of heritage places.

Findings

General

- 2.1 There is a comprehensive and effective legislative framework for heritage protection and management in Victoria at a State and local level.

- 2.2 Many organisations, both public and private, deal with heritage in Victoria. The Heritage Council is the peak body. Effective organisations, in particular Heritage Victoria and the National Trust, exist for protecting this heritage.
- 2.3 It is generally understood that heritage places need to be managed in a sustainable fashion and need to earn their keep, however that is defined.
- 2.4 The balancing of factors required to achieve sustainable management is not easy. The response to the circumstances which apply to each heritage place must be flexible and imaginative. In shaping such a response, consideration should be given not only to the particular needs and opportunities of each place but also to more general factors that apply to most if not all heritage places in Victoria, such as the growth or decline in heritage tourist numbers.
- 2.5 The sustainability of most heritage places relies heavily on identifying and executing a usage plan that can both recover the costs of operation and contribute to the ongoing costs of maintenance.
- 2.6 Many heritage places in Victoria are not sustainably managed, in that the funding needed to conserve and interpret them is not secure.
- 2.7 The factors that have made heritage management in England sustainable should be investigated.
- 2.8 There is a backlog of essential maintenance required for the conservation of many heritage places.
- 2.9 The continued use of many heritage places is essential to the conservation of their heritage values.
- 2.10 It is unlikely that a heritage place open to the public will generate sufficient revenue to provide for ongoing conservation, let alone arrears of maintenance, from its own activities such as admission fees and associated retail sales.
- 2.11 Fewer than one-quarter of the heritage properties in the case studies are financially viable in their own right. This can be coped with in government-managed places by the allocation of additional funds. The National Trust attempts to cope with the non-viability of particular places by cross-subsidisation and support from membership subscriptions and other fundraising. The burden is onerous for relatively independent heritage places not backed by a large organisation. Whatever the support system, it is evident that heritage places, as now presented, are generally not self-funding.
- 2.12 Supporters and volunteers are a key resource in the management of heritage places. They require technical and organisational support, and with these can be a powerful force in heritage conservation. If volunteers are not supported, the responsibility becomes burdensome and effectiveness is diminished. Volunteers and supporters bring additional skills and knowledge, networks, contacts and fresh ideas. However, the current cohort of volunteers is ageing and in general there is not an influx of younger volunteers.

Public sector

- 2.13 Government's first role is leadership: to set an example in the sustainable management of its own heritage places and by its dealings with the heritage

places in its property portfolio, and by adopting policies that actively discourage heritage places from falling into disuse. Government has a responsibility to adopt strategies that avoid redundancy and facilitate the reuse of heritage places.

- 2.14 The grand government buildings usually do not have financial problems. Their original and often ceremonial uses are frequently preserved, and budgets for maintenance and management are part of the general operation. In addition, heritage adds gravitas and pomp to ceremonial occasions and becomes part of the image and marketing of the place. Hence heritage is seen as worth funding. However, even the grand buildings have required the provision of special funding for major restoration works. As for the lesser places, funding at present is often insufficient to meet public expectations and in some cases even to maintain the heritage places.
- 2.15 Change of use has often caused the management of heritage places to change. Changes in social and administrative patterns have accounted for many redundancies. Change such as council amalgamations, changes in library and education systems, and the rationalisation of police stations and courthouses have left many heritage buildings redundant. Mechanics' institutes are particularly at risk. The inadequacy of old buildings in meeting current standards of accommodation brings change. Heritage buildings may need to be fitted out to current standards while still retaining their heritage values. A greater acceptance of physical change may be required to facilitate sustainable management. Remote places such as lightstations present difficulties, added costs and reduced marketing opportunities.
- 2.16 Many heritage places on public land no longer serve their original use, and in that sense are redundant and at risk of being abandoned. Government should seek to avoid this outcome, and wherever possible should keep public buildings in the continued use that is often essential to their conservation. Where adaptive re-use by government is not feasible, the options of protection by heritage listing, by covenant, or by planning protection before sale into the private sector should be explored.
- 2.17 VicTrack and the Docklands Authority manage a number of heritage places, some of which have become superfluous to their core businesses. Difficulties in funding heritage conservation within these and other public sector organisations may be offset to some extent by Heritage Victoria's Public Heritage Program, although the limited funds available need to be increased. Creative solutions for the re-use of such places should be encouraged.
- 2.18 In the main, DSE manages heritage places on Crown land by the appointment of committees of management. Although some committees of management obtain some funding from State and Federal government grants, the financial sustainability of many heritage places on Crown land is not assured.
- 2.19 Most heritage places on public land depend on external support or funding for any development other than routine maintenance, and in some cases for that as well.
- 2.20 The committee of management model for managing heritage places has in some cases been very successful. The Mint Inc. is an excellent example, although its success is to a large extent due to cross-subsidisation by the revenue from the car park in the grounds of the Mint. Many of the more successful committees of management involve local government authorities, who can draw on their

organisational and other resources to manage and maintain heritage places. But many committees of management of heritage places on Crown land are small local interest groups unable to fund restoration or improvement works, or in some cases even to undertake maintenance works.

- 2.21 Parks Victoria must manage its assets for several objectives, including leisure, tourism, education and communication, as well as heritage conservation. But it is committed to the sustainable management of heritage places, which is seen as complimentary to the more recognised role as a manager of parks for natural values and open space. However, the traditional focus on natural resource management has at times caused difficulties in achieving appropriate recognition for cultural heritage.
- 2.22 The Historic Houses Trust model has been effective in showcasing a limited number of heritage places in NSW.
- 2.23 There is a need for major works funding for large, significant historic complexes in the Parks Victoria portfolio, both to conserve them and make them more financially viable. Options for creative re-use should be fully explored.
- 2.24 Parks Victoria seeks to work with other organisations to facilitate a coordinated approach to the conservation and presentation of heritage places.
- 2.25 There is a need to facilitate compatible commercial uses for heritage buildings protected under the *National Parks Act* and to review statutory provisions that may inhibit the successful and innovative management and presentation of heritage places on Crown land.
- 2.26 Several trusts or boards established by legislation demonstrate excellence in heritage place management. Puffing Billy Railway is an example of an independent organisation that effectively manages heritage and integrates it with tourism. It relies on community support and sectional interest input from 670 active volunteers as well as 50 staff. The Melbourne Zoo is a world-class organisation that celebrates and capitalises on its heritage, and uses it as part of its marketing strategy.
- 2.27 Local Government authorities carry much of the burden for the management and interpretation of heritage places. They are among the most successful committees of management of heritage places on Crown Reserves where the property is used for an active purpose, and the authorities' resources can be applied to conservation, with the support of the local community. A number of councils are actively trading on their heritage portfolio, and are managing places so that their heritage significance will continue to be presented to the public. Although some places managed by local government authorities are well resourced and managed, others seem to require more resources than are available. Some authorities struggle to support a proliferation of heritage places and are challenged in setting priorities for support by communities that are anxious to save everything that may have a museum, tourism or public use value. Section 86 of the *Local Government Act* enables local committees of management to be established. These are a useful model for management.
- 2.28 Some redundant buildings have become homes to local historical societies or Friends groups. This seems at first glance to be a good use. However, a sense of exclusivity and alienation from the community at large has been reported in some

cases, and this use rarely generates enough resources to care for maintenance or upgrading.

- 2.29 Many heritage places in public ownership would not have attained their present level of conservation and presentation to the public without the support of volunteers and local communities. But small community organisations will not usually be able to achieve sustainable conservation of heritage places under their care without substantial financial assistance.
- 2.30 Partnerships and other cooperative arrangements between government organisations at various levels and other bodies may assist in the more effective use of resources in achieving sustainable management of heritage places. The English experience demonstrates the value of cooperative arrangements between different owners and managers of heritage places; and of coordination of heritage place management. Similar coordination should be encouraged in Victoria.
- 2.31 Despite the commonly held belief that preservation and conservation require public ownership and management, there are many examples to suggest that heritage places owned and managed privately may be better conserved than those in public ownership, and that government acquisition of heritage places may not be appropriate.

Community and private sector

- 2.32 Hundreds of places in the community and private sector are managed for their heritage significance. They range from small places to large and well-known heritage icons such as Sovereign Hill, Como and Rippon Lea. Heritage may be their core business (e.g. privately run house museums) or may be a useful addition (e.g. bed and breakfast accommodation). Many tourism and other business activities use heritage as a marketing tool and capitalise on the heritage nature of their place.
- 2.33 Educational institutions require heritage to add gravitas, history and a sense of being well-established to their image. Universities, in particular, seek to found their reputation on their built heritage as well as their academic record, and institutions make a conscious attempt to establish a heritage image. This may be enhanced by the location of institutions in old areas of town, giving a 'town and gown' connection that is also highly marketable.
- 2.34 The National Trust is working hard to present its properties at a uniformly high standard, so that the visitor can expect to find quality refreshments, tasteful retail items and clean bathroom facilities as well as an enriching heritage environment.
- 2.35 The National Trust has lost a number of active property and special issue committees. It has tended to move away from the committee of management structure that other agencies, such as Trust For Nature, have found so effective. Such committees are particularly useful in regional areas remote from the head office.
- 2.36 There is a conundrum regarding commercial activities and heritage places, in that commercial activities help make a place financially viable but may detract from its heritage value by increasing wear and tear or by changing the visitor experience. The National Trust has adopted a policy under which heritage conservation takes primacy over commercial activities. The Trust acknowledges that commercial activities can be carefully selected and tailored to be in the long-

term interests of the properties being conserved. Imagination and good design are required to provide creative solutions.

- 2.37 Endowment of properties increases the potential for properties to be self-funding. The WR Johnston bequest is a good example.
- 2.38 An additional burden for many heritage places is the maintenance backlog that may have built up over the years, or that might have existed when the property was acquired. Despite some rationalisation, the National Trust still has a large maintenance backlog. Times are harder for organisations such as the National Trust because there is more competition for the philanthropic dollar and a slower economy generally. Friends groups and volunteers make contributions in kind, but pool of volunteers shrinks as the labour market shifts due to social change.

9.3 Market

Term of reference

- 3 Examine the market for heritage and house museums and provide recommendations on the economics of such ventures.

Findings

- 3.1 While the stock of heritage places is increasing, there has been no overall view or policy in Victoria to determine what the State's cultural heritage assets are and how to market them.
- 3.2 Although the statistics available from the government's *Victorian Tourism Plan 2002–2006*, and the English experience, suggest that a considerable economic benefit is derived by the State from cultural tourism, the extent of the demand for visits to heritage places has not been established and cannot be assumed. There is a lack of targeted marketing of heritage places.
- 3.3 Market surveys should be carried out to enable soundly based judgments on potential visitor numbers, visitor patterns, visitor profiles, visitor satisfaction to be made.
- 3.4 The experience of managing heritage places in England, the United States and any other relevant places should be thoroughly investigated. The reasons for the very large growth in the numbers of visitors to heritage places in England in recent decades should be examined.
- 3.5 Sustainability should be measured not just in terms of revenue generated by a heritage place but also in terms of off-site economic benefits to the wider community generated by visitors to heritage places. The English experience suggests that the off-site benefits are very large. The Victorian figures should be carefully examined to form a reliable estimate of the scale of off-site benefits.
- 3.6 The experience of operators of heritage places suggests that the market is limited, and that few, if any, heritage places meet the costs of sustainable management from visitor-generated income. The case studies confirm this.

- 3.7 The level of public interest in traditional house museum presentation is decreasing. This is in contrast to the increased level of general interest in the conservation of our heritage throughout the community.
- 3.8 The case studies support the view that the heritage places open to the public are, in general, not financially viable in themselves. Although many management models are based on the premise that the heritage place should be sustainable in its own right from admission charges and related visitor-based revenue, current experience suggests that many members of the visiting public see the historic fabric of the place as a backdrop or setting for complementary commercial activities. Even with such commercial operations, sustainable conservation of the heritage places may not be achieved.
- 3.9 In general, private operators struggle to make museums financially viable. The large iconic operations such as Sovereign Hill do better by being creative and adventurous, and by clever marketing. They also appeal to a wider audience, including educational groups and international tourists. At the same time, despite its scale and highly professional management, Sovereign Hill still relies on government and philanthropic support.
- 3.10 The National Trust, with all its expertise and years of practice, has only one substantial property that makes an operating surplus on all measures: the Old Melbourne Gaol.
- 3.11 The stand-out performers among the case studies are those that have been innovative, finding financially viable and appropriate uses and who have provided an interesting and exciting experience for visitors. Sound financial planning and careful and supportive use of volunteers is also a key to good performance.
- 3.12 Regional properties have less potential to generate funds than easily accessible metropolitan and city properties. New initiatives of Tourism Victoria may offer some options for marketing places that coincide with their campaigns. Gulf Station, for example, may fall into this category.
- 3.13 Managers of places whose primary concern is not heritage, but who own heritage assets, have an opportunity to successfully incorporate heritage in their business if they manage their heritage assets appropriately. The Melbourne Zoo is a fine example of managing heritage while getting on with being an excellent modern facility. The place was purpose-built and retains its original use. However, changes in zoo practice have been accommodated while still retaining and celebrating heritage.
- 3.14 The case studies reveal that most heritage places fail to realise their potential. There is too much of the same kind of experience, and in particular there are too many house museums offering traditional heritage place interpretation. Few places seem to have changed the way they have been presented for a long time.
- 3.15 New and interesting experiences and presentation of heritage places are important.
- 3.16 The success of Buchan Caves highlights the importance of offering a different experience. Combining natural and cultural heritage with an exciting underground experience, Buchan Caves overcomes the disadvantage of a remote location to offer a rewarding heritage experience.

- 3.17 There are many interesting and different heritage places in Victoria. There is plenty of potential for quality heritage experiences offering variety, and fine insights into our past. Not enough is made of this potential.
- 3.20 Conservation in England is less affected by a divide between natural and cultural heritage than is the case in Victoria. The English National Trust has derived much of its membership growth from the fact that it operates on both sides of the divide. There is a need in Victoria for greater understanding of the relationship between conservation of our cultural heritage together with our natural heritage leading to the sustainable management of both.

9.4 Future options

Term of reference

- 4 Examine the need for any additional or alternative arrangements to advise government on the viability of the portfolio and options for monitoring heritage property acquisition and disposal.

Findings

- 4.1 The government needs to have, at all times, a good understanding of the current position as to the sustainable management of heritage places in Victoria, and the number, condition and range of places being presented as heritage places; but there are no mechanisms in place to meet such needs.
- 4.2 There is no effective coordination between the managers of heritage places in Victoria to achieve appropriate presentation of the full range of historic themes which are significant to Victoria's heritage.
- 4.3 There is no overall plan for the allocation of Government funding for the sustainable management and presentation of heritage places in Victoria.
- 4.4 Without a significant increase in public expenditure to ensure that heritage places are sustainably managed, the conservation of Victoria's cultural heritage will not be achieved despite all that is being done by the people and authorities, public and private, now managing heritage places.
- 4.5 There is a bewildering complexity government funding sources for heritage. The case studies reveal the depth and variety of direct and indirect grants programs accessed by heritage place managers in both the public and private sectors. For government expenditure to be effective it should be co-ordinated and appropriately targeted to complement the funding available from other sources.
- 4.6 If an appropriate amount of 'step up' funding were provided, to catch up with maintenance arrears, to provide for re-structuring of the heritage portfolio and for innovative management models to be established, sustainable management of heritage places should be able to be achieved by a continuing level of government funding at a moderately increased level, provided that funding then kept in step with cost increases and was not permitted to lag behind.

- 4.7 Government assistance for the conservation of heritage places in private or community ownership may be best directed towards assisting the existing owners rather than by acquisition into public ownership.
- 4.8 The support of volunteers or 'friends' groups may provide material and even irreplaceable assistance for a heritage place, but will not achieve sustainable conservation without outside support.
- 4.9 The supply of volunteers cannot be taken for granted and may not continue without appropriate management. An influx of younger volunteers is needed as a matter of urgency.
- 4.10 Steps should be taken as a matter of urgency to ensure that the support by volunteers for heritage places is put on a sustainable basis, with the involvement of local communities to the widest possible extent.
- 4.11 The successful involvement of local government authorities in heritage place management may be a natural expression of community support.
- 4.12 A heritage place which is supported by a local government authority may be more likely to be sustainably managed than one where community support is limited to a volunteer group however well intentioned.
- 4.13 Private philanthropy may be one expression of community support. It will be important to develop mechanisms to attract private philanthropy to assist in making places more sustainable.
- 4.14 In New Zealand and in England lottery funds for heritage have made a substantial contribution to heritage conservation and presentation to the public. Consideration should be given to making lottery funds available for heritage places on a similar basis in Victoria.
- 4.15 The development of cultural tourism in England suggests that there is room for more development in Victoria. An understanding of the similarities and differences between the English experience and the Victorian should be sought.
- 4.16 Offsite or ancillary economic benefits of heritage tourism should be factored into any calculation of sustainability. There is much to learn from the work which has been done in England about the contribution which heritage places make to the economy, including that derived from cultural tourism; and about the gathering of statistical information concerning visitors to heritage places.
- 4.17 The factors which have made heritage management in England sustainable should be investigated.
- 4.18 The English experience demonstrates the value of co-operative arrangements between different owners and managers of heritage places; and of co-ordination of heritage place management. Similar co-operation should be encouraged in Victoria.
- 4.19 The business structure of the English National Trust which combines structural support using standard operating format and procedures, together with centralised specialist technical advice and support, with a degree of decentralisation in control to regions and individual properties, should be applied more extensively in the management of heritage places in Victoria.

- 4.20 The NSW Historic Houses Trust has used the substantial government funding available to it to engage in highly imaginative presentation of the small portfolio of heritage places under its control. The HHT has been highly selective in what it will take on and this policy has paid off. It demonstrates leadership and innovation in the collection, conservation and presentation of heritage places; and has achieved a standard of excellence which managers of heritage places should seek to emulate. The HHT has reinforced its dominance of the field by activities such as its heritage publishing and the running of seminars and lecture series.
- 4.21 The HHT is within the portfolio of the Minister for Arts, rather than planning or environment ministries. This reinforces the perception that its heritage places are significant cultural assets and that heritage is a part of culture.
- 4.22 The HHT model in NSW has certain attractions, but that model has been examined in isolation from wider heritage place management issues in NSW. The overall benefits and disadvantages of the HHT to heritage place management and resourcing in NSW should be more fully explored.
- 4.23 There is an excellent opportunity provided by the demand by educational institutions for heritage places. The creative adaptation and re-use of heritage places can assist in funding and managing heritage across the state and the new partnerships could increase this. In many instances the institution has purchased the heritage building, e.g. Deakin University's conversion of the Woolstores in Geelong. However, there are opportunities for leases and other financial arrangements.
- 4.24 A rational approach to property viability would indicate that some properties in both public and private ownership should be sold. The National Trust has recognised the need for rationalisation of its property portfolio, including the sale of some places. This is a balancing act for an organisation such as the National Trust — it has been recognised from the outset that properties are a great rallying point for members, and the wishes of donors and the work of volunteers must be respected. A careful information campaign is needed prior to any changes of ownership. The sale of a few places would release much-needed funds for the conservation of other places.
- 4.25 Government should support community education programs which explain what steps are being taken to achieve sustainable management of Victoria's heritage places.
- 4.26 To achieve sustainable management of heritage places, a series of partnerships between government agencies, local government authorities, local communities, Friends groups and other volunteers, community organisations and other groups and people managing such places is needed, to bring to bear the resources that can be mustered by these different sectors in a coordinated approach to heritage conservation.

10

The way forward

Unless the state of affairs revealed by the report is addressed, the Government may not achieve its objective of managing Victoria's cultural heritage in a way that is sustainable but also maximises benefits for the whole community. Sustainable management requires a good understanding of what is to be managed so that resources may be appropriately marshalled and applied using a coordinated approach. Government needs to be well informed about the extent and condition of the heritage places in Victoria, and what is required to conserve them.

The Committee gathered a great deal of information about heritage places, but was not able to give a complete account of the quantity and condition of heritage places in Victoria. The full extent of the portfolio was not able to be determined, but a representative sample consisting of the major part was obtained. Although there was material before the Committee to show that there was a backlog of essential maintenance of heritage places, with estimates that millions of dollars were required to fund this maintenance, the Committee did not attempt to assess the overall condition of heritage places in general, nor the particular needs of any place. For the government to be fully informed, more work needs to be done. If the government is to be able to monitor the degree to which sustainable management of heritage places is being achieved, the work of the Committee should be continued and extended. This is the Committee's first recommendation. There is at present no body or organisation that is appropriately resourced to carry out this work.

The Committee suggests that an effective way to ensure that the government is provided with the appropriate information and advice would be to establish a committee of the Heritage Council to advise the government on the development of an overall plan for achieving sustainable management of heritage places in Victoria. The proposed committee should be chartered to:

- Continue the work of this review in monitoring the extent, conservation and performance of publicly presented heritage places.
- Advise the State government on the current position from time to time as to the conservation and presentation of heritage places.
- Develop a strategic direction for presentation and resourcing of publicly accessible heritage places.
- Advise on proposals for government acquisition of heritage places.
- Advise the State government on strategies to avoid redundancy and to facilitate re-use of heritage places.
- Establish a coordinated management environment for heritage places presented to the public.
- Investigate the experience of managing heritage places in England, the USA and elsewhere, and in particular the factors that have made heritage management in England sustainable.
- Develop criteria for measuring the extent to which sustainable management of heritage places is being achieved.

- Review progress in achieving sustainable management of heritage places.
- Develop community awareness and education programs on the steps being taken to achieve sustainable management of Victoria's heritage places, and run awards programs to encourage sustainable management and innovative presentation of heritage places.

The committee should consist of persons appointed from nominees of departments, local government authorities, community organisations and owners of heritage places. It could be called the Heritage Places Advisory Committee. This report recommends that a Heritage Places Advisory Committee be established and provided with the resources required to carry out its functions.

The findings of the Committee have implications for all managers of heritage places, in particular government agencies such as DSE and Parks Victoria, and the National Trust. There may need to be some rationalisation of the portfolio, involving priority-setting within the public sector and moving some assets to the private sector, with appropriate protection such as covenanting. Heritage conservation does not depend on public ownership, and may even be impeded by it. All stakeholders agree that a coordinated and cooperative approach is required to address problems that apply to heritage places generally. There is a need for some body to carry out this function. This report recommends that this function be performed by the Heritage Places Advisory Committee.

Key findings of the Committee relate to the funding required for sustainable management of heritage places. The heritage places portfolio is a valuable asset for Victoria that benefits the economy of the State. Extra funding is needed at this critical time so as not to lose the resource before it is appropriately used and appreciated. In relation to government funding, there is no overall plan for the allocation of funding for the conservation and presentation of heritage places. Further, the Committee has found that there is a need for a substantial increase in the level of public investment in Victoria's heritage places. The immediate need is for step-up funding to catch up with maintenance arrears, to provide for restructuring of the heritage portfolio, and to enable innovative management models to be established. If such funding were provided, sustainable management of heritage places should thereafter be able to be achieved by continuing funding at a moderately increased level.

Community support for heritage places is reflected in the efforts of volunteers, without whose gifts of time and energy many heritage places would not survive, and in the funds that the managers of heritage places are able to raise from their operations. The Committee has found that support is needed for the contribution by volunteers and local communities, and that most heritage places open to the public are not financially viable in themselves.

The Committee has sought to address these findings through a number of recommendations. For the development of a plan for allocating an appropriate level of funding to provide for sustainable management of heritage places, it is recommended that the charter of the Heritage Places Advisory Committee include the following:

- Advise the State government on the provision of financial and technical assistance to owners of heritage places that are presented to the public, including possible new sources of funding such as lottery funds for heritage.
- Develop programs designed to strengthen the contribution by volunteers and local communities to the sustainable management of heritage places by providing structural, organisational and possibly financial support.

In addition to Government funding, the Committee considers that more financial support for heritage places could be obtained from private philanthropy, and recommends the establishment of a community-based Heritage Places Foundation to increase the level

of private philanthropy for heritage places. The Foundation should be under the auspices of a non-government body; the National Trust may be a suitable organisation.

The Foundation should have the capacity to receive tax-deductible donations and to distribute funds for the conservation and presentation of heritage places. The Foundation should be established with a Board of Trustees appointed by the Minister from nominees put forward by relevant stakeholders.

Under the second term of reference, the Committee has made many findings about the existing management arrangements for heritage places open to the public. It considers that, in addition to the matter of funding, the sustainable management of heritage places would be assisted by the development of management models for heritage places and best practice benchmarks for management and presentation to the public for use by local government authorities, committees of management, and private operators.

The Committee recommends that the Heritage Places Advisory Committee be chartered to:

- Develop management models for heritage places, and best-practice benchmarks for the sustainable management and presentation of heritage places.
- Produce guidelines for heritage place conservation, management and presentation, for use by local government authorities, committees of management and private operators.

Innovative presentation and interpretation of heritage places open to the public should be encouraged. Creative and imaginative ideas are needed to provide useful conservation solutions. Good design can make a major contribution to the effective management and interpretation of heritage places.

The Committee recommends the establishment of a government-funded Heritage Places Fund, as a complement to the Public Heritage Fund or an extension of it. This public funding initiative would stand alongside the private funding proposal of a Heritage Places Foundation. An initial substantial allocation and subsequent annual allocations would enable the Heritage Council to provide funding for the innovative presentation and interpretation of important places managed and presented by government and local government authorities. The Heritage Places Advisory Committee could make recommendations to the Heritage Council on allocations from the Heritage Places Fund.

Managers need to be well informed about the market for heritage places. The Committee's findings under the third term of reference have led to the recommendations as to a market survey and analysis. The Heritage Places Advisory Committee should therefore also be chartered to:

- Coordinate market analyses of the demand for heritage places, visitor needs and economic and social benefits of visits to such places.

The success of the New South Wales Historic Houses Trust has led the Committee to recommend that consideration should be given to funding an agency to operate key heritage places on behalf of the government, to the standard of the Historic Houses Trust. The Heritage Places Advisory Committee should be charged with investigating this matter and advising the government on it.

There is a growing recognition of the importance of cultural heritage. It is clear that not all values held by the community can be expressed in monetary terms, and that other values such as aesthetic, historical, scientific, social and symbolic values all play a part in our appreciation of our natural and cultural environment.

Victoria has a rich and diverse record of our culture in its heritage places. There is

a wonderful opportunity to fully explore this record and to use it as part of our present and future, as well as preserving our past.

Glossary

- Australia ICOMOS** The Australian National Committee of the International Council on Monuments and Sites
- Burra Charter** The Australian ICOMOS Charter for Places of Cultural Significance, adopted at Burra, South Australia on 19 August 1979 and subsequently revised. References are to the 1999 Revision.
- conservation** All the processes of looking after a place so as to retain its cultural heritage significance (cf. Burra Charter Article 1; *Heritage Act* S3)
- cultural heritage significance** aesthetic, archaeological, architectural, cultural, historical, scientific or social significance (*Heritage Act* S3)
- DSE** Department of Sustainability and Environment
- Heritage Act** *Heritage Act* 1995 as amended 1 April 2001
- Heritage Council** The Heritage Council established under Part 2 of the *Heritage Act*
- heritage place** includes a building, a garden, a tree, the remains of a ship or part of a ship, an archaeological site,, a precinct, and land associated with any of the foregoing (*Heritage Act* S3)
- Heritage Register** The Victorian Heritage Register established under Part 3 of the *Heritage Act*
- interpretation** all the ways of presenting the cultural heritage significance of a place (cf Burra Charter Article 1)
- NRE** Department of Natural Resources and Environment
- National Trust** National Trust of Australia (Victoria)

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Appendices