



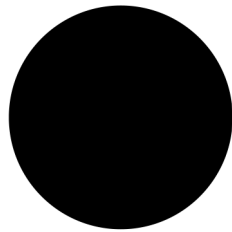
ACT
Government

**CITY
RENEWAL
AUTHORITY**

Buildings of Significance

Community Engagement Summary

17 December 2019



Summary

The City Renewal Authority has undertaken a rapid community engagement process with targeted stakeholders about the potential for Buildings of Significance legislation that would include the Sydney and Melbourne Buildings.

A letter was sent to all property owners within the City Renewal Precinct (more than 500) inviting feedback through a survey, one-on-one sessions, and a two-part workshop.

The Authority also directly contacted a number of key stakeholders in the Sydney and Melbourne Buildings, as well as peak bodies like the ACT branches of the Property Council, Real Estate Institute of ACT and the Strata Community Association.

We sought stakeholder input into two key parts of the proposed legislation:

- i. The criteria that could be used for declaring a significant building; and
- ii. The process for creating, and the potential contents of, a revitalisation plan.

The engagement also aimed to measure sentiment and get general feedback from targeted stakeholders about the proposed legislation.

Five one-on-one meetings were held, 23 surveys were completed and 12 stakeholders took part in either or both of two workshop sessions (including the five participants from the one-on-one meetings).

Overall, there was a consensus that private and government action was needed to revitalise the Sydney and Melbourne Buildings. Government needed to play a role in co-ordinating and potentially providing financial assistance.

There was significant strong opposition to the idea of legislating “Buildings of Significance”.

There was, however, a level of support for the creation of Revitalisation Plans. This included an acceptance that this may need to be a legislated action that would impose some costs on owners.

There was a consistent view that some form of government co-contribution would be required given:

- i. The public importance of these buildings
- ii. The use of the colonnade as public areas/thoroughfares, especially around the bus interchange
- iii. The financial investment in their upkeep that had already been made by some owners
- iv. The financial restrictions or burdens of their heritage restrictions and/or requirements; and
- v. The potentially significant costs involved in revitalising them.

Significant Building Criteria

Overall, participants opposed the creation of a "new type of building" because:

- heritage buildings have already been identified as "significant"
- there was no precedent
- it would create a high level of uncertainty
- it adds an additional layer of legislation or new "label" would negatively impact a valuation on their properties
- it would create a two-tier level of "heritage buildings"
- the Heritage Act should have the power to achieve what we are looking for
- it would drive investment away from "significant" buildings

When pushed to select from a list of criteria, workshop participants' strong preference was for a significant building to already be a heritage-listed building. They were reluctant to expand on that criteria.

This was consistent with the survey results, where Heritage Value (78%), History (59%) and Cultural Value (41%) were the most frequently selected criteria. These were also the highest ranked when asked which criteria were most important: Heritage Value (71%), History (38%) and Cultural Value (33%). A number of survey respondents and workshop participants pointed out that they consider History and Cultural Value as components of Heritage Value.

Age (36%), Location (36%) and Prominence (36%) were also selected as things that could be considerations but each of these ranked very lowly when asked which criteria were the most important (10%, 19% and 10%).

Revitalisation Plans

Workshop participants, consisting mostly of property owners, were supportive of the creation of revitalisation plans that would address the issues with the lack of "common" property.

They were strongly supportive of the need for a uniform approach to:

- Facades (paint/render)
- The colonnade floor (tiles)
- Lighting

A consistent approach to shopfronts was also supported but over a much longer timeframe, to allow this to happen as tenants were changed or shop fitouts were undertaken.

Major concerns with reaching a uniform approach included:

- The significant investment already made by some owners (recently painted/tiled etc) that could potentially need to be redone to gain consistency
- Different condition of each building would make it difficult to get consistency
- The status and clarity of the Conservation Management Plan
 - A number have recently undertaken work they thought was consistent but have found the plan unclear, resulting in a number of freshly painted sections in slightly different colours.

- The availability of specified materials
 - Tiles and lighting have been difficult to procure, resulting in variations between leases.

There was strong support for building owners and community members to help create Revitalisation Plans. A preferred approach was to have a panel or advisory committee that would work with the Authority and would have some powers to set and require the actions and timeframes in the plan.

Government's ability to procure single contracts for the whole buildings was seen as a benefit, especially in selection and procurement of materials such as tiles and light fittings. Involving the panel/committee in this procurement process offset a distrust of government's ability to secure the best price.

Building owners recognised the plans would place obligations upon them but they also wanted the plans to include obligations, commitments, and actions of government, such as:

- Repair/uplift to laneways
- Cleaning services
- Solution to problems caused by bus interchange (particularly East Row)

Participants also strongly believed that government should financially assist with the delivery of a revitalisation plan. Suggestions included:

- Consideration of heritage restrictions/requirements in valuation of land for rates purposes.
- Heritage grants
- Low/zero interest loans
- Government responsibility for colonnade area (given its high public use)

Other suggestions/issues

Many of the workshop participants were both financially and emotionally invested in the buildings and were keen to see their revitalisation.

Throughout what was a passionate discussion over two sessions, several non-legislation topics and ideas were raised, including:

- A general distrust of government's willingness/ability to follow through on promises but a strong interest in ongoing collaboration.
- A combination of "stick" and "carrot" was needed.
One workshop participant (a building owner) proposed a solution would be that the government buy all the buildings back at market value (with continued rental arrangements for tenants). This proposal was reasonable well supported by other building owners who were present – although not raised again during the workshops.
- Ability to increase the heights, therefore providing an incentive to undertake revitalisation works.

Workshop summary

The below is the detailed outcomes of workshop discussions with participants.

Outcomes

Session 1 – discuss legislation and share concerns or support. Participants were encouraged to consider the purpose and intent of the legislation and its ability to achieve that and the legislation merits, practicalities and viability.

Stakeholders were very concerned about how the legislation would affect them. The overwhelming feedback was that stakeholders could not support the legislation as currently proposed without significant changes.

Session 2 - included a series of focused discussions. Participants were asked to contribute constructive ideas about what could help make the legislation work and overcome the concerns they had identified.

The detail below was compiled by the independent facilitator (from democracyCo) and taken directly from recorded contributions by stakeholder during session 2.

What summary advice do you have for government on the next steps?

- New legislation is scary, tweaks to existing legislation is less scary
- Impossible to support as currently proposed
- We understand the problem and want to help but this wont work
- Give us an opportunity to contribute to the development of the legislation
- Give us more time and more details so we can better understand it
- If it comes with benefits to us, it would be easier to accept
- We need a show of good faith – do the waste enclosures
- What models work elsewhere – show us where this approach works
- What other options can be explored to solve the problem? (some of our ideas?)

How can we engage you on this going forward?

- 1:1 meetings work
- Workshops like this work
- PCA offered to establish a sub-committee of Sydney/Melbourne owners to provide advice going forward
- Do it earlier next time – late notice is not fair
- Use existing networks
- We don't like survey, though understand why they need to be done (to get those who won't talk)
- Contact details – frustrated that government can't access details about people due to privacy rules – maybe doorknocking might help you get to the right people.
- Idea:
 - Could government put some money into a fund upfront to assist with work, and then they create a special levy to get the money paid back

over time. This would help us to be able to get the work done quickly and seamlessly, but wouldn't require an immediate financial lump sum to be provided by businesses

I would more likely be able to live with this legislation if:

- Improvements and work was coordinated (by government or with some involvement by government) including:
 - lights, paint, tiles and moulds for columns
 - government could coordinate this but..
 - needs to be an opt-in for property owners
 - we are not confident that government can be the partner we need – as they haven't shown us they can do this. Need to find a way to more productively bind us together
- Government fixed up alleyways
- Government followed through with commitments and were more efficient and effective
- If we tweaked the Heritage Act instead of creating a new piece of legislation
 - This could enable us to undertake revitalisation planning
- We were encouraged, not told
 - With a strong focus on a partnership and collaborative approach
 - Incentives – tax offset, grants, rate relief etc
 - Break it down to easier components – we design together and then there is support for us to do some work, and then we adjust together etc
- If the legislation is proven to be a best practice approach
- If we don't legislate until we have an updated CMP – this minimises uncertainty for us
- Rates and land taxes were adjusted – genuine concessions that enable us to free up money to spend on repairs and maintenance
- Transparency
 - Want to see and have a say on the budget and how it is spent
 - Clarity about the exact impact on me
 - Property owners had a role in procurement
- Government buy Sydney and Melbourne buildings at market price!
- It was achievable... is uniformity achievable anyway?
- Government maintained colonnade and 2m (or an agreed figure) of wall space across all buildings –
- I knew that my strata was doing their bit
- Government was also contributing to the beautification, maintenance and aesthetic
- The bus interchange was moved – it creates pollution and black smoke and is ugly
- There was a true combined effort
 - A partnership with all parts of government
 - This is the critical element – and is a hard thing to achieve it seems

- This should be the role of the CRA – a one stop shop

What issues do we need to talk about and resolve? What ideas do you have?

- Urgent work needs to be undertaken
 - Back alleyways need to be cleaned and repairs and improvements made
 - Bin enclosures finalised and operational
 - Address the damage tree roots have made to footings and colonnade in West Row
 - Inconsistent and unclear paint colours / tile types – need to stipulate this in the CMP
 - Need to find a solution to the terracotta tiles – where to source them
- Will I be compensated if this negatively affects me?
- How do we bring the laggard owners along and get them to do their bit?
- Can we use controlled activity orders to require works?
- What precedents exist in other jurisdictions? Where is this type of significant building approach undertaken in Australia? Overseas? Where did this idea come from?
- Why can't we use Heritage Act to do this – and tweak it to require / enforce
- Incentive ideas
 - Tax offsets
 - Grants
 - Interest free loans
 - Incentives for owning a heritage building
 - We could really benefit from a heritage declaration – if its done well
 - Heritage restricted valuation – an offset for being a custodian
- Government needs to recognise public benefit of private buildings – as well as us getting private benefit from them
- Follow through with what you have promised – and then we can talk!
- Why should we pay for public spaces?

Revitalisation Plans

Who should be involved in contributing to a Revitalisation Plan?

A panel from each building (or one single panel for both) comprising of members:

- Owners
- Stakeholders
- Community
- Government

The panels job would be to develop the plan and then ensure its implementation (hold people to account). All owners would contribute to the plan development (through a survey / some other process). Panel would need to have recognised powers or authority to enable them to refer non-compliance to CRA for action. Consider including the authority and role of the panel into the legislation.

Proposed to require 80% endorsement of owners for the plan to be finalised.

What should happen is an owner does not agree with a Revitalisation Plan

Very strong proposal that we need BOTH carrot and stick approaches.

“The stick”

- Do the work and charge them
- Lose ability to access incentives.

“The Carrot”

- Interest free loans
- Transition time to complete work
- Rate relief while work being completed.

What support would you expect from government to develop and implement a Revitalisation Plan?

- Staffing for secretariat support to the panel/s
- Partnership – follow through, transparent, co-investment, honesty
- Legislation that binds us both and binds us together

What will the impacts of revitalisation be on your business?

Positives	Negatives
<ul style="list-style-type: none">• Increase in rent• Increase in tenancies• Tenants more profitable• More active and attractive area• Long term increase in value	<ul style="list-style-type: none">• Financial cost – unknown• Business interruption• Periods of uncertainty – if work delayed or prolonged• Scaffolding• Tiling• Short term decrease in value

What needs to be considered when agreeing on the time required to carry out actions in a revitalisation plan

- Don't let things drag on
- How people will coordinate and sync together to do it – there is no system to do this
- Extent of the scope of works – what else needs to be done, order of works
- Seasons – time of the year
- What's government's commitment
- How quickly government can do its part
- Condition report – what's already been done (reward for work)
- Maintenance painting program – Mark Mansfield can provide more info about how this works
- Costs and ability of business to pay when its needed – work is often constrained by the person who is least able to pay

Revitalisation Planning

Participants were asked to work in two groups and consider how to develop a revitalisation plan for the Sydney and Melbourne Buildings and some things they may include.

Sydney Building

Owners would be willing to...

- Undertake spot cleaning and maintenance
 - Cleaning
 - Painting
- Co-fund major refurbishment where required

What makes this difficult / what are the barriers?

- Cost
- Uncertainty about and reduction to investment
- Coordination, the difficulty of coordinating what needs to occur and the different interests and needs of owners and stakeholders
- Multiple ownership – are there community title options as a solution here?
- Availability of materials
- Disconnect between daytime and night-time economies
- Lighting in colonnade – need a consistent lighting plan

What could help me overcome these barriers?

- Financial contributions by Government or through a levy
- Incentives / concessions
- Government completing what they start
- Coordination

What should government do?

- Co-funding (tax concessions, rate relief during upgrades which is time limited, direct funding, low interest loans)
- Coordinate works – government taking leadership
- Materials supplier – procurement of column moulds, roof tiles etc
- Waste enclosure implementation – deliver it!
- Resurface Verity Lane
- Signage – enforce what already exists and develop a signage plan
- Regular cleaning of public realm – graffiti removal, early am cleaning up after the night before (urine / vomit)
- Relocate Sydney Bus Interchange
- Support consistency in outdoor dining
- Restrict laneway vehicle access
- Boom gates

Why should government undertake these roles?

- Consistency
- Leadership
- Nations capital = gateway to the city
- Moral obligation to protect history
- Timely outcome of project deliveries
- Better able to coordinate

Melbourne Building

Owners would be willing to...

- External painting / render of the building in accordance with defined colours
- Repair colonnade – of government contribute
- Replace terracotta roof tiles if government contribute towards elevated roof maintenance costs for the heritage requirement for roof appearance

What makes this difficult / what are the barriers?

- Ever escalating land tax / rates – squeezing ability of owners to fund proper maintenance of buildings
- Tree root damage from government owned trees – cost of cracking, repairs and painting
- Dead zones during part of the night and day from different commercial activity and opening hours

What could help me overcome these barriers?

- Rebates on rates / land tax / CCMIL or Government contributions to provide capacity for owners to adequately maintain buildings

What should government do?

- Pay for daily cleaning of colonnade walkways as they are a public thoroughfare
- Rebate component of land tax / rates – to enable owners to look after their heritage buildings
- Pay for root damage rectification to footings and colonnade tiles (West Row)
- Install chemical tree root barriers and put trees in pots

Why should government undertake these roles?

- Public walkways maintenance are government responsibility
- Building walkways are a public asset