



Value is not inherent, value is maintained.

Housing Supply Regulation Interim Report submission

Endangered Heritage Pty Ltd

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Endangered Heritage submits that the Commission's consideration of heritage regulation would benefit from a broader economic framework.

The principal issue is not whether heritage regulation imposes costs, it does. The issue is whether those costs are being assessed against the full economic value of the asset protected, and whether costs attributed to heritage regulation are in fact being generated by under investment in the infrastructure required to administer it.

We identify five areas requiring consideration.

1. Heritage value is being attributed to other sectors

Heritage is simultaneously a regulated asset and an input into tourism, hospitality, retail, regional development, education and the creative economy.

Its regulatory costs remain visible within planning and development. Much of its economic return is recorded elsewhere. This creates an attribution problem. The Commission should test whether its assessment captures the economic activity generated by heritage assets before treating forgone development value as their principal opportunity cost.

This is particularly material in regional Australia, where heritage may form part of the economic proposition of the town or destination rather than simply occupying develop-able land.

2. Compliance cost and infrastructure failure are being conflated

Heritage compliance operates through registers, inventories, databases, statutory processes, professional assessment and specialist expertise.

Government has imposed and retained these requirements without equivalent investment in the infrastructure necessary to make them efficient.

Outdated inventories, fragmented registers, incompatible digital systems, incomplete digitisation, inadequate early identification and shortages of specialist practitioners shift costs downstream into individual development applications. Those costs subsequently appear as heritage compliance costs. The Commission should separate the cost inherent in protecting the heritage asset from the cost generated by inadequate investment in administering that protection.

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Without that separation, reducing regulation risks recording an apparent productivity improvement which is actually the consequence of abandoning an under-resourced system.

3. The heritage labour input is materially undercounted

ACNC data for Culture charities recorded **52,506 volunteers against 16,926 paid employees** in 2022.¹ Many not covered by any labour protection financial security, award or visibility. This is an unusual infrastructure model. A substantial labour input required to maintain cultural assets does not appear as employment expenditure. At the same time, economic activity generated by those assets appears predominantly within other sectors.

Heritage can consequently appear both economically marginal because its return is attributed elsewhere and inexpensive to maintain because much of its labour is unpriced.

The gender composition is relevant to that distortion. ABS cultural participation data show substantially greater participation by women than men, while volunteering remains a significant component of cultural activity.² The impact of decisions are born disproportionately in minority groups and women. This warrants closer examination before conclusions are drawn about the productivity of the existing heritage system.

4. Human capability is depreciating infrastructure

Australia protects heritage assets without systematically measuring the condition of the workforce required to maintain them. There is no comprehensive national dataset identifying practitioner numbers, geographic distribution, traditional trades, specialist suppliers, workforce age, succession risk or endangered skills. This creates an unrecorded infrastructure liability. Loss of specialist capability increases conservation costs, dependence upon scarce practitioners or imported expertise, and the potential for development delay. Those consequences can again appear as costs created by heritage regulation when they are partly consequences of declining capability.

Failure to collect this data creates a further distortion: it effectively assumes that the capability required to maintain the heritage asset is future-proofed, despite declining volunteerism and known succession risks in specialist skills and trades.

The Commission should consider heritage workforce capability as infrastructure, including mechanisms for preserving endangered skills and transmitting specialist knowledge.

Rare trades and specialist professional skills are necessary to achieve compliance. Underinvestment in those capabilities transfers increasing costs to owners of heritage stock while making compliance progressively less efficient. Removing compliance may reduce that cost, but at the price of losing the heritage asset itself.

Investment in skills is therefore not separate from regulatory efficiency; it is one of its prerequisites.

5. The policy architecture does not reflect the economic architecture

Heritage decisions are principally situated within planning, environment and cultural portfolios. The economic activity associated with heritage is distributed across tourism, regional development, hospitality, construction, education and other sectors. The workforce maintaining the asset is itself fragmented across professions, small businesses, institutions, not-for-profits and volunteers and is substantially female. The people maintaining the asset and the sectors monetising it are therefore not necessarily at the table when policy affecting the asset is designed. This creates a governance problem as well as a representation problem: the administrative structure through which heritage is assessed does not correspond to the economic system through which heritage creates value.

Proposed analytical overlay

Before recommending significant changes to heritage regulation, we suggest that the Commission test its analysis against five questions:

Commission analysis	Additional variable requiring assessment
Opportunity cost of heritage protection	Opportunity cost of heritage loss
Heritage compliance cost	Cost attributable to infrastructure underinvestment
Development capacity released	Probability and timeframe of housing actually delivered
Direct heritage expenditure/employment	Tourism, regional economy and unpaid labour attributable to the heritage asset
Regulatory capability	Workforce, skills, digital infrastructure and succession capacity

Recommendation

The Commission should undertake, or recommend, a targeted assessment of the economic infrastructure supporting Australia's heritage system before determining that reduction of heritage controls represents a net productivity gain. Particularly as loss of heritage is irreplaceable, it is a one way ticket. Getting it wrong is therefore a bigger opportunity cost than other sectors as unforeseen consequences in policy cannot be reversed.

That assessment should examine:

1. heritage-tourism and regional economic attribution;
2. compliance costs attributable to inadequate digital and information infrastructure;
3. paid and unpaid heritage labour;
4. gender distribution of that labour;
5. professional and traditional-skills capacity and succession risk; and



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6. whether current governance arrangements include the sectors responsible for maintaining and economically utilising heritage assets.

There is presently insufficient integrated data to determine these matters reliably.

Endangered Heritage would welcome the opportunity to assist the Commission in developing this analysis from the perspective of heritage practice, regulatory implementation, infrastructure investment needs for efficiency, conservation risk, and cultural asset management.

1. Australian Charities and Not-for-profits Commission, *Australian Charities Report, 10th edition* (2024), Culture subtype: 16,926 employees; 52,506 volunteers.

2. Australian Bureau of Statistics, *Cultural and Creative Activities, 2021–22*.

Sincerely yours

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