



Resolving challenges to achieving adaptive use outcomes

Panel session at the Australian Engineering Heritage Conference October 2024

Four speakers from different areas of expertise provided their thoughts on how to facilitate greater adaptive reuse of our existing buildings and infrastructure, improving sustainability and retaining our valuable heritage:

Jonathon Lee - Executive Director for the Singapore-owned company GRC Australia, managing the group's acquisitions, development, construction pipeline and growth strategy in Australia.

Vic Barone - Director of KD Certifiers Wayville Pty Ltd, who leads an established industry-wide and respected team of Building Surveyors, and

Anita Allen - one of South Australia's most prominent urban planners, and head of the planning policy team at URPS.

Elizabeth Little (Liz) - a heritage architect with over 20 years of experience in the architectural heritage and conservation field.

The panel was moderated by **Dr David Cruickshanks-Boyd**, Honorary Fellow of Engineers Australia, and previous National President (2015).

Under the South Australian Planning Development and Infrastructure Act 2016, Policy 3 on Adaptive Re-use aims to facilitate the adaptive re-use of buildings, sites and places for cultural, social, economic and environmental benefits. It was gazetted on 23rd May 2019, but the Policy is very general and more about process.

So, after 5 years, how effective is the Policy? The aim of the panel session workshop was to explore the practical challenges in the implementation of the policy. And what the panellists would like to see happen to resolve these challenges in order to facilitate more effective implementation of adaptive re-use opportunities in South Australia (and Australia more generally).

Jonathan Lee reminded us that adaptive reuse is challenging for developers due to the unknowns and building restrictions. An empty office building or hospital building doesn't necessarily mean it can be converted. Location, floor to ceiling heights, car parks, lights, lift cores etc all play a part in order for developers to consider a development. This impacts on the costs and revenue, where revenue can be hindered if the building is not perceived as new or the building has history that impacts on sales.



Developers have a love-hate relationship with heritage buildings. In one sense, they are unknown, extremely expensive to maintain and come with a huge number of issues. It is very hard to make heritage buildings commercially viable if there is no underlying development to support the building.

However, if value can be extracted, they can be beautiful buildings that enhance the development such as hospitality assets or foyers for hotels.

Recommendation - In South Australia, there has been an emphasis on too much breathing space and restrictions on building on heritage buildings. Developers would like to see an allowance to explore reducing breathing space, and building on top of heritage buildings, subject to design excellence.

Vic Barone confirmed that adaptive re-use has always been a struggle for legislators and even more so for developments involving buildings of significant importance e.g Heritage Buildings

Current legislation uses wording such as *“in the opinion of the authority deemed: -*

- Unsafe
- Structurally unsound
- May require upgrades
- To extent reasonably necessary
- Conform to proper structural and health standards.”

All of which are to be measured against current day society expectations

Current legislation falls short in differentiating between buildings of significant value as compared to those that were constructed prior to current standards governing structural stability.

Whilst it is acknowledged that the intent of any legislation is to provide an acceptable level of public safety, in most instances the current legislation constraints come at a cost that can either make or break the viability of a project as noted by Jonathan Lee, and in turn limit the re-use of a building.

So, even though the current legislative pathway provides an opportunity to explore alternatives to the “prescriptive deemed to satisfy” pathway via a possible performance solution pathway – in most instances neither the consulting engineer or approving authority feels comfortable from deviating from prescriptive requirements – to do so then puts them at risk of legal exposure in the event of a failure and more importantly – the risk of being uninsured!!

Recommendation - further consideration could be given to legislation which introduces a balance between accepting an existing risk that under legislation doesn't exist where a building remains unaltered to that of a perceived risk given the fact that works are now being carried out on that building.

Recommendation - perhaps there needs to be an Importance Level established reflective of existing buildings which in turn might facilitate easier adaptive re-use policies/legislation that do not necessarily fall within the bounds of the 1/3 – 2/3 impositions currently imposed by legislation – there's a brave thought !



Liz Allen reminded us that The Burra Charter is recognised in the heritage profession as the guiding document, and the basic premise of it is '*do as much as necessary but as little as possible*'. However this potentially conflicts with innovative / more invasive interventions to facilitate adaptive reuse outcomes.

Inevitably, subjectivity is an issue. There will always be different views on:

- What is a 'good' outcome? (profitable, beautiful, preservation of heritage fabric)
- What is an acceptable level of physical intervention to heritage fabric?
- Who gets to decide? – owner, authorities, community?

There is a need to balance heritage impact with cost (profit), compliance, buildability.

Incentives to unlock heritage parts of development sites first could help.

Recommendation - review the Burra Charter in light of the practical economic challenges to provide greater flexibility.

Anita Allen explained that the policy challenge is unlocking the tension between retaining existing heritage fabric while also providing contemporary spaces that meet market demand and the expectations of future occupants. Changing community expectations mean legislators and policy writers are continuously balancing the protection of heritage with the desire to bring buildings back to life in a way that activates spaces, achieves sustainability, community safety, accessibility and responds to emerging technologies – a difficult task. This is why prescriptive policy controls rarely work. Good adaptive reuse is about providing flexibility that enables innovative ideas to solve the heritage challenge.

State Planning Policy 3: Adaptive Reuse is a relatively strategic document that seeks to remove barriers and encourage innovation and adaptive reuse of buildings and places. It states that the Planning and Design Code (the planning rules) should provide flexible, performance-based building policies, and bonuses and/or incentives that encourage the reuse of existing buildings.

Since the introduction of the Code, additional policy incentives have been included for adaptive reuse, providing flexibility around land uses that may be permitted and providing some dispensation for carparking and additional building heights. However, there is always the opportunity to do more in this space.

Clearly one of the major obstacles to adaptively reusing older buildings is the cost of bringing buildings up to modern standards, particularly in relation to fire, disability access and earthquake resistance. This is guided by the National Construction Code and Ministerial Building Standards. We recognize that people using buildings have an expectation of safety, however there should be a hierarchy of outcomes for heritage buildings that provides more flexibility around some standards such as environmental requirements and accesses, where achieving it is cost prohibitive or damages too much of the heritage fabric. Conservation Management Plans for State Heritage Buildings are also helpful in identifying the fabric of a place that has the most value providing greater confidence about what can be undertaken.

Recommendation - Whilst the Ministerial Building Standard introduced in 2019 has to some extent reduced some prescriptive requirements, the Minister's Expert Panel on planning reform suggested that changes be made to enable a 'change of use to occur' for heritage places, further expanding on incentives in the Code.

Recommendation - authorities must maintain contemporary policies for Building and Planning, noting that some of the barriers are financial, and the challenges of adapting existing buildings to



compete with new builds. There should be a hierarchy of outcomes for heritage buildings that provides more flexibility around some standards such as environmental requirements and accesses, where achieving it is cost prohibitive or damages too much of the heritage fabric.

Governments could support the costs of adaptation by providing discounts on environmental requirements, or BCA requirements, plus maintaining (or expanding) existing planning incentives (eg height and land use flexibility) could assist.

For heritage buildings, preparing conservation management plans that identify the important heritage fabric can expedite approvals processes.

Summary

Good decisions require good policy, a pragmatic authority and a willing applicant. Case management support to assist developers and their consultants through the planning and buildings rules can assist.