

National Trust of Australia (Victoria)

ANNUAL GENERAL MEETING

24th November 2007 – The Old Magistrates Court Melbourne

Chairman's Address

Dr Graeme L Blackman

It gives me great pleasure indeed to welcome you to the newly refurbished Old Magistrate's Court at Russel Street, for the 51st Annual General Meeting of the National Trust of Australia (Victoria).

We are just a few short steps from our most successful heritage attraction, Old Melbourne Gaol, scene of 138 hangings, including Ned Kelly, a grizzly record that has attracted over 145,000 to the Gaol this year in a record for the Trust.

Old Melbourne Gaol Crime and Justice Experience

This court is part of our newest attraction and educational resource, the **Old Melbourne Gaol Crime and Justice Experience**, which opened just a month ago, attracting up to 250 people per day to the old City Watch House experience next door. I hope you will have time to visit this attraction FREE as a member on a special guided experience after the AGM. This new site also attracts up to 900 students a month to a facilitated educational court experience in this court.

Our CEO Martin Purslow will speak shortly about our past year and our strategy for meeting the Trust's important heritage objectives for the future. Before that, I wish to make some comments about current issues of importance to the National Trust here in Victoria, some of which I have mentioned in my written report included in the Annual Report made available to members.

When we were formed in 1956 by enlightened, forward looking individuals who could see the loss of cultural fabric around them, the Trust had a clear vision: to quantify the importance of our built and environmental heritage and to seek to preserve and protect the best and most significant, and to work to educate the public and government on the real value of our cultural legacy.

We have our founding members to thank for the legacy we are charged with today.

When we acquired our first property, Como House, in 1959 our vision began to encompass stewardship: our long term care and maintenance of heritage property for

the benefit of the public. By the 1970s our activity had led directly to the Heritage Act and the start of statutory protection of significant sites. We also had over 70 sites under our care. Over the years statutory protection has improved but our role as independent guardian remains and still needs to be undertaken, as the current surge in development and demolition testifies. We now have fewer properties as we seek a sustainable operating level, but we acknowledge our role as custodian of some of our most important buildings and must seek to meet the ongoing responsibility for upkeep and development that this places and will continue to place upon the Trust.

The Trust is still here and membership is stable at around 18,100 individuals here in Victoria. National membership grew by 2% this year. We still have an important role and job to do as Australia's largest independent heritage organization. We should take strength from being part of the largest global heritage organization in the world: in the UK the National Trust has just welcomed its three and a half millionth member, a number that exceeds 6 per cent of the entire UK population.

Trust Update

As Chairman my primary concerns for the Trust are easy to state;

- ensuring that we deliver the Trust's core purpose as stated in our Constitution
- ensuring that appropriate governance arrangements are in place
- ensuring that we have sufficient funds and manage our funds appropriately
- disseminating information about why the Trust's work is so relevant today

I made a personal commitment on appointment as Chairman following our last AGM to deliver the changes required to Trust governance and the management of our assets and resources to enable the Trust to operate effectively in the future. To do this I need to ensure that we appoint or elect the best possible Board with a broad range of relevant skills and experience. As I have already stated, this process is very much underway and I thank my Board members for their support in the past year.

I accepted this role in the full knowledge that recent years have seen increasingly poor financial performance, a cycle that has often only been broken by significant donations and asset sales. Stripping out such one off and non operational revenues as our annual report clearly illustrates, shows our real ongoing position and it is a position which has presented challenges, and will continue to do so, as we seek to deliver solutions. It is also a position which I am aware is well known to many of you and one that has needed an answer for many years.

We clearly need to ensure appropriate fiscal management of our business, if we are to succeed. Whilst we are many things, we are most certainly a business, one which offers a range of services to the public and stakeholders that need to fulfill a demand if the Trust is to generate revenue and prosper. It cannot, as it has done, spend freely

against its reserves, significantly increase expenditure on new high profile and often inadequately planned and executed projects, whilst ignoring the need to generate revenues to offset increased project and operational expenditure. Our National Trust is not the fabled 'bottomless pit' into which, as many have commented, money has been poured over the years. We must, and will, act responsibly.

Our new CEO and his team took tough action in the second half of this financial year, supported by the Board, to begin to gain control of our financial position. This action, which included a number of redundancies and closure of departments, was not an easy course but one that was necessary to begin to arrest our decline and re-prioritise our activity, with an emphasis on sustainability. Management has also acted quickly to review and prioritise all of our outstanding and costly projects, to ensure that they contribute long overdue income to offset the increased expenditure which has added to our deficit this year. Some have been dropped following a cost benefit analysis.

Alongside gaining control of expenditure, the decision to found an endowment is possibly the most significant action that we could have taken at this time. This will create for the Trust the long term ability to provide a secure home for major bequests and assets that can be held for the future benefit of the organization. We hope that in the future many people will consider supporting this long overdue, secure fund. We expect to announce the details and governance arrangements for the fund in the near future, and once established, the Trust will work hard to build a fund of at least \$10m needed to provide sufficient annual income to secure our core conservation objectives into the future.

Trust Heritage Sites

Our situation is occasionally reported, as it was in *The Age* in January, by media commentators eager to question our long term inability to solve problems whilst simultaneously questioning our ability to manage the State's significant heritage legacy.

They fail to question the State's funding for the Trust to look after some of our most significant heritage. In the past year, apart from minor one off grants, this support amounted to just 5 cents for each Victorian or just \$236,000. Our insurance premium alone has risen, \$70k to over \$330,000 this year.

The Historic Houses Trust of New South Wales, which fulfils a similar heritage/historic house museum niche in NSW to the Trust here in Victoria, received \$17,827,000 in the same 2006-07 period.

Make no mistake, we do a good job with the resources we have and we are frankly embarrassed for Victoria by the disparity in funding between the States.

The poor core funding of heritage is shared by other heritage bodies in Australia where even the federal **Department of the Environment and Water Resources** (formerly

Department of Environment and Heritage) has lost 'Heritage' from its title in the past year altogether. In our own State, Heritage Victoria has been the victim of budget cuts which can only reduce its effectiveness, and we know from our close working relationship that the Heritage Council of Victoria operates under severely limited resources. Compare our situation to that of the UK where over \$7.5 billion has been distributed by the 'Heritage Lottery Fund' in ten years towards the restoration and regeneration of heritage and the development of associated education and interpretation projects.

The recent Lottery review conducted by the State Government, to which the Trust made submission on behalf of our heritage, will now see all \$3 billion dollars generated over 10 years applied to the health sector. Our efforts to push for the establishment of even a very small fund for heritage, out of over \$374.42 annual per capita revenue the state receives from gambling, have failed so far.

Heritage seems increasingly to be seen as an impediment to development rather than an opportunity to be embraced. One need only witness the almost daily role call of development projects now subject to ministerial call in for planning approval in what seems an increasingly development friendly system. Heritage significance must now be seen by some developers as a sure fire way of circumventing the democratic planning process. If an application fails because it is out of scale or deemed by the local community as inappropriate, as many inevitably are given that space is money, then Ministerial call-in can give a route to approval for development that is not subject to time consuming public appeal or independent consultation.

In these circumstances neither the Trust, as the peak independent heritage body, nor other concerned stakeholders, can have any legal influence or objective representation.

In many ways members can see that our conservation role is as important as ever. Given just a small increase in funding we could achieve so much more. However we are not complacent, understanding that we need to demonstrate sound fiscal management of the resources that we do possess, to concentrate on managing our costs and increasing our revenues if we are to build our credibility with members and potential stakeholders. That is what we have been doing for the past year and will continue to do, as we begin to actively prioritise and manage our responsibilities.

So where do we go from here?

We acknowledge that we are an organization that was formed to fight for not just our built heritage but for our natural heritage, parks and gardens, trees and importantly landscapes. I would remind you that as part of the Objects specified in our Constitution, we are urged to:

Promote and foster appreciation and enjoyment of, and respect for Australia's heritage, including significant natural places

and

Encourage conservation of the environment and promote a sensitive rapport between built and natural environments.

We thus need to be mindful as a Trust of the compelling issues of our age, including the environment and landscape and the impact of climate change.

At a state level our landscape, at a local level our green wedges and residue bushland, are under increasing pressure from development. The Trust needs to secure and allocate funds to campaign for the appropriate protection and stewardship of these natural assets as fervently as it did in its first 30 years for built heritage. This will undoubtedly be the defining issue of our age, and our founders foresaw the Trust's ability to play a seminal role in this task in our original Constitution. Our role as custodians of one of the largest significant landscape and tree databases in Australia is testament to what we have been doing, but we now need to play a more active campaigning role and build on our legacy.

I cannot as Chairman fail to take note of the comments on Sunday 18 November of the United Nations Secretary-General Ban Ki-moon who said, at the release of the fourth report from the UN's Intergovernmental Panel on Climate Change (IPCC) that 'climate change already under way is more frightening than any science fiction movie.' The head of the UN environment program, Achim Steiner, said the findings of the report should shock people into action.

We are seeing the effects at our properties and in the fabric of the State's heritage.

Damage to Church at Mt Eliza caused by prolonged drought

The worst drought recorded since records began in the 1880s at our Western District Property Mooramong occurred in 2006, leading to total crop failure after several years of drought. We have also seen the stress on our significant trees and avenues of honour and we note the effects of the bush fires which caused the loss of numerous heritage buildings, including heritage bridges surveyed for our recent timber bridges book. All of this climate stress is compounded by the ever present march for development of the state.

Consultancy firm KPMG has found 62,000 people moved to Melbourne last financial year, nearly twice the increase in the population of Sydney. KPMG have now forecast that if this trend continues, Melbourne will be the largest city in Australia by 2028. It is possible to house some in high density city development, as we see today, but ultimately we are still going to have major amounts of land required to provide homes, goods and services for this population growth. We will inevitably propagate the ongoing environmental degradation of our land, increase pressure on our green wedges and green spaces, lose more bushland and sensitive coastal land, and dramatically influence our wider landscape throughout the state.

We can see these influences at work with the proposed development of the desalination plant in Gippsland, the dredging of Port Phillip Bay, numerous proposals or feasibility studies underway for wind farms irrespective of landscape significance or community opinion, proposals to virtually double the size of Apollo Bay by building on the flood plain and these will be just the start as population increases.

Since European settlement in Victoria we've lost about 70% of our native vegetation through land clearance, according to CSIRO research and data from the VNPA: Victoria is the most cleared state in Australia, so preserving what's left is essential. Of Victoria's native plants, 44% are either extinct or threatened, 75% of our waterways are degraded and 35% of wetlands destroyed. Of Victoria's remaining native vegetation, 12% is on private land, including our own Trust land, but it supports 30% of our threatened species populations.

Bandicoots at Mooramong

Our work with the Eastern Barred Bandicoot at the Mooramong reserve in the Western District and support from the Menzies Foundation for wild bird viewing hides and landscape improvement illustrate our own commitment.

I hope that you will agree with this sentiment on the value of our environmental heritage and support us as we seek appropriate funding to secure our wider shared heritage for today and for future generations.

I conclude by acknowledging that we need to reach out in imaginative ways to our young people and families and speak a language that resonates with their lives if we are to prosper in the future. The Trust Board and Management will continue to seek ways achieving this aim. We are confident of a profitable year in 2007- 08 with more new and delayed initiatives being delivered on budget in the coming months.

Finally I thank all our members, volunteers, management and staff for the truly outstanding contribution made by all to the advancement of our noble objectives and I look forward to working with you in the years ahead as we continue to meet the heritage challenges of our age.