

Tool will strengthen expression of heritage economic values in transport projects

A report by Landcare Research provides a framework for assessing the economic values of historic and cultural heritage as part of transport projects.

The Transport Agency and other road controlling authorities routinely consider heritage and cultural values as part of their decision-making, planning and delivery processes for transport infrastructure projects. Road controlling authorities also often own or manage heritage properties and structures that either form part of their networks, or have been acquired during projects. Conserving these assets requires (at times substantial) investment. Yet, despite this, there is a current lack of consistent national guidance on how to assess the economic values – the costs and benefits – of heritage, and how these values are taken into account within business case, planning and investment decisions.

The Transport Agency-funded Landcare Research report proposes a Heritage Economic Benefits Framework and tool that road controlling authorities can use ‘for identifying and expressing the economic benefits of engaging in heritage conservation and minimising some of the project risks related to the loss of heritage.’

The framework provides a means of better understanding, quantifying and monetising heritage values, in order to improve decision making around heritage investment as part of transport projects.

Preserving the past

The current Government Policy Statement on Land Transport (July 2015) seeks to establish a land transport system that supports economic growth and productivity, and provides road safety and value for money. It must also be in the public interest by supporting economic, social, cultural and environmental wellbeing.

Stemming from this, road controlling authorities have an obligation to avoid, if possible, or minimise the impacts of transport projects on heritage sites, but without placing an unreasonable funding burden on ratepayers. Other obligations arise from the Land Transport Management Act 2003, the Resource Management Act 1991, the Heritage New Zealand Pouhere Taonga Act 2014 and the Treaty of Waitangi.

National guidance and industry understanding as to how to acknowledge and quantify the economic implications of these heritage values is currently

evolving. However, there is broad variation in how heritage impacts are included in transport projects. This creates significant potential economic risks for road controlling authorities. Foremost among these are:

- inadequate identification of heritage impacts, particularly during the early stages of a project, which can stop projects entirely and lead to the loss of any resources invested to date (including time, effort and property acquired)
- either over-investment or under-investment in maintaining heritage sites acquired for projects, leading to preventable losses or missed opportunities to add value during the project or later when the sites are subsequently sold
- an unexpected discovery, such as archaeological or cultural remains, during the implementation of a project, which can cause significant delays and unforeseen costs.

There are also reputational risks, if road controlling authorities are perceived to be undervaluing heritage or not taking a sufficiently thorough or precautionary approach to protecting historic and cultural values. Such risks can subsequently hinder authorities when it comes to implementing future projects.

To help road controlling authorities address these risks, the Transport Agency contracted Landcare Research to develop a means of assessing the benefits of heritage conservation investments.

‘Adding an economic perspective to heritage conservation decisions has the potential to improve the value for money delivered by heritage investments and to achieve better outcomes for New Zealand’s heritage stock,’ the research report says.

The Ministry for Culture and Heritage has led some preliminary work in this space. The Transport Agency’s research develops this further with tools and practical application to transport infrastructure assets and projects.

The Heritage Economic Benefits Framework

The Heritage Economic Benefits Framework and associated tool described in the project report aim to help road controlling authorities identify and express the economic benefits of engaging in

heritage conservation, to maximise the benefits and minimise some of the project risks related to heritage.

The framework and tool provide suggestions for expressing heritage economic values, so they can be included in multi-criteria assessments of transport project options. Road controlling authorities will be able to distinguish the nature and extent of benefits and costs arising from the heritage components of one project option from another, and to do so consistently across different projects affecting different types of heritage.

Both the framework and the tool also facilitate the comparison of conservation costs, which are often known, and the benefits of conservation. They strengthen economic rationality when deciding on the appropriate level of heritage investment. Where heritage can generate economic benefits, such as from future rental income, refurbishment of vacant buildings, tourism or regeneration of urban areas, the tool can help identify such benefits.

The framework describes the four steps involved in using the tool in detail, and explains how they fit within a generic transport project development and delivery cycle (for example, with the Transport Agency's business case logic). The explanation is kept sufficiently broad to allow transport organisations to incorporate the tool in their own processes.

Tables in the framework (and others in the report) list and describe the potential heritage values and benefits that might apply to heritage areas, sites and items; suggest indicators for the values and benefits with potential sources to find information; and provide methods to quantify values and benefits and, where possible, estimate their monetary value.

The framework recommends using a suite of techniques to quantify (or otherwise express) intrinsic and intangible heritage values. This recognises that robust monetary valuation estimates will only be possible for a few of such values. In cases where monetary estimates are not possible, the framework recommends using 'a rich narrative approach' to document heritage assessments. This combination of qualitative, quantitative and monetary indicators fits with

similar valuation approaches promoted by the Treasury in other contexts.

The report also presents a useful overview of heritage as it stems from mātauranga Māori. The overview will help prepare planners for developing partnerships with tangata whenua, by giving insights into the world view of tangata whenua and the concepts that make up the heritage of iwi or hapū.

A key recommendation in the report is that road controlling authorities should engage with tangata whenua, councils, Heritage New Zealand Pouhere Taonga, local community groups and other stakeholders, and consider their views on heritage impacts, from the earliest stages of a project. The report also stresses there is no one-size-fits all approach that will be suited for this process, and that authorities will need to develop ways to engage and move forward that are appropriate for each stakeholder and project.

The report concludes by acknowledging that, while the Heritage Economic Benefits Framework will add a further element to transport project planning, the benefits of using it, and of giving stakeholders 'ample room' to discuss heritage impacts, can be significant.

'An important element of the framework is the engagement and discourse about projects. It aims to support a common language between experts and planners. Furthermore, the emphasis on stakeholder involvement decreases the risk of project delays and litigation by creating ownership of project decisions for affected communities,' the report says.

The report authors acknowledge the comprehensive collaborative effort of the parties on the steering group to direct this research.

'A vital ingredient for success in this research project was the steering group with broad representation from the NZ Transport Agency, Ministry of Transport, Department of Conservation, Heritage New Zealand Pouhere Taonga, Ministry for Culture and Heritage, Auckland Council, Auckland Transport and Wellington City Council. This collaborative effort enriched the understanding of historic heritage and mātauranga Māori.'