

Heritage places reserve

Policy scope

Recognising the importance of the many aspects of Fremantle's heritage in linking its past, present and future, and the central place of its heritage in the city's social and economic understanding and development, this policy establishes a Heritage Places Reserve Fund ("the Fund") to conserve Fremantle's built heritage by conserving (restoring), purchasing and selling heritage places on a continuing basis.

Policy statement

Key Principles

The following principles apply to application of this policy:

1. In making a decision on expenditure from the fund, Council will take into consideration advice from the Heritage Coordinator.
2. Expenditure from the fund will be for the purposes described in this policy, and shall not be used for routine maintenance and repairs of council owned heritage assets. Note: in justifiable cases heritage properties owned by Council shall have separate budget allocations (reserve funds) for ongoing maintenance (eg. Town Hall, the Markets).
3. The properties purchased with the fund will fall into two categories:
 - a. "non-saleable" heritage property of high community value (e.g. Victoria Pavilion, Town Hall and the Round House) which are likely to be retained in Council's ownership;
 - b. "saleable" heritage properties, which can be restored and sold on commercial basis.

Properties will be designated as "saleable" or "non-saleable" at the time of a purchase, but Council may change this designation as circumstances change.

4. In order to build the value of the fund for freehold purchases, Council will limit the annual expenditure on capital conservation works to, ordinarily, 50% of the annual allocation as defined by clause 2 of the policy section, unless Council resolves, after consideration of the advice of the Heritage Coordinator, that allocation of more than 50% will be justified by conservation needs at the time.
5. The seed fund as accrued in accordance with clauses 3 and 4 of the policy section below, will be retained for freehold purchases of heritage properties unless in special circumstances and after consideration of the advice of the Heritage Coordinator, Council resolves to use a proportion of the seed fund for conservation works.

6. The indexed original value of the fund will not be expended on capital purchases more frequently than once every three years, unless otherwise resolved by Council.
7. The Heritage Places Reserve Fund's Original Value defined in clause 2 of the policy section, shall be maintained at all times in accordance with the policy.
8. As a minimum, the net profits from the sale of a property purchased from the Reserve Fund shall be allocated back to the fund.
9. All fund transactions and the current value of the fund shall be reported to Council on an annual basis as part of the budget process.

Terms

1. Council shall establish and maintain a "Heritage Places Reserve Fund" to meet the objectives of this Policy.
2. Council shall make an annual allocation to the fund equivalent to 1.25% of rate revenue estimated for the annual budget*.
3. Council shall maintain the fund at a level adequate to achieve the objective of this policy by setting and maintaining an "Original Value" for the fund of \$524,000 consisting of these components:
 - a. Seed fund of net proceeds of the sale in 2001 of the Dux Building (\$329,000); and
 - b. an amount approximating the 2002/2003 annual allocation under this Policy formula (\$195,000).
4. The original value shall be indexed annually by the inflation figure used in that year's Council budget with the fund's original value being adjusted to become the new original value.
5. The original value comes into effect as at 1 July 2002.
6. The fund's original value shall be maintained by replacement of funds expended on the purchase of property in accordance with the key principles and clause 7 below.
7. Operational procedures applicable to item 6 above:

When the fund is used for freehold purchases, Council shall replenish the amount required to return the fund to its indexed original value within a period not exceeding three years by:

- a. an annual allocation from municipal funds over a period of not more than three years with each repayment being not less than $\frac{1}{4}$ of the amount required to return the fund to its original value, and/or

- b. by sale of a Council owned property and allocation of net proceeds upon finalisation of the sale back to the fund to at least the indexed Original Value.
- c. at its discretion Council may decide to raise a loan to purchase saleable or non-saleable heritage properties either in conjunction with the fund or separately.

***Note:**

This allocation satisfies council's historic obligations from agreements with the federal government and other similar obligations to establish a Heritage Reserve Fund for the purchase and conservation of heritage properties and replaces the original sources of Fund of 10% of net income from Treasureways and Port Cinema and 100% of net income of Union Stores Building.

National Competition Policy Implications

Principle CN3 of the Clause 7 Competition Policy Statement specifies that: "Local Government should determine its own priorities and policies for the implementation of the competitive neutrality principles subject to principles."

Policy Implementation Steps

The Preservation of Historic Buildings Reserve Policy and the Heritage Properties Management Plan shall be merged and replaced by the Heritage Places Reserve Policy which defines the use of the Fund.

Places to which the policy and the Fund apply are those included on the Municipal Heritage Inventory for Fremantle, the State and National Registers and/or listed by the National Trust, and such places as council determines from the time to be of heritage significance.

Reporting Arrangements on Decision-Making under this Policy

The Fund will be used to:

1. Purchase the heritage properties within the municipality of Fremantle, which:
 - a. are in a distinct need of conservation;
 - b. Council can conserve according to the Burra Charter principles;
 - c. enable Council to demonstrate the Burra Charter model of conservation for others to follow; or
 - d. in Council's estimation would not otherwise be conserved (restored) in accordance with Burra Charter principles.
2. Conserve heritage places already owned by or vested in the Council.
3. Augment external funds allocated to the City for purpose of heritage conservation.
4. Provide assistance to other owners of heritage places within the municipality

where Council is satisfied that this is a proper, cost effective and lawful use of the funds.

5. To administer conservation fund appeals.

Definitions and abbreviations

Nil.

Responsibility and review information	
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