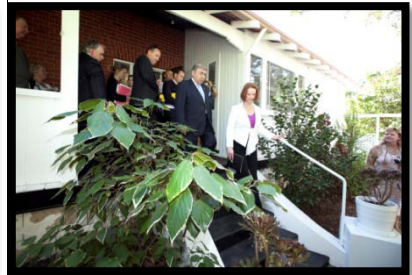


National Trust of Australia (WA)

Strategic Asset Plan 2013 - 2023





NATIONAL TRUST OF AUSTRALIA (WA)

Strategic Asset Plan 2013-2023

Introduction

As a statutory body, The National Trust of Australia (WA), (the Trust), is accountable to Parliament and has the capacity to manage State Government heritage assets using a range of tools including government appropriations, grants including those available from the Commonwealth and Lotterywest, donations, sponsorships and commercial leases. It also provides a range of services to the public such as tax deductible appeals and other avenues for investment into heritage conservation and interpretation projects as well as comprehensive public education and learning programmes.

Whilst the National Trust accepts the challenges associated with the management of State registered heritage places, it is imperative to understand these assets are being managed for the long term social, environmental and economic benefits of the broader community of Western Australia. The National Trust in effect is a *trust* for the government, as well as the community, which enables effective and efficient management of State heritage assets.

The Trust has invested a considerable amount of resources over an extended period in addressing such a challenging task which has included a major property review and the development of a business case for maintenance, various policies for acquisition and disposal and a range of ongoing strategies, plans and programmes for the conservation and interpretation of these assets. The Trust's experience and expertise has been established over many years.

Several of these documents are attached as Appendices and others can be viewed on the Trust's web site www.nationaltrust.org.au/wa.

It is the view of the National Trust that this Strategic Asset Plan must be viewed differently from that which comes from a regular State government agency. This is due to the Trust's unique and vital role in conserving and interpreting heritage places for both present and future generations and its statutory position as a registered charity with a membership base drawn from the general community. As a consequence it is eligible for funding through organisations such as Lotterywest.

Heritage by definition refers to the social, scientific, aesthetic, historical and spiritual values of a place and therefore the asset is more than simply a building. It requires the recognition and importance of values. Therefore it is not merely the actual physical asset but also the values that are to be managed and safeguarded.

A Strategic Asset Plan is intended to show how an agency intends to deliver practical services to the public using government infrastructure, buildings and other assets. Whilst it is not done primarily as a mechanism to seek funding from government, it is focussed first on the problem of how best to sustain the capacity of an agency's existing asset base and its performance over time. It should then focus on whether (and if so, how best) to grow the existing asset base to respond to future increases in demand for an agency's service.

There are a significant number of financial and other issues that need to be highlighted as these are directly associated with the Trust's Strategic Asset Plan. These include (in no order of priority):

- The absence of an overall State heritage strategy which incorporates the management of State heritage assets under the care and control of the National Trust. Note: There is a commitment by the State Government to develop a heritage strategy in the foreseeable future;
- The chronic shortage of capital investment in State heritage assets under the care and control of the National Trust over many years;
- The growing backlog of capital works associated with the lack of investment over an extended period of time for those State heritage assets under the care and control of the National Trust; and
- The absence of investment into maintenance of State heritage assets under the care and control of the National Trust.

The National Trust's Strategic Asset Plan is designed as a basis for informed discussion and debate with reviewers, subsequent refinement and timely consideration for decision-makers.

Based on the information that is available to the Trust, the priorities are divided into two key categories – short and medium term. If this plan is adopted, the Trust's existing heritage portfolio would be sustainable by ten years.

Capacity of the National Trust

Whilst accepting the National Trust is a complex organisation addressing all areas of cultural heritage (Aboriginal, natural and historic) it is important to note it has enormous capacity to achieve its mission. That mission as per the Trust's Strategic (Corporate) Plan is to conserve and interpret Western Australia's cultural heritage. (Appendix 1)

Referring to the organisation's annual report and its corporate plan, one can see the Trust simultaneously undertakes numerous large complex heritage projects as well as an extensive number of smaller projects and key programmes. Many of these are funded by external sources.

Each project and programme is linked to the Trust's strategic plan as well as being audited by a comprehensive internal and external process.

The staff and volunteers are well experienced and indeed have extensive expertise in this holistic approach to heritage which includes the conservation and interpretation of Aboriginal, natural and historic values of heritage places.

EXECUTIVE SUMMARY

HIGHEST PRIORITY PROPOSALS - CAPITAL

The Short Term priorities as shown in the first table below are for years 1 to 3 and also relate to a distinct list of individual properties.

Years 4 to 10 for the remaining existing assets are shown on the second table. They are presented in two programmes of 4 to 6 years and from 7 to 10 years as per the Trust's existing plan.

There are no plans for beyond ten years at this point in time.

The National Trust's highest priority **CAPITAL** proposals for consideration are:

Short Term 1-3 years (To be reviewed annually but figures are backed by detailed plans)

Proposal/Priority		Reasons/Benefits <i>Note: all have extensive public educational values</i>	Total Indicative Costs \$M	Years		
				2013/14 \$M	2014/15 \$M	2015/16 \$M
1	Conservation & Interpretation of the Old Perth Boys' School	To ensure the sustainable use of a major heritage place within the Perth CBD.	1.35	1.35		
2	Conservation & Interpretation of Old Farm, Strawberry Hill	To ensure a sustainable future for the State's first farm and conservation and interpretation of this nationally significant place.	3.90	.50	1.70	1.70
3	Conservation & Interpretation of Luisini Winery	To enable this major multicultural heritage place to be sustainable.	2.85	2.00	.85	
4	Conservation of the Old Observatory	To enable sustainable adaptive re-use of this major heritage place within the Parliamentary Precinct.	1.50	.50	.50	.50
5	Conservation and Interpretation of Tranby (Peninsula Farm)	To ensure the sustainable use of a major heritage educational and tourism facility on the Swan River.	3.30	.30	2.00	1.00
6	Conservation and Interpretation of East Perth Cemeteries	To ensure the sustainable use and conservation and interpretation of the only colonial cemetery within an Australian capital city.	4.85	.45	2.20	2.20
7	Conservation and Interpretation of Ellensbrook	To ensure the sustainable use of a rare colonial heritage facility in the State's Southwest.	.85	.35	.50	

8	Conservation and Interpretation of the Royal George Hotel (fmr)	To ensure the sustainable use of a significant former hotel in East Fremantle.	4.90	.50	2.20	2.20
9	Information/ Communication Technology	To ensure the implementation of the ICT Capital Development Plan.	0.71	.22	.24	.25
Total			24.21	6.17	10.19	7.85

Medium Term 4-6 years (To be reviewed annually)

Proposal/Priority		Reasons/Benefits	Total Indicative Costs \$M	Years		
				2016/17 \$M	2017/18 \$M	2018/19 \$M
1	Conservation and Interpretation of the Royal Perth Heritage Complex	This will ensure the sustainable use of one of the most significant heritage precincts in Western Australia.	10.00	.50	6.0	3.5
2	Conservation and Interpretation of Bill Sewell Complex	This will ensure the sustainable use of one of the most significant regional heritage precincts in Western Australia.	8.00	.50	4.00	3.50
3	Conservation and Interpretation of Central Greenough	This will ensure the sustainable use of one of the most significant regional heritage precincts in Western Australia.	8.00	1.00	4.00	3.00
4	Conservation and Interpretation of the Golden Pipeline	This will ensure the sustainable use of this nationally listed heritage landmark for education and tourism.	4.00	1.00	3.00	
5	Conservation and Interpretation of Samson House	This will ensure the sustainable use of this State heritage landmark for education and tourism.	4.00	2.00	2.00	
6	Conservation and Interpretation of Gallop House	This will ensure the sustainable use of this State heritage landmark for education and tourism.	2.00	1.00	1.00	
7	Conservation and Interpretation of Wonnerup	This will ensure the sustainable use of this State regional heritage landmark for education and tourism.	4.00	.50	2.50	1.00
8	Conservation and Interpretation of York Courthouse complex	This will ensure the sustainable use of this State regional heritage landmark for education and tourism.	1.50	.50	.50	.50
9	Conservation and Interpretation of Jarrahdale	This will ensure the sustainable use of this State regional heritage landmark for education and tourism.	1.50	.50	.50	.50
10	Information/Communication Technology	To ensure the implementation of the ICT Capital Development Plan.	0.27	.10	.07	.10
Total			43.27	7.60	23.57	12.10

Medium Term 7-10 years (To be reviewed annually)

Proposal/Priority		Reasons/Benefits	Total Indicative Costs \$M	Years			
				2019/20 \$M	2020/21 \$M	2021/22 \$M	2022/23 \$M
1	Conservation and Interpretation of Woodbridge	To ensure this major heritage property is sustainable.	8.00	2.00	2.00	2.00	2.00
2	Conservation and Interpretation of Artillery/Drill Hall	To ensure the sustainable use of this State heritage place for education and tourism outcomes.	2.50	.50	.50	1.00	.50
3	Conservation and Interpretation of Blythewood	To ensure the sustainable use of this regional landmark for education and tourism outcomes.	3.00	1.00	1.00	1.00	
4	Conservation and Interpretation of Mangowine	To ensure the sustainable use of this regional landmark for education and tourism outcomes.	2.00	.50	1.00	.50	
5	Conservation and Interpretation of Warden Finnerty's Residence	To ensure the sustainable use of this regional landmark for education and tourism outcomes.	4.00	.50	1.00	1.50	1.00
6	Information/Communication Technology	To ensure the implementation of the ICT Capital Development Plan.	.77	.08	.16	.39	.14
Total			20.27	4.58	5.66	6.39	3.64

Determination of Priorities

In the determining priorities the Trust has applied numerous criteria which, although not given specific weightings, are appropriate for all of the places.

These criteria include:

- The opportunity, once the appropriate capital investment is completed, that the place will be economically sustainable;
- The risks (social, economic and political) of not addressing such work;
- The opportunities for corporate or other partnerships;
- The opportunities for public education and learning; and
- The heritage significance of the place.

Each priority could obviously be supported by a comprehensive business case, if requested, highlighting both the issues of economic sustainability but also other important aspects for both present and future generations.

Note: The National Trust's Strategic Asset Plan is based on current estimates and, should no investment occur in the allocated time frame, the priority list would be re-presented with the appropriate financial adjustment. There are a number of consequences whereby alternative short term strategies may have to be implemented until the required capital investment can be secured.

HIGHEST PRIORITY PROPOSALS - OPERATIONAL

There are a number of key operational challenges which have not been addressed in previous years and continue to present significant challenges. The first of these is unlikely to be addressed in the current economic climate but is presented as suggested by this exercise.

The National Trust's highest priority **OPERATIONAL** proposals for consideration relate to full time employees and maintenance.

Fulltime Employees

The current Government allocation of FTEs is 29, however, the National Trust receives funding for only 19.6 which equates to 67.6% of that which is approved. As a consequence, there is a continuous challenge for the National Trust to address the many issues associated with managing State assets and providing heritage services to both the community and government to the appropriate standards.

Currently there are only two staff positions directly associated with the management of State heritage assets funded by government appropriation. The balance of staff required is employed as resources are available. Unfortunately this does not ensure corporate stability and is both ineffective and inefficient. The recognition of and subsequent investment into further permanent staff positions would ensure a more effective programme and establish a reliable base of specialists who would be available for heritage services to the government.

Maintenance – Heritage Properties

The maintenance of State assets has been a fraught issue over an extended period of time. It is even more complex for the National Trust which has responsibility for both heritage places and moveable heritage collections throughout the State that carry with them an extensive backlog of maintenance and capital works.

Whilst maintenance is considered an essential compound of good asset management it has generally not been adequately recognised through a specific government appropriation. It is a particular challenge for the National Trust which manages heritage places for the long term social, environmental and economic values for the community.

Whilst the Trust in effect holds the places in *trust*, their continued deterioration through lack of adequate maintenance works against this very function and thus is of concern for not only the Trust but for the State.

Maintenance Requirements Based on Replacement Values:

While the Trust has to date been unsuccessful in gaining appropriation funding to deal with the issue of maintenance, it will continue to raise this matter with Treasury and the Minister for Heritage through the annual State budget process. However, in its proactive management role for managing State heritage assets, the Trust has recognised the need to develop a strategy to deal with maintenance issues in the long term, given that appropriation funding may not be provided to the Trust to cover its maintenance requirements.

Strategy for Heritage Assets

The basic outcome of the Trust's strategy is to reduce the significantly high cost of annual maintenance on heritage assets via a combination of capital investment, improvement in the usage of assets and additional income generated through commercial enterprises such as commercial leasing. In addition the Trust will continue to source grants, donations, sponsorships and partnerships for heritage places.

Part of this issue will also be addressed through the disposal of some assets thus reducing the overall need for maintenance.

Recognising Maintenance Requirements

The Trust has over 50 years of experience in dealing with heritage properties in Western Australia. Currently the Trust has over 100 heritage places under its care and control. The estimated cost to upgrade these properties to an acceptable standard whereby the places can be utilised by the community is over \$105m. This estimated figure has been prepared by experienced heritage architects with years of experience in the area of upgrading heritage places. It should be noted that the cost to upgrade heritage places is generally approximately two and a half times the cost of a non-heritage place.

Calculation of Heritage Property Assets Maintenance Costs

One method of calculating costs for a provision for maintenance is by using a percentage of the asset replacement value. An industry standard of applying between 1% to 3% of the asset replacement value annually is generally accepted for maintenance. However as the Trust's assets are heritage assets, the Trust would need to apply 3.5% which would result in approximately over \$5.4m as a starting point, with an asset replacement value of \$156m.

As the Trust has determined a reliable cost estimate for the backlog of works that are required to the properties, i.e. \$105m, using this figure as a starting point and by using a conservative 1.5% annually and taking into account capital investment (see capital priority proposal) and an estimated CPI of 2.5% across 10 years, figures indicate that the Trust's maintenance requirements will decrease from \$1.5m in 2013-14 down to approximately \$0.7m in 10 years, a figure that would appear to be manageable for the Trust in 10 years.

Details of estimated maintenance costs for heritage places are outlined in the following table.

Maintenance Requirements Based on 1.5% of Estimated Works Required 30 June 2012

	Total Indicative Costs \$'000	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000
Opening maintenance balance 1 July 2013	105,000										
Less capital investment during 2013-14	-5,950										
	99,050	1,486									
Less capital investment during 2014-15	-9,950										
Plus CPI 2.5%	2,476										
	91,576		1,374								
Less capital investment during 2015-16	-7,600										
Plus CPI 2.5%	2,289										
	86,266			1,294							
Less capital investment during 2016-17	-7,000										
Plus CPI 2.5%	2,157										
	81,422				1,221						
Less capital investment during 2017-18	-17,500										
Plus CPI 2.5%	2,036										
	65,958					989					
Less capital investment during 2018-19	-8,500										
Plus CPI 2.5%	1,649										
	59,107						887				
Less capital investment during 2019-20	-4,500										
Plus CPI 2.5%	1,478										
	56,084							841			
Less capital investment during 2020-21	-5,500										
Plus CPI 2.5%	1,402										
	51,987								780		
Less capital investment during 2021-22	-6,000										
Plus CPI 2.5%	1,300										
	47,286									709	
Less capital investment during 2022-23	-3,500										
Plus CPI 2.5%	1,182										
	44,968										675
		1,486	1,374	1,294	1,221	989	887	841	780	709	675

Funding Maintenance

While the Trust will continue to pursue appropriation funding it will adopt a strategy of increasing internal funds through an increase in rental income and other programmes. As properties continue to be upgraded, additional rental income is expected to be generated from lease agreements. Properties that are short-listed to generate approximately an additional \$0.07m in rental income over the next two years are: Wanslea, 57 Murray Street, Stirling House, Bill Sewell Complex and Old Perth Boys' School (subject to the capital investment).

Human Resources

The Trust also recognises the need for additional human resources in the property maintenance area. Currently the Trust receives appropriation funding for only two FTE's in the sole conservation area. There is a need for additional staff resources. However at this time contract staff will be utilised to provide property management services. This matter is also to be raised through the annual budget process.

The Trust's use of its in-house expertise has in part greatly assisted in the efficient use of scarce resources.

It appears to have a number of other significant benefits which cannot be underestimated. These include:

- The ability to ensure a better quality control of the project;
- The increase and transfer of such specialist skills which are currently very limited within the public sector; and
- The focus on innovation in solving complex heritage management issues.

Information Communication Technology (ICT) – Operational Maintenance

Currently the Trust's ICT operational maintenance programme is funded internally and externally from non-government sources. Funding requirements in this area will increase as ICT plays a greater role in the operations of the organisation. The additional investment in ICT will increase efficiency, effectiveness and the capacity of the Trust's functions. However, maintenance costs will also increase therefore the Trust will need to seek future funding for this area from appropriations and other sources such as rental income.

A summary of funding needs for operational ICT maintenance at this stage is below:

Details	2013/14 \$000	2014/15 \$000	2015/16 \$000	2016/17 \$000	2017/18 \$000	2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000
Information/ Communication Technology	50	50	50	60	60	60	70	70	80	80

Maintenance of the Trust's Moveable Heritage Collections

The National Trust's Strategic Asset Plan is a holistic approach to the management of heritage places for the long term social, economic and environmental benefit of the community of Western Australia. A key component of this is to undertake both capital and maintenance works in such a way that they contribute to ensuring the sustainability of heritage places.

The interpretation of heritage places is the key premise of the National Trust's mission. All conservation projects undertaken at the Trust's heritage places include a component of interpretation. Its key aim is to enhance understanding of the values associated with and the significance of a heritage place. If the users of a heritage place (i.e. visitors, tenants and the broader community) understand why it is worth keeping, a greater value is subsequently attached to it. In turn if the heritage place is valued it tends to be treated with greater care and respect which makes a real and positive contribution towards its maintenance and sustainability.

Artifacts form part of the fabric and significance of a heritage place and are a vital component of their interpretation. The National Trust has a moveable heritage collection comprising 20,000 individual artifacts located at heritage places spread over a wide geographic area. These artifacts require assessment and documentation followed by conservation to enable their use for interpretation and to ensure their physical survival. This work is what comprises the maintenance program for artifacts.

In 2007 the National Trust disposed of 6,000 artifacts that were not aligned to its mission and had no connection with the places in its property portfolio. This disposal process has ensured that only core artifacts with sufficient significance and a defined purpose remain in the collection and require ongoing maintenance. The disposal project in itself was considered by a range of heritage professionals as a major case study for proper management of heritage artifacts.

The artifacts are currently valued at \$2,150,750. The valuations only apply to individual items worth over \$1,000 and only apply to less than 5% of the entire collection.

It must be noted that currently no appropriation funding is made available to the National Trust for the maintenance or care of its artifacts. There is a significant backlog of maintenance works to be undertaken and this is unlikely to be addressed without a dedicated investment in the maintenance of these significant government and community heritage assets.

The short term costs estimated are based on an average cost of three hour's work per artifact at \$120 per hour plus gst. This rate has been quoted recently by contract conservators and curators. Some artifacts may take as little as 1.5 hours work while others may take several weeks of work. A figure of 3% CPI has been applied to allow for cost increases. The medium term cost estimates are based on a model of employing staff to carry out the project in-house due to the vast number of artifacts requiring treatment. There is also a component of work that would continue to be contracted out due to the need for specialist equipment and specific expertise (e.g. the conservation of works of art).

The short term priorities have been aligned with the Strategic Capital Asset Priority Plan which identifies the top priorities for government consideration. Consequently the short term priorities are aligned with individual heritage places. Medium term priorities are matched against the remaining artifacts in the collection.

MAINTENANCE OF MOVEABLE HERITAGE COLLECTIONS

Short Term 1-3 years

Proposal/Priority		Reasons/Benefits	2013/14 \$000	2014/15 \$000	2015/16 \$000
1	Old Perth Boys' School	Once capital works are completed the building will become financially sustainable through leasing.	42	43	44
2	Old Farm, Strawberry Hill	A masterplan has been prepared for the place and its implementation has been identified in the Trust's Strategic Plan as a priority project. The masterplan will help ensure the sustainability of this significant heritage place.	319	329	338
3	Luisini Winery	The place is to be adaptively re-used which will help ensure its sustainability.	11	12	12
4	Old Observatory	The place is to be adaptively re-used which will help ensure its sustainability.	13	13	14
5	Tranby (Peninsula Farm)	Conservation and interpretation plans have been prepared for the place and their implementation has been identified in the Trust's Strategic Plan as a priority project. The implementation of these plans will help ensure the sustainability of this significant heritage place.	305	314	323
6	East Perth Cemeteries	Conservation and interpretation plans have been prepared for the place.	3	Nil	Nil
7	Ellensbrook	No artifacts	Nil	Nil	Nil
8	Royal George Hotel (fmr)	No artifacts	Nil	Nil	Nil
		Total	693	711	731

MAINTENANCE OF MOVEABLE HERITAGE COLLECTIONS

Medium Term 4-7 years

Proposal/Priority		Reasons/Benefits	2016/17 \$000	2017/18 \$000	2018/19 \$000
1	Remaining moveable heritage collections at National Trust properties	To address the maintenance backlog of significant heritage artifacts that will deteriorate without intervention.	1,224	1,252	1.281

INVESTMENT PURPOSE

The overall result to be achieved by an investment in the conservation and interpretation of heritage places of State significance is the conservation of social, scientific, aesthetic, historical and spiritual values on behalf of current and future communities. While seemingly intangible this form of investment lies at the very heart of what communities value and deem worthy of retention and care. Although admittedly not necessarily vote winning, government investment should be targeted not merely at short term results but long term investment.

Heritage places embody not only community held values but provide a range of other functions and opportunities including employment, volunteering, tourism, commercial and business enterprises, homes for individuals and families, entertainment, education and a wide range of other tangible functions. As with libraries, museums and other cultural entities, heritage places are a vital part of what provides enrichment and meaning to life and who we are as human beings. This should not be considered of less value or consequence than any other form of government financial investment.

CONNECTION WITH CORPORATE PLAN

As previously indicated, the Trust's Strategic (Corporate) Plan (Appendix 1) is now in its second year of implementation. The key objectives include partnerships, sustainability, governance and leadership. The National Trust in Western Australia was recognised in the 2012 State Heritage Awards as the winner for "an outstanding contribution to heritage by a public or private organisation" and is also nationally and internationally acknowledged for its high standards and innovation.

Combined with the development and implementation of the strategic plan, a business plan for maintenance, a strategic property review and an ongoing annual program for updating business, conservation and interpretation plans for heritage places under its care and control, the National Trust is well placed to focus on measurable outcomes.

The key document guiding the National Trust's strategic management of State heritage assets is a Property Review produced in 2011 (Appendix 2).

The review was one of the outcomes delivered by the implementation of the Trust's current Strategic Plan. It incorporated the whole of government asset management principles contained in the drafts associated with government strategic asset management and current standards of best practice.

Whilst the contents of the Review have not been updated for this report, the Appendix articulating the priorities has been updated to reflect this Strategic Asset Plan over the time frame requested as part of the Strategic Asset Plan (Appendix 3).

One of the key issues for consideration includes the recognition by State Government that management of the State's heritage assets is in need of an overall strategic plan. There is no current inventory of the State heritage (built) assets nor is there any report which articulates the problems associated with the capital and recurrent costs for the conservation and interpretation of such assets. The issue of relevance is one that suggests the State Government needs to review its current approach to the management of State heritage assets. In effect, there is no State heritage strategy.

The State Government is committed to:

- The conservation and interpretation of places of State significance. This commitment has been reinforced recently with an increase in grants for conservation of the State Registered places in private ownership;

- The development of cultural capital which is defined as an asset that embodies a store of cultural values (social, historic, scientific, aesthetic or spiritual) that gives rise to future goods and services.

The investment into cultural capital can also give rise to an additional development of special goods and services which over time become cultural capital in themselves. Some specific examples relate to education and learning programmes, specific skills and trades and specialist tourism outcomes.

This concept underpins the importance of an investment into heritage conservation and interpretation;

- The investment of cultural capital in regional and metropolitan areas. This has also been demonstrated with the outcomes of the Royalties for Regions programme and the commitment to a new Western Australian Museum;
- Diversified regional tourism products which lead to long term economic development. This is directly attributed to programmes led by Tourism WA or Events Corp; and
- The development of sustainable projects and plans. The definition of sustainable development is one which meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Therefore the investment into heritage today ensures subsequent generations will have opportunities that would not otherwise be available for the future if these values are not conserved now.

The Trust's Strategic (Corporate) Plan can be revisited to assist the requirements of the State's plan.

Service Delivery Objectives

The National Trust's objective is to conserve and interpret heritage places of State significance in order to safeguard each place's social, scientific, aesthetic, historical and spiritual values on behalf of current and future communities. These values are expressed in the fabric of heritage places which require capital investment and maintenance works.

The purpose of this is to increase knowledge, awareness, understanding and commitment to the conservation and interpretation of Western Australia's cultural heritage (historic, natural and Aboriginal). The projects will be undertaken in a manner consistent with professional heritage standards.

Wherever possible the Trust will work in conjunction with State and local governments, community based organisations and commercial partners.

Demand Drivers and Projections

There appears to be an increasing demand on the National Trust to take responsibility for the management of State heritage places. What is important is to note the National Trust has acquisition policies and processes in place and that any proposed acquisition is carefully considered. Again it must be highlighted that all places presented to the Council of the National Trust are of State significance.

The following are three examples in separate categories. There are many more examples that could be listed, however, that are not part of this plan nor have any decisions been made by the National Trust's Council on these or other proposals:

- State Government: a request by the Department of Regional Development and Lands to take the management order for the Roebourne Law and Order Precinct in

partnership with an Aboriginal native title claimant. This Precinct is potentially of national significance;

- Local Government: a request by the Shire of Roebourne to accept the responsibility for Cossack which is of national significance; and
- Community/ Local Government: a request by the community and the City of Melville to take responsibility for the management of the lower lands at Heathcote which are on the State Heritage Register.

As previously stated it is appropriate to recognise the expertise within the National Trust is highly specialised and is therefore in high demand. With this expertise and many decades of experience, it is often the case whereby the National Trust's involvement can make substantial cost savings for a project. This is an area whereby State Government agencies could take more advice from the National Trust.

The heritage places cared for by the National Trust are highly valued by the community and this is demonstrated by their inclusion in the State Register of Heritage Places. There is a correspondingly high expectation by the public that these places should be cared for in order to conserve them for the future. Heritage places are perceived as long term community investments and the National Trust is seen as a natural fit for this responsibility.

While visitor numbers may appear to be the most likely measure of demand projections, the reality is not so clear cut. The majority of heritage places managed by the National Trust do not attract visitors who can be counted as they are isolated and thus unstaffed or the nature of their use precludes such data collection. It is acknowledged that where numbers of physical visitors have been recorded some visitation levels have declined over previous decades. This does not translate into less demand for these heritage assets places to be cared for but rather a shift in how heritage is used by the community (e.g. virtual visits).

There is an extensive growth recorded on the Trust's website. There is also no evidence which suggests visitor numbers are an accurate measure of either demand or value. In fact, it is a well recognised economic fact that Australians value their heritage and whilst never actually visiting a place, they value their right to do so.

It is imperative to note the National Trust is an educational institution and managing a range of heritage places for public education is a core function. The moveable heritage collections are valued individually and as a collective whole.

Many heritage places have received insufficient financial investment for ongoing maintenance and for capital upgrades and similarly this has had a major impact on visitor numbers. An example is Old Farm, Strawberry Hill in the major tourist destination of Albany. For more than 40 years the on-site tearooms attracted locals and tourists alike and brought with it numerous visitors to this highly significant heritage place. Lack of capital funding to bring the facility up to current health standards and to meet contemporary expectations of quality and comfort resulted in this commercial venture closing at the end of its lease period due to these external forces. Naturally this has resulted in a decrease in visitor numbers and income for the place.

Service Delivery Model and Benefits

It is appropriate to recognise the expertise within the National Trust is a specialist area and is therefore in high demand. With this expertise and many decades of experience, it is often the case whereby the National Trust's involvement can save substantial costs on a project.

A second initiative and key strategy as per the Trust's Strategic (Corporate) Plan is to balance the Trust's core heritage portfolio with a range of places which allow the diversification of income whilst also delivering maximum educational outcomes.

Already the National Trust has delivered sustainable outcomes and strategies for major government assets such as Wanslea and Whitby Falls and is working towards the same at the

Bill Sewell Complex in Geraldton. All of these projects have been successfully implemented without the need for new government money.

Over the next 12 months, the Trust hopes to increase the number of projects that will not only be sustainable but, after setting aside proceeds for maintenance and a capital sinking fund, the remaining profits can be redirected into either capital works or maintenance. This concept is supported by the Department of Treasury.

This is not a new direction as the Trust has over some time examined ways to increase revenue at its heritage places. Some of the more successful initiatives have included the conversion of outbuildings to cafes. The use of heritage places such as function or community event venues is not uncommon, although it is increasingly constrained by lack of infrastructure, zoning regulations, and health and safety requirements and so on.

One of the key objectives of the Trust is the creation and strengthening of partnerships and this is standard practice within the organisation. A key example of a Trust property being managed in partnership with a local government is at Avondale just outside Beverley. The responsibilities and, to some degree, the costs are being shared between the partners.

Whilst the Trust has overall managerial responsibility for Avondale, the Shire has taken ownership of the moveable heritage collection associated with the place. This of course has reduced the liability of the Trust but also ensures a level of cooperation and coordination of decision making for the place.

Another partnership that has been finalised is with the Department of Corrective Services. It is anticipated this will result in Trust properties being utilised as training and educational resources by the Department. This of course will assist in maintenance issues.

Partnerships are also in place with the City of Greater Geraldton, the Shire of Roebourne and a few others are being finalised.

The use of tax deductible appeals is another strategy that will be expanded. The National Trust, as a registered charity, has the ability to establish tax deductible appeals for conservation and interpretation projects. Millions of dollars of donations have been secured over the years for projects like St Mary's Cathedral or St George's Cathedral. It is intended to establish and proactively manage tax deductible appeals for specific Trust properties.

The previous discussions can be summarised as follows:

Current State	Short Term Years 1 – 3	Medium Term Years 4 - 10
An extensive range of heritage places with some commercial and community use	A reduction in the number of heritage places with an increase of commercial and community use through the implementation of a revolving fund An increase in specific tax deductible appeals for Trust managed places An increase in partnerships utilising Trust's assets as educational facilities	A balance in the range of heritage places with an increase of commercial and community use This balance will focus on the principles of sustainability

As the delivery model moves into the medium term, the overall heritage portfolio of State heritage assets under the care and control of the National Trust should be:

- more consistent with government policies;
- increasingly more beneficial to the community through ensuring the scope, affordability and value for money of any investment is achieved; and
- focussed on the principles of sustainability.

There does not appear to be any State government agency with the core responsibility to manage State heritage assets for public educational purposes. The Department of Building Management and Works manages the Fremantle Prison while the Western Australian Museum, the Art Gallery of Western Australia and the State Library Service manage significant moveable heritage collections.

The Department of Treasury has previously recommended the Fremantle Prison and other government heritage assets be transferred to the National Trust. In 2010/11, the Western Australian Museum transferred Samson House to the National Trust as it was resolved by the institution's Trustees that the management and presentation of heritage places was not the core business of the Museum.

It should be noted that largely due to the placement of the Office of State Heritage and the National Trust under the Minister for Heritage, it is assumed the two bodies have similar roles. This is not accurate and, in fact, the two bodies are distinctly different. It is however important to recognise these two bodies meet regularly and cooperate in a number of ways. This will be of particular importance in the development of the State heritage strategy. In addition, the Trust's expertise and experience in the actual management of heritage assets is an obvious strength not available through the Office of State Heritage.

Long-term State Plans

There is an absence of any State heritage strategy for State owned heritage places.

The Trust's mandate to provide heritage services across the whole of government and recognition that it is one of a few bodies whose core business is to manage State heritage assets for public education, indicates components of this Strategic Asset Plan could easily form the template for the State Government for other heritage places.

The Trust would welcome the opportunity to work closely with the Office of State Heritage and other key stakeholders to not only develop such a State plan for heritage but also to be a proactive participant in its implementation.

CURRENT ASSET REVIEW

STOCKTAKE

The National Trust has an extensive understanding of its asset base. Some of the details of the properties and background information on properties and moveable heritage collections can be found within the appendices. There is also an extensive range of property specific plans. As stated earlier, an extensive property review was completed in 2011 and with the implementation of an EDRMS the National Trust is well on top of working through the implications of the review.

GAPS, RISKS AND OPPORTUNITIES

The issue of whether an asset initiative is performing or not is difficult to measure with respect to heritage places.

As stated above, the measure that can be used is that if the National Trust does not take up the challenge of managing a heritage place it simply will not be there in the future. There are numerous examples of rural and remote places, which without the Trust's action, would have

been lost - Central Greenough, Mangowine, Israelite Bay and Ellensbrook are just a few of many examples.

The classic example is the Old Farm, Strawberry Hill which was given to the Trust almost half a century ago in 1964 and is now understood to potentially be of national significance. The Goldfields Water Supply Scheme has been formally recognised as part of Australia's national heritage though the National Trust taking responsibility for it through its Golden Pipeline Project.

The concept of the National Trust maintaining a representative portfolio of heritage places across the State, an extensive collection offering greater diversity and experiences or simply a few iconic heritage places has been discussed and analysed and debated for decades.

More discussion and debate needs to be held within government on this matter and from there gaps may be identified. Through such discussions an appropriate approved strategy may be developed as part of a State-wide heritage framework.

The National Trust has an extensive risk management plan and this is backed up with a comprehensive internal and external audit programme.

The risk lies in having insufficient resources to address the challenges of conserving and interpreting heritage assets. It is unlikely the gap in available resources will ever be filled, however, the concept of the revolving fund outlined above, an increase in grants from programmes like Royalties for Regions and Lotterywest, more commercial utilisation of heritage places and an increase in public participation and support of tax deductible appeals should result in a more effective and efficient utilisation of State heritage assets.

There is a significant strength behind the concept of the National Trust creating far more investment opportunities than a single government entity.

Evaluation

With respect to heritage assets within a large State with a small population, it is a challenge to apply a standard evaluation for assets under the care and control of the National Trust.

Using the table as supplied in the draft Strategic Asset Plan, the following information is presented:

Location:	State heritage assets are located throughout the State and many are found in rural and remote areas. They still need to be conserved and interpreted. However, it is imperative that State heritage assets in current and future demand centres are utilised with a balance of commercial and community purposes.
Laws and Regulations:	<p>The National Trust of Australia (WA) has delegated authority under sections 7(e), 7(f), 7(g), 11(2), 78 and 79 of the Heritage Act with respect of land entered in the Register of Heritage Places of which National Trust of Australia (WA) is the owner as defined in the Act.</p> <p>It is also governed by its own Act of Parliament.</p>
Functionality:	The Trust's Strategic (Corporate) Plan articulates four key objectives which all are underpinned through the management of heritage places. These include governance, leadership, sustainability and partnerships.
Capacity and Usage:	The capacity for State heritage places to be used for more

commercial purposes is significant and through such use there will be a positive impact on operational costs.

The use of the revolving fund concept and other investment strategies should also help bridge the current financial gap associated with sustainability.

Technical:	The Trust's expertise in the management of heritage places is extensive and its governance is good.
Condition:	There is no question of the extensive challenges the Trust faces as it often accepts responsibility for State heritage assets in extremely poor condition. However, the Trust has for many years ensured such places survive and in some cases may be sustainable.
Cost Benefit:	The Trust's ability to secure grants, donations, bequests and sponsorship ensures this model of using a <i>trust</i> for the management of heritage places is cost effective and efficient. Another important value is the Trust's use of volunteers for much of the work it does which produces great benefits at little cost.
Value for Money:	<p>It is difficult to compare the Trust's role in managing heritage assets as there is not a similar body in Western Australia. By way of comparison the annual budget of the Historic Houses Trust of New South Wales, which manages 16 heritage places, is over 20 million dollars per annum. This is the best example which highlights the efficiencies of the National Trust of Australia (WA).</p> <p>The Trust's Strategic Asset Plan is backed up with an extensive range of business, conservation and interpretation plans which also include significant corporate knowledge and experience.</p>

Prioritised Risks

The identification of Risks and Risk Management is considered to be a major component of good governance. Combined with accountability and transparency, the Council of the National Trust continually addresses risk.

The National Trust's management model utilises volunteers and one of its key committees of Council is the Finance and Audit Committee. The Trust has been successful in recruiting and retaining significant external expertise to assist in its determination of risk.

RECOMMENDATIONS

Description/ Priority

In accordance with the December draft of the Strategic Asset Management Framework, the recommendations have been set out in a table format.

Proposal/Priority		Scope of Works	Benefits	Schedule	Risks
1	Conservation & interpretation of Old Perth Boys' School	To undertake conservation works to the interior of the building and to provide basic infrastructure such as toilets. Interpretation works including signage to ensure the significance of the building is displayed.	The works would enable the building to be leased thus creating a financially sustainable use for this building within the Perth CBD. Interpretation works will ensure users understand the heritage values of the building & thus care for it as a result.	The documentation has been completed & the project can commence as soon as funding is available. The project will take 7 months to complete.	Located at the entrance to Brookfield Place the building is in a prominent position on St Georges Tce. Public perception could be that the State is not committed to good heritage outcomes. External conservation works have been completed but the building remains empty due to lack of funds for internal works. Commercial opportunities are being missed as the building is not available for occupancy yet the demand for use is strong.
2	Conservation & interpretation of Old Farm, Strawberry Hill	To undertake extensive conservation works, interpretation works & to construct a café which will ensure economic sustainability.	The building is of national significance & is in danger from lack of conservation. The works will conserve original fabric, enhance the visitor experience & increase financial sustainability of the place.	The masterplan & other core planning documents have been completed. Works can start as soon as funding is available. The project will take 2 years to complete.	There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken. Community support will be lost & visitor numbers will drop without a café & on site interpretation. The potential to lose a major education resource is high as the place is used extensively by the community.
3	Conservation & interpretation of Luisini Winery	To undertake & complete conservation works & associated interpretation.	It will ensure State heritage values are conserved. It is understood interpretation will enhance its sustainability as well as providing cultural capital to a wide section of the community	It is anticipated works will be completed in 2015/6 if funds can be secured. Planning works including car parking and sewerage infrastructure have already been completed.	The project is unlikely to continue without funding for conservation. This will result in great disappointment particularly within the Italian community. There is a risk the place will become derelict which negates the opportunities for positive economic, environmental & social outcomes.

4	Conservation & interpretation of Old Observatory	To undertake & complete conservation works & associated interpretation.	<p>The project will ensure the heritage fabric & values are conserved.</p> <p>Interpretation will enhance its sustainability through increased community use & engagement.</p> <p>It will integrate the place in relation to Kings Park & the Parliamentary Precinct.</p>	<p>Initial planning has commenced. The total project timeframe would be 18 months.</p> <p>There is a very strong opportunity for a partnership with the private sector to ensure the place is economically sustainable.</p>	<p>There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken.</p> <p>There is a need to attract community support for what is a highly significant but little known place.</p> <p>The value of the parliamentary precinct might never be fully appreciated.</p>
5	Conservation & interpretation of Tranby (Peninsula Farm)	To undertake & complete conservation works & associated interpretation.	<p>The project will ensure the heritage fabric & values are conserved.</p> <p>Interpretation will enhance its sustainability through increased community use & engagement.</p>	<p>The masterplan & other core planning documents have been completed. Works can start as soon as funding is available. The project will take 2 years to complete.</p>	<p>There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken.</p> <p>Community support will be lost & visitor numbers will drop if the place continues to deteriorate & interpretation is not undertaken.</p>
6	Conservation & interpretation of East Perth Cemeteries	To undertake & complete conservation works & associated interpretation.	<p>This nationally significant project will ensure the heritage fabric & values are conserved.</p> <p>Interpretation will enhance its sustainability through increased community use & engagement.</p>	<p>The masterplan & other core planning documents have been completed. Works can start as soon as funding is available. The project will take 2 years to complete.</p>	<p>There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken.</p> <p>The headstones will be lost forever if conservation works are not undertaken.</p> <p>Community support will be lost & visitor numbers, including significant educational visitors, will drop if the place continues to deteriorate & interpretation is not undertaken.</p>
7	Conservation & interpretation of Ellensbrook	To undertake & complete conservation works & associated interpretation.	<p>The project will ensure the heritage fabric & values are conserved.</p> <p>Interpretation will enhance its</p>	<p>The conservation plan & other core planning documents have been completed. Works can start as soon as</p>	<p>There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken.</p> <p>Community support will</p>

			sustainability through increased community use & engagement.	funding is available. The project will take one year to complete and be a major educational, tourism and local community heritage asset.	be lost & visitor numbers will drop if the place continues to deteriorate & interpretation is not undertaken.
8	Conservation & interpretation of Royal George Hotel (fmr)	To undertake & complete conservation works & associated interpretation.	<p>The project will ensure the heritage fabric & values are conserved.</p> <p>Interpretation will enhance its sustainability through increased community use & engagement.</p>	<p>The project has been investigated, drawings prepared & costings formulated. Works can commence as soon as funding is available & would take 3 years to complete.</p> <p>There is also an opportunity for a private sector partnership.</p>	<p>There will be increased deterioration & loss of irreplaceable significant building fabric if urgent conservation works are not undertaken.</p> <p>Commercial opportunities for sustainability are being missed as the building is not available for occupancy.</p>
9	Information/ Communication Technology	To complete the implementation of the ICT Capital Development Plan.	Greater operational efficiency and effectiveness along with public accessibility to the Trust's extensive archive of records (photos, plans, drawings, reports, etc) of heritage places dating back over 50 years.	A three year timeframe is required to implement this project.	Greater financial costs in the medium to long term due to aging ICT systems.

Demonstration of Priorities

As stated previously in this document, the determination of capital and operational priorities has been made with respect to the Trust's Strategic (Corporate) Plan and is influenced by a range of issues. The urgency of works, the heritage significance of the place, the opportunities for sustainability and/or adaptive re-use, the potential for partnerships and other factors all play a significant role in the determination of priorities.

It is important to note that funding for any of the priority projects listed in years one to three would be welcomed. The amount requested over years one to three is easily manageable for the National Trust using existing human resources.

In some cases such as the Old Perth Boys' School, Old Farm, Strawberry Hill and Luisini Winery, works are already underway and the capital investment as identified would lead to the sustainable use of these places. Luisini Winery would require some additional capital monies to be sustainable but such sources have been identified and are in part dependent on government investment. The Old Perth Boys' School and the Old Farm, Strawberry Hill, two of the more significant and publicly recognised heritage places would be sustainable due primarily to increased public patronage.

Projects including the Old Observatory and the East Perth Cemeteries are tremendously important, however, the first year investment would enable the National Trust to work closely with key government and other agencies to ensure future uses of these places are both sustainable and compatible with government plans for the areas in which they sit. In both cases there would be no requirements for additional capital investment.

Tranby (Peninsula Farm) is in a very critical need of urgent conservation works. It is a key educational and tourism property but it is also one of the oldest heritage places in the State. The works planned over three years would ensure that it survives, and with both the public programmes and commercial partnerships in place, it would certainly be sustainable due primarily to increased public patronage.

The conservation and interpretation of Ellensbrook is a project that ensures this very rare heritage place in the State's southwest is not only conserved and interpreted but that it becomes a statement of pride for an area that has been devastated recently by a significant natural disaster. It is important to note the capital investment addresses historic, natural and Aboriginal values.

The conservation and interpretation of the Royal George Hotel (fmr) is deemed a priority as it is in a state of extreme danger. The Trust accepted the challenge of this place due to its high significance as one of the few remaining Gold Rush era hotels and the fact the community wanted it to be utilised for public purposes. Detailed plans and accurate costings have been completed and there is an abundance of interested parties who would ensure its public accessibility as well as delivering a sustainable outcome. Unfortunately without an investment into conservation such partnerships are unlikely to be forthcoming.

Finally further development and implementation of the Trust's ICT Development Plan ensures operational effectiveness and efficiencies, along with public accessibility of the Trust's extensive archive of records of heritage places dating back over 50 years.

CONCLUSION

In 2014 the National Trust of Australia (WA) will celebrate the 50th anniversary of its incorporation under an Act of State Parliament.

During the last 50 years, the Trust has tried to establish and maintain a public education programme with the purpose of increasing knowledge, awareness, understanding and commitment to the conservation and interpretation of Western Australia's cultural heritage (historic, natural and Aboriginal). The Trust has developed extensive experience and expertise in heritage. A key component of its work is the effective management of heritage places.

However, to date, there has never been any decision on an appropriate funding formula or indeed a plan which recognises the importance of conservation and interpretation of such heritage places. The opportunity to present a Strategic Asset Plan is a welcomed initiative on which to commence such discussions.

The National Trust would welcome such discussions and hopes this plan can provide the decision-makers with a clear idea of the level of funding that can deliver the level of service and functionality of the heritage asset for both the present and future generations.

In the review of its property assets, there is potential to generate approximately \$10 million of assets to contribute to a capital investment programme.

Such processes need to be carefully reviewed and any decision is one for the Council of the Trust, not the Administration. However, that process is well underway and should be noted as part of the Trust's Strategic Asset Plan.

Finally in closing, the strategic management of State heritage assets under the care and control of the National Trust of Australia (WA) takes into account both present and future generations of the communities that make up Western Australia.

Notes on the Appendices

There are numerous documents utilised in this exercise which, whilst not part of the Strategic Asset Plan, have been extremely useful in its formation.

They are provided for reference and background material and may assist those in reviewing this plan to understand it better.

Appendices

Appendix 1	National Trust of Australia (WA) Strategic (Corporate) Plan 2011-2016
Appendix 2	Strategic Property Review 2011
Appendix 3	Strategic Asset Plan for National Trust Property Portfolio 2013-2023
Appendix 4	Detailed Property List
Appendix 5	Maintenance Business Case for Public Places
Appendix 6	ICT Capital, Maintenance and Development Plan
Appendix 7	Current Maintenance Requirements
Appendix 8	Capital Priority Proposals 2013-2023