

Heritage Council of Victoria
Annual Report 2017–18



*To lead in the recognition and conservation
of Victoria's cultural heritage*

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Accountable officer's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Heritage Council of Victoria's Annual Report for the year ending 30 June 2018.



Damien Welch
Accountable Officer
Executive Officer – Heritage Council Secretariat
17 September 2018

OUR ROLE – IN SUMMARY

Advising the Minister for Planning on Victoria's cultural heritage

Determining which places and objects are included in the **Victorian Heritage Register**

Hearing reviews and appeals against registration recommendations and permit decisions of the Executive Director (as prescribed in the *Heritage Act 2017*)

Promoting public understanding of Victoria's cultural heritage

Advice and liaison to assist other bodies responsible for Victoria's heritage

Initiating and undertaking **research** into Victoria's heritage.

Chair's report

It has been an extremely busy and productive year for the Council with the successful introduction of the new *Heritage Act 2017*, an increasing volume of hearings and other regulatory responsibilities, the commencement of a number of projects to improve the recognition and protection of the State's cultural heritage and a new program of high-profile promotion and educational events.

In the lead up to the implementation of the new *Heritage Act 2017*, the Council constituted a Heritage Act Committee which guided the Council's effective transition to the provisions of the new Act. This committee, in consultation with Council's Protocols Committee, ensured that the Council had the procedures and policies ready for the commencement of the new Act on 1 November. Council members also presented at a series of public information forums for the general public and professional groups around the State to ensure they were informed of the legislative changes. This, combined with a 30 per cent increase in the number of hearings and reviews during the year, many involving multiple days and complex assessments and reports, has contributed to the Council's heavy concentration on its statutory duties over the past 12 months.

Following the development of the Council's Communications Plan in 2017, we have also undertaken a number of significant public events to bring heritage and its diversity in Victoria to the general population. We have built on our already successful relationship with Open House Melbourne to deliver a series of events during their now expanded 'Festival of Architecture' in July. The Heritage Address has become a highlight of this new expanded program and in July 2017 featured Gerard Vaughan, head of the National Gallery of Australia and formerly the National Gallery of Victoria. Additionally, we held a panel session at the Wheeler Centre, in which I and several heritage experts debated 'the battle for our buildings'. Together with Creative Victoria and Open House the Council also continued our Modern Melbourne project, this year featuring the work of Mary Featherstone, Peter McIntyre and Daryl Jackson. These fantastic short films, highlighting the work of Victoria's incredible stable of modernist architects and designers, were launched at a sell-out public screening at the Australian Centre for Moving Images.

Other events of note included a panel discussion during Melbourne's Design Week on 'Good Design and Heritage', organised with the Office of the Victorian Government Architect. Together with Heritage Victoria's talented team of archaeologists and conservators, we opened the doors to the Artefact and Conservation Research Centre for a day of tours as part of the Australian Heritage Festival. We have also continued our partnerships with Sacred Spaces, the Houses awards and the Institute of Architects Victorian awards highlighting the best examples of adaptation and celebrating landmark heritage buildings.

In February 2018, with advice and assistance from our Local Government Advisory Committee, we held a Local Government Heritage Forum for local government heritage advisors from councils around the State. This new committee has strengthened links with local government and provided an avenue for learning of new local government initiatives and celebrating heritage innovation and best practice.

This year's Regional Engagement Site Visits took members to Bendigo, Castlemaine and the Goldfields region. This event is held in different regions of Victoria each year and enables Council members to inspect many of the fascinating heritage places in Victoria. In doing so we are able to recognise and engage directly with the work of local government, owners and the armies of volunteers who are the true custodians of our heritage.

The Council commenced a number of projects during the year to improve the recognition and protection of our State's heritage, including an investigation into how we can create more clarity about the processes for recognising and protecting places of social significance to the State, and a pilot project to test the viability of developing a series of Heritage Technical Codes to act as standards for best-practice heritage outcomes. We have also continued to work in partnership with the Aboriginal Heritage Council of Victoria on a review of the way we ensure that cultural heritage values of significance to Aboriginal people and other Victorians are accurately described in the Victorian Heritage Register (VHR).

RECOGNISING COUNCIL MEMBERS

We welcomed two new councillors who took up their role this year:

- Alternate General member, Margaret Solly
- Alternate General member, Joanne Guard

Former Alternate General members Lucinda Peterson and Penelope Smith took on full member roles in this category.

On behalf of Council, I would also like to express my special thanks to Heritage Council members Garrie Hutchinson and Juliette Halliday, who completed their terms at the end of June 2018.

I acknowledge all the Council Members for their dedicated service to the State's heritage.



Prof Stuart Macintyre AO
Chair, Heritage Council of Victoria



About the Heritage Council of Victoria

Manner of establishment and relevant Minister

The Heritage Council of Victoria is an independent statutory authority established under the *Heritage Act 2017* (the Act) as the Victorian Government's primary decision-making body on the identification of places and objects of (non-Aboriginal) cultural heritage significance to the State of Victoria.

The relevant minister for the reporting period was the Hon Richard Wynne MP, Minister for Planning.

Vision, Mission and Values

The Council uses the following strategic statements, taken from its Strategic Plan 2016–2020, to guide its work. The Council's Strategic Plan 2016–2020 and its stated Mission, Vision and Values guide and inform the Council's objectives, priorities, main undertakings and activities.

Vision

Victorians connect with and value our diverse cultural heritage, acting as custodians for the stories of the past, present and future. Within this vision we aspire to have:

- Victorian communities, government, landowners and custodians understand the value of heritage and its contribution to enriched places and culture
- a world-class Victorian heritage system that protects and enhances heritage.

Mission

To lead in the recognition and conservation of Victoria's cultural heritage.

Values

In all of its work, the Council demonstrates the following values:

Value	
Respect for heritage	We value Victoria's heritage as an asset to be enjoyed and appreciated by all as an expression of our history, places and culture.
Collaboration	We value the knowledge others bring to heritage conservation and encourage the sharing of experience and information.
Innovation	We value the exploration of new approaches to ensure a more sustainable future for Victoria's cultural heritage.
Skilled practice	We value the skills and resources that enable best-practice heritage management across the State to ensure the continuation of our precious heritage resources.

Nature and range of services

The Council's has six main undertakings that outline the nature and range of services it provides:

Provision of Advice

One of the Council's key roles is to advise the Minister for Planning on the State of Victoria's cultural (non-Aboriginal) heritage resources and any steps necessary to protect and conserve them.

The Council also has a role in advising and liaising with other bodies and individuals that have responsibilities in heritage protection and conservation in Victoria, including local government, community organisations and heritage owners/managers.

Determination of state-level significance and archaeological value

The Victorian Heritage Register (VHR) provides the State's highest level of legal protection for our cultural (non-Aboriginal) heritage. The Council determines which places and objects are of State-level heritage significance and are included in the VHR.

The Council also determines if sites under 75 years of age have archaeological value and should therefore be included in the Heritage Inventory of Victorian archaeological sites.

Hearings and reviews

As prescribed by the Act, the Council conducts hearings or reviews in relation to requests for a review of: the Executive Director's recommendations for inclusion or non-inclusion in the VHR; the determination of permit applications; refusals of nominations for the VHR; and, consents for certain activities at archaeological sites.

Promotion of cultural heritage

The Council works to promote public understanding of Victoria's cultural heritage.

Undertaking research

The Council initiates and undertakes research to identify Victoria's heritage and assist in its conservation and interpretation. The Council may do this itself or in partnership with other government or community bodies.

Governance and Compliance

As an independent statutory authority with its own financial management responsibilities, the Council has multiple governance and compliance activities and reporting requirements.

Functions, powers and duties

The Council has the following statutory functions, as set out in Part 2, Division 1, s.11, of the *Heritage Act 2017*.

- to advise the Minister on the Status of the State's cultural heritage resources and on any steps necessary to protect and conserve them;
- to make and publish guidelines in relation to the conservation of cultural heritage;
- to promote public understanding of the State's cultural heritage and develop and conduct community information and education programs;
- to advise government departments and agencies and municipal councils on matters relating to the protection and conservation of places and objects of cultural heritage significance;
- to liaise with other bodies responsible for matters relating to the protection, conservation, management and promotion of Victoria's cultural heritage;
- to initiate and undertake programs of research related to the identification, conservation or interpretation of Victoria's cultural heritage;
- to include places or objects in the Heritage Register;
- to remove places or objects from the Heritage Register, or to amend the registration of a place or object;
- to remove sites from the Heritage Inventory;

- to conduct reviews of decisions of the Executive Director in relation to nominations, permits and consents;
- to develop, revise and publish the assessment criteria to be used in considering the cultural heritage significance of places and objects and determining whether those places or objects should or should not be included in the Heritage Register;
- to adopt, and forward to the Minister, World Heritage Strategy Plans and amendments to World Heritage Strategy Plans;
- to determine criteria for assessing whether a place has archaeological value;
- to advise the Minister administering the *Planning and Environment Act 1987*, on proposed amendments to planning schemes which may affect the protection or conservation of cultural heritage;
- to manage the Heritage Fund;
- to perform any other functions conferred on the Heritage Council under this Act or any other Act.

Key Initiatives and operational performance

The Heritage Council's Strategic Plan 2016–2020 highlights its strategic directions and actions, and the Business Plan 2017–18 outlines the strategic priorities, actions and performance measures that were monitored and reported against during 2017–18.

Key Initiatives and achievements

The Council, in fulfilling its core responsibilities during 2017–18, achieved the following outcomes:

Promotion

- As a long-term heritage partner, the Council continued its support of the ever-successful Open House Melbourne weekend. The Open House weekend is a timely reminder of the enduring value of heritage properties and always attracts high attendance. The Council also partnered with Open House Melbourne and Creative Victoria to present a Modern Melbourne event at the Australian Centre for Moving Images where three new films on giants of modernist architecture and design were premiered to a sell-out audience. The films featured Mary Featherstone, Peter McIntyre and Daryl Jackson.
- Other successful partnership events included a 'Good Design and Heritage' panel discussion during Melbourne Design Week with the Office of the Victorian Government Architect, and an open day of tours at the Artefact and Conservation Research Centre in Abbotsford with Heritage Victoria – demand for tours at the latter was very high and was a highlight of the Heritage Festival calendar in Melbourne. Council also continued to support Channel 31's Sacred Spaces with Heritage Council Member Christine Phillips and University of Melbourne academic Hannah Lewi looking at the Beaurepaire Centre.
- Each year the Council sponsors a number of heritage awards as a way of showcasing and celebrating best-practice heritage outcomes. As always, the highlight was the awarding of the Heritage Council and Ray Tonkin Volunteer awards. This year's Heritage Council award was given to the Chewton Domain Society for its unwavering work for heritage and history in Chewton, and the Ray Tonkin Volunteer award was presented to George Milford, volunteer extraordinaire for many history and heritage societies in the Harcourt and greater Goldfields region.
- The Council also sponsored the heritage category for the Victorian Architecture awards, and in partnership with the Heritage Council of NSW supported a national heritage architecture award with 'Houses' magazine. The winner of the John George Knight Heritage Award was Matt Gibson Architecture and Design, for a North Melbourne terrace; the 2017 'Houses' award was won by a New South Wales addition to a heritage home in Dulwich Hill by panovscott architects.
- The Council's Twitter following grew by 46%, with more than 3660 people receiving regular updates on Heritage Council news and events.

Research and projects

- Two partnership projects with Heritage Victoria were completed this year. In the first, Council provided funding for the creation, by Heritage Victoria, of 85 Artefact Education Kits as a hands-on way to promote Victorian historical archaeology and cultural heritage to primary school students. The kits, which contain genuine artefacts from 19th century Victorian archaeological sites (sourced from decommissioned collections), were developed in consultation with the VCAA and HTAV, and were launched by the Minister for Planning at Yarra Primary School. The second project was a study into how Victorian's value their heritage. Using the 2005 report *Valuing the priceless: the value of historic heritage in Australia* as inspiration, the study used primary and secondary research to demonstrate that

Victorians do indeed value their historic cultural heritage and strongly support government initiatives, such as conservation grants and stricter regulations and penalties, to better protect and manage our heritage places and objects.

- The Council commenced two projects to improve the recognition and protection of our State's heritage: the first is an investigation into how to improve the processes for recognising and protecting places of social significance to the State, under Criterion G; the second is a pilot project to test the viability of developing a series of Heritage Technical Codes to act as standards for best-practice heritage outcomes.
- Council also commenced and completed a feasibility study into the desirability of creating a new Victorian Heritage Strategy. In addition to desktop research, data for the study was collected via a survey, one-on-one interviews and a workshop with government stakeholders and heritage practitioners. The study's findings have resulted in the scoping of a State of Heritage Review into local heritage, which aims to offer a clear and practical vision for how local and State government can work together more effectively to support local communities in honouring, protecting and promoting our cultural heritage now and into the future.

Advising the Minister

- One of the Council's key roles is to advise the Minister for Planning on the State of Victoria's historical cultural heritage resources and any steps necessary to protect and conserve them. In 2017–18 the Council advised the Minister in relation to:
 - cultural heritage arrangements in Maldon, Victoria
 - the operation of the Heritage Overlay under Victoria's Planning Schemes
 - Heritage Council project work relating to the state of cultural heritage in Victoria.

Governance and Compliance

- The Council prepared for its transition to the provisions of the new *Heritage Act 2017*, which commenced on 1 November 2017. The Council managed its transition by employing a Heritage Act Officer from July 2017 to January 2018, constituting a Heritage Act Committee to guide the transition work and, in consultation with expert consultants, developing and adopting a new suite of hearings and reviews protocols and forms. The Council ensured that the Executive Officer position commenced on 1 November, delegated certain functions under the Act to officers and committees as appropriate and consulted with the Minister to ensure the effective transition to the Act's s.10 membership categories. The Council continues to update policies and guidelines to meet the requirements of the Act.
- Pursuant to Clause 9 of Schedule 1 of the Act, the Council is now required to prepare a corporate plan for each financial year, provide a completed corporate plan to the Minister for Planning and include it in the Council's Annual Report. The Heritage Council Corporate Plan 2018–19 is the Council's first. The Minister was consulted in relation to the Corporate Plan and approved it in July 2018. Although the Corporate Plan relates to the 2018–19 financial year, is appended to this 2017–18 Annual Report.

Advice and Liaison

- As part of the implementation of the *Heritage Act 2017*, Heritage Council members made presentations about the Council and what has changed at public forums and events across regional Victoria and Melbourne, as well as to professional associations such as the Institute of Architects.
- In February, the Council held a day-long forum for local government heritage advisors and planners, attended by people from councils across the State. Its purpose was to build stronger links with local government and provide an avenue for learning about new initiatives, tools and policy and to celebrate heritage innovation and best practice in local government heritage management.

- The Regional Engagement and Site Visits focussed on the Goldfields region this year and Council met with all local councils, volunteers and heritage associations from Chewton to Bendigo.
- The Council continued to work in partnership with the Aboriginal Heritage Council of Victoria, via the Joint Working Group, on a review of the nominations and assessments methodology to ensure cultural heritage values of significance to Aboriginal people and other Victorians are accurately described in the Victorian Heritage Register (VHR).



Heritage Council members and staff, Heritage Victoria staff and Buda House Museum volunteers at Buda House Museum, Castlemaine, during the 2018 Heritage Council Regional Engagement and Site Visits to the Victorian Goldfields region.

Objectives and performance for 2017–18

This section provides an overview of the Council's performance in delivering on its objectives and key initiatives and meeting the key performance indicators outlined in its 2017–18 Business Plan. The objectives correspond to the strategic goals endorsed in the Council's Strategic Plan 2016–2020.

Objective: Has capacity to make and communicate high-quality decisions that are consistent and well informed

The Council seeks to ensure it has the capacity to continually improve the conduct of its regulatory functions to ensure best-practice decision making. The Council is conscious of the need to attend to its core statutory functions (making determinations, conducting hearings and reviews) and meet statutory timelines accordingly. The Council's decisions are made within statutory timelines: the *Heritage Act 2017* provides for permit reviews to be determined within 60 days of a hearing and registration hearing determinations within 90 days (the latter is a new requirement). Concern for the State's cultural heritage, a complex regulatory environment and public engagement with the new Act appears to have resulted in increased regulatory activity. This evolving operating context requires the Council to examine ways of improving efficiency, plan for increased staff and resources and continue to conduct its strategic work effectively while maintaining best-practice decision making.

Output performance measures	Unit of measure	2017-18 actual	2017-18 target	Performance variation (%)	Result ¹
Timeliness					
Average number of days to determine an IPO is 3 days	number	3	3	0%	✓
<i>The Council determined four requests that were received for an Interim Protection Order (IPO), and the performance target of an average of three days for resolution of such requests was achieved. IPO requests require the constitution of a Registrations and Reviews Committee and a detailed consideration of material received in relation to the request.</i>					
Timeliness					
90% of HCV registration decisions are issued within 8 weeks of a hearing	number	3	9	-66%	■
<i>The performance target was not achieved. There was an approximate 43% increase in registration hearings held by the Council compared with the 2016-17 financial year. This increase in registration hearings, coupled with the transition to new regulatory functions required by the Heritage Act 2017, resulted in substantially increased regulatory activity for the Council in 2017-18. In retrospect, the performance target was unrealistic and failed to account for the work required to transition to new statutory functions and the activity resulting from that transition. The Council notes that six out of nine 2017-18 registration hearings were held in a three-month period, making the performance target impractical from a resourcing perspective. No statutory timeline was provided by the Heritage Act 1995, whereas the Heritage Act 2017 provides for a 90-day statutory timeline for a registration decision – the Council has complied with both timelines in all cases.</i>					
Quantity					
Provide at least 2 training or professional development sessions for Council members per year	number	2	2	0%	✓
<i>The performance target was achieved. The Council's training and professional development sessions have become an important part of the Council's approach to improving the performance of its statutory functions. The Council uses internal and external resources to present regulatory training sessions to ensure best-practice decision making and improved procedures for the Council's growing regulatory activity.</i>					

Note:

- 1 ✓ Performance target achieved or exceeded
 ○ Performance target not achieved – within 5 per cent variance
 ■ Performance target not achieved – exceeds 5 per cent variance

Objectives: Victoria has a world-class heritage system that protects and enhances heritage; Council completes at least three widely used projects to champion and support exemplary heritage practice

As communities change and grow, the heritage we value evolves along with us and the Council has long supported the development of innovative heritage policy and practice that keeps pace with this evolution. In 2017 Council provided funding for three different projects to achieve this aim and all three commenced activity. The first – a feasibility study for a new Victorian Heritage Strategy – was conducted with the assistance of Mackay Strategic and involved extensive desktop research and consultation via a survey, one-on-one interviews and a workshop with government stakeholders and heritage practitioners. The study was completed by February 2016 and its findings have resulted in the scoping of a State of Heritage Review into local heritage. This review, which aims to offer a clear and practical vision for how local and State government can work together more effectively to support local communities in honouring, protecting and promoting our cultural heritage now and into the future, has received the support of the Minister for Planning.

The other two projects that received funding are still in progress. Council commissioned Lovell Chen and the Australian Centre for Architectural History, Urban and Cultural Heritage (ACAHUH) to assist it in understanding how to improve the processes for recognising and protecting places of social significance to the State, under Criterion G. The project has involved both desktop research and a workshop with experts in the field and the Lovell Chen/ACAHUH team's recommendations were presented to Council for review and consideration in June.

The final project is a pilot to test the viability of developing a series of Heritage Technical Codes to act as standards for best-practice heritage outcomes. Council approved the development of two Codes on 'Lime Mortars' and 'Repointing with Lime Mortars' in October, and in February commissioned David Young OAM, a heritage consultant specialising in building material conservation, to commence work on these two codes. The Council's Heritage Fabric Specialist Committee is assisting the Council with feedback and quality oversight of these codes.

Output performance measures	Unit of measure	2017-18 actual	2017-18 target	Performance variation (%)	Result ¹
Quantity					
Fund at least 3 projects that work towards the recognition, management and protection of cultural heritage	number	3	3	0%	✓
<i>Three projects were funded and commenced activity in 2017: 1) A Feasibility Study into a new Victorian Heritage Strategy, 2) an investigation to improve how we assess and manage places of social significance to the State, and 3) a pilot project to test the viability of developing a series of Heritage Technical Codes to act as standards for best-practice heritage outcomes.</i>					

Note:

- 1
- ✓ Performance target achieved or exceeded
 - Performance target not achieved – within 5 per cent variance
 - Performance target not achieved – exceeds 5 per cent variance

Objective: The Council works effectively with managers of natural, Aboriginal and non-Aboriginal cultural heritage to encourage a greater understanding

To work towards achieving this objective in 2017–18, the Council, as part of the Joint Working Group (made up of members of both the Heritage Council and the Victorian Aboriginal Heritage Council), commenced a review of the processes and methodology used in the 2013–15 'Shared Values' Project, through an analysis of three case studies from that project. The aim of the review was to further improve the way that the cultural heritage values of significance to Aboriginal people and other Victorians are accurately described in the VHR. Extent Heritage was commissioned to assist the Joint Working Group in undertaking this review; their recommendations were received by the Joint Working Group in April and the Joint Working Group's proposed next steps were received by the Council in June.

Output performance measures
KPI
Review of 'Shared Values' project completed and recommendations implemented as appropriate
Result
<i>The project was completed on 11 April 2018. As a result, the Joint Working Group has agreed to further investigate recommendations relating to a) updating pre-2015 VHR registrations in order to increase information relating to the Traditional Owners of the land and b) developing a consultation toolkit to help assist successful and effective engagement with Traditional Owners during the nomination and registration process. This work has been delayed until FY18–19 due to the availability of Joint Working Group members in the latter part of FY17–18.</i>

Objective: More Victorians understand the role heritage plays in the life of our communities

Following the endorsement of its new Strategic Plan 2016–20, the Council identified the need for a formal communications plan, and to that end tasked its Communications Committee with the delivery of this plan. A draft communications plan was submitted for feedback in mid-2017; the final Communications Plan 2017–20 was adopted by the Council in August 2017. The plan underpins Council's role to promote and educate the general public on matters pertaining to cultural heritage and to meet its strategic objectives, especially those pertaining to Strategy 1, 'Understanding of Cultural Heritage'.

Output performance measures
KPI
Delivery of the Heritage Council of Victoria's Communications Plan
Result
<p><i>The Communications Plan was delivered and adopted in August 2017. In line with the plan's three main deliverables for 2017–18, Council has organised seven large-scale public and professional events, exposing more than 1500 people directly to Council's work. Twitter followers have increased from 2500 to 3660 and visits to the Council's website have increased by 50%. The Council has also continued its Blue Plaque program, providing the distinctive plaques to places included in the Victorian Heritage Register.</i></p>

State of Heritage

The following overview is provided pursuant to Schedule 1, s.3(12)(b) of the *Heritage Act 2017*.

Heritage Act 2017

Over the course of the financial year, the Heritage Council initiated, managed and completed a transition to the provisions of the *Heritage Act 2017*, which commenced on 1 November 2017. As a key transition item, the Council prepared for the commencement of its new regulatory functions by adopting a suite of new procedural guidance and forms for users. Additions to the Council's regulatory functions under the Act now provide Council with functions in relation to the Victorian Heritage Inventory (the removal of sites of low archaeological value), the review of nomination refusals and the review of Archaeological Consents.

The Act also now provides that the Council manages the Heritage Fund and completes and publishes its Corporate Plan. The commencement of the Act and the Heritage Regulations 2017 also brought substantial changes to the Heritage Fund fee structure and increases in fee amounts payable under the Act. The Council has reported an increase in Heritage Fund fee revenue. The Council has also reported an increase in operating expenditure, in part the result of the Council's work in preparing for transition to the Act and in part the result of increased regulatory activity. The Council is monitoring the increase in regulatory activity under the Act and has included its estimates of revenue, expenditure and financial position on that basis (please refer to appended Corporate Plan 2018–19).

Financial assistance

Under the *Heritage Act 2017*, the Heritage Council also has the role of approving or rejecting recommendations for loans and grants from the Heritage Fund. It can also seek special assistance for owners through land tax remission.

Land tax remission

Under s.243 of the *Heritage Act 2017*, the Heritage Council may seek approval, on behalf of an owner, to remit or defer payment of land tax attributable to a place in the Victorian Heritage Register. The Heritage Council must first seek consent from the Minister for Planning, before approaching the Treasurer for approval. Although this is a form of financial assistance, it is not financed through the Heritage Fund.

CURRENT LAND TAX REMISSION

- Trades Hall and Literary Council, 2 Lygon Street, Carlton
- Bendigo Trades Hall and Literary Institute Inc., 40 View Street, Bendigo
- Ballarat Regional Trades and Labour Council, 24 Camp Street, Ballarat

World Heritage management

The Royal Exhibition Building and Carlton Gardens (REBCG) was inscribed on the United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage List on 1 July 2004, becoming Australia's first built heritage site to be recognised by UNESCO.

In November 2013 the then Planning Minister approved a management plan for the world heritage listed site, developed by the Steering Committee after extensive public consultation. The approved plan was sent to the Federal Minister who forwarded it to the UNESCO World Heritage Centre in Paris. In 2014 UNESCO accepted receipt of the management plan and provided comment on its scope to guide future reviews.

The World Heritage Management Plan, which underwent extensive public consultation and is subject to regular review, is made up of five components:

- World Heritage Management Plan (over-arching document)
- Royal Exhibition and Carlton Gardens, Carlton, Conservation Management Plan (October 2007, updated June 2008) prepared by Lovell Chen for Heritage Victoria
- Carlton Gardens Master Plan (May 2005) prepared by the City of Melbourne
- Royal Exhibition Building and Exhibition Reserve Master Plan (February 2007) prepared by Museum Victoria and endorsed by Museums Board of Victoria
- World Heritage Environs Area Strategy Plan: Royal Exhibition Building and Carlton Gardens (2009) prepared by Lovell Chen for the Executive Director (Heritage Victoria), modified by the Heritage Council of Victoria and approved with amendments by the Minister for Planning.

The Minister for Planning re-appointed a Royal Exhibition Building Steering Committee in July 2016 for a new three-year term. Membership reflects the Minister for Planning's desire to meet gender equity in appointments. The committee has been broadened to formally include representatives from Yarra City Council and the National Trust of Australia (Victoria), in addition to the Executive Director, Heritage Victoria as Chair and representation from Museums Victoria and the City of Melbourne.

Under the *Heritage Act 2017* there is a requirement to review the World Heritage Management Plan every seven years.

Victorian Heritage Register – Assessments and Determinations

The Victorian Heritage Register (VHR) provides the state's highest level of legal protection for our cultural (non-Aboriginal) heritage. The Heritage Council determines which places and objects are included in the VHR.

Number of Places and Objects in the Victorian Heritage Register

The following table contains a breakdown of the number of registered places and objects in the VHR as of 30 June 2018, according to categories of registration.

VHR categories of registration	Number as of 30 June 2018
a registered place, <i>incl</i>	2295
<i>a registered archaeological place</i>	(187)
<i>a place included in the World Heritage List</i>	(1)
a registered object ¹ , <i>incl</i>	31
<i>a registered archaeological artefact</i>	(0)
a registered object integral to a registered place ¹	89
a registered shipwreck	652
a protected zone	9
Total registered shipwrecks, places and objects	3076²

1 – It is not possible to get an accurate total of *individual* objects as many registered objects are actually collections or multiples.

2 – Total does not include the number of registered shipwreck artefacts as this data was not available in 2018.

Assessments and Determinations in 2017–18

When a place or object is nominated for inclusion in the VHR, Heritage Victoria undertakes a thorough assessment of its cultural heritage significance. The Executive Director (ED) then makes a recommendation to the Heritage Council, which is publicly advertised for a 60-day period during which submissions can be made.

The Heritage Council then considers the recommendation and any submissions before making a final determination. A hearing may be held if requested by interested parties. The Heritage Council can determine to include the place or object in the VHR, not include the place or object in the VHR and/or refer it to the relevant local council to provide appropriate protection. Some determinations relate to amending registrations. When a place is included or amended in the VHR the Heritage Council may also issue permit exemptions, which enable owners to undertake specific works that don't harm the cultural heritage significance of the place or object without the need for a permit.

There was a 43 per cent increase in the number of registration hearings held this year, continuing the recent trend of growth in this area.

Assessments & Determinations	2017–18	2016–17	2015–16
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Assessments¹

Nominations accepted	57	62	56
Number of VHR assessments completed	37	40	51
ED recommendations for inclusion in VHR	9	17	13
ED recommendations to amend VHR	13	13	34
ED recommendations to remove from VHR	0	1	0
ED recommendations to not include in VHR	15	9	4

Interim Protection Orders (IPOs)

IPOs requested of the Heritage Council	4	2	-
IPOs requested of the ED	11	11	11
IPOs issued by the ED	0	0	1
IPOs issued by the Heritage Council	0	1	0

Heritage Council Registration Hearings & Meetings

Hearings	10	7	4
Meetings ²	1	3	1
Registration decisions called in by Minister	0	1	0
Hearing Decisions Pending	3	2	1

Heritage Council Determinations¹

Additions to the VHR	15	11	12
Amendments to existing registrations	14	8	33
Removals from VHR	1	0	0

1– The number of nominations does not match the number of assessments/recommendations because some were submitted in previous years. Similarly, the number of assessments/recommendations does not match the number of determinations because some relate to assessments/recommendations made in the last financial year.

2 – Under the *Heritage Act 2017* the Council no longer holds these Meetings.

PLACES INCLUDED IN THE VICTORIAN HERITAGE REGISTER IN 2017–18

There was a wide range of places and objects included in the VHR during the year.

BANNER OF THE AMALGAMATED MINERS' ASSOCIATION OF AUSTRALASIA – MALDON No. 14 BRANCH – H2384

93 High Street, Maldon, Mount Alexander Shire

Included April 2018

The Banner of the AMAA, Maldon No. 14 Branch is the earliest known surviving trade union banner in the state and is associated with one of the earliest unions in Victoria (the AMA). Made of machine-sewn cotton and wool fabrics set in double layers, it demonstrates the non-oppositional labour and capital ethos associated with the first Australian gold mining unions.



DAVID GODSELL HOUSE – H2379

491 Balcombe Road, Beaumaris, Bayside City

Included December 2017

This house is an outstanding example of Modern domestic architecture in Victoria. Designed by David Godsell as a home for his family when he was also beginning his own architecture practice, it is spatially rich and forms a creative and skilful response to its site.



FORMER CLIFTON MOTOR GARAGE – H2380

205–211 Queens Parade, Fitzroy North, Yarra City

Included May 2018

The Former Clifton Motor Garage is a notable example of Moderne-style architecture and demonstrates the evolution of the motor garage in Victoria. In 1919, the site was purchased by George and Lindsay Laity who constructed a new brick garage, residence and car showroom. In 1938, architect JH Wardrop was engaged to design a new unified frontage to Queens Parade in the Moderne style.



FORMER COMMONWEALTH NOTE AND STAMP PRINTING DEPARTMENT – H2372

115 Victoria Parade, Fitzroy, Yarra City

Included August 2017

The Former Commonwealth Note and Stamp Printing Department building was erected in 1924 when Melbourne was the seat of the new nation's federal government. Until 1981, Australia's bank notes, postage stamps and high security products were designed and produced within the building.

(Photo © Hin Lim | 2018)



FORMER ELSTERNWICK FIRE STATION – H2376

2–4 Selwyn Street, Elsternwick, Glen Eira City

Included August 2017

The Former Elsternwick Fire Station commenced operation in 1896 as one of 32 new fire stations built as part of the establishment of a new network across Melbourne for the recently formed Metropolitan Fire Brigade. It is a fine example of a later nineteenth century fire station and retains characteristics, such as its stone horseshoe arch, that remain mostly unchanged from its most important period of development and use.



FORWARD SURGE SCULPTURE – H2378

100 St Kilda Road, Melbourne, Melbourne City

Included May 2018

Forward Surge is a monumental, abstract, public sculpture made by renowned Australian sculptor Inge King (1915–2016). It is widely considered her most important work. Roy Grounds (1905–81), the architect of the Arts Centre, commissioned Forward Surge for the Arts Centre Lawn in 1973. It was fabricated by JK Fasham and was installed in 1981.

(Photo © Hin Lim | 2018)



KILMORE BREWERY COMPLEX SITE – H2375

57 Melbourne Street, Kilmore, Mitchell Shire

Included August 2017

The Kilmore Brewery was one of the earliest breweries outside Melbourne. It operated from the early 1850s and until 1903. This site contains archaeological evidence of the brewing and malting industries and their workforces in early colonial Victoria.



LIND HOUSE – H2387

450 Dandenong Road, Caulfield North, Glen Eira City

Included May 2018

Designed by architect Anatol Kagan, Lind House is a two-storey butterfly-roofed freestanding house that is a fine example of Modernist architecture in Melbourne. It is notable in particular for its European Modernist design elements, including bespoke high-quality in-built timber joinery, colourback glass window spandrels and downstairs servants' quarters.



MAROONDH WATER SUPPLY SYSTEM (UPPER AND CENTRAL SECTIONS) – H2381

Banyule City, Darebin City, Nillumbik Shire, Yarra Ranges Shire and Whittlesea City

Included December 2017

The Maroondah Water Supply System was operational from 1891 and is Melbourne's second large-scale water supply system. The system was built because the Yan Yean Water Supply System (VHR H2333) constructed in 1853 was no longer able to serve the growing population of Melbourne and the water quality was poor.



MONSTER MEETING SITE – H2368

Golden Point Road, Golden Point, Mount Alexander Shire

Included July 2017

On 15 December 1851 more than 10,000 gold diggers met at this site to object to the gold-licence fee. It was the first organised protest meeting and led to the Red Ribbon Rebellion and the Eureka Stockade. It was also the first time workers had protested against the government.



MORWELL POWER STATION AND BRIQUETTE FACTORY – H2377

412 Commercial Road, Morwell, Latrobe City

Included February 2018

The Morwell Power Station and Briquette Factories was the centrepiece of the Victorian Government's post-war strategy to develop the La Trobe Valley into the state's principle power producing region. It is the earliest surviving large-scale power station, designed to provide electricity to the state via the processing of brown coal, and has remained largely intact since the 1950s.



SAMBAS GOLD MINE – H2356

Great Alpine Road, Harrietville, Alpine Shire

Included October 2017

The Sambas Gold Mine (1910) is a rare example of an intact – and continuing – adit mine, a type of mine which was once widespread in the mountainous Goldfield regions of Victoria. It is now the oldest working mine of its type in Victoria and contains an uncommon assemblage of ore crushing machinery and gold-retrieval technology, such as a working stamp battery and rod mills.



STAWELL AMALGAMATED MINERS' ASSOCIATION BANNER – H2383

Stawell Town Hall, 59–69 Main Street Stawell, Northern Grampians Shire

Included April 2018

The Stawell AMA Banner is made of cloth with hand painted decoration and is a replica of an earlier banner. It was constructed to be supported on a horizontal rod at the top of the banner and has fringing and braiding along its lower edge. It is important for its association with the Eight Hour Day Movement, one of the most significant nineteenth-century industrial reforms.

(Photo © Hin Lim | 2018)



TATURA WORLD WAR II INTERNMENT AND POW CAMPS COLLECTION – H2373

49 Hogan Street, Tatura, Greater Shepparton City

Included August 2017

This collection consists of approximately 1,700 artworks, heritage objects and archives made and used by internees and prisoners of war area between 1940 and 1948 in the seven World War II internment camps in the Tatura. It is the largest collection in Victoria relating to Australia's wartime camps; it also includes photos and oral histories from the prisoners, the garrison and locals.



WATERSIDE WORKERS FEDERATION BANNER – H2385

Maritime Union of Australia, Rooms 46–54 Ireland Street, West Melbourne, City of Melbourne

Included April 2018

The Waterside Workers Federation Banner is made of heavy canvas, and both sides have imagery and mottos painted in oil paint. Created in the 1940s, it is a rare example of a banner produced at a time when few were being commissioned, and is the only known banner painted by artist, cartoonist and Australian Labor Party supporter Richard 'Dick' Ovenden.



AMENDMENTS TO THE VICTORIAN HERITAGE REGISTER IN 2017–18

The majority of amendments to the VHR involved the addition of land to the registration or a similar refinement. Early registrations by the former Historic Buildings Council did not include and/or define the land in relation to the registration.

Amendment Date	VHR No	Name of Place / Object Amended	VHR No	Name of Place / Object Amended
August 2017	H1658	Bridge over Djerriwarrh Creek	H1454	Rothwell Bridge
	H1456	Winchelsea Bridge	H0311	Windmill Farm
	H1457	Youl's Creek Bridge		
October 2017	H0229	Former Presbyterian Manse, Williamstown		
February 2018	H1566	Hawthorn Railway Station Complex	H0302	Sages Cottage
March 2018	H1638	Primary School No.275, Wandiligong		
April 2018	H1902	Genazzano FCJ College	H1529	Titles Office
June 2018	H0483	Auld Reekie	H0582	Milton House
	H0983	Port Melbourne Railway Station		

REMOVAL OF PLACES OR OBJECTS FROM THE VICTORIAN HERITAGE REGISTER IN 2017–18

The registration for VHR No H1877 Golden City Implements (62–68 Eaglehawk Road, Ironbark) was amended for the place and associated objects to be removed from the VHR, as they were determined to no longer hold cultural heritage significance in accordance with s.54 and s.42(1)(c) of the *Heritage Act 1995*. Due to their severely degraded condition and the danger this posed to passing pedestrians and traffic, the structures associated with the Golden City Implements foundry were demolished in late 2012 and the heritage objects were relocated in accordance with Heritage Victoria Permit P18274.

Heritage Certificates in 2017–18

Heritage certificates are used mainly by the conveyancing industry to reveal whether a property is affected by the Heritage Act in any way. They are issued by Heritage Victoria. In 2017–18:

- 6196 (an average of 516 per month) certificates were issued

These figures represent a decrease of approximately 6 per cent from the previous year. The number of certificates issued tends to vary in line with activity in the real-estate market.

Victorian Heritage Register – Permits

Changes to places or objects in the Victorian Heritage Register require a permit or a permit exemption from the Executive Director. When a request for a review of a permit determination by the Executive Director is made, the Heritage Council conducts the review and determines the outcome.

The relatively high value of works covered by permit exemptions in 2017–18 has included several significant conservation projects, including a \$14 million roofing and facade conservation at Magistrates Court, Russell Street, Melbourne (H1010), a \$7 million roof and facade repairs project at Francis Ormond Building, La Trobe Street, Melbourne (H0982), and conservation works associated with the Living Heritage Grants Program.

Permits	2017–18	2016–17	2015–16
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Permits Issued / Refused / Amended / Exemptions

Total permit applications	1148	1162	964
Permits refused or part refused	6	3	5
Permit amendments approved	19	36	45
Permit amendments refused	0	0	1
Total permits issued by the ED, <i>incl</i>	206	255	236
<i>Permits for works on Archaeological Places</i>	22	11	10
<i>Maritime permits under Victorian Act</i>	8	10	32
<i>Maritime permit extensions</i>	0	1	0
<i>Maritime permits under Commonwealth Act</i>	4	5	3
Total permit exemptions issued by the ED	917	868	677

Cost of Works covered by permits issued and permit exemptions

Cost of works covered by permits issued	\$887,397,786	\$1,700,178,121	\$1,040,441,974
Cost of works covered by permit exemptions	\$89,747,226	\$19,831,378	\$44,313,235
Total value of works covered by heritage permits and exemptions	\$977,145,012	\$1,720,009,499	\$1,084,755,210
Heritage Council Permit Appeals & Reviews ¹	2017–18	2016–17	2015–16
Reviews lodged	3	6	6
Reviews determined	3	3	2
Reviews called in by Minister for Planning	0	0	0
Reviews withdrawn	0	4	1
Reviews pending (as at 30 June 2018)	1	1	3

1 – Under the *Heritage Act 2017* Permit Appeals are now referred to as Reviews

Victorian Heritage Inventory – Consents

The Victorian Heritage Inventory is a listing of all known historical archaeological sites as determined by the Executive Director. There are more than 7000 sites currently listed on the Heritage Inventory. Works to excavate or damage an archaeological site require a Consent from the Executive Director.

With the commencement of the *Heritage Act 2017* a number of changes came into effect in relation to the Heritage Inventory and its management:

- a threshold was introduced so that new archaeological sites will only be added if the Executive Director determines that they have more than a low level of cultural heritage (archaeological) significance
- the Heritage Council may now determine to
 - include on the Heritage Inventory sites of archaeological value that are less than 75 years old, as recommended by the Executive Director
 - remove sites of low archaeological value, as recommended by the Executive Director
- the Heritage Council may now conduct a hearing to review the Executive Director's determination that a place is a site of archaeological value, if requested by relevant parties.

The following table outlines the Archaeological Consents issued in 2017–18. The recent trend of large numbers of Consents being issued continued this year, largely due to major infrastructure projects (such as the Melbourne Metro Rail Project) and very high levels of development in the Melbourne city area and in Geelong. Included in the Consent to Excavate figures are a number of major archaeological excavation projects at significant city sites – some of which have run for more than three months. There were no Consent-related hearing requests in 2017–18.

Archaeological Consents	2017–18	2016–17	2015–16
Consents to Damage (over half of site)	44	28	14
Consents to Damage (under half of site)	26	53	35
Consents to Excavate	26	35	25
Total	96	116	74

Living Heritage Grants Program

The Living Heritage Program is an initiative of the Victorian Government to support the repair and conservation of ‘at risk’ heritage places and objects included in the Victorian Heritage Register under the *Heritage Act 2017*.

The program commenced in 2016 and comprises \$38.5 million over four years. It consists of two streams – Major Projects Grants and Community Heritage Grants – and is managed by Heritage Victoria in the Department of Environment, Land, Water and Planning. A member of the Heritage Council sits on the Living Heritage Program Assessment Panel, which selects the projects to be recommended to the Minister for Planning for the Community Heritage Grants.

Major Project Grants

In 2017–18, the program provided Major Project Grants for six iconic heritage places with complex conservation needs. These projects aim to safeguard and reactivate highly valued community heritage assets for ongoing public use:

Place & VHR No	Managed by	Grant	Description of Works
Former Moonee Ponds Court House (H1051)	Essendon Historical Society	up to \$1.5 million	Urgent repairs and restoration of the court house
Former Reid’s Coffee Palace, Ballarat (H0469)	Uniting Care	up to \$500,000	Internal works
Great Melbourne Telescope Building (H1087)	Royal Botanical Gardens	up to \$400,000	Works to address rising damp and reinstatement of the roof
Paddle Steamer Gem, Swan Hill (H1742)	Swan Hill Pioneer Settlement	up to \$500,000	Urgent repairs to the hull, floor replacement and the installation of structural bracing
Pipe Makers Park, Maribyrnong (H1503)	City of Maribyrnong	up to \$400,000	Conservation works including roof and external masonry repairs
Werribee Park (H1613)	Parks Victoria	up to \$500,000	Urgent masonry repairs to address public health and safety concerns

Community Heritage Grants

In 2017–18, the Community Heritage Grants supported 22 new projects to publicly accessible heritage places across Victoria. The Heritage Council was involved in the selection of these projects, with a total value of \$2.5 million:

Place & VHR No	Managed by	Grant	Description of Works
Abercrombie House, South Melbourne (H0404)	National Trust	\$95,000	Repairs to timber work, iron wall cladding and stabilisation of wallpapers
Ballarat Town Hall (H0978)	City of Ballarat	\$195,000	Slate roof replacement and associated repairs to rainwater goods to "A Hall" roof
Ballarat Trades Hall (H0657)	Ballarat Regional Trades & Labour Council Inc.	\$200,000	The stabilisation of failed render and repainting to external façade
Camperdown Clock Tower (H0647)	Corangamite Shire Council	\$200,000	Conservation of clock faces, render repairs and roof replacement
Castlemaine Botanical Gardens (H1679)	Mount Alexander Shire Council	\$37,000	Specialist conservation of galvanised tile roof
Century Building, Melbourne (H2250)	Owners Corporation Century Building	\$37,000	A condition report for the failing faience façade tiles
Chelsea Court House (H0804)	City of Kingston	\$20,000	Repairs and surface treatment to the parquet floor
Christ Church, Brunswick (H0129)	Christ Church Brunswick	\$130,000	Slate roof replacement and other repairs
Former Ballarat RAAF Base (H2113)	City of Ballarat	\$200,000	Interior and exterior conservation works to Hut 48
Former Benalla Migrant Camp (H2358)	Benalla Rural City Council	\$20,000	To prepare a conservation management plan
Former Victorian Deaf Institution, Melbourne (H2122)	Deaf Children Australia	\$150,000	Conservation of the timber joinery
Healesville Railway Water Tower and Crane (H1567)	Yarra Valley Railway	\$200,000	Structural stabilisation and repair to working condition
Kilmore Court House (H1471)	Committee of Management	\$130,000	Repairs to roof and other works
Kingston Avenue of Honour, Daylesford (H2343)	Friends of Kingston Avenue of Honour	\$60,000	Urgent arboreal works including removal of 12 trees
Port Fairy Battery (H1504)	Moynes Shire Council	\$200,000	Conservation of four cannons and other works
Queen Elizabeth Oval Cottage, Rosalind Park, Bendigo (H0803)	City of Greater Bendigo	\$200,000	To undertake priority conservation works, including masonry repairs
Sacred Heart Church, Carlton (H0016)	Corpus Christi College	\$33,000	Conservation of 'Oil Painting 8' and assessment of four other paintings
St Francis Xavier Chapel, Daylesford (H0738)	St Peter's Parish, Daylesford	\$180,000	Conservation works to roof, exterior walls, foundations and joinery, and interior finishes
St Peter's Anglican Church Eastern Hill, East Melbourne (H0009)	St Peter's Anglican Church Eastern Hill	\$85,000	Slate roof replacement and rainwater goods
Smythesdale Court House (H1653)	Golden Plains Shire	\$90,000	Repairs to roof, joinery and masonry
Theatre Royal, Castlemaine (H2144)	Theatre Royal Castlemaine Pty Ltd & Chowders Pty Ltd	up to \$20,000	The preparation of a conservation management plan and structural engineer assessment
Victorian Artists Society, East Melbourne (H0634)	Victorian Artists Society	\$25,000	To prepare a conservation management plan

Some examples of completed works

During 2017–18 many of the projects funded in the previous year were completed, including works to the Globe Theatre in Winchelsea, Traralgon Court House and Tarndwarncoort in Warncoort.

Globe Theatre, Winchelsea (H2226)

The Globe Theatre, originally constructed as a performance hall in 1926, is a much-valued community asset in Winchelsea. A grant of \$70,000 was awarded for urgent internal and exterior repairs, including treatment of rusted pressed metal ceilings. The conservation works enable the building to continue to be used by local community groups and schools for a range of events and as a public cinema.

Photo: Members of the Winchelsea community gather at the Globe Theatre for the project announcement



Tarndwarncoort, Warncoort (H0281)

One of the oldest surviving homesteads in Victoria, Tarndwarncoort has been owned by successive generations of the Dennis family. A \$50,000 grant was provided for roof and masonry works to a stone barn built in the 1840s and a brick carriage known as the 'Ciderhouse'. The completion of this project has provided new possibilities for tourism and the homestead is open to the public every weekend.

Photo: Conservation works in progress: replacing the bluestone lintel



Court House, Traralgon (H1488)

A grant of \$115,000 was awarded to undertake various urgent conservation works, including roof repairs and other works, to safeguard the Traralgon Court House. The building was suffering from significant water damage from the leaking roof, restricting its use. The repairs have restored this community asset for community, tourism and commercial uses.

Photo: Roof repair works in progress



Financial summary

The Annual Report of the Heritage Council is prepared in accordance with all relevant Victorian legislations and pronouncements.

Five-year summary of financial operations

	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Revenue	1,756	1,319	1,135	1,501	1,759
Expenses	1,665	1,230	1,002	2,011	3,357
Net Result	90	90	133	(510)	(1,598)
Total Assets	2,791	2,734	2,728	2,735	4,634
Total Liabilities	272	305	368	495	1884

Current year financial review

From 1 November 2017, an increase in fee amounts payable coupled with a high level of fee-relevant activity under the Act resulted in growth of the Heritage Fund fee revenue. The Council's operating expenditure also increased over the financial year, which was in part the result of the Council's work in preparing for transition to the Act and in part the result of a rise in regulatory activity. The Council's operating surplus at the end of the financial year was \$90,412, and the Council maintained investments with Treasury Corporation Victoria, which it can draw-down as and when required.

Significant changes in financial position

The commencement of the Act on 1 November 2017 (and the commencement of the Heritage Regulations 2017) brought substantial changes to the Heritage Fund fee structure (for user-pay fee amounts paid into the Heritage Fund pursuant to s.235[1][a]) and increases in fee amounts payable under the Act.

This increase in fee amounts payable coupled with a high level of fee-relevant activity under the Act resulted in growth of the Heritage Fund fee revenue.

Significant changes or factors affecting performance

Aside from the changes to the governing legislation, resulting in an increase in the revenue and expenditure, there were no significant changes or factors which affected the performance of the Heritage Council during the reporting period.

Capital projects

The Heritage Council does not manage any capital projects.

Disclosure of grants and transfer payments

Legacy Grants from past grant programs totalling \$469,000 were included as outstanding commitments in the Council's budget and managed through the Heritage Fund. These include items such as the Victorian Property Fund, the Victorian Heritage Grants, the Murtoa Stick Shed grant and other Heritage Victoria projects. The Council also made a grant of \$130,000 to Heritage Victoria for the purposes of administration of the Act.

Subsequent events which will affect operations in future years

The Heritage Council is not aware of any events that have occurred since balance date or that will occur in future years which would impact its operations or future financial position. The majority of Heritage Fund revenue, however, is subject to prevailing economic conditions and the Department of Environment, Land, Water and Planning (DELWP) operating grant is now expected to be reduced in 2018–19 from \$500,000 to \$250,000. The Council is monitoring its regulatory activity and finances carefully in light of the changes to the Act and to the DELWP operating grant. The Council has adopted a 'balanced-budget' approach to the Heritage Fund budget, from 1 July 2018, to reflect the prevailing increase in fee revenue. This approach includes increases in staffing expenditure and increased costs associated with the administration of the Act.

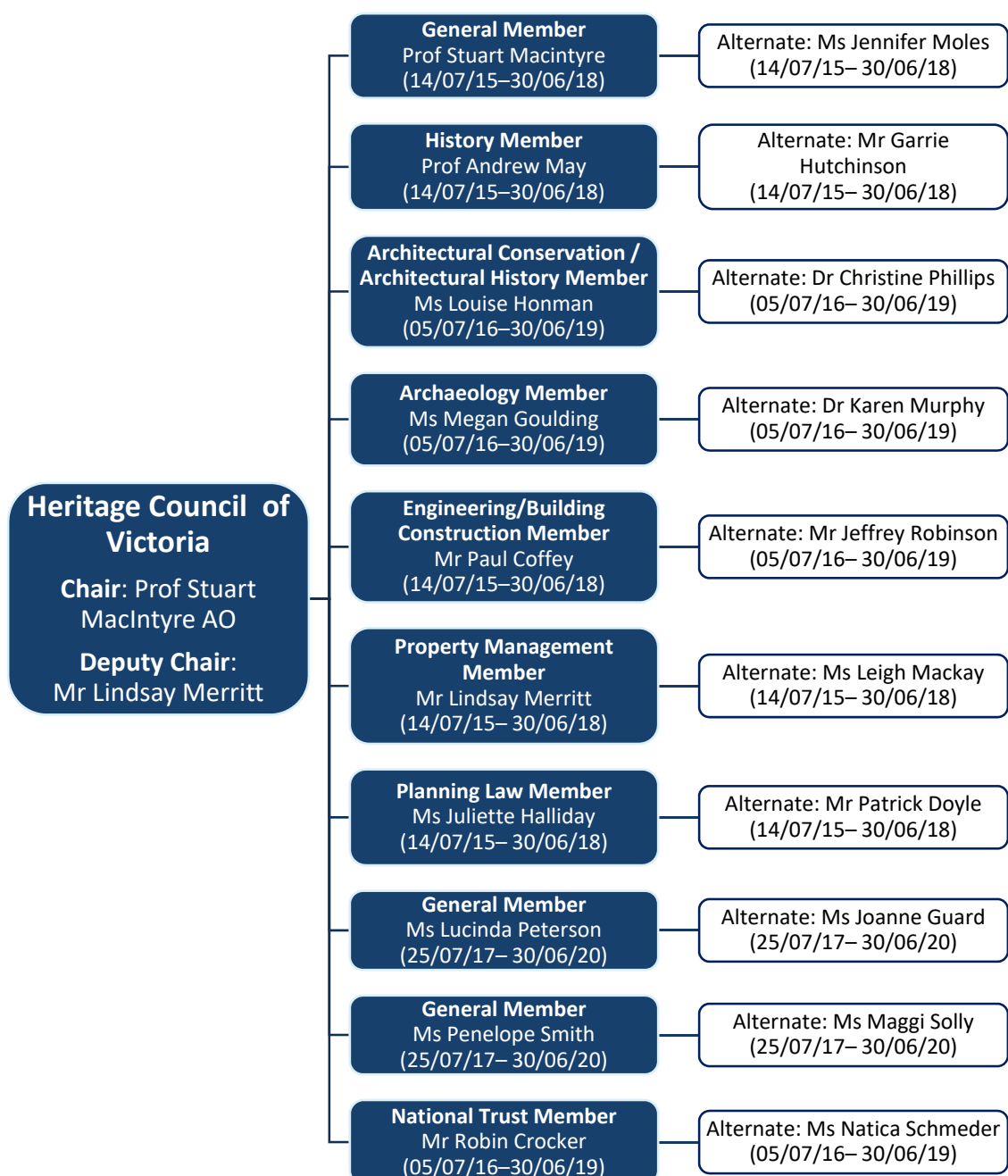
Financial estimates in the Heritage Council Corporate Plan 2018–19 (appended) have been prepared accordingly.

Governance and organisational structure

Heritage Council members

The Council consists of 10 members and 10 alternate members who represent a broad cross-section of heritage specialists and the community. Members are appointed by the Governor-in-Council on the recommendation of the Minister for Planning.

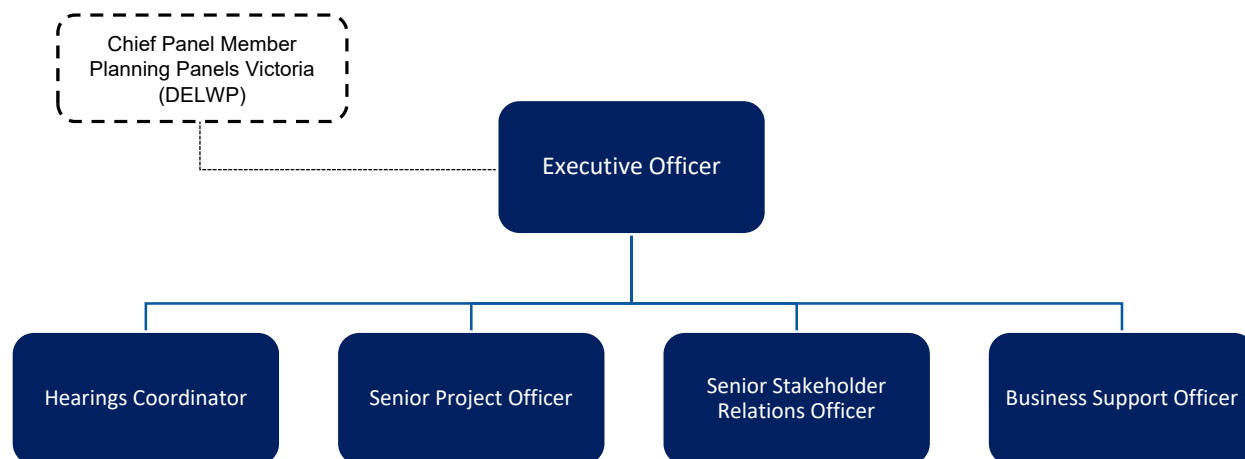
The following chart outlines all of the Council's members and membership categories (including periods of appointment) for 2017–18.



The new *Heritage Act 2017* has introduced three new categories of member expertise: 'Urban or regional planning', 'Financial management' and 'an Aboriginal person with experience or knowledge of cultural heritage'. These are replacing the 'Property management' category and two of the 'General member' categories, and will be filled in 2018–19.

Organisational structure

The Council does not employ any staff but is supported by a small Secretariat consisting of Department of Environment, Land, Water and Planning (DELWP) employees. It is led by an Executive Officer who is the Council's Accountable Officer and is responsible for day-to-day matters. The Executive Officer reports to the Chief Panel Member, Planning Panels Victoria, DELWP.



Audit Committee – Standing Directions exemption

In 2017–18 the Heritage Council of Victoria had an exemption for Direction 3.2.1 and 3.2.2 of the Standing Directions of the Minister for Finance 2017 and therefore does not have an Audit Committee.

The Finance and Risk Management Committee manages all financial matters as necessary.

Heritage Council committees

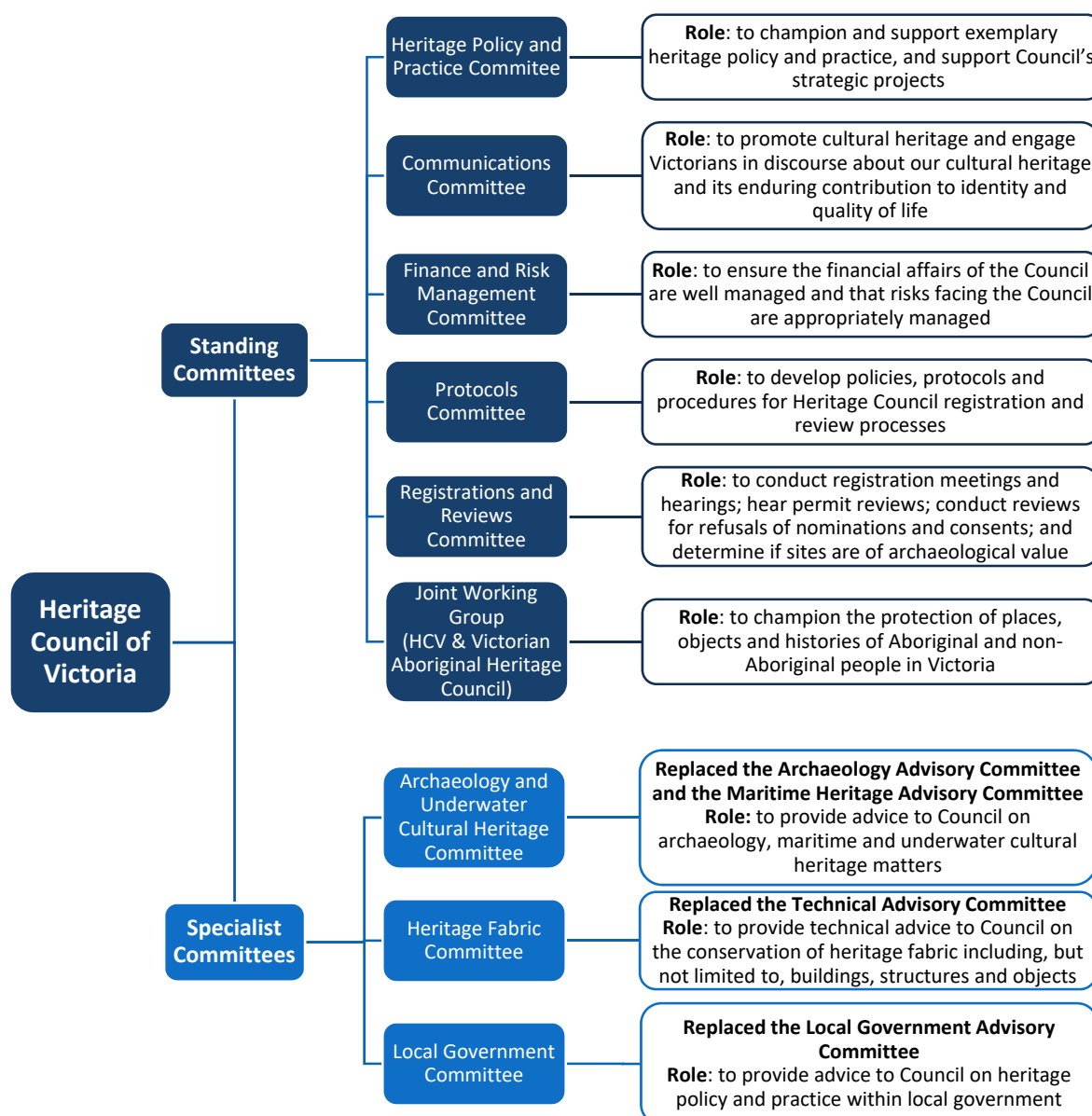
Under Part 2, Division 1, s.13 of the Act, the Council may establish committees to assist and advise it in fulfilling its statutory functions. There were primarily three types of committee in operation during 2017–18:

Standing Committees – consisting of Council members only. Six standing committees have been constituted to ensure the effective operation of the Council, especially in relation to its legislative functions. The Standing Committees meet at least six times per year and, on Council's behalf, undertake some of its most critical and demanding work. This work includes: the conduct of hearings and reviews and the proper statutory administration of the Act; the management of the Council's finances; the oversight of strategic, educational and promotional activities; the development of heritage policy and practice; and the partnership with the Victorian Aboriginal Heritage Council.

Advisory Committee – three Advisory Committees (established under Part 2, Division 1, s.10 of the *Heritage Act 1995*) were active from 1 July 2017 to the establishment of the new Act in 1 November 2017: the Archaeology Advisory Committee, the Technical Advisory Committee and the Local Government Advisory Committee. As a result of the removal of Advisory Committees from the *Heritage Act 2017*, these Committees were disbanded upon the 1 November commencement of the new Act.

Specialist Committees – consisting of Council members and external subject-matter experts. The constitution of three specialist committees was endorsed by Council on 1 Feb 2018 (under Part 2, Division 1, s.13 and s.14 of the new Act) to advise the Council on cultural heritage matters pertaining to specific subject areas. These Specialist Committees replaced the three Advisory Committees that were active in 2017. The new Specialist Committees meet four times per year and provide advice to the Council as needed.

The following chart outlines these committees and their different roles:



In order to assist in the effective transition to the requirements of the new *Heritage Act 2017*, the Council also constituted a short-term Heritage Act Committee. This committee ceased functioning in November 2018, and it handed any outstanding actions to the Protocols Committee to complete during 2018.

Heritage Council committees and membership in 2017–18

Following is a breakdown of membership of the Heritage Council committees in 2017–18.

STANDING COMMITTEES

Heritage Policy and Practice Committee		Communications Committee	
Chair	Heritage Council Members	Chair	Heritage Council Members
Louise Honman	Megan Goulding Lindsay Merritt Lucinda Peterson Natica Schmeder Jeffrey Robinson	Paul Coffey	Christine Phillips Garrie Hutchinson Joanne Guard Karen Murphy Robin Crocker Maggi Solly
Finance and Risk Management Committee		Protocols Committee	
Chair	Heritage Council Members	Chair	Heritage Council Members
Lindsay Merritt	Stuart Macintyre Jeffrey Robinson Louise Honman Juliette Halliday Maggi Solly	Patrick Doyle	Jenny Moles Penelope Smith Leigh Mackay Andrew May Joanne Guard
Registrations and Reviews Committee		HCV / VAHC Joint Working Group	
Chair & Deputy	Heritage Council Members	HCV co-Chair	HCV Members
Juliette Halliday (Chair) Lindsay Merritt (Deputy)	All members	Andrew May	Megan Goulding, Christine Phillips
		VAHC co-Chair	VAHC Member
		Eleanor Bourke	Nellie Flagg

ADVISORY COMMITTEES (JULY–OCTOBER 2017)

Archaeology Advisory Committee (AAC)			
Heritage Council chair	Heritage Council member	Heritage Victoria members	External members
Megan Goulding	Karen Murphy	Jeremy Smith Brandi Bugh	Mark Eccleston, Susan Lawrence, Peter Lovell, Anita Smith, Kristal Buckley, Catherine Tucker
Technical Advisory Committee (TAC)			
Heritage Council chair	Heritage Council member	Heritage Victoria member	External members
Paul Coffey	Natica Schmeder	Jenny Dickens	Meredith Gould, Peter Lovell, Stuart McLennan, Donald Ellsmore, David Young, Greg Owen
Local Government Advisory Committee			
Heritage Council chair	Heritage Council members	Heritage Victoria member	External members
Lucinda Peterson	Patrick Doyle Lindsay Merritt	Sonia Rappell	Robyn Riddett, Michael MacDonagh, Samantha Westbrooke, Emma Bryant, Jackie Donkin, Colleen Lazenby

SPECIALIST COMMITTEES (FROM FEBRUARY 2018)

Archaeology and Underwater Cultural Heritage Committee (AUCHC)			
Heritage Council chair	Heritage Council members	Heritage Victoria representative	External members
Megan Goulding	Leigh Mackay, Andrew May Maggi Solly, Karen Murphy	Jeremy Smith Peter Harvey	Susan Lawrence, Kate Gray, Matt Carter, Peter Taylor, Michelle Negus Cleary, Sarah Hayes
Heritage Fabric Committee (HFC)			
Heritage Council chair	Heritage Council members	Heritage Victoria representative	External members
Paul Coffey	Natica Schmeder, Maggi Solly	Jenny Dickens	Meredith Gould, Stuart McLennan, Greg Owen, Adem Kose, Christophe Loustau, Robin Hodgson
Local Government Committee			
Heritage Council chair	Heritage Council members	Heritage Victoria representative	External members
Lucinda Peterson	Patrick Doyle, Lindsay Merritt	Sonia Rappell	Robyn Riddett, Michael MacDonagh, Samantha Westbrooke, Emma Bryant, Jackie Donkin, Colleen Lazenby

HERITAGE ACT COMMITTEE (APRIL–NOVEMBER 17)

Heritage Act Committee		
Heritage Council chair	Heritage Council members	Heritage Victoria members
Juliette Halliday	Stuart Macintyre, Paul Coffey, Megan Goulding, Penelope Smith, Leigh Mackay	Steven Avery, Amanda Bacon, Julia Street

Heritage Council representation

Victorian Heritage Restoration Fund – Lindsay Merritt

History Council – Garrie Hutchinson

Murtoa Stick Shed – Lindsay Merritt

Living Heritage Program Assessment Panel – Leigh Mackay

Meetings report 2017–18

In addition to the below, Members and Alternates attended a range of other meetings and workshops.

	Heritage Council	Observing as Alternate Member	Communications	Finance & Risk Management	Heritage Policy & Practice	Protocols	Heritage Act	HC/VAHC Joint Working Group	Registration Hearings*	IPOs*	Permit Reviews*	AAC & AUCHC	TAC & HFC	Local Government	Project Steering Committee**
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Members

Stuart Macintyre	8			5			1							1	4
Lindsay Merritt	7			6	6				2					2	4
Andrew May	7					3		2	3	3					9
Paul Coffey	8		6				5				1		7		12
Juliette Halliday	6			8			5		1	1	1				
Louise Honman	6			6	5				1	1	1				5
Megan Goulding	8				4		3	3	2	3		6			7
Robin Crocker	6		3												1
Penelope Smith	7					7	3		3		1				
Lucinda Peterson	8				6				4					5	8

Alternates

Leigh Mackay	3	5	1			9	5		1	1		2			
Garrie Hutchinson	4	5	6						2						7
Jenny Moles	2	5				6			1	2	2				1
Joanne Guard	1	2	4			3			1		1				
Christine Phillips	4	1	5					3	3	1	1				
Karen Murphy	3	5	4						3	1	1	6			1
Patrick Doyle	4	3				9			1		2			4	7
Maggi Sollly	4	2	5	5			1		1			2	3		
Jeffrey Robinson	2	5		7	5					1	2			2	6
Natica Schmeder	3	4			5								9		9

*Some hearings/reviews took place over multiple days.

**Some Members sat on multiple Project Steering Committees.

Workforce data

The Heritage Council does not employ any staff but is assisted in its functions by a Secretariat consisting of Department of Environment, Land, Water and Planning (DELWP) employees and, where required under the *Heritage Act 2017*, by the Executive Director, Heritage Victoria.

Occupational Health & Safety

The Heritage Council is supported by the Heritage Council Secretariat staff, who are employed within DELWP and are embraced by the department's OH&S management. There were no incidents reported during the year.

Merit and equity

The Council notes the merit and equity principles under the *Public Administration Act 2004* and complies with these principles. It also follows its own protocols designed to ensure its actions are fair, impartial and responsive.

Workforce Inclusion Policy

The Heritage Council of Victoria supports DELWP's Workforce Inclusion Policy.

Executive officer disclosure

The Heritage Council does not have any Executive Officers, to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies, within the meaning of Part 3 of the *Public Administration Act 2004*. The *Heritage Act 2017* does provide that an Executive Officer of the Heritage Council may be employed under Part 3 of the *Public Administration Act 2004*; however, the Executive Officer of the Heritage Council is an Accountable Officer as defined in s.42 of the *Financial Management Act 1994* and as disclosed in the Heritage Council's Financial Statements.

Other disclosures

Local Jobs First – Victorian Industry Participation Policy

The Heritage Council has not engaged or had any ongoing contracts (tenders) to which the Victorian Industry Participation Policy (VIPP) applies. Therefore it has not implemented the VIPP.

Consultancy expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2017–18, there was one consultant engaged where the total fee payable was \$10,000 or greater. The total expenditure incurred during 2017–18 in relation to this was \$30,000 (exc GST).

Details of individual consultancies are outlined on the Heritage Council of Victoria's website at www.heritagecouncil.vic.gov.au.

Details of consultancies (valued at less than \$10,000)

In 2017–18, there were no consultants engaged during the year where the total fees payable were less than \$10,000.

Information and Communication Technology expenditure

For the 2017–18 reporting period, the Heritage Council of Victoria had a total ICT expenditure of \$17,802 (exc GST) with the details shown below.

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
	Non-Business As Usual (non-BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
Business As Usual (BAU) ICT expenditure			
\$17,802	\$0	\$0	\$0

- **ICT expenditure** refers to the Heritage Council of Victoria's costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.
- **Non-BAU ICT expenditure** relates to extending or enhancing the Heritage Council of Victoria's current ICT capabilities.
- **BAU ICT expenditure** is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosure of Major Contracts

No major contracts (above \$10 million) were entered into in the 2017–18 reporting period.

Freedom of Information

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by the Heritage Council of Victoria (the Council). The purpose of the Act is to extend as far as possible the right of

the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Council. This comprises documents both created by the Council or supplied the Council by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Council is available on the Council's website.

The Act allows the Council to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Council in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by the Council, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au. An application fee of \$28.90 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to the Council, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of the Council should be addressed to:

Rhonda McLaren
Executive Officer – Heritage Council Secretariat
PO Box 2392
Melbourne, 3001
Telephone: (03) 9651 5060
email: heritage.council@delwp.vic.gov.au

Fol Statistics

There were no Fol requests by the Heritage Council of Victoria received during the 2017–18 reporting period.

Further information

Further information regarding the operation and scope of Fol can be obtained from the Act; regulations made under the Act; and foi.vic.gov.au.

Compliance with Building Act 1993

The Heritage Council of Victoria does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Heritage Council of Victoria continues to comply with the requirements of the Competitive Neutrality Policy.

Protected Disclosures Act 2012

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. The Heritage Council of Victoria is a public body for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources; or
- risk to public health or safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

You can make a protected disclosure about the Heritage Council of Victoria or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that Heritage Council of Victoria is **not** able to receive protected disclosures.

How can I access the Heritage Council of Victoria's procedures for the protection of persons from detrimental action?

The Heritage Council of Victoria is establishing procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the Heritage Council of Victoria based on the procedure used by DELWP.

CONTACTS

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process and anonymous disclosures;

Compliance with the Heritage Act

Under *the Heritage Act 2017* the Council is required to report annually to the Minister on –

- the carrying out of its functions under the (Heritage) Act; and
- the State of Victoria's cultural heritage; and
- the operation of this (Heritage) Act.

The Annual Report provides the information required under the Act.

The Council is also now required to provide the Minister annually with a Corporate Plan of its proposed works and operations for the next year. A copy of the Council's 2018–19 Corporate Plan was provided to the Minister.

Statement of Expectations

The Minister for Planning set four targets in the Statement of Expectations (SOE) for the Heritage Council of Victoria for the period 1 July 2016 to 30 June 2017. During 2017 the Department of Treasury and Finance issued advice that existing SOEs (as per below) may be carried over until a new SOE can be issued under the SOE Framework. The Council's targets and activities listed below therefore have been carried over from the previous year. The table below outlines the specific targets and activities undertaken to reach the improvements set out in the SOE.

Element of good regulatory practice	SOE Target	Status
Clear and consistent regulatory activities	Improve administrative processes for hearings and appeals to ensure consistency and clear communication to stakeholders by June 2017	Completed Plain English cover pages developed and Protocols reviewed
Accountability and transparency	In consultation with Heritage Victoria, review the effectiveness of regulatory practices for small business in relation to permit conditions and exemptions by February 2017	Progressing Training developed for the writing of permit conditions; to be rolled out in 2018–19
Risk-based strategies	Use risk-based approach to allocate limited resources to regulatory activities, based on the outcome of the Heritage Council Operational Review, by December 2017	Completed Risks identified in the Council's Risk Matrix and addressed, including increased training for members and increased resources for Act transition. Suite of new Hearings and Reviews Protocols and Forms adopted. The Corporate Plan 2018–19 includes increased expenditure on staffing resources as per the Council's 2018–19 Budget (adopted June 2018).
Accountability and transparency Timeliness	Improve communication of key administrative obligations of owners and managers of places and objects included in the Victorian Heritage Register by June 2017	Completed Owners Guides have been finalised and mailed to all owners of places on the Victorian Heritage Register

Office-based environmental impacts

The Heritage Council does not have its own offices. However, the Council supports programs implemented by the Department of Environment, Land, Water and Planning to minimise environmental impacts through reduced energy use, waste production, paper use and water consumption and transportation.

It also gives preference to environmentally friendly products in print and other purchases.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at <http://www.data.vic.gov.au/> in electronic readable format.

Availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the Heritage Council of Victoria (the Heritage Council) and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

(a) a statement that declarations of pecuniary interests have been duly completed by all relevant council members

(b) Publications:

Publication	Produced	How obtained
Annual Report 2016–17	September 2017	See: http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/
Corporate Plan 2018–19	August 2018	or email heritage.council@delwp.vic.gov.au

(c) Changes in fees and charges – The Heritage Council does not charge fees but some of the permit and consent fees and certificate fees charged by Heritage Victoria were increased as per the Heritage (General) Regulations 2017 and the Heritage Underwater Cultural Heritage Regulations 2017 on 1 July 2018 – see <http://www.heritage.vic.gov.au/permits/apply-for-heritage-permits/how-to-apply-for-a-permit>

(d) There was no major research or development activity (more than \$100,000) carried out by the entity during the 2017–18 financial year.

The information is available on request from:

The Executive Officer

Heritage Council Secretariat

Phone: (03) 9651 5060

Email: heritage.council@delwp.vic.gov.au

The following information is not relevant to the Heritage Council for the reasons set out below:

- A declaration of shares held by senior offices (no shares have ever been issued in the Heritage Council).
- Details of overseas visits undertaken (no Council member took overseas work-related trips).
- Details of external reviews carried out on the agency (no external reviews have been undertaken).
- A statement on industrial relations within the agency (there were no relevant industrial relations matters to report).

Financial management compliance attestation

I, Stuart Macintyre, on behalf of Heritage Council of Victoria, certify that the Heritage Council of Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

A handwritten signature in purple ink, appearing to read 'St Macintyre'.

Prof Stuart Macintyre AO
Chair, Heritage Council of Victoria

17 September 2018

Financial report

Accountable Officer's declaration and statutory certification

The attached financial statements for the Heritage Council of Victoria have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the entity at 30 June 2018.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 14 September 2018.



Prof Stuart Macintyre AO
Chair
Heritage Council of Victoria

Melbourne
14 September 2018



Damien Welch
Accountable Officer
Heritage Council of Victoria

Melbourne
14 September 2018

Auditor-General's Report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Council Members of the Heritage Council of Victoria

Opinion	<p>I have audited the financial report of the Heritage Council of Victoria (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2018• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• accountable officer's declaration and statutory certification. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Council Members' responsibilities for the financial report	<p>The Council Members of the Heritage Council of Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Council Members determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council Members are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- conclude on the appropriateness of the Council Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
17 September 2018



Paul Martin
as delegate for the Auditor-General of Victoria

Heritage Council Financial Statements

Financial statements

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These annual financial statements represent the audited general purpose financial statements of the Heritage Council of Victoria for the period 1 July 2017 to 30 June 2018. The purpose of the report is to provide users with information about the Heritage Council of Victoria's stewardship of resources entrusted to it.

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Income from transactions			
Government grants	2.1	500,000	500,000
Rendering of services	2.2	1,212,873	672,796
Interest income	2.3	42,662	43,148
Other income	2.4	0	103,250
Total income from transactions		1,755,535	1,319,194
Expenses from transactions			
Member fees and other costs	3.1	(318,221)	(252,225)
Supplies and services	3.2	(1,324,357)	(934,653)
Grants to local government, individuals and businesses	3.3	(22,545)	(42,645)
Total expenses from transactions		(1,665,123)	(1,229,523)
Net operating balance		90,412	89,671
Other economic flows included in net result			
Net gain/(loss) on financial instruments	3.4	0	(20,313)
Total other economic flows included in net result		0	(20,313)
Comprehensive result		90,412	69,358

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
Assets			
Financial assets			
Cash and deposits	4.1	2,733,722	2,115,762
Receivables	5.1	57,636	68,084
Investments and other financial assets	7.2	0	550,000
Total assets		2,791,358	2,733,846
Liabilities			
Payables	5.2	76,050	98,723
Security deposits	5.3	195,714	205,941
Total liabilities		271,764	304,664
Net assets		2,519,594	2,429,182
Equity			
Accumulated surplus/(deficit)		989,581	899,169
Contributed capital		1,530,013	1,530,013
Net worth		2,519,594	2,429,182
Commitments		6.1	
Contingent assets and liabilities		7.3	

The balance sheet should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Accumulated surplus/(deficit) \$	Contribution by owners \$	Total \$
Balance at 1 July 2016	829,811	1,530,013	2,359,824
Comprehensive result	69,358	0	69,358
Balance as at 30 June 2017	899,169	1,530,013	2,429,182
Comprehensive result	90,412	0	90,412
Balance as at 30 June 2018	989,581	1,530,013	2,519,594

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts			
Receipt from government		500,000	500,000
Receipts from other entities		1,211,911	705,103
Interest received		42,662	43,148
GST recovered from ATO		1,166	31,289
Total receipts		1,755,739	1,279,540
Payments			
Payments to suppliers		(1,665,234)	(1,187,741)
Payments of grants and other transfers		(22,545)	(42,645)
Total payments		(1,687,779)	(1,230,386)
Net cash flows from operating activities	4.1(b)	67,960	49,154
Cash flows used in investing activities			
Receipts from investments		550,000	0
Net cash flows used in investing activities		550,000	0
Net increase in cash and cash equivalents		617,960	49,154
Cash and cash equivalents at the beginning of the financial year		2,115,762	2,066,608
Cash and cash equivalents at the end of the financial year	4.1(a)	2,733,722	2,115,762

The cash flow statement should be read in conjunction with the notes to the financial statements.

1. ABOUT THIS REPORT

The financial statements cover the Heritage Council of Victoria as an individual reporting entity. The Heritage Council of Victoria is a body corporate established by the *Heritage Act 2017* which commenced 1 November 2017 and is a controlled entity of the State of Victoria.

Its address is: Heritage Council of Victoria

3 Treasury Place

Melbourne, VIC, 3002

A description of the nature of its operations and its principal activities is included in the 'Report of operations', which does not form part of these financial statements.

Basis of preparation

This financial report was authorised for issue by the Chair – Stuart Macintyre and the Accountable Officer – Damien Welch on 14 September 2018.

Comprehensive operating statement

Net result from transactions is a key fiscal aggregate, measuring an entity's profit or loss. It:

- is equal to income from transactions minus expenses from transactions;
- is a summary of the ongoing sustainability of operations;
- excludes gains and losses resulting from changes in price levels and other changes in the volume of assets; and
- is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available for sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or other transfers of assets.

The sum of net result from transactions and other economics flows forms the comprehensive result.

The comprehensive result represents the net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current (expected to be recovered or settled more than 12 months after the reporting period) assets and liabilities are disclosed in note 4, 5, 6 and 7.

Statement of changes in equity

The statement of changes in equity presents reconciliation between the carrying amount of each non-owner and owner equity opening balance at the beginning of the reporting period and the closing balance at the end of the reporting period, showing separately movements included in the comprehensive result and movements due to transactions with owners in their capacity as owners.

Cash flow statements

Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

General

These financial statements:

- are presented in Australian currency and prepared in accordance with historical cost convention. Amounts have been rounded to the nearest \$1 unless otherwise stated;
- have the accrual basis of accounting applied; assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid; and
- have been prepared on a going concern basis and in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AAS), which include Interpretations issued by the Australian Accounting Standards Board (AASB), ensuring that the substance of the underlying transactions or other events is reported.

Accounting policies are selected and applied in a manner ensuring the resulting financial information satisfies the concepts of relevance and reliability, ensuring that the substance of the underlying transactions or other events is reported.

The Heritage Council of Victoria determines the policies and procedures for recurring and non-recurring fair value measurements in accordance with the requirements of AASB 13 *Fair Value Measurement* and the relevant Financial Reporting Directions.

Assets and liabilities for which fair value is measured or disclosed are generally categorised within a hierarchy, described as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Classes of assets and liabilities are determined by the Heritage Council of Victoria based on the nature, characteristics, risks of the asset or liability and where it is categorised in the hierarchy.

Judgements, estimates and assumptions are required to determine the carrying values of assets and liabilities that are not clear. These estimates and assumptions are based on professional judgement derived from historical experience and various other factors. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period the estimate is revised and in future periods affected by the revision. Professional judgements and assumptions have been made by management on which AASs have a significant effect on the financial statements and estimates.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Heritage Council of Victoria's role is to:

- advise the Minister for Planning on the protection and conservation of Victoria's cultural heritage.
- decide which places and objects are added to the Victorian Heritage Register.
- hear appeals on permit applications.
- promote public understanding of Victoria's cultural heritage and conduct community education and information programs.
- undertake research related to identification, conservation and interpretation of cultural heritage.
- advise and liaise with state government departments and agencies and municipal councils on the protection and conservation of places and objects of cultural significance.

Income from transactions is the primary method the Heritage Council of Victoria generates funds. To enable the Heritage Council of Victoria to fulfill its objective and provide outputs, it receives income from grants provided by the Department of Environment, Land, Water and Planning (DELWP).

Structure

- 2.1 Government grants
- 2.2 Rendering of services
- 2.3 Interest income
- 2.4 Other income

2.1 Government grants

	2018	2017
	\$	\$
Government grants		
Grants from DELWP	500,000	500,000
Total government grants	500,000	500,000

Government contributions are recognised when the Heritage Council of Victoria obtains control of the funds.

2.2 Rendering of services

	2018	2017
	\$	\$
Rendering of services		
Planning fees, permit fees and permit review fees	1,202,646	624,546
Other fees for service	10,227	48,250
Total rendering of services	1,212,873	672,796

Income from the rendering of services is recognised when:

- the Heritage Council of Victoria no longer has any of the significant risks and rewards of ownership of the goods;
- the Heritage Council of Victoria no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income and the costs incurred or to be incurred in respect of the transactions can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Heritage Council of Victoria.

2.2 Rendering of services (continued)

The Heritage Council of Victoria has three main types of fees:

- Planning fees - levied to advise an applicant whether or not a place or object is included in the Heritage Register under the *Heritage Act 2017* which commenced 1 November 2017 and the category in which it is registered. Planning certificate fees are recognised at the time applications are lodged together with payment of fees.
- Permit and consent fees - The Heritage (General) Regulations 2015 set out the prescribed fee required to accompany an application for a permit or consent application pursuant to the *Heritage Act 2017* which commenced 1 November 2017. A permit is required for alterations to a place included in the Victorian Heritage Register unless a permit exemption is provided. A consent is required for works which may affect the historical archaeology of a Heritage Inventory site. Permit and consent fees are recognised when the applications are lodged, together with payment of fees.
- Permit review fees - Reviews of determinations are conducted by the Heritage Council under Part 5, Division 5 of the *Heritage Act 2017* which commenced 1 November 2017. An applicant may seek a review of a determination in relation to a permit or a hearing into permit review as per section 106(1) of the Act, or a review of any condition imposed on the permit as per section 106(2). The Heritage Council conducts the review (or hearing) and makes a determination. Permit review fees are recognised when the application is lodged, together with payment of fees.

2.3 Interest income

	2018	2017
	\$	\$
Interest income		
Interest from cash, deposits and investments	42,662	43,148
Total interest income	42,662	43,148

Interest income includes interest received on bank term deposits and other investments and the unwinding of the discount on financial assets over time. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

2.4 Other income

	2018	2017
	\$	\$
Other income		
Grants and donations	0	103,250
Total other income	0	103,250

Other income is recognised when controlled (i.e. when received or receivable).

3. THE COST OF DELIVERING SERVICES

Introduction

This sections provides an accounts of the expenses incurred by the Heritage Council of Victoria. In section 2, the funds that enable the provision of services were disclosed and in this section the costs associated with provision of services are recorded.

Structure

- 3.1 Member fees and other costs
 - 3.1.1 Superannuation
 - 3.1.2 Responsible persons
 - 3.1.3 Related Parties
- 3.2 Supplies and services
 - 3.2.1 Audit fees
- 3.3 Grants to local government, individuals and businesses
- 3.4 Other economic flows included in net result

The Heritage Council of Victoria does not employ any staff directly. The staffing resources are provided by DELWP and all provisions for employee benefits are held by the department.

3.1 Member fees and other costs

	2018 \$	2017 \$
Member fees and other costs		
Sitting fees	(263,358)	(210,711)
Travel and subsistence expenses	(12,505)	(5,019)
Superannuation	(24,877)	(18,878)
Other on-costs	(17,481)	(17,617)
Total member fees and other costs	(318,221)	(252,225)

The Heritage Council of Victoria members are remunerated for attending various council meetings, including hearings and appeals.

3.1.1 Superannuation

The names, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Heritage Council of Victoria are as follows:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2018 \$	2017 \$	2018 \$	2017 \$
Defined contribution plans:				
Victorian Superannuation Fund – Vic Super Scheme	9,815	5,951	2,030	1,304
Various other	10,798	9,534	2,234	2,089
Total	20,613	15,485	4,264	3,393

Members of the Heritage Council of Victoria are entitled to receive superannuation benefits and the Council contributes to defined contribution plans.

The Heritage Council of Victoria does not recognise any defined benefit liability in respect of the plan because the Heritage Council of Victoria has no legal or constructive obligation to pay future benefits relating to its members; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance (DTF) recognises and discloses the State's defined benefit liabilities in its financial statements.

Superannuation contributions paid or payable for the reporting period are included as member benefits in the comprehensive operating statement of the Heritage Council of Victoria.

Contributions are set at a minimum of 9.50% of member's wages and salaries and are legally enforceable on the Heritage Council of Victoria.

3.1.2 Responsible persons

The following table lists persons who held the positions of accountable officer and board members at the Heritage Council of Victoria:

Minister for Planning	The Hon. Richard Wynne MP	1 July 2017 to 30 June 2018
Chair	Stuart Macintyre	1 July 2017 to 30 June 2018
Accountable Officer	Steven Avery	1 July 2017 to 31 October 2017
Accountable Officer (Executive Officer)	Rhonda McLaren	1 November 2017 to 30 November 2017
Accountable Officer (Executive Officer)	Damien Welch	1 December 2017 to 30 June 2018
Member	Andrew May	1 July 2017 to 30 June 2018
Member	Paul Coffey	1 July 2017 to 30 June 2018
Member	Juliette Halliday	1 July 2017 to 30 June 2018
Member	Lindsay Merritt	1 July 2017 to 30 June 2018
Member	Megan Goulding	1 July 2017 to 30 June 2018
Member	Louise Honman	1 July 2017 to 30 June 2018
Member	Christopher Crocker	1 July 2017 to 30 June 2018
Member	Lucinda Peterson	25 July 2017 to 30 June 2018
Member	Penelope Martyn (nee Smith)	25 July 2017 to 30 June 2018
Alternate Member	Joanne Guard	25 July 2017 to 30 June 2018
Alternate Member	Margaret Solly	25 July 2017 to 30 June 2018
Alternate Member	Patrick Doyle	1 July 2017 to 30 June 2018
Alternate Member	Leigh Mackay	1 July 2017 to 30 June 2018
Alternate Member	Jennifer Moles	1 July 2017 to 30 June 2018
Alternate Member	Garrie Hutchinson	1 July 2017 to 30 June 2018
Alternate Member	Karen Murphy	1 July 2017 to 30 June 2018
Alternate Member	Christine Phillips	1 July 2017 to 30 June 2018
Alternate Member	Natica Schmeder	1 July 2017 to 30 June 2018
Alternate Member	Jeffrey Robinson	1 July 2017 to 30 June 2018

The person who held the position of Accountable Officer of the Heritage Council of Victoria from 1 July 2017 to 31 October 2017 was Steven Avery.

The person who held the position of Accountable Officer of the Heritage Council of Victoria (employed as the Executive Officer under the *Heritage Act 2017* which commenced 1 November 2017) from 1 November 2017 to 30 November 2017 was Rhonda McLaren.

The person who held the position of Accountable Officer of the Heritage Council of Victoria (employed as the Executive Officer under the *Heritage Act 2017* which commenced 1 November 2017), from 1 December 2017 to 30 June 2018 was Damien Welch.

Members of the Heritage Council of Victoria are appointed by the Governor in Council on the recommendation of the Minister for Planning in accordance with s.10 of the *Heritage Act 2017*.

Alternate members act 'in place' of members, generally in cases of the absence of their respective member or by agreement with their respective member. Alternate members are appointed in the same manner as members and have the same skills and experience as their respective members as per s.10 of the *Heritage Act 2017*.

The following table provides a breakdown of remuneration received or receivable by the board members in connection with the management of the Heritage Council of Victoria:

	2018 No.	2017 No.
Income band (\$)		
0 – 9,999	4	12
10,000 – 19,999	13	8
20,000 – 29,999	3	0
Total number	20	20
Total remuneration	\$278,864	\$223,739

Amounts relating to the Minister are reported in the financial statements of the Department of Parliamentary Services.

The Heritage Council of Victoria's Executive Officer (employed as the Executive Officer under the *Heritage Act 2017* which commenced 1 November 2017) is remunerated and reported in the Financial Statements of DELWP.

3.1.2 (a) Acting arrangements

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 18 to 31 July 2017.

The Hon. Lisa Neville MP acted as Minister for Planning during the period 22 September to 17 October 2017.

The Hon. Lisa Neville MP acted as Minister for Planning during the period 1 to 9 January 2018.

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 10 to 25 January 2018.

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 8 to 14 April 2018.

3.1.3 Related Parties

The Heritage Council of Victoria is a wholly owned and controlled entity of the State of Victoria. Related parties of the Heritage Council of Victoria include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered on an arm's length basis.

The key management personnel of the Heritage Council of Victoria are listed in note 3.1.2.

The remuneration breakdown of the Heritage Council of Victoria's key management personnel is shown in the table below:

	2018 \$	2017 \$
Compensation of key management personnel		
Short term benefits	253,987	204,861
Post-employment benefits	24,877	18,878
Total	278,864	223,739

(i) Remuneration of the relevant minister is included in the financial statements of the Department of Parliamentary Services.

Significant transactions with government related entities

The following entities are considered to be related parties with significant transactions with the Heritage Council of Victoria. The Heritage Council of Victoria receives operating funding received from the Department of Environment, Land, Water and Planning (see Note 2.1 Government grants).

All related party transactions have been entered on an arm's length basis.

3.2 Supplies and services

	2018	2017
	\$	\$
Supplies and services		
Community awareness and publicity	(59,638)	(58,521)
Contract and professional services	(1,178,246)	(784,359)
Equipment and maintenance hire	(1,096)	(3,655)
General expenses	(25,955)	(26,372)
IT expenses	(12,473)	(19,111)
Motor vehicle expenses	(2,452)	(232)
Office and accommodation	(26,809)	(25,491)
Payments for shared services	(1,413)	(1,158)
Postage and telephone	(2,230)	(3,393)
Travel and subsistence	(14,045)	(12,361)
Total supplies and services	(1,324,357)	(934,653)

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

More specific example includes hiring of professional services for heritage building feasibility studies, education and training, conservation management plans, advertising, publicity and information costs and project staffing and expenses for contractors.

3.2.1 Audit fees

	2018	2017
	\$	\$
Victorian Auditor General's Office		
Audit review of the financial statements	16,400	16,000
Total	16,400	16,000

3.3 Grants to local government, individuals and businesses

	2018	2017
	\$	\$
Grants		
Grants to local government	0	(14,000)
Grants to private individuals, businesses and non-profit organisations	(22,545)	(28,645)
Total	(22,545)	(42,645)

Grants to third parties are recognised as an expense in the reporting period in which they are paid or payable. These grants assist with the conservation of any part of Victoria's cultural heritage. These grants are provided based on the consent of the Executive Director of Heritage Victoria and the Heritage Council of Victoria.

3.4 Other economic flows included in net result

	2018 \$	2017 \$
Net gain/(loss) on financial instruments		
Net gain/(loss) on loans and receivables ⁽ⁱ⁾	0	(20,313)
Total net gains/(loss) on financial instruments	0	(20,313)

(i) Revaluation gain/(loss) due to write offs.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported either as part of income from other economic flows in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Heritage Council of Victoria controls investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Heritage Council of Victoria to be utilised for delivery of those outputs.

Structure

4.1 Cash

4.1 Cash

	2018 \$	2017 \$
(a) Reconciliation of cash and cash equivalents		
At call deposits	2,500,000	1,950,000
Cash equivalent	233,722	165,762
Total cash and deposits disclosed in the balance sheet	2,733,722	2,115,762
Balance per cash flow statement	2,733,722	2,115,762
(b) Reconciliation of net result for the period		
Comprehensive result	90,412	69,358
Movements in assets and liabilities		
(Increase)/Decrease in receivables	10,449	43,210
Increase/(Decrease) in payables	(32,901)	(63,414)
Net cash flows from operating activities	67,960	49,154

Cash and deposits, including cash equivalents, comprise of cash on hand and cash at bank with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes and which are readily convertible to known amounts of cash and are subject to significant risk of changes in value.

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the Heritage Council of Victoria's controlled operations.

Structure

5.1 Receivables

5.1.1 Ageing analysis of contractual receivables

5.2 Payables

5.2.1 Maturity analysis of contractual payables

5.3 Security deposits

5.3.1 Maturity analysis of security deposits

5.1 Receivables

	2018 \$	2017 \$
Current receivables		
Contractual		
Accrued revenue	22,224	31,507
Total contractual receivables	22,224	31,507
Statutory		
GST input tax credit recoverable	4,150	5,315
Total statutory receivables	4,150	5,315
Total current receivables	26,374	36,822
Non-current receivables		
Contractual		
Loans receivable	31,262	31,262
Total non-current receivables	31,262	31,262
Total receivables	57,636	68,084

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

5.1.1 Ageing analysis of contractual receivables

The following table discloses the aging only of contractual receivables that are past due but not impaired.

	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired			
			Less than 1 Month \$	1 – 3 months \$	3 months – 1 year \$	1-5 years \$
2018						
Receivables ⁽ⁱ⁾						
Accrued revenue	22,224	22,224	0	0	0	0
Loans receivable	31,262	31,262	0	0	0	0
Total	53,486	53,486	0	0	0	0
2017						
Receivables ⁽ⁱ⁾						
Accrued revenue	31,507	31,507	0	0	0	0
Loans receivable	31,262	31,262	0	0	0	0
Total	62,769	62,769	0	0	0	0

(i) The amount of receivables disclosed excludes statutory receivables (i.e. taxes receivable).

5.2 Payables

	2018 \$	2017 \$
Current payables		
Contractual		
Other accrued expenses	71,710	83,254
Trade creditors ⁽ⁱ⁾	0	12,076
Superannuation payable	4,264	3,393
Total contractual payables	75,974	98,723
Statutory		
Payroll tax payable	76	0
Total statutory payables	76	0
Total current payables	76,050	98,723
Total payables	76,050	98,723

(i) The average credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. This includes trade creditors and other accrued expenses. Trade creditors represents liabilities for goods and services provided to the Heritage Council of Victoria prior to the end of the financial year that are unpaid and arise when the Heritage Council of Victoria becomes obliged to make future payments in respect of the purchase of those goods and services.

Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost as they do not arise from a contract.

5.2.1 Maturity analysis of contractual payables

The following table discloses the contractual maturity analysis for the entity's contractual payables.

	Carrying Amount \$	Nominal amount \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months – 1 year \$	1-5 years \$	5+ years \$
2018							
Payables ⁽ⁱ⁾							
Other accrued expenses	71,710	71,710	71,710	0	0	0	0
Trade creditors	0	0	0	0	0	0	0
Superannuation payable	4,264	4,264	4,264	0	0	0	0
Total	75,974	75,974	75,974	0	0	0	0
2017							
Payables ⁽ⁱ⁾							
Other accrued expenses	83,254	83,254	83,254	0	0	0	0
Trade creditors	12,076	12,076	12,076	0	0	0	0
Superannuation payable	3,393	3,393	3,393	0	0	0	0
Total	98,723	98,723	98,723	0	0	0	0

(i) The amount of payables disclosed exclude statutory payables (i.e. taxes payable).

5.3 Security deposits

	2018 \$	2017 \$
Current security deposits		
Archaeological security deposits	15,000	11,500
Total current security deposits	15,000	11,500
Non-current security deposits		
Archaeological security deposits	30,714	44,441
Long term security deposits	150,000	150,000
Total non-current security deposits	180,714	194,441
Total security deposits	195,714	205,941

- Archaeological security deposits are held in trust to ensure the site is returned to its former state and the proper cataloguing and conservation of any excavated material occurs.

The Heritage Council of Victoria's deposits consist of:

- Archaeological security deposits - Until 1 February 2014, proponents undertaking works in accordance with approvals issued under the *Heritage Act 2017*, likely to contain significant historical archaeological artefacts, have been required to provide payment of an Archaeological Security Deposit. The security deposit funds conservation and collection management work at the Conservation Centre. On the generation of a security deposit, 20% of the amount is recognised as revenue. The remaining amount is withheld in a liability account to fund all required artefact conservation works at the conclusion of the excavation project. At the completion of the conservation works, an assessment is done to verify the value of the completed works, and the corresponding amount is recognised as revenue. The remainder is returned to the proponent (less the initial 20% levy).
- Long-term security deposits - Section 103(1) of the *Heritage Act 2017* allows the Executive Director to impose a condition on a permit requiring security to be given to ensure satisfactory completion of works. This generally applies to conservation works. It also allows the form and amount of security to be determined by the Executive Director.

5.3.1 Maturity analysis of security deposits

	Carrying Amount \$	Nominal amount \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months – 1 year \$	1-5 years \$	5+ years \$
2018							
Security deposits	195,714	195,714	0	0	15,000	180,714	0
Total	195,714	195,714	0	0	15,000	180,714	0
2017							
Security deposits	205,941	205,941	0	0	11,500	194,441	0
Total	205,941	205,941	0	0	11,500	194,441	0

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the Heritage Council of Victoria during its operations.

Structure

6.1 Commitments

6.1.1 Commitments to pay out grants and loans

6.1.2 Commitments for operating expenditure

6.1.3 Commitments for capital expenditure

6.1 Commitments

Commitments for future expenditure include paying out grants and loans, operating commitments and capital commitments arising from contracts. These commitments are recorded below their nominal value and are inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present value of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.1.1 Commitments to pay out grants and loans

In addition to the grants and loans issued during the year, total approvals given by the Heritage Council of Victoria up to 30 June 2018 provide for the issue of \$376,671 (2017: \$557,683) in grants and loans in future years.

These commitments are represented in the table below. These are not reflected in the Comprehensive Operating Statement and Balance Sheet until the option has been taken up by the applicant.

	2018 \$	2017 \$
Grant commitments		
Not later than one year	123,226	276,364
Later than one year but no later than five years	253,445	281,319
Total	376,671	557,683

6.1.2 Commitments for operating expenditure

At reporting date, the Heritage Council of Victoria has no operating commitments (2017: \$110,000).

6.1.3 Commitments for capital expenditure

At reporting date, the Heritage Council of Victoria has no capital commitments (2017: Nil).

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Heritage Council of Victoria is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which relate mainly to fair value determination.

Structure

- 7.1 Financial instrument specific disclosures
 - 7.1.1 Financial assets
 - 7.1.1 (a) Loans and receivables and cash
 - 7.1.2 Financial liabilities
 - 7.1.2 (a) Financial liabilities at amortised cost
- 7.2 Financial risk management objective and policies
 - 7.2.1 Credit risk
 - 7.2.2 Liquidity risk
 - 7.2.3 Market risk
 - 7.2.3 (a) Interest rate sensitivity analysis and assumptions
 - 7.2.3 (b) Comparison between carrying amount and fair value
- 7.3 Contingent assets and liabilities
 - 7.3.1 Unquantifiable Contingent liabilities

7.1 Financial instrument specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Heritage Council of Victoria's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

Categories of financial instruments

7.1.1 Financial assets

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity;
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

7.1.1 (a) Loans and receivables and cash

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

This category includes cash and deposits (refer to note 4.1), investments (term deposits with maturity dates greater than three months) and receivables (excluding statutory receivables).

7.1.2 Financial liabilities

A financial liability is any liability that is:

- (a) A contractual or statutory obligation:
 - (i) To deliver cash or another financial asset to another entity; or
 - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity;
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

7.1.2 (a) Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised on the date they originate. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Heritage Council of Victoria recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- security deposits.

7.2 Financial risk management objective and policies

The Heritage Council of Victoria's principal financial instruments comprise of:

- cash and deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- security deposits.

The main purpose in holding financial instruments is to prudentially manage the Heritage Council of Victoria's financial risks in the government policy parameters.

The Heritage Council of Victoria is exposed to the following risks:

- Credit risk.
- Liquidity risk.
- Market risk.

The carrying amounts of the Heritage Council of Victoria's financial assets and financial liabilities are listed in the table below.

	2018			2017		
	Contractual financial assets – loans and receivables \$	Contractual financial liabilities at amortised cost \$	Total \$	Contractual financial assets – loans and receivables \$	Contractual financial liabilities at amortised cost \$	Total \$
Contractual financial assets						
Cash and deposits	2,733,722	0	2,733,722	2,115,762	0	2,115,762
Receivables ⁽ⁱ⁾						
Accrued revenue	22,224	0	22,224	31,507	0	31,507
Loans receivables	31,262	0	31,262	31,262	0	31,262
Investments	0	0	0	550,000	0	550,000
Total contractual financial assets	2,787,208	0	2,787,208	2,728,531	0	2,728,531
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾						
Accrued expenses	0	71,710	71,710	0	83,254	83,254
Trade creditors	0	0	0	0	12,076	12,076
Superannuation payable	0	4,264	4,264	0	3,393	3,393
Security deposits	0	195,714	195,714	0	205,941	205,941
Total contractual financial liabilities	0	271,688	271,688	0	304,664	304,664

(i) The amount of receivables disclosed excludes statutory receivables (i.e. taxes receivable).

(ii) The amount of payables disclosed excludes statutory payables (i.e. taxes payable).

7.2.1 Credit risk

Credit risk arises from the contractual financial assets of the Heritage Council of Victoria's debtors. The Heritage Council of Victoria's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the entity. Credit risk is measured at fair value and is monitored on a regular basis.

For debtors other than Government, it is the Heritage Council of Victoria's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Heritage Council of Victoria does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest.

Provision of impairment for financial assets is recognised when there is objective evidence that the Heritage Council of Victoria will not be able to collect a receivable.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Heritage Council of Victoria's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Currently the Heritage Council of Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the contractual financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired and they are stated at the carrying amounts as indicated.

7.2.2 Liquidity risk

Liquidity risk is the risk that the Heritage Council of Victoria would be unable to meet its financial obligations as they fall due. The Heritage Council of Victoria operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. Risk is managed through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Heritage Council of Victoria's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk.

7.2.3 Market risk

The Heritage Council of Victoria's exposure to market risk is primarily through interest rate risk, with insignificant exposure to foreign currency and other price risks.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Heritage Council of Victoria does not hold any interest bearing financial instruments that are measured at fair value and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Heritage Council of Victoria has minimal exposure to cash flow interest rate risk through its term deposits.

The carrying amount of financial assets and financial liabilities that are exposed to interest rate risk are set out in the table below.

	Weighted average interest rate	Carrying amount \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2018					
Contractual financial assets					
Cash and deposits	1.99%	2,733,722	2,450,000	50,000	233,722
Receivables⁽ⁱ⁾					
Accrued revenue		22,224	0	0	22,224
Loans receivables		31,262	0	0	31,262
Investments		0	0	0	0
Total		2,787,208	2,450,000	50,000	287,208
Contractual financial liabilities					
Payables: ⁽ⁱⁱ⁾					
Accrued expenses		71,710	0	0	71,710
Trade creditors		0	0	0	0
Superannuation payable		4,264	0	0	4,264
Security deposits		195,714	0	0	195,714
Total		271,688	0	0	271,688
2017					
Contractual financial assets					
Cash and deposits	1.61%	2,115,762	1,900,000	50,000	165,761
Receivables⁽ⁱ⁾					
Accrued revenue		31,507	0	0	31,507
Loans receivables		31,262	0	0	31,262
Investments	1.89%	550,000	550,000	0	0
Total		2,728,531	2,450,000	50,000	228,530
Contractual financial liabilities					
Payables⁽ⁱⁱ⁾					
Accrued expenses		83,254	0	0	83,254
Trade creditors		12,076	0	0	12,076
Superannuation payable		3,393	0	0	3,393
Security deposits		205,941	0	0	205,941
Total		304,664	0	0	304,664

(i) The amount of receivables disclosed excludes statutory receivables (i.e. taxes receivable).

(ii) The amount of payables disclosed excludes statutory payables (i.e. taxes payable).

The Heritage Council of Victoria's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. Based on this historical data, the Heritage Council of Victoria's has no sensitivity to movements in market interest rates, as there are no financial instruments exposed to variable interest rates.

7.2.3 (a) Interest rate sensitivity analysis and assumptions

Reviewing past account performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the Heritage Council of Victoria believes the following movements are 'reasonably possible' over the next 12 months (base rates are sourced from the Reserve Bank of Australia):

- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates

		2018 Interest rate risk	
	Carrying amount	-1.0% -100 basis points	+1.0% 100 basis points
2018			
Contractual financial assets			
Cash and deposits – floating interest	2,733,722	(500)	500
Total	2,733,722	(500)	500
2017			
Contractual financial assets			
Cash and deposits – floating interest	2,115,762	(500)	500
Total	2,115,762	(500)	500

7.2.3 (b) Comparison between carrying amount and fair value

	2018		2017	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Contractual financial assets				
Cash and cash deposits	2,733,722	2,733,722	2,115,762	2,115,762
Receivables⁽ⁱ⁾				
Accrued revenue	22,224	22,224	31,507	31,507
Loans receivables	31,262	31,262	31,262	31,262
Investments	0	0	550,000	550,000
Total contractual financial assets	2,787,208	2,787,208	2,728,531	2,728,531
Contractual financial liabilities				
Payables⁽ⁱⁱ⁾				
Accrued expenses	71,710	71,710	83,254	83,254
Trade creditors	0	0	12,076	12,076
Superannuation payable	4,264	4,264	3,393	3,393
Security deposits	195,714	195,714	205,941	205,941
Total contractual financial liabilities	271,688	271,688	304,664	304,664

(i) The amount of receivables disclosed excludes statutory receivables (i.e. taxes receivable).

(ii) The amount of payables disclosed excludes statutory payables (i.e. taxes payable).

7.3 Contingent assets and liabilities

At the reporting date, the following contingent assets exist:

- Bank guarantees, totaling \$19,874,604 (2017: \$10,054,437) are held by the Heritage Council Victoria as financial security for the following:
 - (a) pursuant to a condition of a permit \$19,830,000 (2017: \$9,881,000)
 - (b) loans \$0 (2017: \$128,833)
 - (c) Murtoa Stick Shed contracts \$44,604 (2017: \$44,604)

The Council provides grants and low interest loans to persons currently in the possession of buildings of historic significance for restoration and maintenance. When a loan is provided, a signed contract is entered in to secure the Council's interest. Prior to 1991, the need for a Bank Guarantee was determined by the Heritage Council of Victoria's Finance Committee, based on the loan applicant's ability to repay the loan at that point in time. Subsequently the Council now requires that all loans to be fully secured by a Bank Guarantee with the exception of loans provided to church authorities and local and state government authorities.

There are no quantifiable contingent liabilities (2017: Nil).

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and if quantifiable are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.3.1 Unquantifiable contingent liabilities

There are no unquantifiable contingent liabilities (2017: Nil).

8 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Accounting Policy
 - 8.1.1 Accounting for the goods and services tax (GST)
 - 8.1.2 Net result
 - 8.1.3 Transactions
 - 8.1.4 Other transactions
 - 8.1.5 Events after the reporting date
 - 8.1.6 Subsequent events
- 8.2 Reclassification of financial information
- 8.3 Australian Accounting Standards issued that are not yet effective

8.1 Accounting Policy

8.1.1 Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

8.1.2 Net result

Net result is a measure of financial performance of operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

8.1.3 Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

8.1.4 Other transactions

Other related party transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

8.1.5 Events after the reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the entity and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting and before the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

8.1.6 Subsequent events

The Heritage Council of Victoria is not aware of any other circumstances that have arisen, or information that has become available between 30 June 2018 and the date of final approval of this general purpose financial report that qualifies for inclusion as a post balance date event.

8.2 Reclassification of financial information

Where the presentation or classification of items in the financial statements changes, the comparative amounts are also reclassified unless it is impractical to do so. The nature, amount and reason for the reclassification is also disclosed. If the reclassification affects an item on the balance sheet, a third statement of financial position is also presented.

The Heritage Council of Victoria has reviewed its financial statements and has made the following revisions:

- Note 2.2 *Sale of goods and services* has been replaced with *Rendering of services* to better reflect the nature of the entity's business and transactions;
- *Planning fees* in note 2.2 has been replaced with *Planning fees, permit fees and permit review fees* to better reflect the nature of the transactions recorded; and
- The line item *Proceeds/(repayments) of security deposits* previously disclosed under *Cash flows (used in)/from financing activities* in the Cash Flow Statement has been reclassified to *Receipts from other entities* included in *Cash flows from operating activities*. This better reflects the business model of the entity as deposits are not held for financing the operations, but as security whilst delivering services.

8.3 Australian Accounting Standards issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the Heritage Council of Victoria of their applicability and early adoption where applicable.

As at 30 June 2018, the following applicable AASs have been issued by the AASB but are not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operating date as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	<p>The initial assessment has indicated that there will be no significant impact for the agency.</p> <p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.</p>
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact may be the deferral of revenue recognition from planning and permit fees received on lodgement, until such time as the performance obligations (example issuance of licence) have been met.</p>
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>Amends the measurement of trade receivables and the recognition of dividends as follows:</p> <ul style="list-style-type: none"> Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> i) the entity's right to receive payment of the dividend is established; ii) it is probable that the economic benefits associated with the dividend will flow to the entity; and <p>the amount can be measured reliably.</p>	1 January 2018, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply from 1 January 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 January 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on public sector entity financial statements
AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 January 2018	The assessment has indicated that there will be no significant impact for the agency, other than the impact identified in AASB 15.
AASB 2016-7 <i>Amendment to Australian Accounting Standards – Effective Date of AASB 15</i>	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019	1 January 2019	The initial assessment has indicated that the impacts of AASB 15 will be applicable for the 2018-19 financial reporting year.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for- Profit Entities</i>	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15.</p> <p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	1 January 2019	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:</p> <p>AASB 9</p> <ul style="list-style-type: none"> • Statutory receivables are recognised and measured similarly to financial assets <p>AASB 15</p> <ul style="list-style-type: none"> • The "customer" does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or "equivalent means"; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on public sector entity financial statements
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	1 January 2019	<p>The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.</p> <p>This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.</p> <p>The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.</p> <p>The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.</p>
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 January 2019	The assessment has indicated that there is no significant impact for the agency other than the impact identified in AASB 9 and AASB 15.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017-18 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on the Heritage Council of Victoria.

- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle*

Note: For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* AASB 15 *Revenue from Contracts with Customers*, and AASB 16 *Leases* the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

Appendices

Appendix 1: Disclosure Index

This index has been prepared to facilitate identification of the Council's compliance with statutory disclosure requirements.

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Ministerial Directions and Financial Reporting Directions

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Charter and purpose

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FRD 22H	Initiatives and key achievements	Page 10
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Management and structure

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Financial and other information

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FRD 22H	Summary of the financial results for the year	Page 28
FRD 22H	Significant changes in financial position during the year	Page 28
FRD 22H	Major changes or factors affecting performance	Page 28
FRD 22H	Subsequent events	Page 29
FRD 22H	Disclosure of Information & communication technology expenditure	Page 37
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Page 37
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 38
FRD 22H	Statement on Competitive Neutrality Policy	Page 39
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	Page 39
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FRD 24D	Reporting of office-based environmental impacts	Page 41
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Compliance attestation and declaration

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Financial Report

Declaration

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Other requirements under Standing Directions 5.2

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SD 5.2.1(a)	Compliance with Ministerial Directions	Pages 31, 42, 73
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Other disclosures as required by FRDs in notes to the financial statements

FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 56
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FRD 110A	Cash Flow Statements	Page 50
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FRD 112D	Defined Benefit Superannuation Obligations	Page 55
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Legislation

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<i>Freedom of Information Act 1982</i>	Page 37
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<i>Building Act 1993</i>	Page 38
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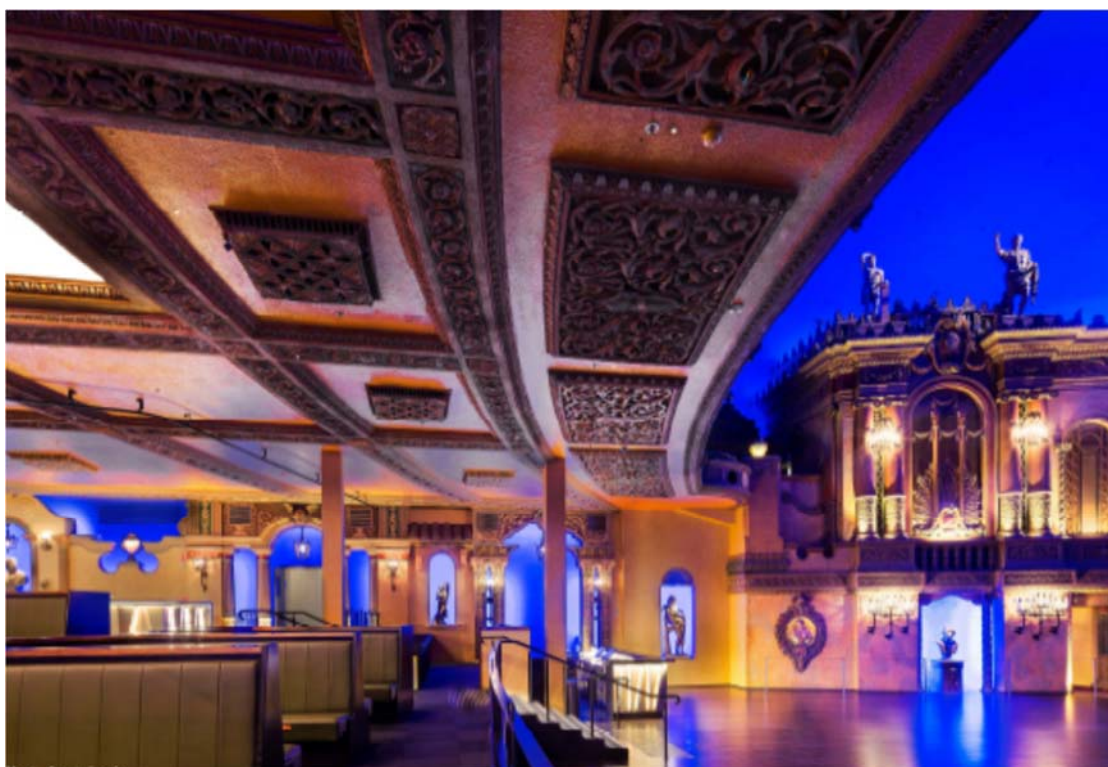
<i>Protected Disclosure Act 2012</i>	Page 39
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<i>Victorian Industry Participation Policy Act 2003</i>	Page 37
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<i>Financial Management Act 1994</i>	Page 43
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Appendix 2: Heritage Council Corporate Plan 2018–19

Heritage Council of Victoria Corporate Plan 2018–19



*To lead in the recognition and
conservation of Victoria's cultural
heritage*

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Chair's Foreword

The Heritage Council of Victoria ('the Council') is an independent statutory body with the key function of identifying and protecting places and objects of cultural heritage significance to the State of Victoria. Our principal role is to ensure that Victoria's diverse cultural heritage is enjoyed, managed and protected for current and future generations. The *Heritage Act 2017* governs our work and Clause 9 of Schedule 1 provides that the Council must prepare a Corporate Plan for each financial year. The Heritage Council Corporate Plan 2018–19 is the Council's first Corporate Plan, and replaces the Council's Business Plan which has previously included similar content.

The Heritage Council Corporate Plan 2018–19 works in conjunction with our Strategic Plan 2016–2020, which gives a five-year overview of the Council's strategic activities and objectives, and our Annual Report, which reports on activities following the close of each financial year.

As a Council we recognise and acknowledge that cultural heritage is at the heart of many communities. Cultural heritage creates a sense of place, linked to our history, that enriches our lives. It provides both social and economic benefits. The Council continues to discharge its statutory responsibilities and strives to meet community expectations at a time of intense concern for the State's cultural heritage. The Council also seeks to undertake strategic work to improve heritage practice, ensure Victorians understand how heritage protection works, improve partnerships with other agencies and stakeholders and foster greater appreciation of how cultural heritage enriches the State. Our strategic activities and projects, along with the discharge of our statutory responsibilities under the *Heritage Act 2017*, are informed by this approach.

This Corporate Plan sets out the objectives, main undertakings and priority activities through which the Council intends to discharge its responsibilities and achieve its functions while also giving an account of estimated financial projections. We hope it informs you of the anticipated scope of the work of the Heritage Council of Victoria for 2018–19.



Prof Stuart Macintyre AO
Chair, Heritage Council of Victoria



1.0 Heritage Council of Victoria

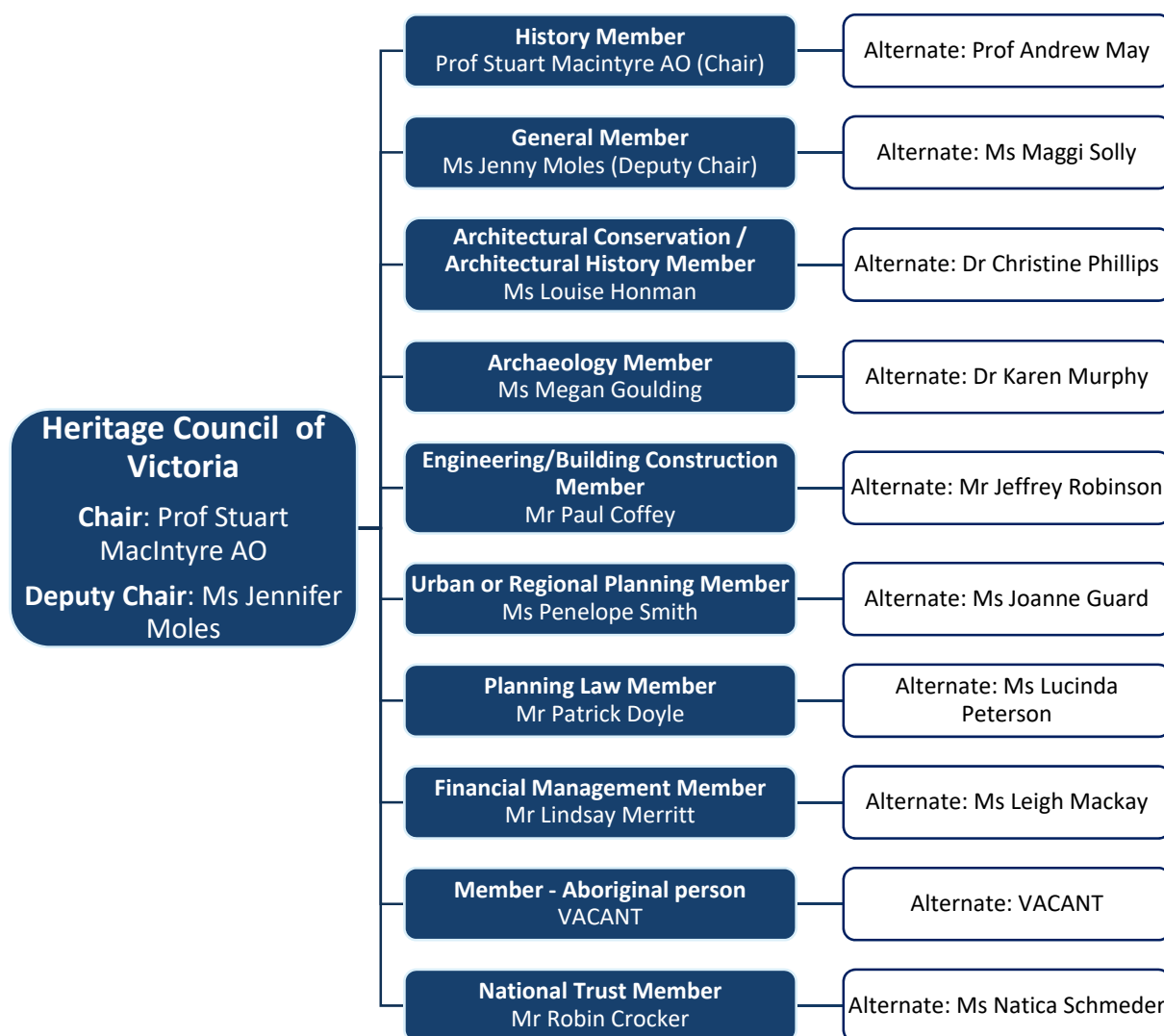
The Council is an independent statutory authority established under the *Heritage Act 2017* (the Act) as the Victorian Government's primary decision-making body on the identification of places and objects of (non-Indigenous) cultural heritage significance to the State of Victoria.

The Council lists places and objects of state-wide cultural heritage significance in the Victorian Heritage Register (VHR) and hears reviews and appeals, principally in relation to registration recommendations and permit decisions made by the Executive Director, Heritage Victoria.

1.1 Council Members

The Council consists of 10 members and 10 alternate members who represent a broad cross-section of heritage specialists and the community. Members are appointed by the Governor-in-Council on the recommendation of the Minister for Planning. The Act has introduced three new categories of member expertise whose introduction will be staggered over the next three years. The first of these is being instituted in 2018: 'urban or regional planning'. The institution of this new category replaces the former *Heritage Act 1995* category of 'property management'.

The following chart outlines all of the Council's members and membership categories for 2018–19.



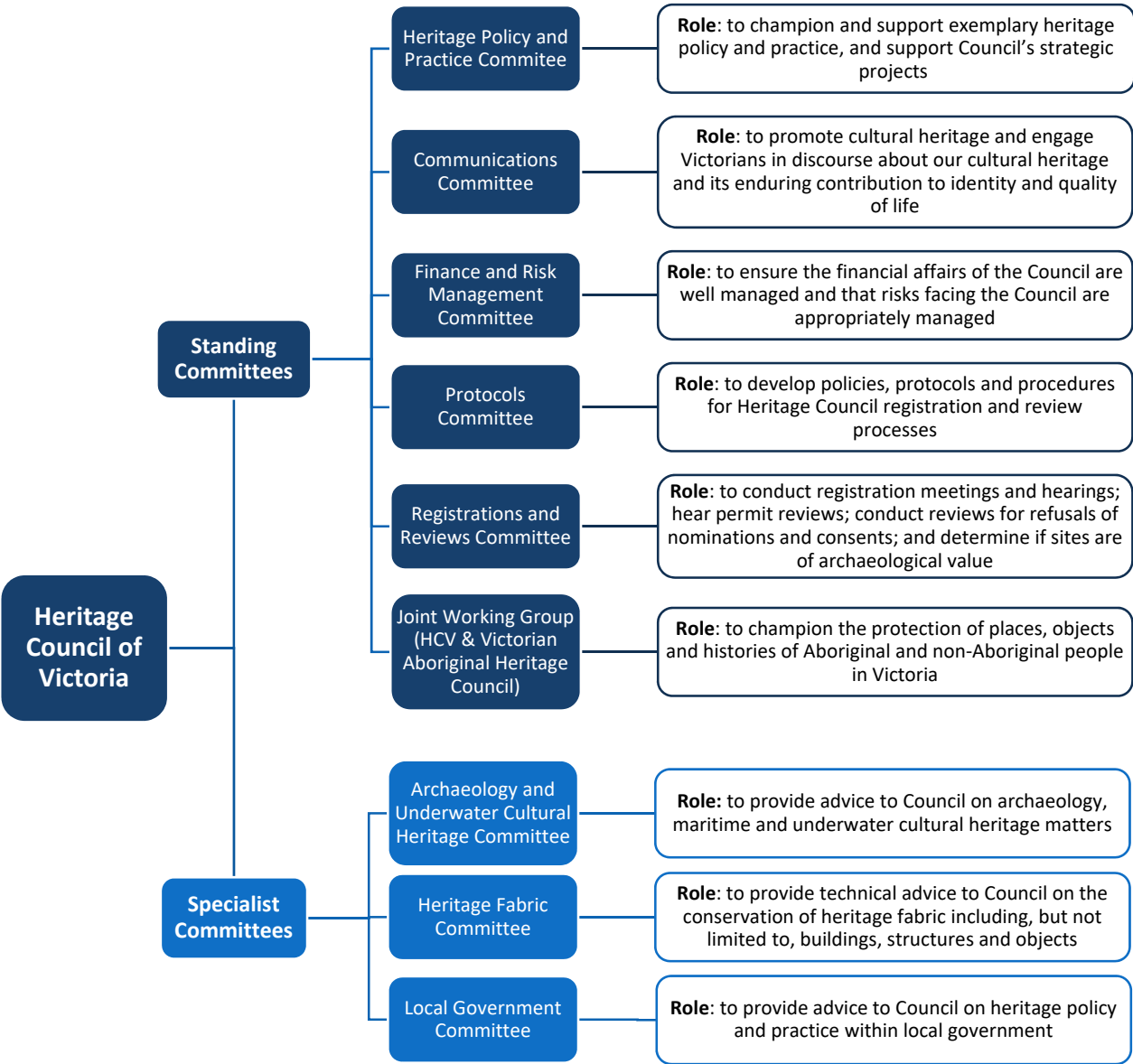
1.2 Council Committees

Under Part 2, Division 1, s.13 of the Act, the Council may establish committees to assist and advise it in fulfilling its statutory functions. There are two types of committees currently in operation:

Standing Committees – consisting of Council members only. Six standing committees have been constituted to ensure the effective operation of the Council, especially in relation to its legislative functions. The Standing Committees meet at least six times per year and, on Council’s behalf, undertake some of its most critical and demanding work. This work includes: the conduct of hearings and reviews and the proper statutory administration of the Act; the management of the Council’s finances; the oversight of strategic, educational and promotional activities; the development of heritage policy and practice; and the partnership with the Victorian Aboriginal Heritage Council.

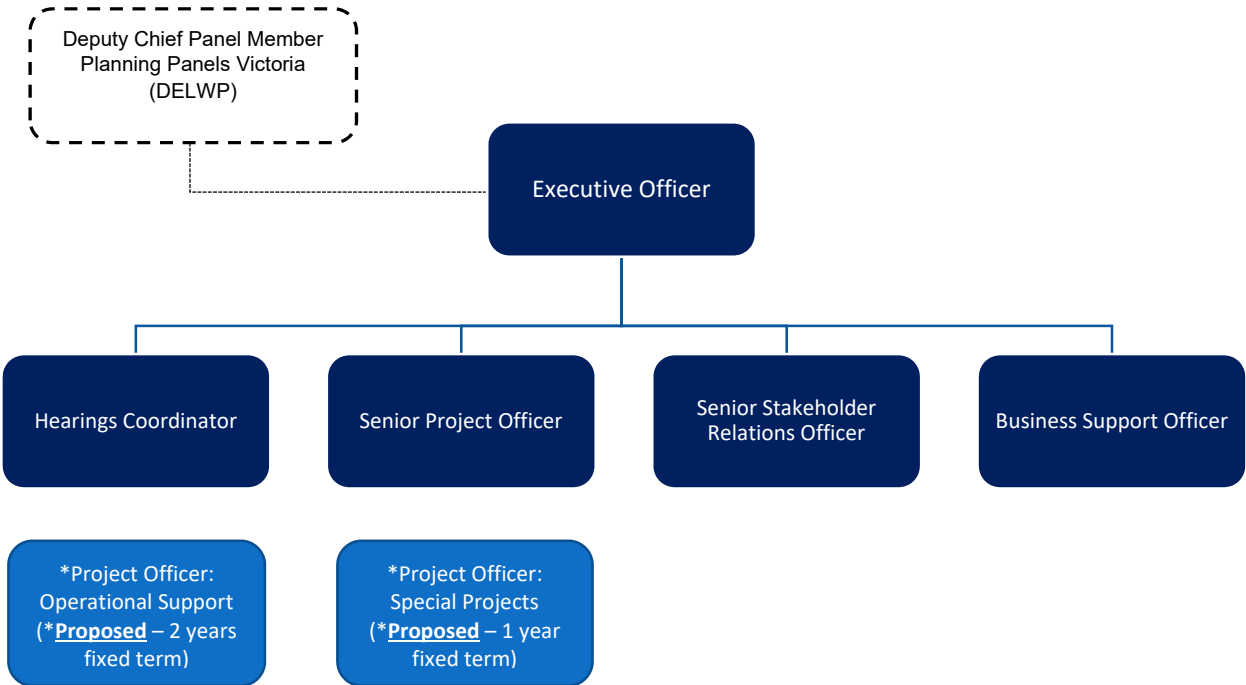
Specialist Committees – consisting of Council members and external subject-matter experts. Three specialist committees were constituted following the commencement of the Act to advise the Council on cultural heritage matters pertaining to specific subject areas. The Specialist Committees meet four times per year and provide advice to the Council as needed.

The following chart outlines the committees that will be operating in 2018–19 and their different roles:



1.3 Secretariat

The Council does not employ any staff but is supported by a small Secretariat consisting of Department of Environment, Land, Water and Planning (DELWP) employees. It is led by an Executive Officer who is the Council’s Accountable Officer and is responsible for day-to-day matters. The Executive Officer reports to the Deputy Chief Panel Member, Planning Panels Victoria, DELWP.



2.0 Mission, Vision and Values

The Council uses the following strategic statements, taken from its Strategic Plan 2016–2020, to guide its work. The Council's Strategic Plan 2016–2020 and its stated *Mission, Vision and Values* guide and inform the Council's objectives, priorities, main undertakings and activities as set out in the following sections of the Council's Corporate Plan 2018–19.

2.1 Mission

To lead in the recognition and conservation of Victoria's cultural heritage.

2.2 Vision

Victorians connect with and value our diverse cultural heritage, acting as custodians for the stories of the past, present and future. Within this vision we aspire to have:

- Victorian communities, government, landowners and custodians understand the value of heritage and its contribution to enriched places and culture
- a world-class Victorian heritage system that protects and enhances heritage.

2.3 Values

Respect for heritage

We value Victoria's heritage as an asset to be enjoyed and appreciated by all as an expression of our history, places and culture.

Collaboration

We value the knowledge others bring to heritage conservation, and encourage the sharing of experience and information.

Innovation

We value the exploration of new approaches to ensure a more sustainable future for Victoria's cultural heritage.

Skilled practice

We value the skills and resources that enable best-practice heritage management across the State to ensure the continuation of our precious heritage resources.

3.0 Objectives, Main Undertakings and Scope of Activities

3.1 Current Operating Context – Overview

As an independent statutory authority, the Council is very mindful of its obligations to the State, the community and Victoria's cultural heritage in all of its activities. The Council strives to meet community expectations in compliance, transparency and good governance. As well as its clear obligations under the Act, the Council is responsible for the preparation and fair presentation of its Annual Report, in accordance with the Australian Accounting Standards and the *Financial Management Act 1994*. Performance in relation to the objectives and priorities set out in the Council's Corporate Plan is now required to be included in its Annual Report. The Council's Annual Report is audited by the Victorian Auditor-General's Office in accordance with the *Audit Act 1994*.

The Council notes that many external factors which influence its activities are changing. The pace and scale of growth and development throughout Victoria, particularly in Melbourne, has generated intense concern for the State's cultural heritage assets. This operating environment, coupled with the changes to the Act, is generating a measurable increase in the Council's statutory workload, resulting in changes to the Council's revenue pattern and a typically complex range of regulatory matters. Concern for the State's cultural heritage has also resulted in increased engagement by stakeholders in the Council's strategic and partnership work. This evolving operating context requires the Council to examine ways of improving efficiency, whilst planning for increased staff and resources, continuing to conduct its strategic work effectively and maintain best-practice decision-making. The continuous examination and analysis of the Council's operating context is consistent with the goals of the Council's Strategic Plan 2016–2020 and has resulted in the objectives set out below.

3.2 Objectives

The objectives listed below are related to the Council's **priority activities** and **performance targets** (see Section 5 of this Corporate Plan) and generally correspond to certain strategic goals listed in the Council's Strategic Plan 2016–2020. The Council's 2018–19 objectives are that:

- *More Victorians understand the role that heritage plays in the life of our communities.*
- *The Council completes at least three widely used projects to champion and support exemplary heritage practice.*
- *The Council works effectively with managers of natural, Aboriginal and non-Aboriginal cultural heritage to encourage a greater understanding of cultural heritage.*
- *The Council has capacity to provide robust and effective advice to the Minister.*
- *The Council has capacity to make and communicate high-quality decisions that are consistent and well-informed.*

3.3 Main Undertakings

The Council's identified objectives have been informed by the following main undertakings:

Provision of Advice

One of the Council's key roles is to advise the Minister for Planning on the State of Victoria's cultural (non-Indigenous) heritage resources and any steps necessary to protect and conserve them.

The Council also has a role in advising and liaising with other bodies and individuals that have responsibilities in heritage protection and conservation in Victoria, including local government, community organisations and heritage owners/managers.

Determination of state-level significance and archaeological value

The Victorian Heritage Register (VHR) provides the State's highest level of legal protection for our cultural (non-Indigenous) heritage. The Council determines which places and objects are of State-level heritage significance and are included in the VHR.

The Council also determines if sites under 75 years of age have archaeological value and should therefore be included in the Heritage Inventory of Victorian archaeological sites.

Hearings and reviews

As prescribed by the Act, the Council conducts hearings or reviews in relation to requests for a review of: the Executive Director's recommendations for inclusion or non-inclusion in the VHR; the determination of permit applications; refusals of nominations for the VHR; and, consents for certain activities at archaeological sites.

Promotion of cultural heritage

The Council works to promote public understanding of Victoria's cultural heritage.

Undertaking research

The Council initiates and undertakes research to identify Victoria's heritage and assist in its conservation and interpretation. The Council may do this itself or in partnership with other government or community bodies.

Governance and Compliance

As an independent statutory authority with its own financial management responsibilities, the Council has multiple governance and compliance activities and reporting requirements. Please refer to the Council's 2017–18 Annual Report for further detailed information.

3.4 Nature and Scope of Activities

The Council's Strategic Plan 2016–2020 sets out the strategic goals and activities that inform its objectives and main undertakings. The Council's core functions (as outlined in the Act, Part 2, Division 1, s.11) can be found at Appendix A. The Council's core functions and objectives will determine its activities and their scope, as set out in further detail in Section 5 below. The nature and scope of activities include:

- attending to core statutory functions (making determinations, conducting hearings and reviews) in relation to the VHR, the Heritage Inventory, nominations, permits and consents
- management of the Heritage Fund, publication of the Corporate Plan and Annual Report
- providing advice to the Minister on the state of Victoria's cultural heritage resources and on any steps necessary to protect and conserve it – including by conducting a review and developing a report on the state of cultural heritage in Victoria
- developing guidelines and research in relation to the protection and conservation of cultural heritage – including a review of the *Criteria and Threshold Guidelines*
- activities to promote public understanding of the State's cultural heritage – including conducting public forums, industry workshops and developing strategic partnerships such as those with *Open House*, *Design Week* and the *Australian Heritage Festival*
- conducting internal reviews, training and analysis in relation to the Council's core functions.

4.0 Financial Projections 2018–21

4.1 Estimates of 2018-21 Revenue, Expenditure and Overall Financial Position for the Heritage Fund, managed by the Council pursuant to s.11(1)(o) and Part 11 of the Act

The Heritage Fund - Managed by the Heritage Council				
	Budget			
	2017-18	2018-19	2019-20	2020-21
	\$ '000	\$ '000	\$ '000	\$ '000
Revenue				
DELWP contribution	500	250	250	250
Fees Revenue	650	1,440	1,440	1,440
TCV Interest	50	30	30	30
Total	1,200	1,720	1,720	1,720
Expenditure				
Admin and Remuneration	1,000	1,175	1,190	1,200
Communications	120	100	100	100
Strategic Projects	175	170	100	100
Grant to Heritage Victoria	130	110	110	110
Legacy Grants	469	120	175	165
Projects	142	45	45	45
Total	2,036	1,720	1,720	1,720
Budget Position	(836)	-	-	-
HCV	Budget	Forecast		
	2017-18	2018-19	2019-20	2020-21
	\$ '000	\$ '000	\$ '000	\$ '000
Revenue	1,200	1,720	1,720	1,720
Expenditure	2,036	1,720	1,720	1,720
Budget Position	(836)	-	-	-
Accumulated funds	2,500			
2017-18 Budget position*	(836)			
Overall position	1,664			

*Notes on the \$836k budget deficit figure for 2017–18:

- The \$836,000 budget deficit in 2017–18 is due mainly to legacy grants and projects which were transferred to the Council but are managed through Heritage Victoria. Historically, the budget has been built to include all the outstanding commitments, which has resulted in an apparent deficit in the overall budget position.
- As at 30 April 2018, the Council was in surplus of \$112,000. Legacy Grants from past grant programs are managed through the Heritage Fund. These include items such as the Victorian

Property Fund, the Victorian Heritage Grants, the Murtoa Stick Shed grant and other Heritage Victoria Projects.

- In 2018–19 and beyond, the Council has adopted a budget approach where only grants and projects expected to be expended in the 12 month period are budgeted for.
- The Heritage Fund holds investments with Treasury Corporation of Victoria of \$2.5 million which can be drawn down as required.

Notes on the Council's Financial Projections 2018–21

- The commencement of the Act on 1 November 2017 (and the commencement of the *Heritage Regulations 2017*) brought substantial changes to the Heritage Fund fee structure (for user-pay fee amounts paid into the fund pursuant to s.235[1][a]) and increases in fee amounts payable under the Act.
- From 1 November 2017, an increase in fee amounts payable coupled with a high level of fee-relevant activity under the Act has resulted in an increase in Heritage Fund fee revenue.
- From 1 November 2017, the Council's operating expenditure also increased, which was in part the result of the Council's work in preparing for transition to the Act and in part the result of increased regulatory activity.
- The Council has adopted a 'balanced-budget' approach to the Heritage Fund budget to reflect the prevailing increase in fee revenue. This approach includes increases in staffing expenditure and increased costs associated with the administration of the Act.
- The majority of Heritage Fund revenue is subject to prevailing economic conditions. As such, the Council considers that a DELWP operating grant must be maintained to fund part of the Council's base-level administrative costs. That contribution is expected to be reduced in 2018–19 from \$500,000 to \$250,000.
- The Council has previously been constrained in its capacity to undertake many of its statutory functions, such as promoting public understanding of the State's cultural heritage (s.11[1][c]). The current projected increase in revenue allows the Council to plan to attend to some of its non-regulatory functions.

5.0 Objectives, Priority Activities and Performance Targets for 2018–19

The Council's objectives listed below include those which generally correspond to certain strategic goals listed in the Council's Strategic Plan 2016–2020.

Objective	2018–19 Priority Activities	Performance Targets
More Victorians understand the role that heritage plays in the life of our communities	<ul style="list-style-type: none"> Support the Council to speak on important heritage issues, including at an increased range of events in Victoria Increased use of social media platforms Run new and promote existing programs that improve community understanding of and connection to cultural heritage Work with the Minister, Heritage Victoria, National Trust, local government, community heritage organisations and other stakeholders to communicate and clarify responsibilities and processes 	<ul style="list-style-type: none"> Increased member participation in an increased range of public events in 2018–19, compared with previous years An increase in measurable social media activity in 2018–19, including all publicly advertised events and high-profile decisions The commencement during 2018–19 of the proposed Review of the State of Cultural Heritage
The Council completes at least three widely used projects to champion and support exemplary heritage practice	<ul style="list-style-type: none"> Develop resources for different stakeholders to improve their awareness of best-practice cultural heritage Conduct work to understand and better recognise the social significance of cultural heritage 	<ul style="list-style-type: none"> Review of the Criteria and Threshold Guidelines in relation to Criterion G (social significance) by June 2019 Review and assessment of pilot study results in relation to the Heritage Technical Codes by December 2018 Expansion of the Open House partnership in July 2018
The Council works effectively with managers of natural, Aboriginal and non-Aboriginal cultural heritage to encourage a greater understanding of cultural heritage	<ul style="list-style-type: none"> Work with agencies and custodians responsible for natural, Aboriginal and non-Indigenous cultural heritage to improve collaboration and understanding of cultural heritage 	<ul style="list-style-type: none"> The Joint Working Group will hold four meetings in 2018–19 The Joint Working Group will develop actions in response to the Final Report recommendations by March 2019

Objective	2018–19 Priority Activities	Performance Targets
The Council has capacity to provide robust and effective advice to the Minister	<ul style="list-style-type: none"> Undertake regular analysis and training to ensure the Council is well equipped with the training and skills required to fulfil our role 	<ul style="list-style-type: none"> Where a request for advice is received from the Minister, consultation or engagement with any relevant stakeholder(s) will occur prior to provision of advice and within 30 days of receipt Two strategic training sessions delivered to the Heritage Council during 2018–19
The Council has capacity to make and communicate high-quality decisions that are consistent and well informed	<ul style="list-style-type: none"> Examine ways to improve efficiency and increase resources to the Council, including advocacy for increased staff and planning for project funds Perform our statutory functions efficiently and effectively and review processes to ensure best-practice decision making and improved procedures for hearings Provide strategic training for members to ensure best-practice hearings practices and protocols 	<ul style="list-style-type: none"> Undertake a review of issues with key regulatory provisions of the Act and advise the Minister. Undertake a budgetary and operational analysis to ensure adequate staff to support statutory functions Conduct at least one strategic (hearings) training session in 2018–19

Appendix A – The Council’s Core Functions

Core Functions:

The Council has the following statutory functions, as set out in Part 2, Division 1, s.11, of the *Heritage Act 2017*.

- to advise the Minister on the Status of the State’s cultural heritage resources and on any steps necessary to protect and conserve them
- to make and publish guidelines in relation to the conservation of cultural heritage
- to promote public understanding of the State’s cultural heritage and develop and conduct community information and education programs
- to advise government departments and agencies and municipal councils on matters relating to the protection and conservation of places and objects of cultural heritage significance
- to liaise with other bodies responsible for matters relating to the protection, conservation, management and promotion of Victoria’s cultural heritage
- to initiate and undertake programs of research related to the identification, conservation or interpretation of Victoria’s cultural heritage
- to include places or objects in the Heritage Register
- to remove places or objects from the Heritage Register, or to amend the registration of a place or object
- to remove sites from the Heritage Inventory
- to conduct reviews of decisions of the Executive Director in relation to nominations, permits and consents
- to develop, revise and publish the assessment criteria to be used in considering the cultural heritage significance of places and objects and determining whether those places or objects should or should not be included in the Heritage Register
- to adopt, and forward to the Minister, World Heritage Strategy Plans and amendments to World Heritage Strategy Plans
- to determine criteria for assessing whether a place has archaeological value
- to advise the Minister administering the *Planning and Environment Act 1987*, on proposed amendments to planning schemes which may affect the protection or conservation of cultural heritage
- to manage the Heritage Fund
- to perform any other functions conferred on the Heritage Council under this Act or any other Act.