

2018–19 ANNUAL REPORT

“To lead in the recognition and conservation of Victoria’s cultural heritage.”

— Heritage Council of Victoria

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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 2019.



Rhonda McLaren
Accountable Officer
Executive Officer – Heritage Council Secretariat

23 September 2019

Chair's report

As a peak Heritage body, we are proud to acknowledge Victorian Traditional Owners as the original custodians of Victoria's land and waters, and to acknowledge the importance and significance of Aboriginal cultural heritage in Victoria. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

Cultural heritage places are an integral part of Victoria. They embody our identity, enrich our lives, have a positive influence on health and wellbeing and attract tourists to the state. Public concern for heritage, such as the campaign against proposed changes to Federation Square, illustrate the lengths to which citizens will go to protect the places they value. The Heritage Council (the Council) is conscious of the important role it plays in maintaining this heritage for Victorians now and into the future, but it does so in partnership with many others. The commitment and hard work of local communities is never more obvious than during our annual Regional Engagement site visits. This year the Council visited Geelong and the Bellarine Peninsula exploring an impressive range of sites, from gardens to lighthouses, and talking to the owners and volunteers who manage them.

Among our functions is the communication of information on cultural heritage and this was a priority for the year 2018–19. Principal partners in the Council's promotion program are Open House Melbourne and Creative Victoria. These partnerships enabled events including Modern Melbourne, Good Design and Heritage panels and the Victorian Architecture awards. The annual Heritage Address attracted over 650 people to hear Tim Ross discuss why Modernism matters. During the year we also strengthened our relationship with the Heritage Council of New South Wales.

A large number of hearings took place in the second half of the year, continuing the recent trend of an increase in statutory matters. The Council's attention over the past three years on statutory training for members assisted members to chair and take on multiple hearings. The Council also undertook its first nomination reviews following the introduction of this function in the *Heritage Act 2017*. Adding to the statutory workload is the rise in the number of Interim Protection Orders being requested from the Council.

Above and beyond its regulatory role the Council's strategic projects stream allows key issues and gaps in heritage recognition and protection to be investigated. The State of Heritage Review: Local Heritage was a major project in 2018–19. The Review developed out of the results of the State Heritage Strategy Feasibility Study and in response to continued community concern with the loss of locally significant places. Through surveys, interviews and workshops the Review will establish a baseline of information on the protection and recognition of cultural heritage places in local planning schemes and develop recommendations to highlight best practice and support improved management.

Another highlight of the year was the completion of our work on social significance with the launch of a revised Criterion G and new guidance on the assessment of places under Criterion G. This strategic project was developed in response to feedback from the community that social significance is an important aspect of what is valued in a heritage place or object, but is difficult to define. The 'Buried Block' archaeological project was also completed this year and presents a fascinating look at the changes in the landscape of early Melbourne and how this is likely to be represented in the archaeological record.

We were pleased to support the continuation of the Local Government Heritage Forum this year with the 2019 Forum taking place in Whittlesea, following on from the inaugural Forum in 2018. The Forum is held for planners and local government heritage advisors from councils around the State, providing an avenue for the dissemination of information on cultural heritage protection and supporting links with, and between, local governments.

The year has been one of increased regulatory responsibilities and also one in which we have been able to make progress in fulfilling other statutory responsibilities. These include advising the Minister on the State's cultural heritage, promoting public understanding, liaising with other bodies and undertaking research to support the identification, conservation and interpretation of cultural heritage. Our ability to do so was made possible by the commitment of Council members and the high level of support from the Council secretariat.

RECOGNISING NEW COUNCIL MEMBERS

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

- An Aboriginal person with experience or knowledge of cultural heritage, Rueben Berg
- An Alternate Aboriginal person with experience or knowledge of cultural heritage, Jamie Lowe

They have brought an expertise and commitment that has already increased our appreciation of Indigenous culture.

On behalf of the Council, I would also like to express my special thanks to Heritage Council member Robin Crocker, who completed his term at the end of June 2019.

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

A handwritten signature in blue ink, reading "St Macintyre".

Professor Stuart Macintyre AO
Chair, Heritage Council of Victoria



About the Heritage Council

MANNER OF ESTABLISHMENT AND RELEVANT MINISTER

The Heritage Council of Victoria (the Council) is an independent statutory authority established under the *Heritage Act 2017* (the Heritage 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.

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.

Mission

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

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.

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 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-Indigenous) heritage resources and any steps necessary to protect and conserve them.

The Council also has a role in advising and liaising with individuals and other bodies 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 Heritage 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; determinations 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 and assess 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 obligations and reporting requirements.

FUNCTIONS, POWERS AND DUTIES

The Council has the following statutory functions, as set out in 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 Council's Strategic Plan 2016–2020 highlights its strategic directions and actions, and its Corporate Plan 2018–19 outlines the strategic priorities, actions and performance measures that were monitored and reported against during 2018–19

KEY INITIATIVES AND ACHIEVEMENTS

This section summarises the Council's key initiatives and achievements during 2018–19.

Promotion of cultural heritage

- 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 is now a key partner for Open House's public programming throughout the month of July in the lead up to the weekend. In July 2018 it hosted the Heritage Address at Federation Square's Deakin Edge. An audience of 650 people came to hear media personality Tim Ross the 'Modernista' discuss why Modernism matters and shared his love of modernist buildings.
- The Council also partnered with Open House Melbourne and Creative Victoria to present a Modern Melbourne event at the Australian Centre for the Moving Image, where two new films on giants of modernist architecture and design were premiered to a sell-out audience. The films featured Alan Powell and Phyllis Murphy.
- Other successful partnership events included regional 'Good Design and Heritage' panel discussions with leading local architects and the Office of the Victorian Government Architect at the inaugural Bendigo Open House weekend in October 2018 and at Geelong's Design Week program of events in April 2019.
- Our involvement as sponsor and supporter of the Australian Heritage Festival continued this year and we held another open day at the Artefact and Conservation Research Centre in Abbotsford with Heritage Victoria. More than 100 people were taken on tours during the day.
- Council continued to support Channel 31's Sacred Spaces, with Heritage Council Member Louise Honman looking at Lippincott House.
- The Council 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. This year the *Houses* heritage award was won by two projects – Balmain Rock by Benn + Penna Architecture and House in Darlinghurst by Tribe Studio. The Victorian Architecture Heritage award was won by Kerstin Thompson Architects.
- The Council's Twitter following grew to more than 3730 people and Council also launched its Instagram account in April, featuring pictures of registered sites and highlighting upcoming events.

Research and projects

- In May, the Council completed its project to review how we recognise and protect cultural heritage sites because of their social significance, with the launch of a revised Criterion G in the 'VHR Criterion and Threshold Guidelines' and a new guidance document to support the assessment of places for social significance.
- The 'Buried Block' archaeological research project final report was presented to Council in June. This project revealed that an extensive program of civic works required by City of Melbourne to improve sanitation and water flow in the mid-19th century resulted in extensive changes to the landscape of early Melbourne, with private owners often being required to raise the ground level of their properties by six feet or more, resulting in the burial of houses and other structures in the CBD. This process left a unique signature on the archaeology of the city, and the project's findings have already resulted in methodological changes for archaeological digs conducted in the CBD and its periphery.
- Phase 1 Research for the State of Heritage Review: Local Heritage began in February, with a survey asking questions about the state of local cultural heritage management being sent to 79 local municipalities, the National Trust (Vic), Australia ICOMOS (Vic) and the Royal Australian Historical Society (Vic). Some of the preliminary survey findings were presented at the Heritage Council Local Government Heritage Forum in June. The Review is due to be completed in mid-2020.

Governance and compliance

- The Council's Finance and Risk Management Committee completed a significant body of work this year to ensure that any deficiencies identified during the trial attestation against Standing Directions have been addressed. This involved both developing new policies specific to the Council and adopting DELWP policies and guidance as appropriate.
- Pursuant to Clause 9 of Schedule 1 of the Act the Heritage Council's Corporate Plan 2019–20 was developed in consultation with, and approved by, the Minister for Planning. The 2019–20 Corporate Plan is included in Appendix 2.

Advice and liaison

- In early June, the Council held a day-long forum, in partnership with the City of Whittlesea, for over 130 local government planners and heritage advisors across the state. Its purpose was to build stronger links with local government and provide an avenue for learning about new initiatives, tools and policies and to celebrate heritage innovation and best practice in local government heritage management.
- The Regional Engagement and Site Visits occurred on the Bellarine Peninsula and Geelong region this year, and the Council met with all local councils, volunteers and heritage associations from Queenscliff to Geelong.

OBJECTIVES AND PERFORMANCE FOR 2018–19

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 2018–19 Corporate Plan.

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

The Council identified the following Priority Activities for the 2018–19 year:

- 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.

The Council has consistently identified the need to improve communication and promotion of cultural heritage to stakeholders and the community. In 2018–19 the Council focused on several priority actions in this area. The Council's Communications Committee oversaw an increase in the number and reach of Council public events. These events allow the general community to be exposed to new and evolving heritage ideas, provide opportunities for members to engage in public discussion around heritage and improve visibility of the Council.

The Council has expanded its presence in social media with an increased number of Twitter followers and the launch of the Council's Instagram account.

As in 2017–18, the Council continued to support the development of innovative heritage policy and practice. The State of Heritage Review: Local Heritage commenced in February 2019. The Review 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. The roll out of the initial project survey to local municipalities was well received, with an initial response rate of 91%.

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Quantity					
Increased member participation in an increased range of public events in 2018–19, compared with previous years.	number of events	8	> 6	+ 33%	✓
	number of members	9	> 6	+ 50%	✓
<i>In line with the its communications plan, Council organised eight large-scale public and professional events, exposing more than 2500 people directly to the Council's work. There has also been increased member participation in all public events with Council members participating on panels for Design Week in Geelong and Open House Bendigo and introducing events such as the Heritage Address and Modern Melbourne. Members also appeared at events relating to Council-sponsored heritage awards, including the Victorian Architecture awards and Houses magazine awards.</i>					

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Timeliness					
An increase in measurable social media activity in 2018–19, including all publicly advertised events and high-profile decisions.	number of twitter followers	3731	3600	+ 0.4%	✓
	number of Instagram followers	163	–	–	✓
<i>Twitter followers have increased to 3731 and visits to the Council's website have increased by 22%. In 2018–19 Council launched an Instagram site, which has garnered 163 followers to date.</i>					
Target					
The commencement during 2018–19 of the proposed Review of the State of Cultural Heritage [State of Heritage Review: Local Heritage]					
Result					
<i>This performance target has been met. The Council commenced the State of Heritage Review: Local Heritage in February 2019 and engaged additional staffing resource to manage the project. It is on target to be completed in mid-2020.</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 completes at least three widely used projects to champion and support exemplary heritage practice

The Council identified the following Priority Activities for the 2018–19 year:

- 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.

The Council's strategic projects work been strengthened and streamlined with the support of a dedicated Senior Project Officer. The process by which the Council assesses and agrees to projects is much improved and has resulted in better management of projects, accurate budgeting and better outcomes.

In May 2019 Council launched a revised and updated Criterion G in the 'VHR Criterion and Threshold Guidelines' and a new guideline to support the assessment of places for social significance: 'Guidance on identifying places and objects of state-level social value in Victoria'. This project is now complete and the launch was well received by the industry.

The Council is continuing to work on 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 approved the development of two Codes on 'Lime Mortars' and 'Repointing with Lime Mortars' in 2017. The completion of this pilot has been delayed because of challenges in finalising the feedback requested by the Heritage Fabric Specialist Committee and additional work in the creation of two Technical Notes to align with the release of the Codes and assist with their communication.

The Council has expanded its Open House partnership through sponsorship of the inaugural Open House Bendigo. As part of the Bendigo program the Council organised and participated in a Good Design and Heritage Panel.

Performance Targets
Target
Review of the Criteria and Threshold Guidelines in relation to Criterion G (social significance) by June 2019.
Result
<i>The project was completed in May 2019. Criterion G has been revised and updated in the 'VHR Criteria and Threshold Guidelines' and a new guidance document for assessing Criterion G, 'Guidance on identifying places and objects of state-level social value in Victoria', was created. The revised criterion guidelines and guidance document were launched in May 2019. The launch event was attended by 40 key stakeholders and cultural heritage practitioners.</i>
Target
Review and assessment of pilot study results in relation to the Heritage Technical Codes by December 2018.
Result
<i>The performance target was not achieved. The pilot study has been delayed due feedback delays and an increase in scope. It is expected that the project will be completed and reviewed in the 2019–20 year. Council has agreed not to progress work on further technical codes until the review of the pilot study is complete.</i>

Performance Targets
Target
Expansion of the Open House partnership in July 2018.
Result
<i>This performance target has been met. Council increased its sponsorship of Open House to include the inaugural Bendigo Open House in October 2018.</i>

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

The Council identified the following Priority Activity for the 2018–19 year:

- Work with agencies and custodians responsible for natural, Aboriginal and non-Indigenous cultural heritage to improve collaboration and understanding of cultural heritage.

The Council's Joint Working Group (made up of members of both the Heritage Council and the Victorian Aboriginal Heritage Council) went into abeyance in 2018–19 due to a range of external factors, including a change in the membership of the Victorian Aboriginal Heritage Council. While the Joint Working Group was unable to consider progressing the recommendations of the "Review of the 'Shared Values' Project", Council continued to work with the Victorian Aboriginal Heritage Council through a meeting of the Chairs of both Councils and the development of a project scope exploring how to interpret conflict and resistance sites.

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Quantity					
The Joint Working Group will hold four meetings in 2018–19.	number of meetings	0	4	-100%	■
<i>This performance target was not met. The Joint Working Group did not meet during 2018–19 due to a range of external factors, including major changes in the Victorian Aboriginal Heritage Council membership and its support office. The Council was recently advised that new Victorian Aboriginal Heritage Council members have been appointed to the Joint Working Group and an initial meeting with a refreshed Terms of Reference will take place in 2019–20.</i>					
Target					
The Joint Working Group will develop actions in response to the Final Report recommendations by March 2019.					
Result					
<i>This performance target was not met. The Joint Working Group agreed on which recommendations it wished to progress at its final meeting in FY2017–18, but as it did not meet in 2018–19 no concrete steps were taken towards achieving these.</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 has capacity to provide robust and effective advice to the Minister

The Council identified the following Priority Activity for the 2018–19 year:

- Undertake regular analysis and training to ensure the Council is well equipped with the training and skills required to fulfil our role.

The Council has the capacity to provide robust and effective advice to the Minister. The Council recognises the maintenance of specific skills and training for its membership as essential to enabling the Council to fulfil its statutory functions. In 2018–19 the Council provided training for members on architectural styles and tribunal processes.

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Quantity					
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.	number	1	1	100%	✓
<i>The Council received one request for advice from the Minister in 2018–19. The Council provided a report advising the Minister on the heritage significance of Hazelwood Power Station. The Council continues to have regular contact with the Minister's Office, and the Minister and Chair of the Council meet twice yearly.</i>					

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Quantity					
Two strategic training sessions delivered to the Heritage Council during 2018–19.	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

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

The Council identified the following Priority Activity for the 2018-19 year:

- 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.

The Council continues to perform its statutory functions in a professional manner and seeks to improve the conduct of its regulatory functions. The Council has responded to an increase in complex regulatory activity through the engagement of additional staff and working with members to provide training. Strategic training held in 2018–19 included specialist chair training for more experienced members.

As part of its statutory functions the Council is conscious of the need to look at both its own performance and the overarching heritage system. In 2018–19, following the introduction of the *Heritage Act 2017*, the Council, through its Protocols Committee, reviewed the key regulatory provisions of the Heritage Act.

Performance Targets	Unit of measure	2018–19 actual	2018–19 target	Performance variation (%)	Result ¹
Quantity					
Conduct at least one strategic (hearings) training session in 2018–19.	number	1	1	0%	✓
<i>The performance target was achieved. The Council conducted chair training to support members who have started to, or will start to, chair matters. This is seen as a strategic priority for Council hearings to ensure that there are enough competent and confident members to chair an increasing number of complex matters.</i>					
Target					
Undertake a review of issues with key regulatory provisions of the Act and advise the Minister.					
Result					
<i>This performance target was achieved. The Council's Protocols Committee undertook a review of the key regulatory provisions of the new Act and developed a schedule of issues to be addressed in future Act amendments. The Minister was advised of the schedule via a letter from the Chair in January 2019.</i>					
Target					
Undertake a budgetary and operational analysis to ensure adequate staff to support statutory functions.					
Result					
<i>This performance target has been met. The Secretariat and the Finance and Risk Management Committee reviewed Council's budget and analysed both the increase in statutory regulatory workload and the gaps in support. During 2018–19 Council increased its staffing by 1 FTE and approved the recruitment of additional communications support in 2019–20.</i>					

STATEMENT OF EXPECTATIONS

The Minister for Planning set four targets in the Statement of Expectations (SOE) for the Council 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 2019–20
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

IN SUMMARY

Overall the Council is pleased with its performance in delivering on its objectives and key initiatives.

The Council has met or exceeded the majority of its performance targets and those targets that were not achieved were largely the result of external impacts beyond its control.

State of Heritage

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

FINANCIAL ASSISTANCE

Under the Heritage Act, the Council 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, the 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 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.

Under the Heritage Act there is a requirement to review the World Heritage Management Plan. A review of the World Heritage Management Plan and the World Heritage Strategy will begin in 2019–20.

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 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 2019, according to categories of registration.

VHR categories of registration	Number as of 30 June 2019
a registered place, <i>incl</i>	2291
<i>a registered archaeological place</i>	193
<i>a place included in the World Heritage List</i>	1
a registered object ¹ , <i>incl</i>	40
<i>a registered archaeological artefact</i>	(0)
a registered object integral to a registered place ¹	82
a registered shipwreck	652
a protected zone	9
Total registered shipwrecks, places and objects	3074

1 – It is not possible to get an accurate total of individual objects as many registered objects are actually collections or multiples. This total does not include the number of registered shipwreck artefacts as this data was not available in 2019.

Assessments and Determinations in 2018–19

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 Council, which is publicly advertised for a 60-day period during which submissions can be made.

The Council then considers the recommendation and any submissions before making a final determination. A hearing may be held if requested by interested parties. The 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 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.

The number of registration hearings held this year is smaller than the two previous years, but is broadly in line with the lower number of assessments requiring determination from the Council.

Assessments & Determinations	2018–19	2017–18	2016–17	2015–16
Assessments¹				
Nominations accepted	56 ²	57	62	56
Number of VHR assessments completed	31	37	40	51
ED recommendations for inclusion in VHR	8	9	17	13
ED recommendations to amend VHR	14	13	13	34
ED recommendations to remove from VHR	0	0	1	0
ED recommendations to not include in VHR	9	15	9	4
Interim Protection Orders (IPOs)				
IPOs requested of the Heritage Council	8	4	2	-
IPOs requested of the ED	23	11	11	11
IPOs issued by the ED	2	0	0	1
IPOs issued by the Heritage Council	0	0	1	0
Heritage Council Registration Hearings & Meetings				
Hearings	5	10	7	4
Meetings	1	1	3	1
Registration decisions called in by Minister	1	0	1	0
Hearing Decisions Pending	2	3	2	1
Heritage Council Determinations				
Additions to the VHR	7	15	11	12
Amendments to existing registrations	12	14	8	33
Removals from VHR	0	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 previous financial year.

2 – In addition six nominations were rejected under s.29 of the Heritage Act and five were considered withdrawn under s.33.

Heritage Certificates in 2018–19

Heritage certificates are used primarily 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 2018–19:

- 6519 (an average of 543 per month) certificates were issued

These figures represent an increase of approximately 5 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 – PLACES INCLUDED IN 2018–19

The following places were included in the VHR during the year.



Included July 2018 **THE BRIGHTON BATHING BOXES AND DENDY STREET BEACH – H236**

Esplanade, Brighton, Bayside City

Significant for their association with the development of beach culture in Victoria from the 1840s to the present day, these vibrant, brightly painted bathing boxes are also renowned for their function, aesthetic and landmark qualities. They are instantly recognisable as the predominant assemblage of bathing boxes retained in Victoria.

(Photo © Hin Lim | 2018)



Included October 2018 **FESTIVAL HALL – H2386**

272–306 Dudley Street, West Melbourne, Melbourne City

The cultural heritage significance of Festival Hall lies in its historical and social significance as Victoria's principal boxing, wrestling and live music venue in the second half of the twentieth century. Its significance is embodied in the external and internal form and fabric of the place. Festival Hall is notably and historically a highly flexible space, allowing it to service a number of dynamic communities and usages.



Included October 2018 **MURCHISON PRISONER OF WAR CAMP – H2388**

410–510 Wet Lane, Murchison, Greater Shepparton City

Murchison POW Camp is significant as the primary POW facility located in Victoria during World War II. The camp was established in 1941 and held some 2,000 Italian, 1,300 German and 185 Japanese prisoners captured during the conflict. It is one of a small number of facilities established to detain Prisoners of War in Victoria during World War II. It is also significant for its potential to contain archaeological remains, features and deposits.



Included December 2018 **AVON RIVER RAIL BRIDGE – H2389**

Avon River, Stratford, Wellington Shire

The Avon River Rail Bridge is a notable example of a highly intact 19th century rail bridge. It is significant as an important part of the railway network constructed in the 1880s to provide links between cities and towns throughout Victoria. It allowed for the expansion of the Gippsland line to Bairnsdale, promoting new colonial settlement and trade rather than responding to existing needs.



Included February 2019
SHORTLANDS BLUFF – H2367

133–135 Hesse Street, Queenscliff, Queenscliffe Borough

Shortlands Bluff is significant for its association with maritime navigation since the 1840s, and defence from the 1860s to the end of World War II. The white lighthouse was constructed as a pair with the black lighthouse in the grounds of Fort Queenscliff. They acted in unison to safely guide ships into Port Phillip Bay in a time of high maritime traffic. The concrete bunker of the 'see-saw' searchlight is one of only four known worldwide.



Included April 2019
SANDOWN PARK RACECOURSE GRANDSTAND – H2391

594–659 Princes Highway, Springvale, Greater Dandenong City

The grandstand at Sandown Park was constructed in the early 1960s for horse and motor racing crowds at the site. One of the earliest of the group of Modernist grandstands built in postwar Victoria, its cantilevered roof and the design of the stand across a single continuous tier without a narrow visual focus on the winning post was described as 'striking' at the time and became standard grandstand characteristics.



Included June 2019
TALANA – H2382

1 Harcourt Street, Hawthorn, Boroondara City

Talana was completed in 1900 as the last of 15 mansions in Harcourt Street designed by architect John Beswicke. It is a fine example of the Federation Queen Anne style of architecture in Victoria. The internal highly ornate and unusual plasterwork ceilings in the principal rooms on the ground floor, and the decorative timber balustrades, doors and joinery throughout are of a higher quality than are typical of the class.

Victorian Heritage Register – Amendments in 2018–19

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
July 2018	H0379	Malvern House	H0526	Robur Tea Building
August 2018	H0495	East Melbourne Synagogue		
October 2018	H0134	Buda	H1463	Ballarat School of Mines
December 2018	H0984	Station Pier		
February 2019	H2222	Memorial Hall, Koroit	H0295	Warrock Hall
April 2019	H1169	The Former Donaghy's Rope Walk Building (Part) and Rope-Making Machinery		
June 2019	H1508 H0918	1888 Building, University of Melbourne Main Entrance Gates and Entrance Pillars, University of Melbourne	H2255	Presbyterian Church, Malvern

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 Council conducts the review and determines the outcome.

The value of works covered by permit exemptions in 2018–19 is of relatively high value. Conservation works associated with the Living Heritage Grants Program continue to be largely approved by permit exemption and the roll out of the NBN is continuing at VHR-listed places where permit exemptions are provided for these works.

Permits	2018–19	2017–18	2016–17	2015–16
Permits Issued / Refused / Amended / Exemptions				
Total permit applications	1146	1148	1162	964
Permits refused or part refused	6	6	3	5
Permit amendments approved	14	19	36	45
Permit amendments refused	2	0	0	1
Total permits issued by the ED, incl	217	206	255	236
<i>Permits for works on Archaeological Places</i>	<i>17</i>	<i>22</i>	<i>11</i>	<i>10</i>
<i>Maritime permits under Victorian Act</i>	<i>6</i>	<i>8</i>	<i>10</i>	<i>32</i>
<i>Maritime permit extensions</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>0</i>
<i>Maritime permits under Commonwealth Act</i>	<i>9</i>	<i>4</i>	<i>5</i>	<i>3</i>
Total permit exemptions issued by the ED	907	917	868	677
Cost of Works covered by permits issued and permit exemptions				
Cost of works covered by permits issued	\$526,101,602	\$887,397,786	\$1,700,178,121	\$1,040,441,974
Cost of works covered by permit exemptions	\$298,133,684	\$89,747,226	\$19,831,378	\$44,313,235
Total value of works covered by heritage permits and exemptions	\$824,235,286	\$977,145,012	\$1,720,009,499	\$1,084,755,210
Heritage Council Permit Reviews¹	2018–19	2017–18	2016–17	2015–16
Reviews lodged	7	3	6	6
Reviews determined	4	3	3	2
Reviews called in by Minister for Planning	0	0	0	0
Reviews withdrawn	0	0	4	1
Reviews pending (as at 30 June 2019)	3	1	1	3

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

VICTORIAN HERITAGE INVENTORY – CONSENTS AND SITE REMOVALS

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, including provisions for new Consent types (including 'Consent to Uncover', and a 'Consent for Other Works' such as geotechnical testing). The 'Consent to Uncover' approval was introduced to allow a preliminary phase of site investigation to inform subsequent archaeological excavations.

Section 119 of the Heritage Act introduced a formal process for removing sites from the Heritage Inventory. The Council may remove an archaeological site from the Heritage Inventory if the Executive Director determines that the site has low archaeological value.

The following table highlights the Archaeological Consents issued in 2018–19 and includes the statistics for sites removed from the Heritage Inventory. In most cases sites are removed from the Heritage Inventory once a detailed program of archaeological investigation and recording has taken place followed by site development.

Archaeological Consents (s.129)	2018–19	2017–18	2016–17	2015–16
Consents to Damage (over half of site)	27	44	28	14
Consents to Damage (under half of site)	46	26	53	35
Consents to Excavate	36	26	35	25
Consents to Uncover	11	n/a	n/a	n/a
Consents for Other works	18	n/a	n/a	n/a
Total	138	96	116	74
Site removals (s.119)	2018–19	2017–18	2016–17	2015–16
Sites removed from the Heritage Inventory (s.119)	37	n/a	n/a	n/a

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.

The program commenced in 2016 and comprises \$38.5 million over four years. The program consists of two streams – Major Project Grants and Community Heritage Grants. It is administered by Heritage Victoria, Department of Environment, Land, Water and Planning. Funding for Major Project Grants concluded in 2017–18. Community Heritage Grants are selected through a competitive process. A member of the Council sits on the Living Heritage Program Assessment Panel for the Community Heritage Grants, which recommends successful projects to the Minister for Planning.

Community Heritage Grants

In 2018–19, Round 3 of the Community Heritage Grants supported 23 new conservation projects to publicly accessible heritage places across Victoria. The Council was involved in the selection of these projects, with a total value of \$2.4 million:

Place	VHR No	Managed by	Grant	Description of Works
All Saints Mitcham	H2302	All Saints' Anglican Church	\$80,000 (matched)	Repairs to the clerestory windows.
Balmoral Court House	H1651	Balmoral & District Historical Society	\$50,000	Replacement of roof and rainwater goods, as well as external and internal timber repairs.
Bendigo Trades Hall	H1333	Bendigo Trades Hall and Literary Institute	\$45,000	Roof repairs and associated repairs to gutters and downpipes.
Blunts Boatyard and Slipway	H1885	Privately owned	\$115,000 (matched)	Repair of the historic jetty.
Box Hill Cemetery Columbarium	H2045	Box Hill Cemetery Trust	\$200,000	Structural stabilisation and internal repairs.
Buda House & Garden, Castlemaine	H0134	Buda Historic Home and Garden Inc.	\$50,000	Urgent tree removal & tree surgery, replacement of irrigation system and resurfacing of historic paths.
Christ Church Complex, St Kilda	H0996	Christ Church St Kilda	\$40,000 (matched)	Remedial works to roof plumbing of the Church and slate roof repairs.
Ebenezer Mission	H0288	Barengi Gadjin Land Council Aboriginal Corporation	\$200,000	Conservation works to all buildings on site, including roof works, drainage repairs, and structural repairs.
Former Methodist Church (Quercus), Beechworth	H0523	Quercus Beechworth	\$55,000	Repairs to windows and walls to rectify water damage.
Former St Michaels Catholic Church, Wandong	H2357	Wandong History Group	\$25,000	A Condition Report including structural investigation and a geotechnical report.
Former St Pauls Church of England (St Pauls Community Hall)	H1859	St Paul's Anglican Church	\$145,000	Structural repairs, roof works, and repairs to rainwater goods & stormwater system.
Hamilton Botanic Gardens (Thompson Memorial Fountain)	H2185	Southern Grampians Shire Council/Friends of Hamilton Botanic Gardens	\$160,000	Conservation, restoration and plumbing works to the Thompson Memorial Fountain.
La Mama Theatre, Carlton	H1991	La Mama Theatre	\$50,000	Project Management to lead and develop a recovery strategy following a devastating fire in 2018.
Murtoa Grain Store	H0791	Murtoa Stick Shed Committee of Management	\$70,000	Repairs to windows and doors.
Omeo Justice Precinct	H1536	East Gippsland Shire Council	\$200,000	Structural repairs to the 'old' Court house and high priority works to the 'new' Court house, including roof works, subfloor, brickwork and render repairs.
Point Lonsdale Lighthouse (Searchlight Emplacement)	H1517	Borough of Queenscliffe	\$90,000	Structural stabilisation of the search light emplacement.
St Marks Anglican Church, Camberwell	H2158	St Mark's Anglican Church	\$75,000 (matched)	Replacement of church spire concrete louvres.
Theatre Royal, Castlemaine	H2144	Privately owned	\$75,000 (matched)	Structural repairs as well as masonry and façade repairs.
Tyntyndyer Homestead, Beverford	H2353	Tyntyndear Homestead Inc	\$200,000	Structural stabilisation of the Homestead and Store, as well as masonry and roof repairs.
Uniting Church Crossroads, Werribee	H0628	Crossroads Uniting Church	\$195,000 (matched)	Slate roof replacement of the Church and Manse and associated works.
Warracknabeal Town Hall	H2223	Yarriambiack Shire Council	\$130,000	Structural repairs and repairs to water-damaged ceilings and walls.

Place	VHR No	Managed by	Grant	Description of Works
Windmill Farm, Kyneton	H0311	Privately owned/Kyneton Historical Society	\$20,000 (matched)	Urgent repair and stabilisation of the windmill roof and column.
Wollaston Bridge, Warrnambool	H1453	Warrnambool City Council	\$195,000	Structural repairs to timber frame and decking.

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

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Revenue	2,270	1,756	1,319	1,135	1,501
Expenses	1,463	1,665	1,230	1,002	2,011
Net Result	807	90	90	133	(510)
Total Assets	3,627	2,791	2,734	2,728	2,735
Total Liabilities	300	272	305	368	495

CURRENT YEAR FINANCIAL REVIEW

The commencement of the *Heritage Act 2017* on 1 November 2017 (and the commencement of the Heritage Regulations 2017) brought substantial change to the Heritage Fund fee structure (for user-pay fee amounts paid into the Heritage Fund pursuant to s.235[1][a]), such as increases in fee amounts payable under the Heritage Act. An increase in these fee amounts payable, coupled with a high level of fee related activity, has resulted in the ongoing growth of Heritage Fund fee revenue.

The Council's operating expenditure also decreased over the same period, largely attributable to a decrease in costs associated with professional services.

The Council's operating surplus at the end of the financial year was \$807,212 and the Council maintained investments with the government's Centralised Bank, where funds are at call.

There were no significant changes or factors which affected the performance of the Heritage Council during the reporting period.

CAPITAL PROJECTS

The Council does not manage any capital projects.

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

Legacy Grants from past grant programs totaling \$105,000 were included as outstanding commitments in the Council's budget and managed through the Heritage Fund. This includes items such as the Victorian Property Fund, the Victorian Heritage Grants and other Heritage Victoria projects.

SUBSEQUENT EVENTS WHICH WILL AFFECT OPERATIONS IN FUTURE YEARS

The 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. However, the majority of Heritage Fund revenue is subject to prevailing economic conditions and the operating grant provided by the Department of Environment, Land, Water and Planning (DELWP) has reduced from \$500,000 to \$250,000. The Council is monitoring its regulatory activity and finances carefully in light of these factors.

From 1 July 2018, 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 costs associated with the administration of the Heritage Act.

Financial estimates in the Heritage Council Corporate Plan 2019–20 (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 *Heritage Act 2017* introduced three new categories of member expertise which were filled in 2018–19: 'Urban or regional planning', 'Financial management' and 'An Aboriginal person with experience or knowledge of cultural heritage'. These replaced the 'Property management' category and two of the 'General member' categories.

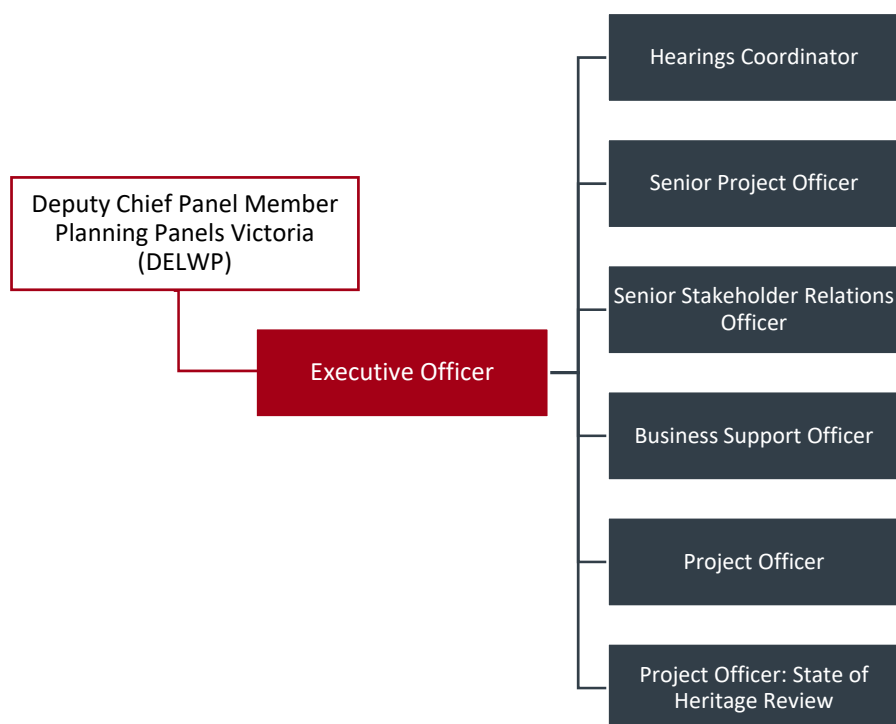
The following chart outlines all of the Council's members and membership categories (including periods of appointment) for 2018–19.



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 Deputy Chief Panel Member, Planning Panels Victoria, DELWP.



AUDIT COMMITTEE – STANDING DIRECTIONS EXEMPTIONS

In 2018–19 the Council had an exemption for Direction 3.2.1 and 3.2.2 of the Standing Directions of the Assistant Treasurer 2018 and therefore does not have an Audit Committee.

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

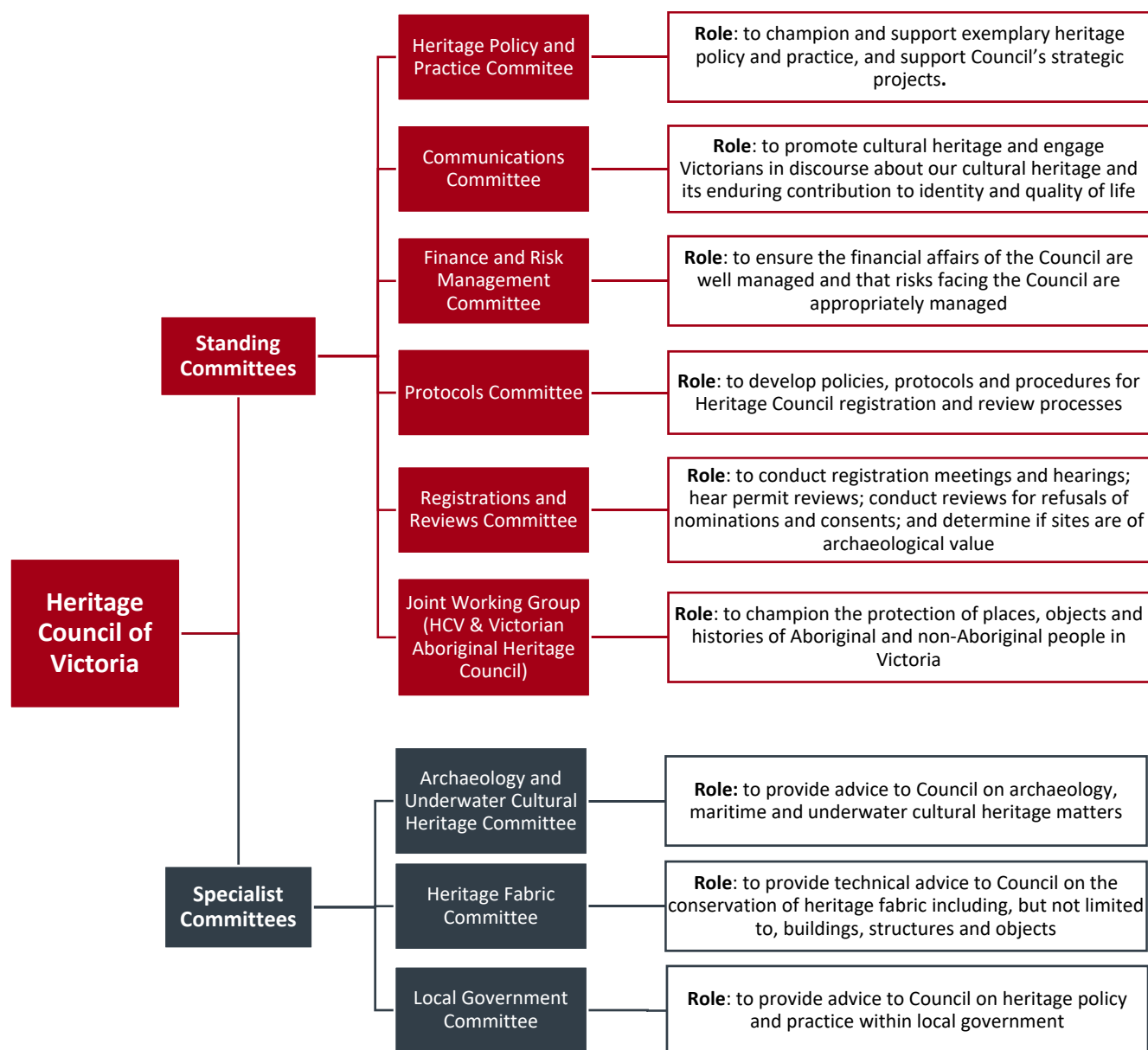
HERITAGE COUNCIL COMMITTEES

Under s.13 of the Heritage 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 Heritage 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 Heritage 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 were operating in 2018–19 and their different roles:



HERITAGE COUNCIL COMMITTEES AND MEMBERSHIP

Following is a breakdown of membership of the Heritage Council committees in 2018–19.

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* 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 Karen Murphy* Maggi Solly*	Patrick Doyle	Jenny Moles Penelope Smith Leigh Mackay* Andrew May* Joanne Guard* Rueben Berg

Registrations and Reviews Committee		HCV / VAHC Joint Working Group	
Chair & Deputy	Heritage Council Members	HCV co-Chair	HCV Members
Jenny Moles (Chair) Lindsay Merritt (Deputy)	All members	Andrew May	Megan Goulding, Christine Phillips*, Jamie Lowe*
		VAHC co-Chair	VAHC Member
		To be confirmed	Racquel Buis-Kerr

*Alternate attending on behalf of full member

Specialist Committees

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*	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
Patrick Doyle	Lindsay Merritt, Penelope Smith, Jeffrey Robinson*	Sonia Rappell	Robyn Riddett, Michael MacDonagh, Samantha Westbrooke, Emma Bryant, Jackie Donkin, Colleen Lazenby

*Alternate attending on behalf of full member

Heritage Council representation

- **Victorian Heritage Restoration Fund** – Lindsay Merritt
- **History Council** – Andrew May
- **Murtoa Stick Shed** – Lindsay Merritt
- **Living Heritage Program Assessment Panel** – Leigh Mackay

MEETINGS REPORT 2018–19

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

	Heritage Council	Observing as Alternate	Communications	Finance & Risk Management	Heritage Policy & Practice	Protocols	HC / VAHC Joint Working Group	Registration Hearings *	IPOs*	Permit Reviews*	Archaeology & UCH Committee	Heritage Fabric Committee	Local Government Committee	Project Steering Committee**
Members														
Stuart Macintyre	8	–		7				1	1					3
Jenny Moles	8	–		1		4		1		2				
Megan Goulding	5	–			3			1			4			8
Louise Honman	8	–		7	6			3	2	2				4
Paul Coffey	8	–	6					1	1			4		4
Patrick Doyle	6	–				5		1	1	3			3	
Lindsay Merritt	7	–		6	6			3	2				2	2
Penelope Smith	7	–				4		1	2	1			3	
Robin Crocker	5	–	5						1					
Rueben Berg	6	–				2		1		1				
Alternates														
Andrew May	2	5			1	4		4	1	1	3			10
Maggi Solly	2	5	5	5				1	2	1	2	4		1
Karen Murphy	4	4	5	5				2	1					
Christine Phillips	1	4	4					1	1	1				
Jeffrey Robinson	1	4		5	6			2	2	2			3	
Lucinda Peterson														
Leigh Mackay	2	5		1		5		3	4		4			5
Joanne Guard	3		3			1		1	2					
Natica Schmeder	5	3			6			1	1	1		4		7
Jamie Lowe	1	1												

*Some hearings/reviews took place over multiple days.

**Some Members sat on multiple project steering committees.

Workforce data

The 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 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 Council supports DELWP's Workforce Inclusion Policy.

EXECUTIVE OFFICER DISCLOSURE

The 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 Council may be employed under Part 3 of the *Public Administration Act 2004*; however, the Executive Officer of the Council is employed by DELWP and is an Accountable Officer as defined in s.42 of the *Financial Management Act 1994* and as disclosed in the Council's Financial Statements.

Other disclosures

LOCAL JOBS FIRST

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately. The Council has not engaged or had any ongoing contracts (tenders) to which the Local Jobs First policy applies.

GOVERNMENT ADVERTISING EXPENDITURE

In the 2018–19 reporting period the Council did not have any expenditure on government campaigns.

CONSULTANCY EXPENDITURE

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

In 2018–19, there were no consultants engaged during the year where the total fee payable was \$10,000 or greater.

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

In 2018–19, 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 2018–19 reporting period, the Council had a total ICT expenditure of \$20,979 (exc GST) with the details shown below.

All operational ICT expenditure		ICT expenditure relating to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
\$20,979	\$0	\$0	\$0

- **ICT expenditure** refers to the Council'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 Council'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 2018–19 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 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. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

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 \$29.60 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 s.17 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
GPO Box 527
Melbourne, 3001
Telephone: (03) 9194 0867
email: heritage.council@delwp.vic.gov.au

Fol Statistics

There was one Fol request from the general public received by the Heritage Council of Victoria during the 2018–19 reporting period. The request was finalised in 23 days, which is within the 30-day time 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 Council 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 Council 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 Council 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 Council or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that the Council is **not** able to receive protected disclosures.

The Council is establishing procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the Council 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 the Heritage Act.

The Annual Report provides the information required under the Heritage 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 2019–20 Corporate Plan was provided to the Minister.

OFFICE-BASED ENVIRONMENTAL IMPACTS

The 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.

AVAILABILITY OF OTHER INFORMATION

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by the 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 and relevant officers.

(b) Publications:

Publication	Produced	How obtained
Annual Report 2017–18	September 2018	See: http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/
Corporate Plan 2019–20	September 2019	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 2018–19 financial year.

The information is available on request from:

The Executive Officer

Heritage Council Secretariat

Phone: (03) 9194 0867

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 officers (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 Assistant Treasurer under the *Financial Management Act 1994* and Instructions.

A handwritten signature in blue ink, appearing to read 'St Macintyre', is positioned above the printed name.

Prof Stuart Macintyre AO
Chair, Heritage Council of Victoria
23 September 2019

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 Assistant Treasurer under 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 2019 and financial position of the entity at 30 June 2019.

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 23 September 2019.



Stuart Macintyre

Chair
Heritage Council of Victoria

Melbourne
23 September 2019



Rhonda McLaren

Accountable Officer
Heritage Council of Victoria

Melbourne
23 September 2019



Karen Ling

Chief Financial Officer
Heritage Council of Victoria

Melbourne
23 September 2019

Independent Auditor's Report

To the Council Members of the Heritage Council of Victoria

Opinion	I have audited the financial report of the Heritage Council of Victoria (the authority) which comprises the: • balance sheet as at 30 June 2019 • 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. In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 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.
Basis for Opinion	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. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Council Members' responsibilities for the financial report	The Council Members of the authority 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 determine 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. In preparing the financial report, the Council Members are responsible for assessing the authority'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.

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 authority'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 authority'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 authority 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
24 September 2019



Paul Martin
as delegate for the Auditor-General of Victoria

HERITAGE COUNCIL OF VICTORIA

These annual financial statements represent the audited general purpose financial statements of the Heritage Council of Victoria for the period 1 July 2018 to 30 June 2019. The purpose of the report is to provide users with information about the Heritage Council of Victoria's stewardship of resources entrusted to it.

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COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Income from transactions			
Government grants	2.1	250,000	500,000
Rendering of services	2.2	1,973,255	1,212,873
Interest income	2.3	46,611	42,662
Total income from transactions		2,269,866	1,755,535
Expenses from transactions			
Member fees and other costs	3.1	(299,082)	(318,221)
Supplies and services	3.2	(980,514)	(1,324,357)
Grants to local government, individuals and businesses	3.3	(183,058)	(22,545)
Total expenses from transactions		(1,462,654)	(1,665,123)
Net results from transactions (net operating balance)		807,212	90,412
Comprehensive result		807,212	90,412

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
Assets			
Financial assets			
Cash and deposits	5.1	3,572,967	2,733,722
Receivables	4.1	53,675	57,636
Total assets		3,626,642	2,791,358
Liabilities			
Payables	4.2	107,122	76,050
Security deposits	4.3	192,715	195,714
Total liabilities		299,837	271,764
Net assets		3,326,805	2,519,594
Equity			
Accumulated surplus/(deficit)		1,796,791	989,581
Contributed capital		1,530,014	1,530,013
Net worth		3,326,805	2,519,594
Commitments		5.2	
Contingent assets and liabilities		6.3	

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Accumulated surplus/(deficit) \$	Contribution by owners \$	Total \$
Balance at 1 July 2017	899,167	1,530,014	2,429,181
Comprehensive result	90,412	0	90,412
Balance as at 30 June 2018	989,579	1,530,014	2,519,593
Comprehensive result	807,212	0	807,212
Balance as at 30 June 2019	1,796,791	1,530,014	3,326,805

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts			
Receipt from government		250,000	500,000
Receipts from other entities		1,978,557	1,211,911
Interest received		46,611	42,662
GST recovered from ATO		(4,324)	1,166
Total receipts		2,270,844	1,755,739
Payments			
Payments to suppliers and members		(1,248,541)	(1,665,234)
Payments of grants and other transfers		(183,058)	(22,545)
Total payments		(1,431,599)	(1,687,779)
Net cash flows from operating activities	5.1(b)	839,245	67,960
Cash flows used in investing activities			
Receipts from investments		0	550,000
Net cash flows used in investing activities		0	550,000
Net increase in cash and cash equivalents		839,245	617,960
Cash and cash equivalents at the beginning of the financial year		2,733,722	2,115,762
Cash and cash equivalents at the end of the financial year	5.1(a)	3,572,967	2,733,722

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

The financial statements cover the Heritage Council of Victoria (HCV) as an individual reporting entity. The HCV 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

2 Lonsdale Street

Melbourne, VIC, 3000

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

These financial statements:

- are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis
- 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.

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.

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. These relate to:

- accrued revenue;
- accrued expenses;
- superannuation expense; and
- future salary movements and future discount rates.

Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction	Structure
The HCV'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. To enable the HCV to fulfil its objective and provide outputs, it receives income from transactions related fees and grants provided by the Department of Environment, Land, Water and Planning (DELWP).	2.1 Government grants 2.2 Rendering of services 2.3 Interest income

2.1 Government grants

	2019	2018
	\$	\$
Government grants		
Grants from DELWP	250,000	500,000
Total government grants	250,000	500,000

Government contributions are recognised when the HCV obtains control of the funds.

2.2 Rendering of services

	2019	2018
	\$	\$
Rendering of services		
Planning fees, permit fees and permit review fees	1,970,256	1,202,646
Other fees for service	2,999	10,227
Total rendering of services	1,973,255	1,212,873

The HCV 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

	2019	2018
	\$	\$
Interest income		
Interest from cash, deposits and investments	46,611	42,662
Total interest income	46,611	42,662

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.

3. THE COST OF DELIVERING SERVICES

Introduction

This note provides an account of the expenses incurred by the HCV. In note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery services
  - 3.1.1 Superannuation
- 3.2 Supplies and services
  - 3.2.1 Audit fees
- 3.3 Grants expenses

3.1 Expenses incurred in delivery of services

	2019	2018
	\$	\$
Member fees and other costs		
Sitting fees	(249,555)	(263,358)
Travel and subsistence expenses	(10,890)	(12,505)
Superannuation	(22,852)	(24,877)
Other on-costs	(15,785)	(17,481)
Total member fees and other costs	(299,082)	(318,221)

The HCV 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 HCV are as follows:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2019	2018	2019	2018
	\$	\$	\$	\$
Defined contribution plans:				
Victorian Superannuation Fund – Vic Super Scheme	7,551	9,815	2,768	2,030
Various other	9,171	10,798	3,362	2,234
Total	16,722	20,613	6,130	4,264

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

The HCV does not recognise any defined benefit liability in respect of the plan because the HCV 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 HCV.

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

3.2 Supplies and services

	2019	2018
	\$	\$
Supplies and services		
Community awareness and publicity	(55,932)	(59,638)
Contract and professional services	(819,896)	(1,178,246)
Equipment and maintenance hire	0	(1,096)
General expenses	(34,880)	(25,955)
IT expenses	(16,477)	(12,473)
Motor vehicle expenses	0	(2,452)
Office and accommodation	(37,541)	(26,809)
Other operating expenses	(3,685)	0
Payments for shared services	0	(1,413)
Postage and telephone	(150)	(2,230)
Other expenses	(2,326)	0
Travel and subsistence	(9,627)	(14,045)
Total supplies and services	(980,514)	(1,324,357)

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

	2019	2018
	\$	\$
Victorian Auditor General's Office		
Audit of the financial statements	16,900	16,400
Total	16,900	16,400

3.3 Grants expenses

	2019	2018
	\$	\$
Grants		
Grants to local government	(2,000)	0
Grants to businesses and non-profit organisations	(176,058)	(22,545)
Grants to Parks Victoria	(5,000)	0
Total	(183,058)	(22,545)

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 HCV.

4. OTHER ASSETS AND LIABILITIES

Introduction	Structure
This section sets out those assets and liabilities that arose from the HCV's controlled operations.	4.1 Receivables 4.2 Payables 4.2.1 Maturity analysis of contractual payables 4.3 Security deposits 4.3.1 Maturity analysis of security deposits

4.1 Receivables

	2019 \$	2018 \$
Current receivables		
Contractual		
Accrued revenue	13,940	22,224
Total contractual receivables	13,940	22,224
Statutory		
GST input tax credit recoverable	8,473	4,150
Total statutory receivables	8,473	4,150
Total current receivables	22,413	26,374
Non-current receivables		
Contractual		
Loans receivable	31,262	31,262
Total non-current receivables	31,262	31,262
Total receivables	53,675	57,636

Contractual receivables are classified as financial instruments and categorised as financial assets at amortised cost. They are initially recognised at fair value plus any directly attributable transaction costs. HCV holds the contractual receivable to collect the cash flows and measured at amortised cost using interest method less any impairments. Refer to note 6.2.1 for impairment policy.

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 for disclosure purposes. HCV applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

4.2 Payables

	2019 \$	2018 \$
Current payables		
Contractual		
Accrued expenses	100,679	71,710
Trade creditors ⁽ⁱ⁾	313	0
Superannuation payable	6,130	4,264
Total contractual payables	107,122	75,974
Statutory		
Payroll tax payable	0	76
Total statutory payables	0	76
Total current payables	107,122	76,050
Total payables	107,122	76,050

(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 measured at amortised cost. This includes trade creditors and other accrued expenses. Trade creditors represents liabilities for goods and services provided to the HCV prior to the end of the financial year that are unpaid and arise when the HCV 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.

4.2.1 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 \$
2019							
Payables⁽ⁱ⁾							
Accrued expenses	100,679	100,679	100,679	0	0	0	0
Trade creditors	313	313	313	0	0	0	0
Superannuation payable	6,130	6,130	6,130	0	0	0	0
Total	107,122	107,122	107,122	0	0	0	0
2018							
Payables⁽ⁱ⁾							
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

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

4.3 Security deposits

	2019 \$	2018 \$
Current security deposits		
Archaeological security deposits	42,715	15,000
Total current security deposits	42,715	15,000
Non-current security deposits		
Archaeological security deposits	0	30,714
Long term security deposits	150,000	150,000
Total non-current security deposits	150,000	180,714
Total security deposits	192,715	195,714

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 HCV'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.

4.3.1 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 \$
2019							
Security deposits	192,715	192,715	0	0	42,715	150,000	0
Total	192,715	192,715	0	0	42,715	150,000	0
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

5. HOW WE FINANCED OUR OPERATIONS

Introduction	Structure
This section provides information on the sources of finance utilised by the HCV during its operations.	5.1 Cash and deposit
It includes disclosures of balances that are financial instruments (such as borrowings and cash balances).	5.2 Commitments
	5.2.1 Commitments to pay out grants and loans
	5.2.2 Commitments for operating expenditure
	5.2.3 Commitments for capital expenditure

5.1 Cash flow information and balances

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.

	2019 \$	2018 \$
(a) Reconciliation of cash and cash equivalents		
At call deposits	2,526,467	2,500,000
Cash equivalent	1,046,500	233,722
Total cash and deposits disclosed in the balance sheet	3,572,967	2,733,722
Balance per cash flow statement	3,572,967	2,733,722
(b) Reconciliation of net result for the period		
Comprehensive result	807,212	90,412
Movements in assets and liabilities		
(Increase)/Decrease in receivables	3,960	10,449
Increase/(Decrease) in payables	28,072	(32,901)
Net cash flows from operating activities	839,244	67,960

5.2 Commitments for expenditure

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.

5.2.1 Commitments to pay out grants and loans

In addition to the grants and loans issued during the year, total approvals given by the HCV up to 30 June 2019 provide for the issue of \$232,236 (2018: \$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.

	2019 \$	2018 \$
Grant commitments		
Not later than one year	232,236	123,226
Later than one year but no later than five years	0	253,445
Total	232,236	376,671

5.2.2 Commitments for operating expenditure

At reporting date, the HCV has no operating commitments (2018: Nil).

5.2.3 Commitments for capital expenditure

At reporting date, the HCV has no capital commitments (2018: Nil).

6. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The HCV 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

- 6.1 Financial instrument specific disclosures
- 6.2 Financial risk management objective and policies
  - 6.2.1 Credit risk
  - 6.2.2 Liquidity risk
  - 6.2.3 Market risk
  - 6.2.3 (a) Interest rate sensitivity analysis and assumptions
- 6.3 Fair value determination
- 6.4 Contingent assets and liabilities

6.1 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 HCV'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*.

From 1 July 2018, the HCV applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The HCV recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);

Categories of financial assets previously under AASB 139

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 and liabilities 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).

The HCV recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);

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 HCV recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

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

	2019			2018		
	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Total \$	Cash and deposits \$	Financial liabilities at amortised cost \$	Total \$
Contractual financial assets						
Cash and deposits	3,572,967	0	3,572,967	2,733,722	0	2,733,722
Receivables ⁽ⁱ⁾						
Accrued revenue	13,940	0	13,940	22,224	0	22,224
Loans receivables	31,262	0	31,262	31,262	0	31,262
Investments	0	0	0	0	0	0
Total contractual financial assets	3,618,169	0	3,618,169	2,787,208	0	2,787,208
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾						
Accrued expenses	0	106,809	106,809	0	71,710	71,710
Trade creditors	0	313	313	0	0	0
Superannuation payable	0	0	0	0	4,264	4,264
Security deposits	0	192,715	192,715	0	195,714	195,714
Total contractual financial liabilities	0	299,837	299,837	0	271,688	271,688

(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).

6.2 Financial risk management objective and policies

The HCV'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 HCV's financial risks in the government policy parameters.

The HCV is exposed to the following risks:

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

6.2.1 Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The HCV'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.

Credit risk associated with the HCV's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than Government, it is the HCV's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements, where appropriate. In addition, the HCV 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 HCV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Currently the HCV 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.

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, HCV has adopted AASB 9's Expected Credit Loss approach to recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach.

HCV applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

As of 30 June 2019, HCV did not have trade receivables past due (2018: nil). Accordingly, HCV determined that no allowance for expected credit loss on initial application date of AASB 9 and at the end of the financial year.

6.2.2 Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The HCV 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 HCV's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk.

6.2.3 Market risk

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

The HCV'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 HCV's has no sensitivity to movements in market interest rates, as there are no financial instruments exposed to variable interest rates.

Interest rate risk

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 HCV 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 HCV 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 \$	
2019					
Contractual financial assets					
Cash and deposits	1.65%	3,572,967	0	2,526,467	1,046,500
Receivables ⁽ⁱ⁾					
Accrued revenue		13,940	0	0	13,940
Loans receivables		31,262	0	0	31,262
Total		3,618,169	0	2,526,467	1,091,702
Contractual financial liabilities					
Payables: ⁽ⁱⁱ⁾					
Accrued expenses		106,809	0	0	106,809
Trade creditors		313	0	0	313
Superannuation payable		0	0	0	0
Security deposits		192,715	0	0	192,715
Total		299,837	0	0	299,837
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
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

(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).

6.2.3 (a) Interest rate sensitivity

Reviewing past account performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, the HCV 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

		Interest rate risk	
	Carrying amount	-1.0% -100 basis points	+1.0% 100 basis points
2019			
Contractual financial assets			
Cash and deposits – floating interest	3,572,967	(25,265)	25,265
Total	3,572,967	(25,265)	25,265
2018			
Contractual financial assets			
Cash and deposits – floating interest	2,733,722	(500)	500
Total	2,733,722	(500)	500

6.3 Fair value determination

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are 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; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The HCV determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The HCV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018-19 reporting period. These financial instruments include: cash and deposit, receivable, security deposits and payables.

6.4 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. They are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Bank guarantees, totaling \$28,788,654 (2018: \$19,874,604) are held by the HCV as financial security for the following:

(a) pursuant to a condition of a permit \$28,788,654 (2018: \$19,830,000)

(b) loans \$0 (2018: \$0)

(c) Murtoa Stick Shed contracts \$0 (2018: \$44,604)

Heritage permit granted under Section 102 of the Heritage Act 2017 may require unconditional Bank Guarantee or Security Bond for 50% of the estimated amount of the works. The Bank Guarantee will be forfeited if the approved Conservation Schedule and Interpretation Plan are not completed or implemented to the satisfaction of the Executive Director, Heritage Victoria.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because: – it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
- the amount of the obligations cannot be measured with sufficient reliability.

There are no quantifiable contingent liabilities (2018: Nil).

7 OTHER DISCLOSURES

Introduction

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

Structure

- 7.1 Change in accounting policies
- 7.2 Responsible persons
- 7.3 Related parties
- 7.4 Subsequent event
- 7.5 AASB issued that are not yet effective

7.1 Change in accounting policies

In compliance with the application of AASB 9, the HCV¹ has assessed all financial assets based on the HCV's business models for managing the assets. The following are the changes in the classification of financial assets:

- Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9.
- Under AASB 9, all loans and receivables not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach. Applying the ECL model does not result in recognition of additional credit loss.

7.2 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Minister for Planning	The Hon. Richard Wynne MP	1 July 2018 to 30 June 2019
Chair	Stuart Macintyre	1 July 2018 to 30 June 2019
Accountable Officer (Executive Officer)	Rhonda McLaren	26 November 2018 to 30 June 2019
Accountable Officer (Executive Officer)	Damien Welch	1 July 2018 to 23 November 2018
Member	Rueben Berg	30 October 2018 to 30 June 2019
Member	Jenny Moles	3 July 2018 to 30 June 2019
Member	Lindsay Merritt	3 July 2018 to 30 June 2019
Member	Megan Goulding	3 July 2018 to 30 June 2019
Member	Louise Honman	1 July 2018 to 30 June 2019
Member	Robin Crocker	1 July 2018 to 30 June 2019
Member	Patrick Doyle	30 October 2018 to 30 June 2019
Member	Penelope Smith	1 July 2018 to 30 June 2019
Member	Paul Coffey	3 July 2018 to 30 June 2019
Alternate Member	Karen Murphy	1 July 2018 to 30 June 2019
Alternate Member	Christine Phillips	1 July 2018 to 30 June 2019
Alternate Member	Jeffrey Robinson	1 July 2018 to 30 June 2019
Alternate Member	Lucinda Peterson	1 July 2018 to 30 June 2019

Alternate Member	Leigh Mackay	3 July 2018 to 30 June 2019
Alternate Member	Andrew May	3 July 2018 to 30 June 2019
Alternate Member	Jo Guard	1 July 2018 to 30 June 2019
Alternate Member	Natica Schmeder	1 July 2018 to 30 June 2019
Alternate Member	Jamie Lowe	30 October 2018 to 30 June 2019
Alternate Member	Maggi Solly	1 July 2018 to 30 June 2019

The person who held the position of Accountable Officer of the HCV (employed as the Executive Officer under the *Heritage Act 2017*) from 26 November 2018 to 30 June 2019 was Rhonda McLaren.

The person who held the position of Accountable Officer of the HCV (employed as the Executive Officer under the *Heritage Act 2017*) from 1 July 2018 to 23 November 2018 was Damien Welch.

Members of HCV 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 absence or agreement. Alternate members have the same skills and experience as members as per s.10 of the Act and act in the place of members in a variety of cases.

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

	2019 No.	2018 No.
Income band (\$)		
0 – 9,999	5	4
10,000 – 19,999	12	13
20,000 – 29,999	2	3
Total number	19	20
Total remuneration	266,354	278,864

The minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

The Heritage Council of Victoria's Accountable Officer (employed as the Executive Officer under the *Heritage Act 2017*) are remunerated and reported in the Financial Statements of DELWP.

Acting arrangements

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 16 to 20 July 2018.

The Hon. Lisa Neville MP acted as Minister for Planning during the period 1 to 4 January 2019.

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 5 to 28 January 2019.

7.3 Related Parties

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

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- 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 7.2.

Key management personnel

Remuneration comprises employee benefits (as defined in AASB 119 Employee Benefits) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

The remuneration breakdown of the HCV's key management personnel is shown in the table below (excludes the salaries and benefits the Portfolio Minister and Accountable Officers):

	2019	2018
	\$	\$
Compensation of key management personnel		
Short term benefits	243,246	253,987
Post-employment benefits	23,108	24,877
Total (i)	266,354	278,864

- (i) Remuneration of the relevant minister and accountable officers are included in the financial statements of the Department of Parliamentary Services and DELWP respectively.

Significant transactions with government related entities

The HCV receives operating funding from DELWP (see Note 2.1 Government grants).

The HCV does not employ any staff. The administration of HCV is supported by a small secretariat consisting of DELWP's employees. The cost of the secretariat is recouped from HCV.

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

7.4 Subsequent event

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.

7.5 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

AASB 1059 Service Concession Arrangements: Grantor;

AASB 16 Leases;

AASB 15 Revenue from Contract with Customers; and

AASB 1058 Income of Not-for-Profit Entities.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on public sector entity financial statements
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. Note that amending standard AASB 2015 8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 Jan 2019	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. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied.
AASB 2018-4 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors</i>	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 Jan 2019	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: - Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; - IP licenses to be accounted for under AASB 15; and - Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. 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.	1 Jan 2019	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: AASB 9 - Statutory receivables are recognised and measured similarly to financial assets. AASB 15 - 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 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	- The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. - In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 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 Contributions. 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, 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.	1 Jan 2019	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1 Jan 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied: - Operator is providing public services using a service concession asset; - Operator manages at 'least some' of public services under its own discretion; - The State controls / regulates: - what services are to be provided; - to whom; and - at what price - State controls any significant residual interest in the asset. If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on public sector entity financial statements
AASB 2018-5 <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1 January 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year.

Appendices

Appendix 1: Disclosure Index

The annual report of the Heritage Council of Victoria is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Heritage Council's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Page 7
FRD 22H	Purpose, functions, powers and duties	Page 8
FRD 22H	Key initiatives and projects	Page 9
FRD 22H	Nature and range of services provided	Page 7
Management and structure		
FRD 22H	Organisational structure	Page 23
FRD 22H	Governing Board	Page 23
FRD 22H	Board Committees	Page 25
Financial and other information		
FRD 10A	Disclosure index	Page 63
FRD 12B	Disclosure of major contracts	Page 29
FRD 15E	Executive Officer disclosures	Page 28
FRD 22H	Performance against objectives and measures	Page 10
FRD 22H	Employment and conduct principles	Page 28
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Appendices

Appendix 2: Heritage Council Corporate Plan 2019–20

In accordance with Schedule 1, s.10(2) of the *Heritage Act 2017*, the Heritage Council's Corporate Plan is included as an appendix in this Annual Report.

2019–20
CORPORATE PLAN

“To lead in the recognition and conservation of Victoria’s cultural heritage.”

— Heritage Council of Victoria

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Chair's foreword

As a peak Heritage body, we are proud to acknowledge Victorian Traditional Owners as the original custodians of Victoria's land and waters, and to acknowledge the importance and significance of Aboriginal cultural heritage in Victoria. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

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 2019–20 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 2019–20.



Professor 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 following chart outlines all of the Council's membership categories for 2019–20 and current members.



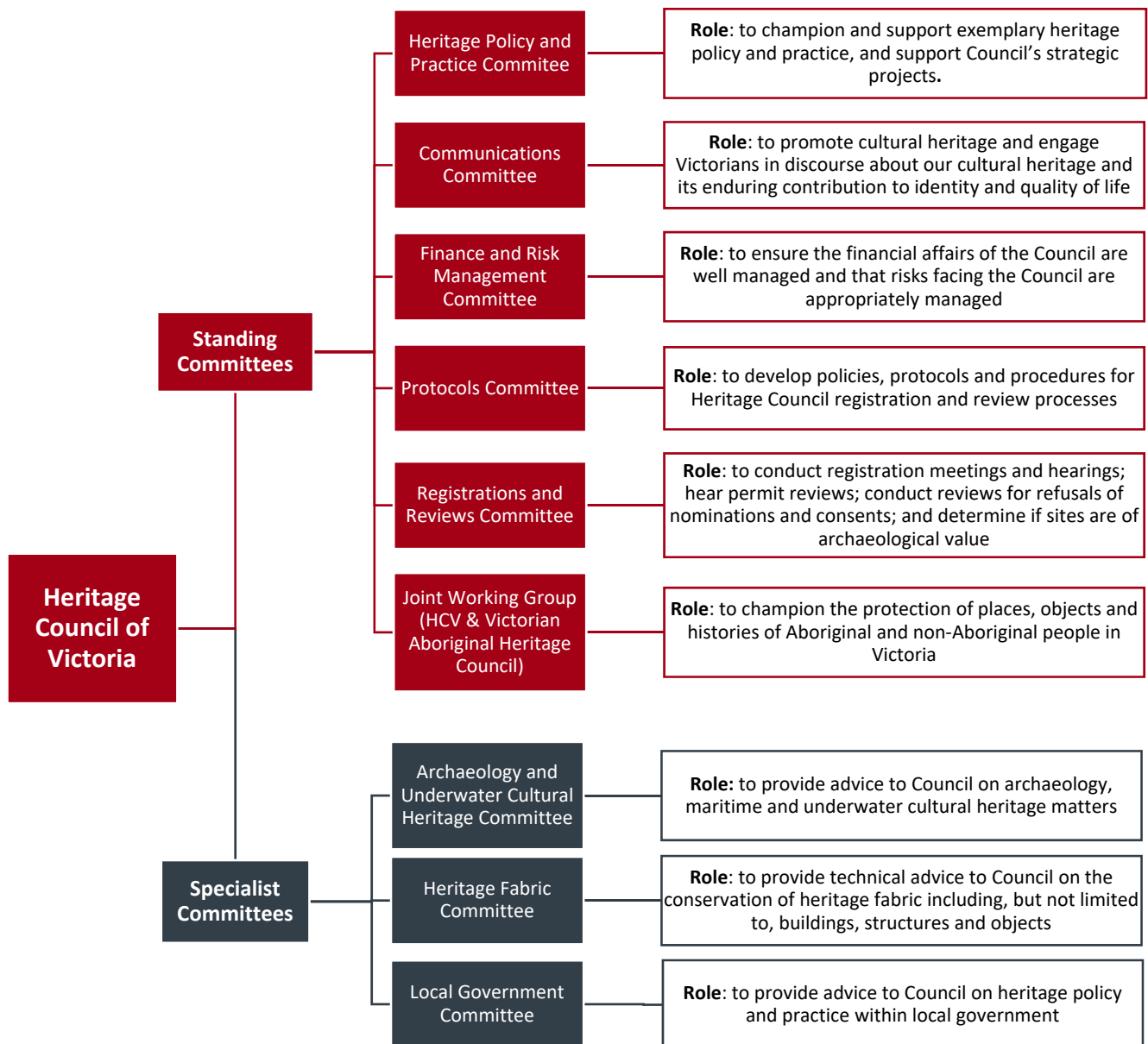
1.2 COUNCIL COMMITTEES

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.

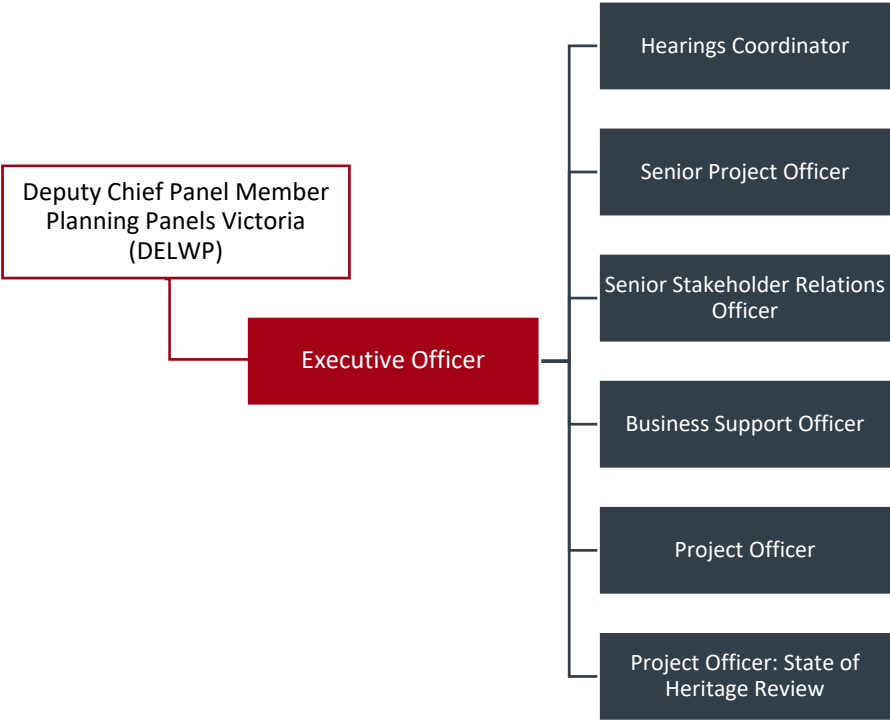
Specialist Committees – consisting of Council members and external subject-matter experts. Three specialist committees were constituted following the commencement of the Act to advise the Council on cultural heritage matters pertaining to specific subject areas. The Specialist Committees meet four times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

The following chart outlines the committees that will be operating in 2019–20 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.



02 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.

03 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 part of its responsibilities, the Council must prepare and present an annual report, in accordance with the Australian Accounting Standards and the *Financial Management Act 1994*. Performance reporting in relation to the objectives and priorities set out in the Heritage Council's corporate plan is now required to be included in its annual report. The Heritage Council's annual report is audited by the Victorian Auditor-General's Office in accordance with the *Audit Act 1994*.

Many external factors that influence the Council's activities are changing. In particular, the pace and scale of development throughout Victoria, especially in Melbourne, has intensified concern for the protection of the state's cultural heritage assets. This operating environment, coupled with the changes to the *Heritage Act 2017* (the Act), is generating a measurable increase in the Council's statutory workload, resulting in changes to the Council's revenue pattern and a range of complex 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, while continuing to conduct its strategic work effectively and maintaining 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 2019–20 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; determinations 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 obligations and reporting requirements. Please refer to the Heritage Council's Annual Report 2018–19 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. 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
- managing the Heritage Fund and publication of the corporate plan and annual report
- reporting annually on the state of Victoria's cultural heritage
- developing guidelines and research in relation to the protection and conservation of cultural heritage – including a review of the *Criteria and Threshold Guidelines*
- promoting public understanding of the state's cultural heritage – including by 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.

04 Financial Projections

For 2019–22

4.1 ESTIMATES OF 2019-22 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

	Budget			
	2018–19	2019–20	2020–21	2021–22
	\$ '000	\$ '000	\$ '000	\$ '000
Revenue				
DELWP contribution	250	250	250	250
Fees Revenue	1,440	1,600	1,500	1,500
CBS Interest	30	40	40	40
Total	1,720	1,890	1,790	1,790
Expenditure				
Admin and Remuneration	1,175	1,254	1,317	1,383
Communications	100	100	100	100
Strategic Projects	170	200	100	100
Partnership Projects	-	60	30	30
Grant to Heritage Victoria	125	300	243	177
Legacy Grants and Studies	105	167	-	-
Projects	45	49	-	-
Total	1,720	2,130	1,790	1,790
Overall Position	0 -	240	0	0

HCV	Budget	Forecast		
	2018–19	2019–20	2020–21	2021–22
	\$ '000	\$ '000	\$ '000	\$ '000
Revenue	1,720	1,890	1,790	1,790
Expenditure	1,720	2,130	1,790	1,790
Overall Position	0 -	240	0	0

Heritage Council of Victoria has access to funds of \$2.514 million, related to investments with Westpac

Notes on 2019-20 projected budget deficit

- The projected \$240,000 budget deficit in 2019–20 is due mainly to legacy grants and projects which were transferred to the Council but are managed through Heritage Victoria. The Council and Heritage Victoria have been working towards acquitting these funds and anticipate that this will be complete by the end of 2019–20.
- The Heritage Fund holds investments with Westpac of \$2.5 million which can be drawn down as required.

Notes on the Council's Financial Projections 2019–22

- As anticipated, the commencement of the Act has resulted in an increase in the amount of fee revenue being paid into the Heritage Fund.
- While the fee revenue has increased so too has the Council's operating expenditure, with an increase in both the number and complexity of regulatory activities.

- The Council has continued to adopt 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 changes in development activity and economic conditions. As such, the Council considers that a DELWP operating grant is necessary to cover administrative costs.
- 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.

05 Objectives, priority activities and performance targets

For 2019–20

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	2019–20 Priority Activities	Performance Targets
More Victorians understand the role that heritage plays in the life of our communities.	- Support the Council to speak on important heritage issues, including at an increased range of events in Victoria. - 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.	- Members participate in five public events presenting on cultural heritage and the work of the Council. - Review current levels of communication with heritage owners and others. Recommend options for future engagement and develop a plan for doing this including resources and timing. - An increase in measurable social media activity in 2019–20, including all publicly advertised events and high-profile decisions. - Complete the State of Heritage Review: Local Heritage.
The Council completes at least three widely used projects to champion and support exemplary heritage practice.	- Develop resources for different stakeholders to improve their awareness of best-practice cultural heritage. - Investigate ways to support owners and custodians, including technical advice and support.	- Progress the joint project presented to Heritage Chairs and Officials Australia and New Zealand. - Expansion of the Open House partnership in 2019. - Completion of at least one project that supports 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.	Work with agencies and custodians responsible for natural, Aboriginal and non-Indigenous cultural heritage to improve collaboration and understanding of cultural heritage.	Engage with and provide feedback on the development of a new Marine and Coastal Policy to improve integration of heritage.
The Council has capacity to provide robust and effective advice to the Minister.	Undertake regular gap analysis to ensure the Council is well equipped with the training and skills required to fulfil our role.	- Undertake at least one project which will deliver advice to the Minister. - Two strategic training sessions delivered for the Council during 2019–20.
The Council has capacity to make and communicate high-quality decisions that are consistent and well informed.	- 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.	- HC registration decisions released within statutory timeframes – 100%. - Permit review decisions released within statutory timeframes – 100%. - Ongoing review and update of policies and procedures by the Protocols Committee. - Undertake a budgetary and operational analysis to ensure adequate staff to support statutory functions. - Conduct at least one strategic (hearings) training session in 2019–20. - Develop the Heritage Council Strategic Plan 2021–25.

05 Appendix A

The Heritage Council's 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.

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