



2019–20 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 2020.



Rhonda McLaren
Accountable Officer
Executive Officer – Heritage Council Secretariat

23 November 2020

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.

As for all organisations, the Heritage Council's 2019–20 year can be split into before and after the beginning of the coronavirus (COVID-19) pandemic.

In 2019, many significant heritage issues hit the spotlight. Our work with Open House Melbourne continued with a very successful Heritage Address by well-known architect Kerstin Thompson. The work of female modernist architects and designers was highlighted through the release of the new Modern Melbourne film featuring Dione McIntyre. We worked with Melbourne University to launch this in July and highlighted the many former alumni who are Modern Melbourne subjects through a retrospective exhibition in their Dulux gallery.

Federation Square was added to the Victorian Heritage Register in August. This led to extensive media coverage and commentary. As Federation Square was completed between 1998 and 2002, this registration was one of the 'newest' additions to the Register. It highlighted the increasing range of places and objects that we have in the Register and fuelled the debate about what heritage is and why places are of significance to Victorians.

In October, Council released a fascinating report on Melbourne's buried street blocks. This is a significant report shedding light on a large civic works program in the early days of Melbourne that was largely forgotten and is now being rediscovered through archaeology and historical research. The results of the project invited us to look at Melbourne in a new way and led to new discoveries in the origin story of our city. It generated a huge amount of media and general public interest highlighting the importance of archaeology in adding to our knowledge of the city.

Open House Bendigo was held for the second year running and the Council hosted a fascinating lecture by Hannah Lewi on her book *Australia Modern*, co-authored with Philip Goad. The Bendigo audience had many interesting questions on the legacy of modernism in the regions as well as metropolitan Melbourne.

The end of March 2020 and the beginning of the coronavirus pandemic saw rapid change with all staff and members moving to working remotely from home, the adjournment of face-to-face hearings and the cancellation of many events and panels. It is with pride that we look back on those challenging first few months and recognise the work of members and staff to ensure that regulatory decisions continued to be made and a process was established for the resumption of hearings via videoconference.

The pandemic has brought into sharp relief the significance of our neighbourhoods, the feeling of connection and identity they create and the importance of this to our wellbeing. Heritage places are fundamental to great neighbourhoods. Exploring the 5 km bubble around our homes shines a light on these special places in our local area. The nearly completed State of Heritage Review: Local Heritage is timely with its focus on the protection of locally significant places and inclusion of recommendations to strengthen the local heritage system and its interaction with state-level heritage protection.

This 2019–20 pandemic year has underlined the value of heritage: it has affirmed the belief that a robust and respected heritage system is essential to ensuring our shared experience is remembered and celebrated.

CHANGING COUNCIL MEMBERSHIP

We welcomed Anna Foley as our new National Trust alternate member.

On behalf of the Council, we would also like to express special thanks to the following Heritage Council members and alternate members who completed their term at the end of June 2020:

- Leigh Mackay
- Lindsay Merritt
- Lucinda Peterson
- Paul Coffey
- Penelope Smith.

In addition, Stuart Macintyre resigned from membership and the Chair as a result of illness in June 2020. He would like to take the opportunity to thank Council members and the Secretariat for their support during his term in office.

We acknowledge the valuable service to the state's heritage of all Council members.



Ms Jenny Moles
Chair, Heritage Council of Victoria



Prof Stuart Macintyre AC
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 2019–20 outlines the strategic priorities, actions and performance measures that were monitored and reported against during 2019–20. The Council's ability to achieve its objectives for 2019–20 was hampered by the coronavirus (COVID-19) pandemic and associated restrictions.

KEY INITIATIVES AND ACHIEVEMENTS

This section summarises the Council's key initiatives and achievements during 2019–20.

Promotion of cultural heritage

- Heritage Council projects received positive media coverage following the release of final reports. In particular 'Buried Block', the Council's research project investigating significant archaeological sites in the CBD, received national digital and print coverage, including a feature story in *The Age* in October 2019 on its fascinating findings. The registration of Federation Square in August 2019 also resulted in front page stories in all Melbourne media outlets as well as an opinion piece in the *Herald Sun* by Heritage Council Chair Stuart McIntyre.
- 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 2019 it hosted the Heritage Address at the University of Melbourne Southbank campus. Leading architect Kerstin Thompson delivered a very thoughtful Heritage Address and the talk concluded with a tour of her award-winning heritage adaptation project at The Stables in Southbank.
- The Council also partnered with Open House Melbourne and the University of Melbourne to deliver a Modern Melbourne event as part of the University of Melbourne's BE-150 program, celebrating 150 years of built environment education. The new film featured Dione McIntyre and the entire collection of Modern Melbourne films aired during a three month long exhibition at the Dulux gallery at MSD.
- 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. In July 2019 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.
- Other successful partnership events included sponsorship of the Bendigo Open House weekend in October 2019 and a lecture by Hannah Lewi in Bendigo discussing her book on Modernism.
- 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.
- The Council's Twitter following remained steady and Council's Instagram account saw rapid growth with over 800 followers by 30 June 2020. The account highlights the diversity of the Victorian Heritage Register and upcoming events.
- Website visitation also increased by 13 per cent over the past year.

Research and projects

- In October 2019, the Council released the final report of the 'Buried Block' archaeological research project to much public interest. 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 resulted in methodological changes for archaeological digs conducted in the CBD and its periphery.

- In June 2020, the Council released two Heritage Technical Codes. These Codes are the result of a two-year project to test a new approach whereby the Building Code of Australia's Performance Solution process is applied to support the use of building materials and techniques compatible with heritage fabric. The project was prompted by long-expressed concerns by the Heritage Council's Technical Advisory Committee that the Australian Standards are generally not well suited for heritage places, and in many instances their application will damage heritage fabric. The first two Codes have been produced as part of a pilot to enable the Heritage Council and Heritage Victoria to better understand the challenges and opportunities of developing such Codes, and also to allow for stakeholder feedback.
- The important 'State of Heritage Review: Local Heritage' project completed its second phase, which included a series of workshops throughout the state with representatives from LGAs, heritage advisors and key heritage organisations. The research results and Review recommendations have been consolidated into a detailed report, which is on track to be presented to the Council at its August 2020 meeting.
- The Council also completed a project to scope potential improvements to the design and general usability of the Victorian Heritage Database. The project recommended improvements to the site's search functionality and page layout as well as an update to the underlying platform development framework. The findings of this project will be implemented in a staggered fashion over the coming years, with the first phase changes due to be completed by June 20.

Governance and compliance

- The Council's Finance and Risk Management Committee continued its work ensuring that appropriate policies and guidance is in place to support the work of the Council. Areas of governance that improved in 2019–20 include risk management, conflicts of interest, business continuity and pandemic planning.
- Pursuant to Clause 9 of Schedule 1 of the Act the Heritage Council's Corporate Plan 2020–21 was developed in consultation with, and approved by, the Minister for Planning. The 2020–21 Corporate Plan is included in Appendix 2.

Advice and liaison

- One of the Council's key roles is to advise the Minister for Planning on the state of Victoria's historical cultural heritage resources and any steps necessary to protect and conserve them. In 2019–20 the Council advised the Minister in relation to:
 - special assistance available to owners and managers of heritage properties
 - interim protection orders
 - strategic project work on local heritage management.
- The Regional Engagement and Site Visits occurred in the Camperdown and Warrnambool region this year, and the Council met with local councils, volunteers and heritage associations from these regions.

OBJECTIVES AND PERFORMANCE FOR 2019–20

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 2019–20 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 2019–20 year:

- 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.

The Council continued to recognise the importance of communication and promotion during 2019–20. The Council's ability to undertake events and targeted communication activities was supported through the recruitment of a Stakeholder Relations Officer (SRO) into the Secretariat. With additional resources the Council was able to initiate reviews into its website content, the Victorian Heritage Database and communication material for owners of heritage properties.

Prior to March 2020 the Council's events and partnerships with Open House Melbourne continued to grow and reach new audiences. Though a number of events had to be cancelled due to coronavirus restrictions the Council continued to communicate with the public through digital events and a strong online presence.

The Council's social media presence continues to grow. The number of people following the Council's Instagram account increased in 2019–20 with the implementation of a social media plan and regular, strategic posts.

The State of Heritage Review: Local Heritage, one of the Council's key projects, was signed off by the Review Steering Committee in June 2020 and provides a comprehensive look at the protection of heritage at the local level. The Review offers a clear and practical vision for how local and state government can work together to support local heritage and achieved a 100% response rate from local government authorities. The strategic initiatives and practical improvements recommended in the Review will be a focus for Council in 2020–21.

Performance Targets	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result ¹
Quantity					
Members participate in five public events presenting on cultural heritage and the work of the Council.	number of events	5	5	100%	✓
<i>This performance target was achieved. The Council held two events with Open House Melbourne for their July program and participated in a major exhibition with Melbourne School of Design. The Council sponsored Open House Bendigo and organised a lecture by Hannah Lewi at the event. Three additional events scheduled for 2020 were cancelled due to coronavirus restrictions.</i>					
Timeliness					
An increase in measurable social media activity in 2019–20, including all publicly advertised events and high-profile decisions.	number of twitter followers	3728	>3731	0%	○
	number of Instagram followers	804	>163	+393%	✓
<i>This performance target was partially achieved. The number of Twitter followers remained steady at approximately 3700. The Council's Instagram account gained an additional 641 followers during 2019–20. The Council's website visitation increased by 13% compared with the previous year.</i>					
Target					
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					
Result					
<i>This performance target was partially achieved. A review of Council's communication with owners was initiated but delayed due to the coronavirus pandemic and difficulties in recruiting into the Stakeholder Relations Officer role. The review began in late 2019–20 and is on target to be completed early in 2020–21.</i>					
Target					
Complete the State of Heritage Review: Local Heritage					
Result					
<i>This performance target was achieved. The State of Heritage Review: Local Heritage was signed-off by the Review Steering Committee in June 2020 and is on track to be endorsed by the Heritage Council at its meeting in August 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 2019–20 year:

- 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.
- In 2019-20 the Council's strategic project work focused on strengthening existing partnerships and completing key projects.

The Council's advocacy for a joint project on recognising and interpreting conflict and resistance sites with the Heritage Chairs and Officials Australia and New Zealand (HCOANZ) has resulted in the issue being delegated to the Indigenous Chairs and Officials forum for further consideration. The Commonwealth is supporting this work and has communicated with all States and Territories requesting assistance in gathering information.

The Council supported best practice heritage conservation with the development of two Heritage Technical Codes on the topics of lime mortars for the repair of masonry and repointing with lime mortars. These codes are the result

of a pilot to test a new approach to support the use of building materials and techniques compatible with heritage fabric.

The work of the Council and the importance of cultural heritage continues to be featured prominently during Open House Melbourne and Bendigo events thanks to the expansion of the Council's collaborative and valued partnership with Open House.

Performance Targets
Target
Progress the joint project presented to Heritage Chairs and Officials Australia and New Zealand
Result
<i>This performance target was partially achieved. The themes of the joint project were supported and delegated to the HCOANZ Indigenous Chairs and Officials to develop further.</i>
Target
Expansion of the Open House partnership in 2019
Result
<i>This performance target was achieved. The Council increased its participation with additional sponsorship and events through Open House Melbourne and Open House Bendigo.</i>
Target
Completion of at least one project that supports exemplary heritage practice.
Result
<i>This performance target was achieved. The first Heritage Technical Codes as part of the pilot study were released in June 2020. The aim of the Codes is to support best practice heritage conservation through the provision of supporting material for Building Code compliance.</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 2019–20 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 continues to work with other heritage managers to improve the understanding and integration of cultural heritage. During 2019–20 the Council has engaged with:

- the Department of Environment, Land, Water and Planning
- the Victorian Marine and Coastal Council
- the Victorian Aboriginal Heritage Council
- the NSW Heritage Council and Aboriginal Cultural Heritage Advisory Committee
- Planning Panels Victoria.

Performance Targets
Target
Engage with and provide feedback on the development of a new Marine and Coastal Policy to improve integration of heritage.
Result
<i>This performance target was achieved. The Chair and the Executive Officer attended the Marine and Coastal Policy stakeholder working group and provided advice on the inclusion and consideration of cultural heritage.</i>

Objective: The Council has capacity to provide robust and effective advice to the Minister

The Council identified the following Priority Activity for the 2019–20 year:

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

The training of members is a key priority for the maintenance of a high performing body such as the Council. Due to coronavirus restrictions some Council training sessions were cancelled or delayed, but planning is underway to reschedule these and deliver them via videoconference.

The completion of the State of Heritage Review: Local Heritage project will significantly improve the Council's ability to provide accurate and detailed advice to the Minister on the management and protection of local heritage.

Performance Targets	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result ¹
Quantity					
Undertake at least one project which will deliver advice to the Minister.	number	1	1	100%	✓
<i>This performance target was achieved. The completion of the State of Heritage Review: Local Heritage was a significant achievement and will allow the Council to provide clear, evidence-based advice to the Minister on the management of local heritage..</i>					
Quantity					
Two strategic training sessions delivered for the Council during 2019–20.	number	1	2	-50%	■
<i>This performance target was not achieved. The second strategic training session is normally delivered at the Council's May Planning Meeting. Due to coronavirus restrictions this meeting was held via videoconference and the training session was postponed.</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 2019–20 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 performed its regulatory functions effectively and to a high standard during a complex and busy period. In the uncertain environment created by the coronavirus pandemic the Council responded quickly and successfully. Statutory decision making continued via online meetings and all hearings were adjourned to allow for a new process to be created and implemented. Within a short time, the Council moved to working online and created guidance documents for members and parties to support hearings using videoconference technology.

The delay in releasing some decisions has been addressed through the provision of additional resources for staffing and this planning will be integral to completing the backlog of hearings resulting from coronavirus restrictions.

Performance Targets	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result ¹
Quantity					
HC registration decisions released within statutory timeframes.	number	80%	100%	-20%	■
Permit review decisions released within statutory timeframes	number	100%	100%	0%	✓
Conduct at least one strategic (hearings) training session in 2019–20	number	1	1	100%	✓
<i>This performance target was partially achieved. All permit review decisions were released within the statutory timeframe (60 days) with an average release time of 49 days. Two of the ten registration decisions were released outside of statutory timeframe (90 days) as a result of staffing shortages. However, the average release time for a registration decision was 75 days.</i>					
<i>One formal strategic training session was held in 2019–20 with on demand training in MS Teams provided to Committees to support the use of videoconference for hearings.</i>					
Target					
Ongoing review and update of policies and procedures by the Protocols Committee.					
Result					
<i>This performance target was achieved. The Protocols Committee continue to review and update the policies and procedures governing the Council's regulatory work. Updates in 2019–20 include the Interim Protection Order Policy and the creation of new procedures to assist with the transition to hearings held via videoconference.</i>					
Target					
Undertake a budgetary and operational analysis to ensure adequate staff to support statutory functions.					

Result		
<i>This performance target was achieved. The Finance and Risk Management Committee and Executive Officer reviewed the Council's budget and operations, recruited a new Stakeholder Relations Officer and approved additional budget for regulatory support in 2020–21 in light of the high workload following the resumption of all adjourned hearings.</i>		
Target		
Develop the Heritage Council Strategic Plan 2021–25.		
Result		
<i>This performance target was not achieved. The restrictions on gatherings due to the coronavirus pandemic resulted in a delay in the strategic planning workshops. It is anticipated that this will be developed in late 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

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 for two years until a new SOE can be issued under the SOE Framework in 2020. The Council's targets and activities listed below therefore have been carried over from the initial period. 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	Completed. Training developed for the writing of permit conditions and 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.
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

The coronavirus pandemic made it difficult for the Council to deliver its objectives and key initiatives. However, despite these setbacks, 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. A key achievement for 2019–20 is the way the Council responded to the coronavirus pandemic. The Council swiftly moved to conducting committee and bi-monthly meetings via videoconference, allowing the determination of matters within statutory timeframes. The adjournment of hearings allowed the Council to develop a robust and efficient process for conducting hearings online and plan for the recommencement of these matters.

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 every seven years. A review of the World Heritage Management Plan and the World Heritage Strategy is currently underway, with the first stage of community consultation taking place between 1 June and 27 July 2020. All component documents will be reviewed as part of the World Heritage Management Plan review process, which is expected to conclude in late 2021. Additionally, a further component document is being prepared as part of the review, to address the identification and management of Traditional Owner values at the site.

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 2020, according to categories of registration.

VHR categories of registration	Number as of 30 June 2020
a registered place, <i>incl</i>	2319
<i>a registered archaeological place</i>	196
<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	87
a registered shipwreck	655
a protected zone	10
Total registered places, objects and shipwrecks	3111

1 – It is not possible to get an accurate total of individual objects as many registered objects are collections or multiples. This total does not include the number of registered shipwreck artefacts as this data was not available in 2020.

Assessments and Determinations in 2019–20

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 consistent with the previous year. However, it should be noted that due to the coronavirus pandemic a number of registration hearings scheduled for the later part of 2019–20 were adjourned and will be held and reported on in 2020–21.

Assessments & Determinations	2019–20	2018–19	2017–18	2016–17	2015–16
Assessments¹					
Nominations accepted	57	56	57	62	56
Nominations rejected by the ED under s.29 ²	15	6	n/a	n/a	n/a
Number of VHR assessments completed, incl.	42	31	37	40	51
<i>ED recommendations for inclusion in VHR</i>	11	8	9	17	13
<i>ED recommendations to amend VHR</i>	25	14	13	13	34
<i>ED recommendations to remove from VHR</i>	1	0	0	1	0
<i>ED recommendations to not include in VHR</i>	5	9	15	9	4
Interim Protection Orders (IPOs)					
IPOs requested of the ED	16	23	11	11	11
IPOs issued by the ED	1	2	0	0	1
IPOs requested of the Heritage Council	8	8	4	2	0
IPOs issued by the Heritage Council	0	0	0	1	0
Heritage Council Nomination Reviews²					
Nomination Review requested	1	2	0	n/a	n/a
Nomination accepted	0	0	0	n/a	n/a
Nomination refused	1	2	0	n/a	n/a
Nomination referred to the ED for reconsideration	0	0	0	n/a	n/a
Heritage Council Registration Hearings & Meetings					
Hearings	6	5	10	7	4
Meetings	4	1	1	3	1
Registration decisions called in by Minister	2	1	0	1	0
Hearing Decisions Pending	0	2	3	2	1

Assessments & Determinations	2019–20	2018–19	2017–18	2016–17	2015–16
Heritage Council Determinations					
Additions to the VHR	7	7	15	11	12
Amendments to existing registrations	22	12	14	8	33
Removals from VHR	0	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 – The provisions for the ED to reject nominations (under s.29) and for the Heritage Council to hold Nomination Reviews (under s.30) were introduced in the *Heritage Act 2017*.

Heritage Certificates in 2019–20

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 2019–20:

- 7,113 (an average of 593 per month) certificates were issued

VICTORIAN HERITAGE REGISTER – PLACES INCLUDED IN 2019–20

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



Included August 2019 **FEDERATION SQUARE – H2390**

2–20 Swanston Street, Melbourne, Melbourne City

One of Victoria's most recognisable places and a key public space in Melbourne, Federation Square is historically, aesthetically, technologically and socially significant to the State of Victoria. The preeminent memorial to Federation in Victoria, the place reflects the community's desire for a large, open civic space. It is aesthetically significant for its design and prominence in the central Melbourne landscape and technologically significant for the use of creative and technical innovations.



Included August 2019 **GRANT HOUSE – H2392**

14 Pasadena Avenue, Beaumaris, Bayside City

Grant House is a fine representative example of small-scale Modernist housing constructed during the postwar period. It is historically and architecturally significant to the State of Victoria, designed by Peter McIntyre, one of the most innovative architects in Victoria in the postwar period and Bill Irwin who provided the engineering computations for the bowstring trusses. The place is a notable example of an innovative solution to cost effective housing during the postwar period.



Included October 2019 **FORMER ABORIGINAL CHURCH OF CHRIST – H2393**

258 Gore Street, Fitzroy, Yarra City

The Former Aboriginal Church of Christ is historically and socially significant to the State of Victoria and for its association with its founder Pastor Sir Douglas Nicholls. The church played an important role in the development of the twentieth century Aboriginal rights movement in Victoria and remains a symbol of the movement today. It resonates with the Victorian Aboriginal community as a place where families and individuals with shared experiences came together for support and assistance.



Included December 2019
PETERSVILLE FACTORY ADMINISTRATION BUILDING – H2394

254–294 Wellington Road, Mulgrave, Monash City

The Petersville Factory is historically and architecturally significant as a notable example of a post-war factory administration building associated with the growth of manufacturing in the 1950s and 1960s, and its spread into the suburbs. Its distinctive street frontage, with its wave-form roof and landscape setting, denotes the growth and prestige of large manufacturers during the era.



Included January 2020
BRETT HOUSE – H2396

3 Buddle Drive, Toorak, Stonnington City

Brett House is historically and architecturally significant as a fine, intact example of a postwar Melbourne residence. Designed by Robin Boyd, it is notable for its distinctive Modernist interpretation of the Georgian Revival home, skillfully combining both influences in its design. The interior retains much of the high quality original timber joinery, finishes and other original features.



Included February 2020
BRUNSWICK WEST TRAMWAY SUBSTATION – H2397

196A Dawson Street, Brunswick West, Moreland City

This tramway substation is historically significant for its association with the electrification of the existing cable tramways in the 1920s and 1930s. One of only three substations in Victoria known to retain mercury arc rectification equipment, it is also significant as a rare example of a substation that has all of its original equipment still in the building and still connected.



Included May 2020
FOOTSCRAY PSYCHIATRIC CENTRE – H2395

160 Gordon Street, Footscray, Maribyrnong City

The Footscray Psychiatric Centre is significant as an important example of a facility that demonstrates deinstitutionalisation, a change which saw the treatment of mental illness move from large psychiatric hospitals toward treatment in the community. It is also architecturally significant for its dramatic monolithic Brutalist design, and the employment of the style for a major institutional building.

Victorian Heritage Register – Amendments in 2019–20

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

Amendment Date	VHR No	Name of Place / Object Amended	VHR No	Name of Place / Object Amended
August 2019	H0184 H1209	Geelong Town Hall, Geelong Midland Private Hotel, Castlemaine	H0265	Greystones Homestead and Outbuildings, Rowsley

Amendment Date	VHR No	Name of Place / Object Amended	VHR No	Name of Place / Object Amended
October 2019	H0333 H0461 H1505	All Saints Winery, Wahgunyah Jefferies House, Surrey Hills Bendigo School of Mines (Bendigo Tafe), Bendigo	H0334 H0734	Mount Ophir Winery, Rutherglen Queen Victoria Market, Melbourne City
November 2019	H0952	Former Coburg Railway Line, Moreland City; Melbourne City	H1500	Victorian Arts Centre (Arts Centre Melbourne), Melbourne
December 2019	H0617 H1554	Waller House and Collection, Ivanhoe Dhurringile, City of Greater Shepparton	H1517	Point Lonsdale Maritime and Defence Precinct, Point Lonsdale
March 2020	H1615	Specimen Cottage, Hargreaves Street, Bendigo		
April 2020	H0096 H0108 H1514	Rathgael – The Willows, Melbourne Montrose Cottage, Ballarat East Law Courts, Melbourne	H0099 H1228	Selvetta, Parkville Humbug Hill Hydraulic Gold Sluicing Site, Creswick and Cabbage Tree
June 2020	H0321 H1608	Norman Lodge, Mt Eliza Stonington, Malvern	H0751	Brunswick Street Oval Grandstand (Fitzroy Cricket Ground Grandstand), Brunswick Street, Fitzroy North

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 2019–20 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	2019–20	2018–19	2017–18	2016–17	2015–16
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Permits Issued / Refused / Amended / Exemptions

Total permit applications	1104	1146	1148	1162	964
Permits refused or part refused	4	6	6	3	5
Permit amendments approved	36	14	19	36	45
Permit amendments refused	3	2	0	0	1
Total permits issued by the ED, incl	164	217	206	255	236
Maritime permits under Victorian Act	2	6	8	10	32
Maritime permit extensions	0	0	0	1	0
Maritime permits under Commonwealth Act	5	9	4	5	3
Total permit exemptions issued by the ED	897	907	917	868	677

Cost of Works covered by permits issued and permit exemptions

Cost of works covered by permits issued	\$459,000,000	\$526,101,602	\$887,397,786	\$1,700,178,121	\$1,040,441,974
Cost of works covered by permit exemptions	\$225,000,000	\$298,133,684	\$89,747,226	\$19,831,378	\$44,313,235
Total value of works covered by heritage permits and exemptions	\$684,000,000	\$824,235,286	\$977,145,012	\$1,720,009,499	\$1,084,755,210

Heritage Council Permit Reviews ¹	2019–20	2018–19	2017–18	2016–17	2015–16
Reviews lodged	2	7	3	6	6
Reviews determined	3	4	3	3	2
Reviews called in by Minister for Planning	0	0	0	0	0
Reviews withdrawn	0	0	0	4	1
Reviews pending (as at 30 June 2019)	2	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 uncover,

excavate or damage an archaeological site require a Consent from the Executive Director. Consent may also be issued to authorise other works, such as geotechnical testing. The above figures for 'permits issued' includes some permits that relate to works conducted on registered places with historical archaeological values.

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 2019–20 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. Sites may also be removed if they are reassessed and determined to be of low archaeological value.

Archaeological Consents (s.129)	2019–20	2018–19	2017–18	2016–17	2015–16
Consents to Damage (over half of site)	26	27	44	28	14
Consents to Damage (under half of site)	28	46	26	53	35
Consents to Excavate	29	36	26	35	25
Consents to Uncover ¹	16	11	n/a	n/a	n/a
Consents for Other works ¹	17	18	n/a	n/a	n/a
TOTAL	116	138	96	116	74
Site removals (s.119)	2019–20	2018–19	2017–18	2016–17	2015–16
Sites removed from the Heritage Inventory (s.119)	9	37	n/a	n/a	n/a

1 – New Consent types introduced under the *Heritage Act 2017*.

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.

In 2019–20, Round 4 of the Community Heritage Grants stream of the Living Heritage Program supported 25 new conservation projects to publicly accessible heritage places across Victoria. The Council was involved in the recommendation of these projects, with a total value of \$2.676 million.

Other funding was provided from the Living Heritage Program for major works at Melbourne Trades Hall and conservation works to properties managed by the National Trust of Australia.

Place	VHR No	Managed by	Grant	Description of Works
St Paul's Anglican Church, Geelong	H0187	St Paul's Anglican Church	\$60,000 (matched)	Installation of interim screens to the belfry tower, repairs to rainwater goods and investigations as to the source of water penetration causing damage to the building.
Tatura WWII Internment and POW Camps Collection	H2373	Tatura and District Historical Society	\$75,000	Conservation of 19 historic objects, including 14 puppets, an oil painting, model ships and art works.
Deaf Children Australia	H2122	Deaf Children Australia	\$200,000	Conservation, repair and restoration works to the west-facing windows.
Heidi I (Doll's House)	H0687	Heide Museum of Modern Art	\$60,000	Conservation and reconstruction works.
Prefabricated Building, Brimbank (Keilor Police Hut)	H1971	Brimbank City Council	\$200,000	Conservation and reconstruction works.
Keith Haring Mural	H2055	Contemporary Arts Precinct Ltd	\$200,000	Treatment of graffiti damage and application of an anti-graffiti coating.
The Briars	H0320	Mornington Peninsula Shire Council	\$155,000	Urgent floor and sub-floor repairs, and roof works.
All Saints Church, Hall and former Vicarage	H1364	All Saints Anglican Church East St Kilda	\$152,000 (matched)	Urgent roof repairs.
Montsalvat	H0716	Montsalvat Ltd	\$65,000	Conservation works, including roof works and leadlight window conservation.
Napier Waller House	H0617	National Trust of Australia (Victoria) as Committee of Management	\$80,000	Urgent conservation works to the laundry, including structural stabilisation and drainage works, internal repairs, and service upgrades.
Ballaarat Mechanics Institute	H0987	Ballaarat Mechanics Institute	\$175,000	Conservation works and ventilation to the basement.

Place	VHR No	Managed by	Grant	Description of Works
Yurunga	H0598	Hindmarsh Shire Council	\$65,000	Urgent repair and restoration works to the veranda.
Hill Pipe Organ – St Peter's Lutheran Church	H2177	St Peter's Lutheran Church Stawell	\$47,000 (matched)	Conservation works.
Central Park (Ticket Booths)	H2284	Northern Grampians Shire Council	\$80,000	Urgent conservation works.
Ballarat Synagogue	H0106	Ballarat Hebrew Congregation Inc	\$107,000 (matched)	Conservation works including structural stabilisation, repairs to the roof, rainwater goods and stormwater system, windows, sub-floor ventilation and rendering, and urgent tree pruning.
Old Curiosity Shop	H1982	Privately owned	\$75,000 (matched)	Urgent conservation works to the front wall.
Porter Prefabricated Iron Store	H2248	The Sovereign Hill Museums Association	\$27,000	Assessment and documentation of condition.
St Andrew's Uniting Church	H1057	The Uniting Church of Australia Property Trust (Victoria)	\$200,000 (matched)	High priority conservation works, including addressing damp, removal of cement renders, damp remediation and treatment of surfaces.
White Hills Cemetery	H2136	Bendigo Cemeteries Trust t/a Remembrance Parks – Central Victoria	\$200,000	Urgent conservation works to stabilise and repair the cast iron and bluestone entrance gates and fence.
Former Bendigo Gas Works	H0781	City of Greater Bendigo	\$200,000	Repairs to the Purifier Shed.
Buda	H0134	Buda Historic Home and Garden Inc	\$120,000	Urgent repairs.
Windmill Farm	H0311	Privately owned/Kyneton Historical Society Inc	\$20,000	Landscape conservation including the relaying and planting in of the historic hawthorn hedge.
Former Nichols Point Primary School Shelter Shed	H2363	Mildura Rural City Council	\$25,000	Development of a conservation management plan and undertake priority conservation works.
Coliban Water Supply System	H1021	City of Greater Bendigo	\$45,000	Development of a conservation management plan, documenting required repairs.
Former Walhalla Post Office and Residence	H0583	Walhalla Board of Management	\$43,000	Installation of a fire protection system.

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

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Revenue	1,874	2,270	1,756	1,319	1,135
Expenses	1,710	1,456	1,665	1,230	1,002
Net Result	164	814	90	90	133
Total Assets	3,954	3,243	2,791	2,734	2,728
Total Liabilities	874	383	272	305	368

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 growth of Heritage Fund fee revenue.

The Council's revenue decreased compared to the previous financial year due to a reduction in revenue from certificate fees, permit and consent fees and permit review fees. The response to the coronavirus pandemic has had a significant impact on the economic environment in which the Council is operating and on revenue from the provision of services.

The Council's operating expenditure increased over the same period, largely attributable to increased staffing costs.

The Council's operating surplus at the end of the financial year was \$163,381 and the Council maintained investments with the government's Centralised Bank, where funds are at call.

CAPITAL PROJECTS

The Council does not manage any capital projects.

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

Legacy grants from past grant programs totaling \$182,905 are 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 coronavirus will affect the operations of the Council in future years. The majority of Heritage Fund revenue is subject to prevailing economic conditions, in particular the property and construction industry. With the heavy impact of restrictions as a result of the coronavirus it is anticipated that Heritage Fund revenue will decrease in 2020–21 and potentially beyond. In light of this risk the Council has adopted a conservative budget for 2020–21.

Financial estimates in the Heritage Council Corporate Plan 2020–21 (appended) have been prepared accordingly.

Governance and organisational structure

HERITAGE COUNCIL MEMBERS

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

The following chart outlines all of the Council's members and membership categories (including periods of appointment) for 2019–20.

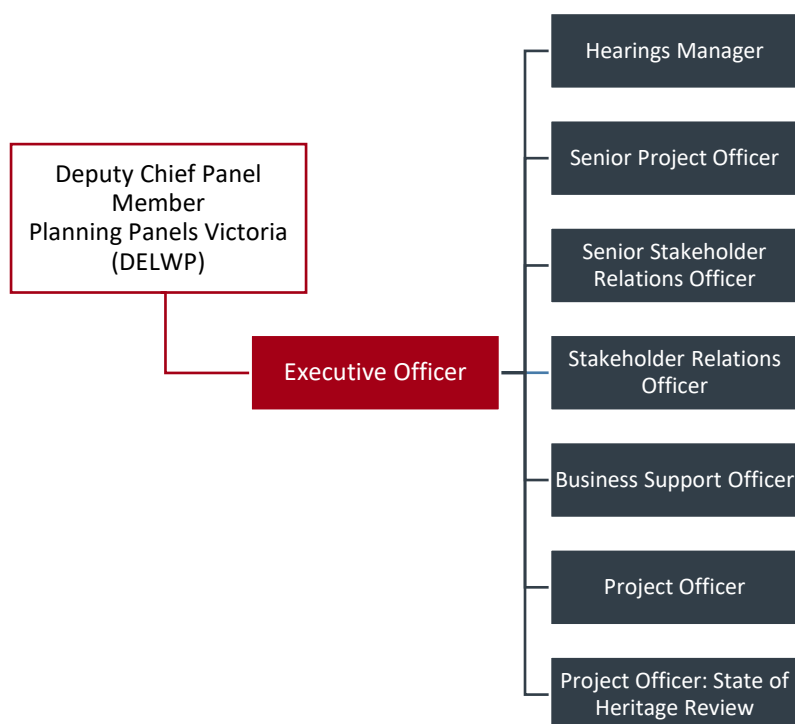


*From March 2020 until 30 June 2020, Ms Jenny Moles was Acting Chair of the Heritage Council due to the ill health of Prof Stuart Macintyre.

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 2019–20 the Council had an exemption for Direction 3.2.1 and 3.2.2 of the Standing Directions of the Assistant Treasurer and therefore does not have an Audit Committee.

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

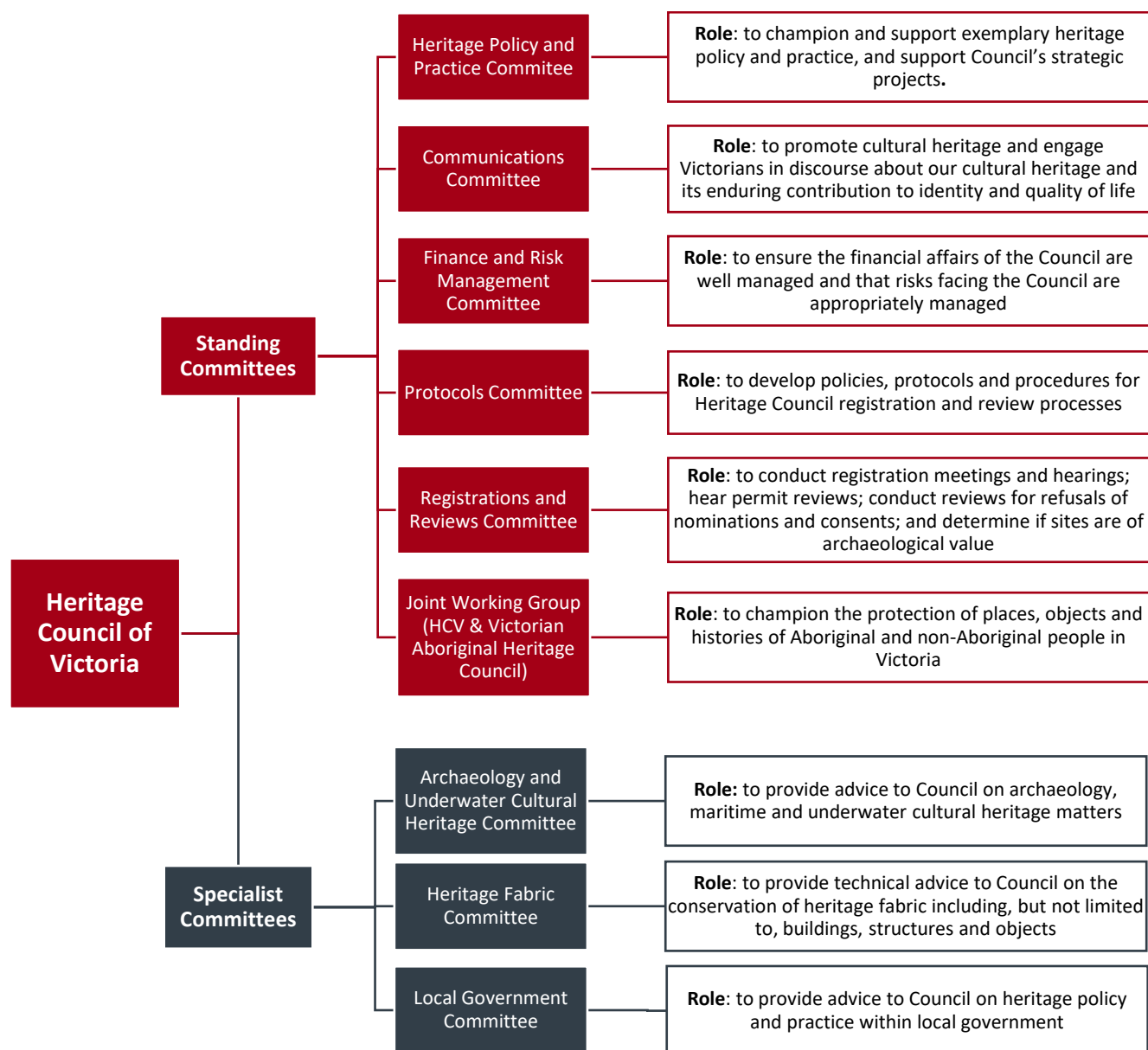
HERITAGE COUNCIL COMMITTEES

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 to advise the Council on cultural heritage matters pertaining to specific subject areas. Specialist Committees meet four times per year and provide advice to the Council as needed. In 2019–20 there were three Specialist Committee constituted under the Act.

The following chart outlines the committees that were operating in 2019–20 and their different roles:



HERITAGE COUNCIL COMMITTEES AND MEMBERSHIP

Following is a breakdown of membership of the Heritage Council committees in 2019–20.

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* Anna Foley* 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, Jamie Lowe*
		VAHC co-Chair	VAHC Member
		Rodney Carter	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 (LGSC)			
Heritage Council chair	Heritage Council members	Heritage Victoria representative	External members
Lucinda Peterson / 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 2019–20

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*	Nomination Reviews*	Permit Reviews*	Archaeology & UCH Committee	Heritage Fabric Committee	Local Government Committee	Project Steering Committee**
Members															
Stuart Macintyre	5	–		5				1	1	1	1				4
Jenny Moles	7	–				5		2			1				4
Megan Goulding	6	–			4		1	1	3			1			1
Louise Honman	8	–		5	7			2	2		1				7
Paul Coffey	8	–	6										1		4
Patrick Doyle	6	–			1	5		2	3		1			1	3
Lindsay Merritt	8	–		7	7			4	1					5	5
Penelope Smith	7	–				4		3	5	1	1			5	6
Natica Schmeder	7	–			6			1	1	1	1		1		16
Rueben Berg	8	–				4		2	2		1				4
Alternates															
Andrew May	4	3			1	4	1	4	1			1			7
Maggi Solly	3	4	6	7				4	3			2	1		7
Karen Murphy	4	1	4	5							1	1			
Christine Phillips	2	3	6					2							2
Jeffrey Robinson	1	4		6	7				1		1			5	2
Lucinda Peterson	2	2			5			3						5	2
Leigh Mackay	2	4				5		1	1			1			2
Joanne Guard	2	1	5					1							1
Anna Foley	2	2	2					2							1
Jamie Lowe	2						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 (VIPP) 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 2019–20 reporting period the Council did not have any expenditure on government campaigns.

CONSULTANCY EXPENDITURE

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

In 2019–20, 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 2019–20, there were no consultants engaged during the year where the total fee payable was less than \$10,000.

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2019–20 reporting period, the Council had a total ICT expenditure of \$31,480 (ex 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)
\$28,680	\$2,800	\$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 2019–20 reporting period. A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.

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.

The Act was amended on 1 September 2017 to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, 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. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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 s17 of the *Freedom of Information Act 1982*.

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

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

Rhonda McLaren
Executive Officer – Heritage Council Secretariat
GPO Box 527
Melbourne, 3001
Telephone: (03) 9194 0867
email: heritage.council@delwp.vic.gov.au

Fol Statistics

There were four Fol applications from the general public received by the Heritage Council of Victoria during the 2019–20 reporting period. Three of the decisions were made within the 30-day time statutory time period and one decision was made within an extended statutory 30- to 45-day time period. No requests were the subject of a complaint or appealed to VCAT.

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.

PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosure Act 2012* (PID 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 public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body. The Council is a public body for the purposes of the Act.

Improper or corrupt conduct involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

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

The Council is **not** able to receive public interest disclosures.

The Council has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the Council, its board members, officers or employees. You can access the Council's procedures on its website at: <https://heritagecouncil.vic.gov.au/about-heritage-council/public-interest-disclosures/>.

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 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 2020–21 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 Minister for Finance, 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 2018–19 Corporate Plan 2020–21	September 2019 September 2020	See: http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/ or email heritage.council@delwp.vic.gov.au

(c) Changes in fees and charges – The Heritage Council charges fees for nomination reviews and permit reviews. The permit review fees are calculated as a percentage of the permit application fees charged by Heritage Victoria. Fees increased as per the Heritage (General) Regulations 2017 and the Heritage Underwater Cultural Heritage Regulations 2017 on 1 July 2019 – see the fee schedule <https://www.heritage.vic.gov.au/permits/apply-for-a-permit>

(d) There was no major research or development activity (more than \$100,000) carried out by the entity during the 2019–20 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

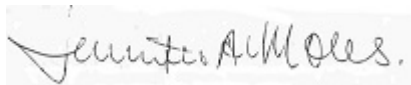
The following information is not relevant to the Heritage Council for the reasons set out below:

- 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, Jenny Moles, on behalf of Heritage Council of Victoria, certify that the Heritage Council of Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink that reads "Jenny Moles". The signature is written in a cursive style.

Ms Jenny Moles
Chair, Heritage Council of Victoria
11 November 2020

Financial report

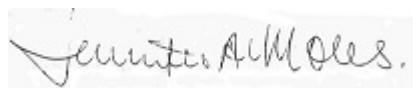
Accountable Officer's declaration and statutory certification

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 2020 and financial position of the entity at 30 June 2020.

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 11 November 2020.



Jennifer Moles
Chair
Heritage Council of Victoria

Melbourne
11 November 2020



Rhonda McLaren
Accountable Officer
Heritage Council of Victoria

Melbourne
11 November 2020



Karen Ling
Chief Financial Officer
Heritage Council of Victoria

Melbourne
11 November 2020

Independent Auditor's Report

To the Council Members of the Heritage Council of Victoria

Opinion	<p>I have audited the financial report of the Heritage Council of Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 30 June 2020 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies accountable officer's declaration and statutory certification. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Council Members's responsibilities for the financial report	<p>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.</p> <p>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.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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
12 November 2020



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 2019 to 30 June 2020. 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 2020

	Notes	2020 \$	2019* \$
Income and revenue			
Government grants	2.1	250,000	250,000
Revenue from contracts with customers	2.2	1,596,788	1,973,255
Interest income	2.3	27,032	46,611
Total income from transactions		1,873,820	2,269,866
Expenses from transactions			
Member fees and other costs	3.1	(302,010)	(292,614)
Supplies and services	3.2	(1,108,429)	(980,514)
Grants and other transfers to local government, individuals and businesses	3.3	(300,000)	(183,058)
Total expenses from transactions		(1,710,439)	(1,456,186)
Net results from transactions (net operating balance)		163,381	813,680
Comprehensive result		163,381	813,680

The accompanying notes form part of these financial statements.

*2019 restated – refer to note 7.5

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 \$	2019* Restated \$	1 July 2018 Restated \$
Assets				
Financial assets				
Cash and deposits	5.1	3,887,309	3,572,967	2,733,722
Receivables	4.1	66,247	53,675	57,636
Total assets		3,953,556	3,626,642	2,791,358
Liabilities				
Payables	4.2	87,790	100,654	76,050
Security deposits	4.3	332,715	282,715	285,714
Contract Liabilities	4.4	453,570	0	0
Total liabilities		874,075	383,369	361,764
Net assets		3,079,481	3,243,273	2,429,594
Equity				
Accumulated surplus		1,549,467	1,713,259	899,581
Contributed capital		1,530,014	1,530,014	1,530,013
Net worth		3,079,481	3,243,273	2,429,594
Commitments		5.2		
Contingent assets and liabilities		6.4		

The accompanying notes form part of these financial statements.

*2019 restated – refer to note 7.5

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Accumulated surplus/(deficit) \$	Contribution by owners \$	Total \$
Balance at 1 July 2018		989,579	1,530,014	2,519,593
Correction of prior year error	7.5(a)	(90,000)	0	(90,000)
Restated Balance at 1 July 2018		899,579	1,530,014	2,429,593
Comprehensive result (re-stated)*	7.5	813,680	0	813,680
Balance as at 30 June 2019 (Before new accounting standards)		1,713,259	1,530,014	3,243,273
Change in accounting policy (due to AASB 15)	7.1	(327,173)	0	(327,173)
Restated balance at 1 July 2019		1,386,086	1,530,014	2,916,100
Comprehensive result		163,381	0	163,381
Balance as at 30 June 2020		1,549,467	1,530,014	3,079,481

The accompanying notes form part of these financial statements.

*Comprehensive result restated – refer to note 7.5(b)

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts			
Receipt from government		250,000	250,000
Receipts from other entities		1,704,785	1,978,557
Interest received		27,032	46,611
GST recovered from ATO		5,828	(4,324)
Total receipts		1,987,645	2,270,844
Payments			
Payments to suppliers and members		(1,423,303)	(1,248,541)
Payments of grants and other transfers		(300,000)	(183,058)
Total payments		(1,723,303)	(1,431,599)
Net cash flows from operating activities	5.1(b)	264,342	839,245
Cash flows used in investing activities			
Receipts from investments		0	0
Net cash flows used in investing activities		0	0
Cash flows used in financing activities			
Proceeds of security deposits		50,000	0
Net cash flows used in financing activities		50,000	0
Net increase in cash and cash equivalents		314,342	839,245
Cash and cash equivalents at the beginning of the financial year		3,572,967	2,733,722
Cash and cash equivalents at the end of the financial year	5.1(a)	3,887,309	3,572,967

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 been prepared by applying the accrual basis of accounting, whereby 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:

- determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058; refer note 2.1.
- the timing of satisfaction of performance obligations; refer note 2.1.1
- 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).

In 2019–20, a number of accounting standards were assessed and adopted by the HCV for the first time and these include AASB 15 Revenue from Contracts with Customers, AASB 16 Leases, AASB 1058 Income of Not-for-Profit Entities. Further details and impacts are disclosed in the following:

- Note 2.2 Revenue from contracts with customers
- Note 7.1 Change in accounting policies.

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

Coronavirus (COVID-19) pandemic and the impact on the financial statement

In March 2020, the Victorian government announced a mandate and imposed Stage 3 restrictions on the community in response to the coronavirus (COVID-19) pandemic. This has had a significant impact on the economic environment, in which HCV is operating. The financial impacts of the pandemic have been described in Note 2.2 Revenue from contracts with customers.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

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 fulfill 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).

Structure

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

2.1 Government grants

	2020	2019
	\$	\$
Government grants		
Grants from DELWP	250,000	250,000
Total government grants – recognised as income of not-for-profit entities	250,000	250,000

HCV has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058 Income of Not-for-Profit Entities. As HCV does not receive any that are enforceable and with sufficiently specific performance obligations, AASB 15 Revenue from contracts with customers does not apply.

Grants from DELWP are generally without any sufficiently specific performance obligations and are recognised as income when HCV has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, HCV has recorded any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

The impact of initially applying AASB 1058 on HCV's grant revenue is described in Note 9.7. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements [AASB 1058.C3(b)]. The adoption of AASB 1058 did not have an impact on the Comprehensive result and the Cash Flow Statement for the financial year.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the HCV without receiving approximately equal value in return.

While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers).

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which the HCV gains control over the assets.

2.2 Revenue from contracts with customers

	2020	2019
	\$	\$
Rendering of services		
Certificate fees, permit fees and permit review fees	1,596,788	1,970,256
Other fees for service	0	2,999
Total rendering of services	1,596,788	1,973,255

The HCV derives revenue from the rendering of services at a point in time. Revenue is recognised when, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (refer Note 4.4).

As lockdown measures have been implemented in Victoria in response to the coronavirus pandemic, the volume of economic activities in the State has been greatly restricted. This economic condition has led to lower number of permit application fees received by HCV. As a result, the revenue from providing permit review and assessment services declined in the current financial year.

The HCV has three main types of fees:

- Certificate fees – levied to advise an applicant whether or not a place or object is included in the Heritage Register under the *Heritage Act 2017* and the category in which it is registered.
- 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*. 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 review fees – Reviews of determinations are conducted by the Heritage Council under Part 5, Division 5 of the *Heritage Act 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.

The HCV has an obligation to provide a decision on the various applications made to it under the *Heritage Act 2017*. Application fees are recognised as revenue when the HCV satisfies its performance obligation by communicating its decision on permit, consent or advice to the applicant. Fees that are receipted, but the related performance obligation not yet completed, are recognised as contract liabilities (Note 4.4) at the end of the financial year.

The impact of initially applying AASB 15 on HCV's rendering of services revenue is described in Note 7.1. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements [AASB 15.C3(b)]. The adoption of AASB 15 resulted in the HCV deferring some fee revenue by recognising a contract liability at 1 July 2019 of \$327,173 with corresponding adjustment to accumulated surplus.

Previous accounting policy for 30 June 2019

Certificate fees, permit and consent fees and permit review fees were recognised as income when the applications are lodged, together with payment of fees.

2.3 Interest income

	2020	2019
	\$	\$
Interest income		
Interest from cash, deposits and investments	27,032	46,611
Total interest income	27,032	46,611

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 and 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 and other transfers

3.1 Expenses incurred in delivery of services

	2020 \$	2019 \$
Member fees and other costs		
Sitting fees ⁽ⁱ⁾	(259,808)	(243,087)
Travel and subsistence expenses	(8,049)	(10,890)
Superannuation	(19,749)	(22,852)
Other on-costs	(14,404)	(15,785)
Total member fees and other costs	(302,010)	(292,614)

(i) An adjustment has been made to sitting fees incurred in 2018–19 – refer to note 7.5(b).

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	
	2020 \$	2019 \$	2020 \$	2019 \$
Defined contribution plans:				
Victorian Superannuation Fund – Vic Super Scheme	7,873	7,551	33	2,768
Various other	13,229	9,171	329	3,362
Total	21,102	16,722	362	6,130

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

	2020	2019
	\$	\$
Supplies and services		
Community awareness and publicity	(48,015)	(55,932)
Contract and professional services	(947,145)	(819,896)
General expenses	(44,401)	(34,880)
IT expenses	(12,930)	(16,477)
Motor vehicle expenses	(3,464)	0
Office and accommodation	(36,719)	(37,541)
Other operating expenses	0	(3,685)
Postage and telephone	(2,531)	(150)
Other expenses	0	(2,326)
Travel and subsistence	(13,224)	(9,627)
Total supplies and services	(1,108,429)	(980,514)

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

	2020	2019
	\$	\$
Victorian Auditor General's Office		
Audit of the financial statements	17,400	16,900
Total	17,400	16,900

3.3 Grants and other transfers

	2020	2019
	\$	\$
Grants		
Grants to local government	0	(2,000)
Grants to businesses and non-profit organisations	0	(176,058)
Grants to Parks Victoria	0	(5,000)
Other grants and transfers	(300,000)	(0)
Total	(300,000)	(183,058)

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

This section sets out those assets and liabilities that arose from the HCV's controlled operations.

Structure

- 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

	2020 \$	2019 \$
Current receivables		
Contractual		
Accrued revenue	29,693	13,940
Total contractual receivables	29,693	13,940
Statutory		
GST input tax credit recoverable	5,292	8,473
Total statutory receivables	5,292	8,473
Total current receivables	34,985	22,413
Non-current receivables		
Contractual		
Loans receivable	31,262	31,262
Total non-current receivables	31,262	31,262
Total receivables	66,247	53,675

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

	2020 \$	2019 \$
Current payables		
Contractual		
Accrued expenses ⁽ⁱ⁾	87,428	94,211
Trade creditors ⁽ⁱⁱ⁾	0	313
Superannuation payable	362	6,130
Total contractual payables	87,790	100,654
Statutory		
Payroll tax payable	0	0
Total statutory payables	0	0
Total current payables	87,790	100,654
Total payables	87,790	100,654

(i) An adjustment has been made to the closing balance of accrued expenses in 2018-19 – refer to note 7.5(b).

(ii) 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
			\$	\$	\$	\$	\$
2020							
Payables⁽ⁱ⁾							
Accrued expenses	87,428	87,428	87,428	0	0	0	0
Trade creditors	0	0	0	0	0	0	0
Superannuation payable	362	362	362	0	0	0	0
Total	87,790	87,790	87,790	0	0	0	0
2019							
Payables⁽ⁱ⁾							
Accrued expenses	94,211	94,211	94,211	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	100,654	100,654	100,654	0	0	0	0

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

4.3 Security deposits

	2020 \$	2019 \$
Current security deposits		
Archaeological security deposits	182,715	42,715
Total current security deposits	182,715	42,715
Non-current security deposits		
Archaeological security deposits	0	0
Long term security deposits	150,000	240,000
Total non-current security deposits	150,000	240,000
Total security deposits	332,715	282,715

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 \$
2020							
Security deposits	332,715	332,715	0	42,715	140,000	150,000	0
Total	332,715	332,715	0	42,715	140,000	150,000	0
2019							
Security deposits	282,715	282,715	0	0	42,715	240,000	0
Total	282,715	282,715	0	0	42,715	240,000	0

4.4 Contract Liabilities

	2020 \$
Contract Liabilities	
Opening balance 1 July 2019	0
Initial recognition on 1 July 2019 for AASB 15	327,173
Add: Payments received for performance obligations yet to be completed during the period	447,177
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(320,780)
Total contract liabilities	453,570
Represented by	
Current contract liabilities	453,570
Non-current contract liabilities	0

Contract liabilities relating to rendering of services

Contract liabilities represents application fees received in the reporting period, but the performance obligations are outstanding at balance date.

5. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the HCV during its operations.

It includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Structure

5.1 Cash and deposit

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.

	2020 \$	2019 \$
(a) Reconciliation of cash and cash equivalents		
At call deposits	2,553,497	2,526,467
Cash equivalent	1,333,812	1,046,500
Total cash and deposits disclosed in the balance sheet	3,887,309	3,572,967
Balance per cash flow statement	3,887,309	3,572,967
(b) Reconciliation of net result for the period		
Comprehensive result	163,381	813,680
Non-cash movement		
Initial application of AASB 15	(327,173)	0
Movements in assets and liabilities		
(Increase)/Decrease in receivables	(12,572)	3,960
Increase/(Decrease) in payables	(12,864)	21,605
Movement in contract liabilities	453,570	0
Net cash flows from operating activities	264,342	839,245

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 2020 provide for the issue of \$182,905 (2019: \$232,236) 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.

	2020 \$	2019 \$
Grant commitments		
Not later than one year	182,905	232,236
Later than one year but no later than five years	0	0
Total	182,905	232,236

5.2.2 Commitments for operating expenditure

At reporting date, the HCV has no operating commitments (2019: Nil).

5.2.3 Commitments for capital expenditure

At reporting date, the HCV has no capital commitments (2019: 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*.

Guarantees issued on behalf of the Department are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

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);

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.

	2020			2019		
	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Total \$	Financial assets at amortised cost \$	Financial liabilities at amortised cost \$	Total \$
Contractual financial assets						
Cash and deposits	3,887,309	0	3,887,309	3,572,967	0	3,572,967
Receivables ⁽ⁱ⁾						
Accrued revenue	29,693	0	29,693	13,940	0	13,940
Loans receivables	31,262	0	31,262	31,262	0	31,262
Investments	0	0	0	0	0	0
Total contractual financial assets	3,948,264	0	3,948,264	3,618,169	0	3,618,169
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾						
Accrued expenses	0	87,428	87,428	0	94,211	94,211
Trade creditors	0	0	0	0	313	313
Superannuation payable	0	362	362	0	6,130	6,130
Security deposits	0	332,715	332,715	0	282,715	282,715
Total contractual financial liabilities	0	420,505	420,505	0	383,369	383,369

(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

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 2020, HCV did not have trade receivables past due (2019: 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 \$	
2020					
Contractual financial assets					
Cash and deposits	1.06%	3,887,309	0	2,553,497	1,333,812
Receivables ⁽ⁱ⁾					
Accrued revenue		29,693	0	0	29,693
Loans receivables		31,262	0	0	31,262
Total		3,948,264	0	2,533,497	1,394,767
Contractual financial liabilities					
Payables: ⁽ⁱⁱ⁾					
Accrued expenses		87,428	0	0	87,428
Trade creditors		0	0	0	0
Superannuation payable		362	0	0	362
Security deposits		332,715	0	0	332,715
Total		420,505	0	0	420,505
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		94,211	0	0	94,211
Trade creditors		313	0	0	313
Superannuation payable		6,130	0	0	6,130
Security deposits		282,715	0	0	282,715
Total		383,369	0	0	383,369

(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

	Carrying amount	Interest rate risk	
		-1.0% -100 basis points	+1.0% 100 basis points
2020			
Contractual financial assets			
Cash and deposits – floating interest	3,887,309	(25,335)	25,335
Total	3,887,309	(25,335)	25,335
2019			
Contractual financial assets			
Cash and deposits – floating interest	3,572,967	(25,265)	25,265
Total	3,572,967	(25,265)	25,265

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 2019-20 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 \$32,678,654 (2019: \$28,788,654) are held by the HCV as financial security for the following:

- pursuant to a condition of a permit \$32,678,654 (2019: \$28,788,654)

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 (2019: 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 Correction of error
- 7.6 AASB issued that are not yet effective

7.1 Change in accounting policies

In accordance with FRD 121 requirements, the HCV has applied the transitional provisions of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Department applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Comparative information has not been restated.

HCV has also assessed the impact of AASB 1058 on the recognition of grant income. AASB1058 applies to annual reporting periods beginning on or after 1 January 2019. As the grants are received without any sufficiently specific performance obligations, they are recognized as income when the HCV obtains control of the funds.

Impact on balance sheet due to the adoption of AASB 15 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

	Notes	Before new accounting standards Opening 1 July 2019*	Impact of new accounting standards – AASB 15	After new accounting standards Opening 1 July 2019
Balance Sheet				
Payables		100,654	0	100,654
Security Deposits	4.4	282,715	0	282,715
Contract Liabilities		0	327,173	327,173
Total liabilities		383,369	327,173	710,542
Accumulated surplus/(deficit)	4.4	1,713,259	(327,173)	1,386,086
Contributed capital		1,530,014	0	1,530,014
Total equity		3,243,273	(327,173)	2,916,100

*Restated – refer to note 7.5

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 2019 to 30 June 2020
Chair	Stuart Macintyre	1 July 2019 to 30 June 2020
Accountable Officer	Rhonda McLaren	1 July 2019 to 30 June 2020
Member	Rueben Berg	1 July 2019 to 30 June 2020
Member	Jenny Moles	1 July 2019 to 30 June 2020
Member	Lindsay Merritt	1 July 2019 to 30 June 2020
Member	Megan Goulding	1 July 2019 to 30 June 2020
Member	Louise Honman	1 July 2019 to 30 June 2020
Member	Patrick Doyle	1 July 2019 to 30 June 2020
Member	Penelope Smith	1 July 2019 to 30 June 2020
Member	Paul Coffey	1 July 2019 to 30 June 2020
Member	Natica Schemeder	16 July 2019 to 30 June 2020
Alternate Member	Karen Murphy	1 July 2019 to 30 June 2020
Alternate Member	Christine Phillips	1 July 2019 to 30 June 2020
Alternate Member	Jeffrey Robinson	1 July 2019 to 30 June 2020
Alternate Member	Lucinda Peterson	1 July 2019 to 30 June 2020
Alternate Member	Leigh Mackay	1 July 2019 to 30 June 2020
Alternate Member	Andrew May	1 July 2019 to 30 June 2020
Alternate Member	Jo Guard	1 July 2019 to 30 June 2020
Alternate Member	Jamie Lowe	1 July 2019 to 30 June 2020
Alternate Member	Maggi Solly	1 July 2019 to 30 June 2020
Alternate Member	Anna Foley	16 July 2019 to 30 June 2020

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 2019 to 30 June 2020 was Rhonda McLaren.

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:

	2020 No.	2019 No.
Income band (\$)		
0 – 9,999	5	5
10,000 – 19,999	9	12
20,000 – 29,999	6	2
Total number	20	19
Total remuneration	284,412	266,354

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*) is 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 23 July 2019 to 2 August 2019.

The Hon. Lisa Neville MP acted as Minister for Planning during the period 19 to 26 September 2019.

The Hon Jaclyn Symes MP acted as Minister for Planning during the period 27 to 30 September 2019.

The Hon. Lily D'Ambrosio MP acted as Minister for Planning during the period 1 to 8 October 2019.

The Hon. Lisa Neville MP acted as Minister for Planning during the period 1 to 6 January 2020.

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):

	2020 \$	2019 \$
Compensation of key management personnel		
Short term benefits	259,808	243,246
Post-employment benefits	24,604	23,108
Total (i)	284,412	266,354

(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 provided funding to Heritage Victoria, DELWP of \$300,00 to support Heritage Victoria in recognising, protecting and managing places and objects in accordance with the provisions of *Heritage Act 2017* (see Note 3.3 Other grants and transfers).

The HCV does not employ any staff. The administration of HCV is supported by a small secretariat consisting of DELWP's employees. The cost (\$776,809) 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.

Coronavirus restriction in Victoria

The State of Victoria has introduced more restrictions post balancing date in response to the "second wave" of Coronavirus pandemic. The measures implemented included stricter limitations on the operation of businesses in Victoria. The tighter restrictions have resulted in the closure of businesses and further reductions in commercial activities. Uncertainty created by the Coronavirus response means actual economic

events and conditions in the future may be materially different from those estimated by the HCV at the reporting date. Whilst not expecting significant impact it's difficult to reliably estimate the potential impact on our operations, future results and financial position. These restrictions have now eased.

7.5 Correction of Prior Period Errors

a) The following prior period error has been identified and corrected. It was a result of a security deposit being taken in a prior period, which was posted directly to the income statement, when a liability should have been recognised. The error resulted in the overstatement of revenue in the prior period and a corresponding understatement of security deposits. The error has been corrected by re-stating each of the affected balance sheet line items for the prior period as follows:

BALANCE SHEET

	30 June 2019	Increase/ (decrease)	30 June 2019 restated	30 June 2018	Increase/ (decrease)	1 July 2018 (restated)
				\$		\$
Assets						
Financial assets						
Cash and deposits	3,572,967	0	3,572,967	2,733,722	0	2,733,722
Receivables	53,675	0	53,675	57,636	0	57,636
Total assets	3,626,642	0	3,626,642	2,791,358	0	2,791,358
Liabilities						
Payables (b)	107,122	(6,468)	100,654	76,050	0	76,050
Security deposits (a)	192,715	90,000	282,715	195,714	90,000	285,714
Total liabilities	299,837	83,532	383,369	271,764	90,000	361,764
Net assets	3,326,805	(83,532)	3,243,273	2,519,594	(90,000)	2,429,594
Equity						
Accumulated surplus/(deficit)	1,796,791	(83,532)	1,713,259	989,581	(90,000)	899,581
Contributed capital	1,530,014	• 0	1,530,014	1,530,013	0	1,530,013
Net worth	3,326,805	(83,532)	3,243,273	2,519,594	(90,000)	2,429,594

b) HCV over accrued sitting fees in 2019 by \$6,468. This has been corrected in the 2019 figures by reducing sitting fees by \$6,468 and reducing accruals by \$6,468.

	Previously reported 2019 \$	Re-stated 2019 \$
Committee sitting fees	249,555	243,087
Net result	807,212	813,680
Accrued expenses	100,679	94,211
Net assets	3,236,805	3,243,273

7.6 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. The HCV is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The HCV has not chosen to earlier adoption.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The HCV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. The HCV will not early adopt the Standard.

The HCV is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the CES's reporting.

- *AASB 17 Insurance Contracts.*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.*
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*

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 24
Financial and other information		
FRD 10A	Disclosure index	Page 66
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
FRD 22H	Occupational health and safety policy	Page 28
FRD 22H	Summary of the financial results for the year	Page 22
FRD 22H	Significant changes in financial position during the year	Page 22
FRD 22H	Major changes or factors affecting performance	Page 22
FRD 22H	Subsequent events	Page 22
FRD 22H	Government advertising expenditure	Page 29
FRD 22H	Disclosure of Information & communication technology expenditure	Page 29
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Page 29
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 30
FRD 22H	Statement on Competitive Neutrality Policy	Page 30
FRD 22H	Application and operation of the <i>Public Interest Disclosure Act 2012</i>	Page 30
FRD 22H	Details of consultancies over \$10,000	Page 29
FRD 22H	Details of consultancies under \$10,000	Page 29
FRD 22H	Statement of availability of other information	Page 31
FRD 22H	Workforce Data disclosures	Page 28
FRD 24D	Reporting of office-based environmental impacts	Page 31
FRD 25D	Local Jobs First disclosures	Page 29
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	Page 33
SD 5.2.3	Declaration in report of operations	Page 4

Legislation	Requirement	Page reference
Financial		
Declaration		
SD 5.2.2	Declaration in financial statements	Page 34
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 42
SD 5.2.1(a)	Compliance with Standing Directions	Pages 24, 34, 61
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 61
FRD 110A	Cash Flow Statements	Page 41
FRD 112D	Defined Benefit Superannuation Obligations	Page 46
<i>Note:</i>		
<i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.</i>		
Legislation		
<i>Heritage Act 2017</i>		Page 31
<i>Freedom of Information Act 1982</i>		Page 29
<i>Building Act 1993</i>		Page 30
<i>Public Interest Disclosure Act 2012</i>		Page 30
<i>Local Jobs First Act 2003</i>		Page 29
<i>Financial Management Act 1994</i>		Page 33

Appendices

Appendix 2: Heritage Council Corporate Plan 2020–21

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.

2020–21
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, as an independent statutory authority, brings together experts across the state to achieve its 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 the work of the Council and Clause 9 of Schedule 1 provides that the Council must prepare a corporate plan each financial year. The Heritage Council Corporate Plan 2020–21 is an important document in setting out our priorities and objectives for the coming year. The Council's overarching mission, to lead in the recognition and conservation of Victoria's cultural heritage, guides our scope of work.

We know that 2020–21 will be a difficult year as Victoria and the rest of the world struggle with the Coronavirus pandemic. The impacts of the crisis on the state and the work of the Council will be immense and far reaching. The setting of the Council's financial forecasts and performance measures for 2020–21 is consequently surrounded by uncertainty. Nevertheless, the work of the Council is essential in this challenging time as cultural heritage provides the reassurance of continuity, history and place, as well as enriching lives and providing both social and economic benefits.

The Council will continue to collaborate with the community and stakeholders to discharge its statutory responsibilities and endeavour to meet expectations in this time of upheaval. Our strategic work will also continue allowing us to improve heritage practice, engage with stakeholders and other agencies and foster a greater appreciation of cultural heritage. This plan informs you of the anticipated scope of our work and our aims for 2020–21 while acknowledging that regular checks will need to be put in place to update forecasts and expectations in a rapidly changing environment.



Jenny Moles
Acting 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 2020–21 and members in those positions at 30 June 2020.



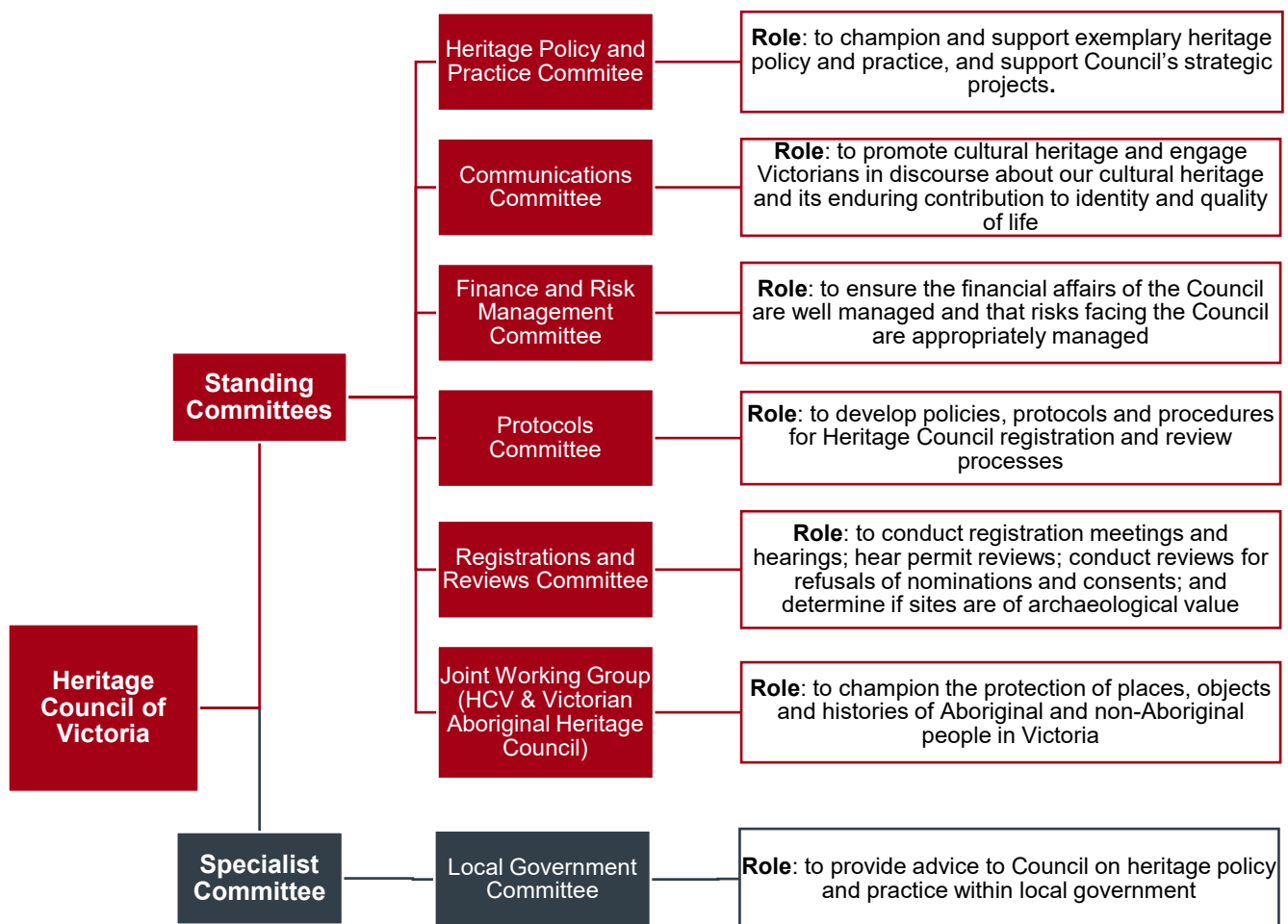
1.2 COUNCIL COMMITTEES

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 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.

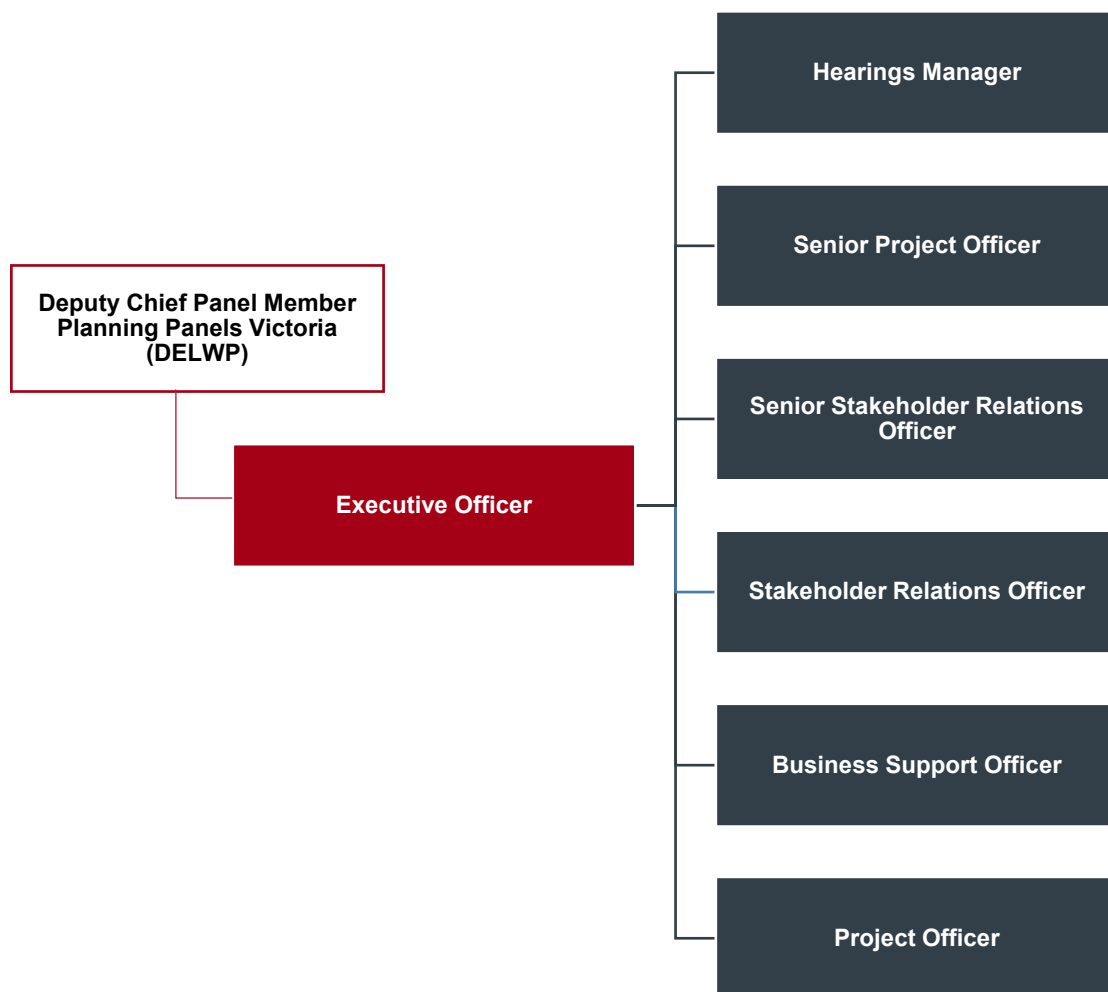
Specialist Committees – consisting of Council members and external subject-matter experts. Specialist committees advise the Council on cultural heritage matters pertaining to specific subject areas. They meet a maximum of four times per year and provide advice to the Council as needed.

The following chart outlines the committees that will be operating in 2020–21 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 2020–21.

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 financial statements are audited by the Victorian Auditor-General's Office in accordance with the *Audit Act 1994*.

The main challenge in the current operating environment, and for preparing the Council's Corporate Plan for 2020–21, is the coronavirus (COVID-19) pandemic. The effects of the crisis and the efforts to contain it are creating an unpredictable operating context for public and private organisations alike. The uncertainty around the broader economic impact make planning for the next financial year difficult. This is illustrated by the decision of the State and Federal government to hold back their budgets until October 2020.

The impact of the crisis on the work of the Council is already being felt with staff working remotely and the suspension of face-to-face meetings and public hearings. This evolving situation requires the Council to regularly review its position and expectations and explore new ways of doing business to allow for the continuation of decision-making where possible. Despite these challenges the Council remains committed to best-practice decision-making and the efficient and effective conduct of its strategic work. The Council's prudent financial management in recent years has put it in a good position to meet its obligations for 2020–21 and to continue to provide leadership in cultural heritage management.

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 2020–21 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 2019–20 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
- 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 2020–23

4.1 ESTIMATES OF 2020–23 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 2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Revenue				
DELWP Contribution	250	-	-	250
Fees Revenue	1,600	1,260	1,344	1,428
CBS Interest	40	20	20	20
Total	1,890	1,280	1,364	1,698
Expenditure				
Admin and Remuneration	1,254	1,337	1,404	1,474
Communications	100	100	100	100
Strategic Projects	200	222	100	100
Partnership Projects	60	15	15	15
Grant to Heritage Victoria	300	150	150	150
Legacy Grants and Studies	167	167	-	-
Projects	49	49	-	-
Total	2,130	2,040	1,769	1,839
Overall Position	(240)	(760)	(405)	(141)

HCV	Budget 2019–20 \$'000	Forecast		
		2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Revenue	1,890	1,280	1,364	1,698
Expenditure	2,130	2,040	1,769	1,839
Overall Position	(240)	(760)	(405)	(141)

Heritage Council of Victoria has access to funds of \$2.59 million in investments.

Notes on 2020–21 projected budget deficit

- The projected \$760,812 budget deficit in 2020–21 is due to an expected decrease in revenue following the far-reaching effects of the Coronavirus on the economy. In addition, during 2019–20 the Council scoped some large and significant strategic projects and has chosen to draw on its reserves to complete some of this work in 2020–21.
- The Heritage Fund holds investments of \$2.59 million and approximately \$500,000 cash on hand which can be drawn down as required.

Notes on the Council's Financial Projections 2020–23

- It is difficult for the Council to calculate anticipated revenue over the next three years with any certainty due to the unknown impact of the Coronavirus on the economy.
- The Council has assumed a 25% drop in revenue into the Heritage Fund in 2020–21 and 2021–22 with revenue starting to improve in 2022–23. However, this is speculative because, as noted above, there is no reliable evidence available to predict the impact of the Coronavirus on revenue.
- Given the unpredictability of forecasting in the current environment the Council will be reviewing its budgets and forecasts regularly throughout the 2020–21 financial year.
- Previously the Council has adopted a 'balanced-budget' approach to the Heritage Fund. This approach is not considered appropriate in the current circumstances as the anticipated drop in revenue will not be reflected in a

decrease in the costs associated with the administration of the *Heritage Act 2017*. In the event of a major drop in revenue the Council will need to reconsider its expenditure.

05 Objectives, priority activities and performance targets

For 2020–21

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	2020–21 Priority Activities	Performance Targets
More Victorians understand the role that heritage plays in the life of our communities.	<ul style="list-style-type: none"> Run new and promote existing programs that improve community understanding of and connection to cultural heritage. <p>Work with the Minister, Heritage Victoria, National Trust, local government, community heritage organisations and other stakeholders to communicate and clarify responsibilities and processes.</p>	<ul style="list-style-type: none"> Review current levels of communication with heritage owners. Recommend options for future engagement and develop a plan for doing this including resources and timing. An increase in measurable social media activity in 2020–21, including all publicly advertised events and high-profile decisions. Development of a communication plan for the State of Heritage Review: Local Government recommendations.
The Council completes at least three widely used projects to champion and support exemplary heritage practice.	<p>Develop resources for different stakeholders to improve their awareness of best-practice cultural heritage.</p> <p>Investigate ways to support owners and custodians, including technical advice and support.</p>	<ul style="list-style-type: none"> Completion of at least one project that supports exemplary heritage practice. Creation of new resources as part of the communication plan in response to the State of Heritage Review: Local Government recommendation.
Victoria has a world-class heritage system that protects and enhances heritage	<ul style="list-style-type: none"> Lead the development of policy on key emerging issues in heritage. 	<ul style="list-style-type: none"> Initiate a project examining the impact of climate change on heritage.
The Council works effectively with managers of natural, Aboriginal and non-Aboriginal cultural heritage to encourage a greater understanding of cultural heritage.	<p>Work with agencies and custodians responsible for natural, Aboriginal and non-Indigenous cultural heritage to improve collaboration and understanding of cultural heritage.</p>	<ul style="list-style-type: none"> Collaborate with the NSW Heritage Council and the Victorian Aboriginal Heritage Council on shared priorities.
The Council has capacity to provide robust and effective advice to the Minister.	<p>Undertake regular gap analysis to ensure the Council is well equipped with the training and skills required to fulfil our role.</p>	<p>Undertake at least one project which will deliver advice to the Minister.</p> <p>Two strategic training sessions delivered for the Council during 2020–21.</p>
The Council has capacity to make and communicate high-quality decisions that are consistent and well informed.	<p>Examine ways to improve efficiency and increase resources to the Council, including advocacy for increased staff and planning for project funds.</p> <p>Perform our statutory functions efficiently and effectively and review processes to ensure best-practice decision making and improved procedures for hearings.</p> <p>Provide strategic training for members to ensure best-practice hearings practices and protocols.</p>	<p>HC registration decisions released within statutory timeframes – 100%.</p> <p>Permit review decisions released within statutory timeframes – 100%.</p> <p>Ongoing review and update of policies and procedures by the Protocols Committee.</p> <p>Undertake a budgetary and operational analysis to assess the impact of coronavirus (COVID-19) on the operations of the Council.</p> <p>Conduct at least one strategic (hearings) training session in 2020–21.</p> <p>Develop the Heritage Council Strategic Plan 2021–25.</p>

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.

heritage.council@delwp.vic.gov.au