

**2020–21  
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

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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 2021.



**Rhonda McLaren**  
**Accountable Officer**  
**Executive Officer – Heritage Council Secretariat**

**4 November 2021**

# Chair's report

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**As a peak heritage body, we acknowledge the Traditional Owners of the Country that we call Victoria as the original custodians of Victoria's land and waters, and 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 Aboriginal culture and traditional practices.**

The impacts of the coronavirus (COVID-19) pandemic continue to be felt across the state but, despite the restrictions, the Heritage Council of Victoria achieved a great deal during 2020–21. I was especially pleased to be involved in the development and release of the Council's new Strategic Plan 2021–25. The plan will guide all areas of the Council's work and it recognises the value of collaboration in achieving the best outcomes for the state's heritage. The plan also reinforces our ongoing work in new areas, such as the effects of climate change on significant heritage sites in Victoria. The completion of the first phase of the Council's project on cultural heritage and climate change included the publication of a set of principles for dealing with heritage in a changing climate, and we look forward to working on phase two of the project in 2021–22.

The Council maintained its presence in the community through a shift in our communication work to focus on social media and the use of online technology for presentations/lectures. The Council's Instagram page highlights the range of fascinating sites on the Victorian Heritage Register and its following continues to grow. In conjunction with this, we launched a new quarterly heritage newsletter to increase our contact with owners and managers of state-listed places and objects, and to engage with a new audience of heritage enthusiasts. Our main event for the year, the Heritage Address, in conjunction with Open House Melbourne, could not be held in person and was instead published online, enabling Stuart Harrison's engaging lecture on Restoration Australia to be viewed by a larger and broader audience. Other key presentations this year included an MPavilion discussion on Good Design and Heritage and Professor Susan Lawrence's lecture on the impacts of the Gold Rush on the environment in regional Victoria.

Two significant Council projects were finalised and published this year. The first being the *State of Heritage Review: Local Heritage* report which provides a stocktake of the management of local heritage in Victoria. This is the first time in recent years that a review of this kind has been undertaken and we were pleased to see all 79 local councils in Victoria engaging in the project. The report's findings highlight the strength in our local heritage system as well as the areas for improvement. The Council will work with both state and local government to implement the report's recommendations over the coming years. The second project is 'At Home with Heritage', a guide to renovating heritage homes. This publication fills an important gap by providing homeowners with simple and accessible information on how to plan a heritage renovation.

A key part of the Council's role is the conduct of regulatory processes, including hearings in relation to registration recommendations and permit reviews. The Council has created a robust online process using videoconference technology to support parties involved in hearings. Major decisions were released in relation to the Eastern Freeway, Yarra Bend Park and proposed changes to Fawkner Park.

In last year's report, I commented that the pandemic had brought into sharp relief the significance of our neighbourhoods, their importance to our identity and wellbeing and the fundamental role heritage places play in creating great neighbourhoods. The 2020–21 pandemic year has been little different with respect to the role of neighbourhoods. We have continued to be largely confined to a 5 km radius around our homes with only relatively brief periods when regional and interstate travel has been possible.

Residents on an exercise walk in their neighbourhood are discovering, or rediscovering, its heritage assets. This may be beneficial to the broader community by encouraging an increased interest in, and individual research into, heritage matters. As travel opens up again, perhaps those newly introduced to their local heritage places will undertake casual or more rigorous comparative analysis of their neighbourhood heritage with other areas.

While the breadth and depth of the costs to the community of the COVID-19 pandemic have already been and will continue to be mammoth, as a very minor plus, a deeper more-widespread appreciation of the nature and value of heritage places could well be an accidental positive outcome.

## CHANGING COUNCIL MEMBERSHIP

We welcomed five new councillors who took up their roles this year:

- Margaret Baird, Urban or regional planning member
- Mark Burgess, Alternate Financial management member
- Adrian Finanzio SC, Alternate Heritage law, planning law or property law member

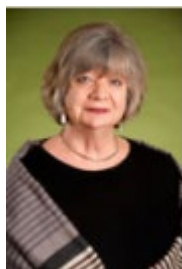
- David Hogg, Alternate Engineering or building construction member
- Justin Naylor, Financial management member.

On behalf of the Council, I would also like to express special thanks to Patrick Doyle, who completed his term at the end of June 2021.

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

A handwritten signature in dark ink, appearing to read "Jenny Moles".

**Ms Jenny Moles**  
**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 cultural heritage significance to the State of Victoria.

The statutory scope of the *Heritage Act 2017* covers places and objects of cultural heritage significance to the State of Victoria, but does not apply to a place or object that is of cultural heritage significance solely on the ground of its association with Aboriginal tradition. In this Annual Report, the terms 'cultural heritage' and 'heritage' are used generically and interchangeably to refer to the 'heritage' to which the *Heritage Act 2017* applies, recognising that heritage places and objects may have multiple attributes and values.

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

## MISSION, VISION AND VALUES

The Council used 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 guided and informed the Council's objectives, priorities, main undertakings and activities in FY2020–21. A new Strategic Plan was released in June 2021, and this will guide the Council's work in future years.

### 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	
<b>Respect for heritage</b>	We value Victoria's heritage as an asset to be enjoyed and appreciated by all as an expression of our history, places and culture.
<b>Collaboration</b>	We value the knowledge others bring to heritage conservation and encourage the sharing of experience and information.
<b>Innovation</b>	We value the exploration of new approaches to ensure a more sustainable future for Victoria's cultural heritage.
<b>Skilled practice</b>	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 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 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 s11, 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

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The Council's Strategic Plan 2016–20 highlights its strategic directions and actions, and its Corporate Plan 2020–21 outlines the strategic priorities, actions and performance measures that were monitored and reported against during 2020–21. The Council's ability to achieve its objectives for 2020–21 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 2020–21.

### Promotion of cultural heritage

With the cancellation of many in-person events, the Council moved to holding and hosting online lectures and talks throughout 2020–21, as well as delivering more digital and social media content for the public.

- Heritage Council projects received positive media coverage following the release of final reports. In particular, the 'At Home with Heritage' project received coverage in Domain online. The MPavilion Good Design and Heritage panel was also covered on ABC radio.
- As a long-term heritage partner, the Council continued its support of Open House Melbourne. The Open House weekend moved online in late July as a response to the pandemic and lockdown in Melbourne.
- The Heritage Address was also moved to a virtual lecture with Stuart Harrison giving great insight into his work on Restoration Australia in July 2020. Over 1000 people watched the lecture.
- For the first time, Council participated in the MPavilion program of events hosting a discussion on Good Design and Heritage with an all-female panel of architects including Kerstin Thompson, Jill Garner and Heritage Council member Dr Christine Phillips.
- The Council sponsored the heritage category for the Victorian Architecture awards, and supported a national heritage architecture award with Houses magazine. In July 2020, the Houses heritage award was awarded to Rob Kennon Architects for 'Fitzroy North House 02'. The Victorian Architecture Heritage award was won by Kerstin Thompson Architects for Broadmeadows Town Hall.
- Professor Susan Lawrence delivered a fascinating lecture on the environmental impacts of the Gold Rush for Design Week's digital program in March 2021.
- The first edition of an online quarterly heritage newsletter for members of the public and all lovers of heritage was launched in May 2021. The key goals of the newsletter are to communicate with owners and managers of heritage properties on the protection, conservation and management of their registered property, and to promote public understanding of the state's cultural heritage. As of 30 June 2021, after the publication of the 1st edition of the newsletter, 405 people had subscribed.
- Council's Instagram account saw rapid growth with over 1300 followers by 30 June 2021. The account offers fascinating insights into the breadth and depth of the Victorian Heritage Register and discusses major projects and upcoming events. The number of Heritage Council Twitter followers remains steady. In February 2021, the Council also launched a LinkedIn account, with 174 followers as of 30 June 2021.
- The design of the Victorian Heritage Database was enhanced to better identify owners of information about heritage places listed in the database and the search functionality was also improved.

### Research and projects

A number of important projects were completed and released in 2020–21.

- A project to fill a gap in the guidance for the registration of objects under a new category introduced in the *Heritage Act 2017* – 'a registered object integral to a heritage place' – was completed in October 2020. The project delivered a new policy to assist the Council in determining whether an object is integral to a place included in the Victorian Heritage Register. It also delivered a guidance document that sets out the minimum level and type of visual and written information and documentation to be included in a nomination and assessment under the category 'object integral'. Both documents are available on the Council's website: <https://heritagecouncil.vic.gov.au/heritage-protection/heritage-policy-and-guidance/>.

- In December 2020, the Council released its important *State of Heritage Review: Local Heritage* report (<https://heritagecouncil.vic.gov.au/research-projects/the-state-of-heritage-review-local-heritage/>). This provides a point-in-time 'stocktake' of the current state of Victoria's local heritage management arrangements which can be used as a point of comparison in future years. It notes the parts of the system that are working to deliver good quality heritage protection and management, the areas where improvements can be made and recommends how the state government, local government and the Heritage Council of Victoria can take tangible steps together to ensure local cultural heritage is protected and managed well into the future.
- In April 2021, a guide and 12 case studies were published online to assist homeowners renovating or creating a home in a heritage building (<https://heritagecouncil.vic.gov.au/research-projects/at-home-with-heritage/>). These provide inspiration and demonstrate how good design and cultural heritage awareness can support the heritage values of a place while also providing a contemporary livable home. The project has proven to be a highly popular one, driving new followers to the Council's Twitter, Instagram and LinkedIn accounts, and with an article promoting the project appearing in Domain online.
- The first stage of a partnership project with Heritage Victoria to understand the impacts of climate change on Victoria's cultural heritage places and objects was completed in June 2021. A set of provisional principles to guide policy, strategy development and decision making in the management of Victorian cultural heritage places and objects protected under the Heritage Act, was published on the Council's website (<https://heritagecouncil.vic.gov.au/research-projects/heritage-and-climate-change/>). The full results of the project will be published in 2022 on the completion of the project's second stage.
- In June 2021, the Council published its new Strategic Plan 2021–25, which will guide the Council's work over the next five years. It includes five areas of strategic focus, including a strong commitment to working with all levels of government and the heritage sector to incentivise collaboration and support better outcomes for heritage places. The plan also ensures that the implementation of key documents, including the *State of Heritage Review: Local Heritage* and *Dhawura Ngilan*, are prioritised. The plan is available on the Council's website: <https://heritagecouncil.vic.gov.au/about-heritage-council/strategic-plan/>.

### Governance and compliance

- The Council's Finance and Risk Management Committee continued its work ensuring that appropriate policies and guidance are in place to support the Council's functions.
- In 2020–21, the Council received an exemption from the Standing Directions under the *Financial Management Act 1994* and was approved to use the Department of Environment Land Water and Planning (DELWP) managed Portfolio Financial Management Compliance Framework (PFMCF). The purpose of the PFMCF is to ease the reporting burden for small, low-risk entities such as the Council.
- Pursuant to Clause 9 of Schedule 1 of the Heritage Act, the Heritage Council's Corporate Plan 2021–22 was developed in consultation with, and approved by, the Minister for Planning. The 2021–22 Corporate Plan is included in Appendix 2 of this Annual Report.

### 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 2020–21 the Council advised the Minister in relation to:
  - the impact of COVID-19 restrictions on the Council
  - special assistance available to owners and managers of heritage properties
  - Heritage Act amendments
  - strategic project work on local heritage management.

## OBJECTIVES AND PERFORMANCE FOR 2020–21

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 2020–21 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 2020–21 year:

- 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 made substantial progress under this objective in 2020–21. New communication initiatives were rolled out, including an online quarterly heritage newsletter and the implementation of our social media strategy, resulting in a significant boost to the number of Victorians aware of and engaging with the Victorian Heritage Register and the Council. Existing programs, such as the Heritage Address in partnership with Open House Melbourne, continued albeit virtually in response to COVID-19 restrictions. This work, together with improvements to the Victorian Heritage Database, is evidence of the Council's renewed focus on communication to increase the understanding and appreciation of cultural heritage in the community.

The Council continued to publicise the results of the *State of Heritage Review: Local Heritage* report and developed a plan for the implementation of the report's recommendations. The report was well received with positive feedback from both inside and outside the state. The report presents essential information on the protection of heritage at the local level, and the Council is working with the Minister, Heritage Victoria and DELWP to further the recommendations.

Performance Targets	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result <sup>1</sup>
<b>Quantity</b>					
An increase in measurable social media activity in 2020–21, including all publicly advertised events and high-profile decisions.	number of twitter followers	3,500	>3728	-6%	■
	number of Instagram followers	1,300	>804	+62%	✓
<i>This performance target was partially achieved. The number of Twitter followers remained steady at approximately 3500. The Council's Instagram account grew rapidly to 1,300 followers. In 2021, the Council launched a LinkedIn account, with 174 followers to date.</i>					
<b>Target</b>					
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					
<b>Result</b>					
<i>This performance target was achieved. The Heritage Officer completed a review of the current levels of communication with owners and prepared a plan for improvement. The Council delivered its first electronic newsletter for owners and stakeholders in the last quarter of 2020–21 and is implementing its strategic social media plan.</i>					
<b>Target</b>					
Development of a communication plan for the <i>State of Heritage Review: Local Heritage</i> report					
<b>Result</b>					
<i>This performance target was achieved. The State of Heritage Review: Local Heritage report was released and publicly communicated in December 2020. Planning is now underway to implement its recommendations.</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 2020–21 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.

The Council continues to be active in the strategic projects space, developing projects in key areas of heritage practice. In 2020–21 the Council completed two projects aimed at supporting exemplary heritage practice. The 'Objects Integral to a Registered Place' policy was finalised and provides guidance on the matters to be considered when determining if an object is integral to a place and to be included in the Victorian Heritage Register. The *At home with heritage: a considered approach to renovating your house* guide provides a practical and accessible starting point for owners wanting to renovate a heritage building. The guide includes 12 case studies demonstrating how good design and cultural heritage awareness can result in contemporary livable homes that support the heritage values of a place.

The development of some heritage resources for stakeholders was delayed due to the impact of COVID-19 and associated restrictions. However, project plans for key recommendations of the *State of Heritage Review: Local Heritage* have been completed and approved by Council. It is anticipated that new and innovative resources to support stakeholders in their understanding of heritage and heritage practice will be developed in 2021–22.

Performance Targets
<b>Target</b>
Completion of at least one project that supports exemplary heritage practice.
<b>Result</b>
<i>This performance target was achieved. Projects completed in 2020–21 including the Objects Integral guidance and Heritage Homes.</i>
<b>Target</b>
Creation of new resources as part of the communication plan in response to the State of Heritage Review: Local Heritage recommendations.
<b>Result</b>
<i>This performance target was partially achieved. Work on this target was delayed, awaiting recruitment into the Heritage Officer position. Planning is now underway for the implementation of the recommendations.</i>

**Objective: Victoria has a world-class heritage system that protects and enhances heritage**

The Council identified the following Priority Activity for the 2020–21 year:

- Lead the development of policy on key emerging issues in heritage.

The Council identified the impact of climate change on heritage as a major emerging issue in the sector. The Council completed the first phase of its 'Cultural heritage and climate change' project and initiated planning for phase two. This project is a key first step in the development of a policy/guidance framework to support the protection and management of heritage in the face of climate change impacts.

Performance Targets
<b>Target</b>
Initiate a project examining the impact of climate change on heritage.
<b>Result</b>
<i>This performance target was achieved. The first phase of the 'Cultural heritage and climate change' project was completed. Phase two is in development.</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 2020–21 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 2020–21 the Council has engaged with:

- the Department of Environment, Land, Water and Planning
- the Victorian Aboriginal Heritage Council
- the NSW Heritage Council and Aboriginal Cultural Heritage Advisory Committee
- the QLD Department of Environment and Science
- Heritage Chairs and Officials Australia and New Zealand
- Planning Panels Victoria.

Performance Targets
<b>Target</b>
Collaborate with the NSW Heritage Council and the Victorian Aboriginal Heritage Council on shared priorities.
<b>Result</b>
<i>This performance target was achieved. Meetings of the Joint Working Group have recommenced and work has begun on the implementation of Dhawura Ngilan. The Council is currently collaborating with the NSW Heritage Council on our climate change project.</i>

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

The Council identified the following Priority Activity for the 2020–21 year:

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

COVID-19 restrictions and working from home requirements have impacted the delivery of training to members. One training session was held in 2020–21 and the Council is working on new ways to provide training to members via videoconference.

The implementation of the *State of Heritage Review: Local Heritage* recommendations and completion of the first phase of the 'Cultural heritage and climate change' project have increased the Council's knowledge and understanding of key issues within the heritage industry and improved its capacity to provide timely and relevant advice to the Minister.

Performance Targets	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result <sup>1</sup>
<b>Quantity</b>					
Undertake at least one project which will deliver advice to the Minister.	number	1	1	0%	✓
<i>This performance target was achieved. The completion of the first phase of the 'Cultural heritage and climate change' project will allow the Council to provide clear, evidence-based advice to the Minister on the impacts of climate change on the management of cultural heritage.</i>					
<b>Quantity</b>					
Two strategic training sessions delivered for the Council during 2020–21.	number	1	2	-50%	■
<i>This performance target was partially achieved. Strategic training sessions are normally delivered at the Council's meetings. Due to COVID-19 restrictions the meetings have been held over videoconference and training sessions postponed. Only one training session was delivered in 2020–21.</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 Activities for the 2020–21 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. Due to restrictions imposed by the COVID-19 pandemic, an online hearing protocol was approved to enable statutory decision-making processes to continue in 2020–21 via videoconference.

Continued COVID-19 restrictions and work from home requirements have resulted in the delayed release of some Council decisions. While these delays could not be avoided, the Council has continued to focus on maintaining high standards for decision making and hearing procedures.

The Council's Finance and Risk Management Committee regularly reviews the Council's expenditure and advises on the appropriate allocation of funds.

Performance Targets	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result <sup>1</sup>
<b>Quantity</b>					
HC registration decisions released within statutory timeframes.	number	75%	100%	-25%	■
Permit review decisions released within statutory timeframes	number	33%	100%	-77%	■
Conduct at least one strategic (hearings) training session in 2020–21	number	0	1	-100%	■

*This performance target was not achieved. Two out of three permit review decisions were released outside of the statutory timeframe (60 days) with an average release time of 54 days. Two of the eight 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 62 days – an improvement on the average of 75 days for 2019–20.*

*No formal strategic (hearings) session was held in 2020–21. Planned sessions had to be cancelled or delayed due to the impact of COVID-19 restrictions.*

#### **Target**

Ongoing review and update of policies and procedures by the Protocols Committee.

#### **Result**

*This performance target was achieved. The Protocols Committee continue to review and update the policies and procedures governing the Council's regulatory work.*

#### **Target**

Undertake a budgetary and operational analysis to assess the impact of the coronavirus (COVID-19) on the operations of the Council.

#### **Result**

*This performance target was achieved. The Finance and Risk Management Committee and Executive Officer continued to review the Council's budget and operations throughout the year to monitor and address any impacts of COVID-19 restrictions on Council.*

#### **Target**

Develop system improvements to allow for electronic submission and circulation of statutory material.

#### **Result**

*This performance target was partially achieved. Scoping work for the HC Hub (electronic submissions portal) was completed with the formal scope and funding approved at the Heritage Council May planning meeting.*

#### **Target**

Develop the Heritage Council Strategic Plan 2021–25.

#### **Result**

*This performance target was achieved. The Heritage Council Strategic Plan 2021–25 was approved and released in June 2021.*

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 Council achieved all the requirements in the prior period Statement of Expectations. A new Statement of Expectations is being developed with the Minister.

## **IN SUMMARY**

Like many other organisations, the work of the Council was heavily impacted by the COVID-19 pandemic. The significant restrictions in Melbourne for much of 2020–21 resulted in delays or changes in the delivery of work to meet the Council's performance targets, particularly in relation to training, events and the release of determinations. Despite these issues, the Council has again achieved a significant amount during the year. The Council finalised and published the results of a number of important strategic projects, including the new Strategic Plan 2021–25 to guide its work over the next five years. Hearings have run efficiently and effectively via videoconference, and while some decisions were delayed, the average release time for registration decisions has improved. The Council has put considerable time and resources into addressing identified gaps in communications to stakeholders and heritage owners. The Council is in a good position, operationally and financially, to continue to achieve its core objectives.



# State of Heritage

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The following overview is provided pursuant to Schedule 1, s12(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 s243 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 Museums 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. Activities associated with the current review of the World Heritage Management Plan and its component parts continued throughout 2020–21. A consultation summary report was published in September 2020, which set out key findings from the community consultation conducted in June and July 2020. Findings included that people appreciate the restoration works that have been undertaken to the Royal Exhibition Building and are eagerly awaiting public accessibility to the dome promenade; they also want to see increased useability of the forecourt between the Melbourne Museum and Royal Exhibition Building. Many people also identified that the Carlton Gardens enable them to feel connected to the Melbourne community when using the space for recreation, walking and relaxing, and many want more interpretation signage and tree identification signs.

With regards to the component documents, the review of the Heritage Management Plan (formerly Conservation Plan) was completed by Museums Victoria in mid-2021, and the review of the two Master Plans commenced. The review of the World Heritage Environs Area Strategy Plan concluded, and the document was scheduled for public exhibition in July 2021. The Traditional Owner and First Peoples Cultural Values report progressed, although this piece of work has been delayed due to difficulties in undertaking consultation during the coronavirus (COVID-19) pandemic.

## VICTORIAN HERITAGE REGISTER – ASSESSMENTS AND DETERMINATIONS

The Victorian Heritage Register (VHR) provides the state's highest level of legal protection for its cultural 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 2021, according to categories of registration.

VHR categories of registration	Number as of 30 June 2021
a registered place, <i>incl</i>	2324 <sup>1</sup>
<i>a registered archaeological place</i>	199
<i>a place included in the World Heritage List</i>	1
<i>those where there is an object integral to a registered place</i>	91
a registered object <sup>2</sup>	43
a registered shipwreck	658
a protected zone	10
<b>Total registered places, objects and shipwrecks</b>	<b>3035</b>

1 – A number of places qualify for multiple categories, e.g. a registered place may also be a registered archaeological place and may have objects integral. This number represents the total number of *individual* registered places currently listed in the Victorian Heritage Register.

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

### Assessments and Determinations in 2020–21

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 do not 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 higher than previous years. Due to the coronavirus (COVID-19) pandemic, a number of registration hearings that were scheduled for the latter part of 2019–20 were adjourned, pending the approval of an online hearing protocol, and were then held online in 2020–21.

Assessments & Determinations	2020–21	2019–20	2018–19	2017–18	2016–17
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#### Assessments<sup>1</sup>

Nominations accepted	40	57	56	57	62
Nominations rejected by the ED under s29 <sup>2</sup>	12	15	6	n/a	n/a
Number of VHR assessments completed, incl.	42	42	31	37	40
<i>ED recommendations for inclusion in VHR</i>	6	11	8	9	17
<i>ED recommendations to amend VHR</i>	23	25	14	13	13
<i>ED recommendations to remove from VHR</i>	0	1	0	0	1
<i>ED recommendations to not remove from VHR</i>	1	0	0	0	0
<i>ED recommendations to not include in VHR</i>	12	5	9	15	9

#### Interim Protection Orders (IPOs)

IPOs requested of the ED	13	16	23	11	11
IPOs issued by the ED	2	1	2	0	0
IPOs requested of the Heritage Council	4	8	8	4	2
IPOs issued by the Heritage Council	0	0	0	0	1

#### Heritage Council Nomination Reviews<sup>2</sup>

Nomination Review requested	3	1	2	0	n/a
Nomination Review withdrawn	1	0	0	0	n/a
Nomination accepted	1	0	0	0	n/a
Nomination refused	1	1	2	0	n/a
Nomination referred to the ED for reconsideration	0	0	0	0	n/a

Assessments & Determinations	2020–21	2019–20	2018–19	2017–18	2016–17
<b>Heritage Council Registration Hearings &amp; Meetings</b>					
Hearings	11	6	5	10	7
Meetings	1	4	1	1	3
Registration decisions called in by Minister	0	2	1	0	1
Hearing Decisions Pending	1	0	2	3	2
<b>Heritage Council Determinations</b>					
Additions to the VHR	8	7	7	15	11
Amendments to existing registrations	26	22	12	14	8
Removals from VHR	0	0	0	1	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 s29) and for the Heritage Council to hold Nomination Reviews (under s30) were introduced in the *Heritage Act 2017*. In 2020–21 one Nomination Review request was later withdrawn, hence the difference in numbers in this year.

### Heritage Certificates in 2020–21

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 2020–21:

- 7,680 (an average of 640 per month) certificates were issued.

### VICTORIAN HERITAGE REGISTER – PLACES INCLUDED IN 2020–21

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



#### Included August 2020 BIGGS PIPE ORGAN – H2404

*31–33 Bunbury Street, Cavendish, Southern Grampians Shire*

The Biggs Pipe Organ, made in 1858, is significant as one of the first pipe organs to be made in Victoria and its sound demonstrates the musical tastes of the time. It was constructed by organ builder Jesse Briggs, who trained in the UK. It is one of very few surviving organs made in Victoria in the 1850s and 1860s that are undamaged, not substantially altered and still in original condition. The characteristics of early pipe organs are evident in its case and internal equipment and in the sound of the organ.



#### Included August 2020 LOVERIDGE LOOKOUT AND VOLUNTEER AIR OBSERVERS CORPS (VAOC) OBJECTS – H2403

*Place: Harvey Street, Anglesea, Surf Coast Shire*

*Objects: Anglesea and District Historical Society, House 5a McMillan Street, Anglesea*

The Loveridge Lookout is significant as one of two remaining Volunteer Air Observers Corps (VAOC) posts in Victoria established to support the defence of Australia during World War II. It was continuously occupied by a group of VAOC civilian volunteers, most of whom were women, from June 1942 to its decommissioning in September 1945. Its operation is recorded in a complete set of logbooks, a roster, the original Morse Code Key instrument used to relay messages, and a VAOC badge worn by one of the volunteers.





**Included October 2020**  
**ITALIAN OSSARIO – H2405**

*21 Old Weir Road, Murchison, Greater Shepparton City*

The Italian Ossario is significant as one of two foreign war cemeteries established in Victoria after the end of World War II. Developed in stages from 1958 to 1974, it remains highly intact and demonstrates the relationship that developed between former enemy nations soon after the end of World War II. It is the only war cemetery in Australia dedicated to Italian civilian internees and Prisoners of War and is one of only four foreign war cemeteries in Australia. Since 1961 it has provided the Italian community with a place for commemoration services.



**Included December 2020**  
**WALMER STREET BRIDGE – H2401**

*Walmer Street, Kew City of Boroondara and Walmer Street, Richmond, City of Yarra*

The Walmer Street Bridge is significant as a surviving remnant of the Dight's Falls Scheme, which conveyed fresh water from the Yarra River near Dight's Falls to the Royal Botanic Gardens. The Dight's Falls Scheme was the Garden's primary source of fresh water from the 1890s to the 1930s and was key in ensuring the survival of the Gardens when other sources proved unreliable. The bridge is a substantial, highly visible remnant of the scheme.



**Included December 2020**  
**OLD LEAD DIGGINGS – H2402**

*Old Lead Road, Dunolly, Loddon & Central Goldfields Shires*

The Old Lead Diggings, Dunolly, is significant as an extensive and well-preserved historical and archaeological landscape characterised by a dense aggregation of thousands of mine shafts that resulted from the search for nuggetty gold; it also includes the ruins of a store and a house site. The scale and intactness of the place is highly evocative and reveals the magnitude of the nineteenth century Victorian Gold Rush and the mining techniques used by the diggers.



**Included December 2020**  
**HMAS CASTLEMAINE – H2407**

*Gem Pier, Williamstown, Hobsons Bay City*

HMAS Castlemaine is the only known intact World War II naval ship in Victoria, and one of only a handful of World War II warships which survives in Australia. It is also only one of two extant Bathurst-class Minesweepers in Australia and the only one in the world remaining in a nautical setting. It demonstrates the development of the Victorian ship building industry during World War II, and the service of those Victorians who served on her in Pacific theatres of war as part of the Royal Australian Navy. The ship closely resembles her 1945 configuration and displays the principal characteristics of a Bathurst-class Minesweeper.



**Included March 2021  
YARRA BEND PARK – H2398**

*Yarra Bend Road, Fairfield, City of Yarra*

Yarra Bend Park is significant for its associations with a number of government institutions from the mid-nineteenth to the late-twentieth centuries, including Victoria's first asylum, and for its long association with active and passive recreational use. It is also significant as a place of contact and interaction between Aboriginal and non-Aboriginal people in the formative years of Victoria's development, including its association with Billibellary, Ngurungaeta (leader) of the Wurundjeri Woiwurrung, and Assistant Protector William Thomas.



**Included April 2021  
DIESEL LOCOMOTIVE A60 – H2408**

*Seymour Railway Heritage Centre, Victoria Street, Seymour, Mitchell Shire*

Diesel Locomotive A60 is a diesel-electric railway locomotive measuring ca.18.70 metres long and weighing ca.113.2 tonnes. The locomotive, which entered service as B60 in 1952 and was named Harold W Clapp, underwent conversion to A60 in 1984 and is now known as Sir Harold Clapp. It is significant for its association with the modernisation and dieselisation of the Victorian Railways. In its B60 format, it was the first mainline diesel locomotive to operate in Victoria.

## Victorian Heritage Register – Amendments in 2020–21

Most 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 2020	H0095	Residence, Carlton	H0098	Deloraine Terrace, Parkville
	H0136	Glenfern, St Kilda East	H0910	Malvern Tram Depot
	H1539	Former Police Quarters, Eltham	H2332	Former Cable Tram Engine House & Tram Substation, Brunswick
October 2020	H0102	Elizabeth House, East Melbourne	H0112	Former Bank of New South Wales, Ballarat Central
	H0115	Alexandria Tea Rooms, Ballarat Central	H0135	Labassa, Caulfield North
	H1700	Stone Mileposts, Caramut	H1701	Stone Mileposts, Smythesdale
November 2020	H0267	Old Swan Inn, Fyansford		
December 2020	H0101	Osborne House, North Melbourne	H0116	Old Colonists Association, Ballarat Central
	H1698	Former Police Station Complex, Warrnambool		
February 2021	H0469	Former Reid's Coffee Palace, Ballarat Central	H1702	Cast Iron Mileposts, Pitfield
April 2021	H0391	Former Mining Exchange, Ballarat Central	H0489	Kawarau, Hawthorn
	H0529	Former Residence, 802 Sturt Street, Ballarat	H1544	Former Police Station, Ballarat
June 2021	H0110	Former ANZ Bank, Ballarat	H0113	George Hotel, Ballarat
	H0432	Provincial Hotel, Ballarat	H1197	Albion Viaduct (Rail Bridge), Keilor East and Sunshine 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 permits reduced in

2020–21 because of pandemic restrictions which weakened construction activity. Additionally, while many major transport projects were in delivery or project planning stages, relatively few required permits in 2020–21.

The value of works covered by permit exemptions in 2020–21 was substantially higher than previous years. This included exemptions for \$200 million of tunneling work associated with the Metro Tunnel project, and \$15 million of conservation works to Parliament House. Conservation works associated with the Living Heritage Program continue to be largely approved by permit exemption.

Permits	2020–21	2019–20	2018–19	2017–18	2016–17
<b>Permits Issued / Refused / Amended / Exemptions</b>					
<b>Total permit applications</b>	<b>900</b>	1104	1146	1148	1162
Permits refused or part refused	3	4	6	6	3
Permit amendments approved	42	36	14	19	36
Permit amendments refused	1	3	2	0	0
<b>Total permits issued by the ED, incl</b>	<b>160</b>	164	217	206	255
<i>Maritime permits under Victorian Act</i>	<i>11</i>	<i>2</i>	<i>6</i>	<i>8</i>	<i>10</i>
<i>Maritime permit extensions</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1</i>
<i>Maritime permits under Commonwealth Act</i>	<i>6</i>	<i>5</i>	<i>9</i>	<i>4</i>	<i>5</i>
<b>Total permit exemptions issued by the ED</b>	<b>784</b>	897	907	917	868
<b>Cost of Works covered by permits issued and permit exemptions</b>					
Cost of works covered by permits issued	\$262,000,000	\$459,000,000	\$526,101,602	\$887,397,786	\$1,700,178,121
Cost of works covered by permit exemptions	\$437,000,000	\$225,000,000	\$298,133,684	\$89,747,226	\$19,831,378
<b>Total value of works covered by heritage permits and exemptions</b>	<b>\$699,000,000</b>	\$684,000,000	\$824,235,286	\$977,145,012	\$1,720,009,499
<b>Heritage Council Permit Reviews</b>					
<b>2020–21</b>	<b>2020–21</b>	<b>2019–20</b>	<b>2018–19</b>	<b>2017–18</b>	<b>2016–17</b>
Reviews lodged	5	2	7	3	6
Reviews determined	3	3	4	3	3
Reviews called in by Minister for Planning	0	0	0	0	0
Reviews withdrawn	2	0	0	0	4
Reviews pending (as of 30 June 2021)	0	2	3	1	1

## 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 2020–21 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.

The significant growth in the 2020–21 Consent numbers is due to an increasing awareness of Heritage Act requirements in relation to archaeology, and a high level of development activity across the state, especially in regional centres (Geelong, Bendigo and Ballarat), which has seen more archaeology take place as a result. The large number of Consent to Damage approvals relates, in part, to infrastructure projects (particularly rail projects) where the level of site significance warrants recording or monitoring only, rather than excavation programs (under Consent to Excavate).



Archaeological Consents (s129)	2020–21	2019–20	2018–19	2017–18	2016–17
Consents to Damage (over half of site)	15	26	27	44	28
Consents to Damage (under half of site)	16	28	46	26	53
Consents to Excavate	53	29	36	26	35
Consents to Uncover <sup>1</sup>	40	16	11	n/a	n/a
Consents for Other works <sup>1</sup>	21	17	18	n/a	n/a
<b>TOTAL</b>	<b>145</b>	<b>116</b>	<b>138</b>	<b>96</b>	<b>116</b>
Site removals (s119)	2020–21	2019–20	2018–19	2017–18	2016–17
Sites removed from the Heritage Inventory (s119)	13	9	37	n/a	n/a

<sup>1</sup> – 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. The program is managed by Heritage Victoria.

In 2020–21, Round 5 of the Community Heritage Grants stream of the Living Heritage Program supported 15 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 \$2.146 million.

Place	VHR No	Managed by	Grant	Description of Works
La Mama Theatre	H1991	La Mama Inc.	\$200,000	For conservation works to support the restoration of La Mama Theatre.
Whitburgh Cottage	H0774	Mitchell Shire Council	\$200,000	For conservation works, including structural stabilisation of the building.
Former Convent of the Good Shepherd	H0951	Abbotsford Convent Foundation	\$196,000	For the structural stabilisation of the Abbotsford Convent Gatehouse ensemble.
Former Railway Engine Shed	H1060	Loco Shed Echuca Inc.	\$190,000	For conservation works, including structural stabilisation of the building and drainage works.
Warracknabeal Town Hall	H2223	Yarriambiack Shire Council	\$200,000	For structural repairs to the footings of the building.
Springthorpe Memorial	H0522	Boroondara General Cemetery Trust	\$200,000	For conservation works to the statuary and roof.
St Michaels Catholic Church	H2357	Wandong History Group Inc.	\$200,000	For conservation and stabilisation of the former church.
Christ Church Complex, Warrnambool	H0387	Christ Church Warrnambool (Anglican Parish)	\$120,000 (matched)	For conservations works to the interior of the church.
Eildon	H0746	Association of the Alliance Française of Victoria	\$200,000	For conservation works including roof repairs.
Former Queen Victoria Hospital Tower and Perimeter Fence	H0956	Queen Victoria Women's Centre Trust	\$100,000	For stormwater drain repairs.
Chiltern Athenaeum and Museum	H1326	Indigo Shire Council	\$120,000	For conservation works, including roof repairs and drainage works.
No. 21 Dredger	H2130	Gippsland International Inc	\$60,000	For sandblasting to remove structural corrosion and repainting of protective coating.
Castlemaine Art Gallery and Historic Museum	H0572	Castlemaine Art Gallery and Historical Museum Foundation	\$85,000	For conservation works to the parapet.
Former Ararat Gaol	H1067	Friends of J Ward	\$55,000	For conservation works to the Ship B mural.
Amazon shipwreck	S23	Amazon 1863 Project Inc.	\$20,000	For the conservation of the salvaged Amazon deadwood.

# 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

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Revenue	1,868	1,874	2,270	1,756	1,319
Expenses	1,561	1,710	1,456	1,665	1,230
Net Result	307	164	814	90	90
Total Assets	4,341	3,954	3,243	2,791	2,734
Total Liabilities	954	874	383	272	305

## CURRENT YEAR FINANCIAL REVIEW

There has been no significant change to the Heritage Council's financial position.

The Council's revenue remained consistent with the previous financial year despite an anticipated drop as a result of the restrictions enforced due to the coronavirus (COVID-19) pandemic.

The Council's operating expenditure decreased over the same period, largely attributable to reduced expenditure on expenses and venue hire and lower than anticipated member fees.

The Council's operating surplus at the end of the financial year was \$307,530 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

It is possible that the coronavirus will affect the operations of the Council in future years. Most of the Heritage Fund revenue is subject to prevailing economic conditions, in particular the property and construction industry. With the heavy impact of long-term restrictions because of COVID-19 it is anticipated that Heritage Fund revenue may be affected. Considering this risk, the Council has adopted an approach of periodic budget reviews.

Financial estimates in the Heritage Council Corporate Plan 2021–22 (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. For 2020–21, one alternate member position was vacant.

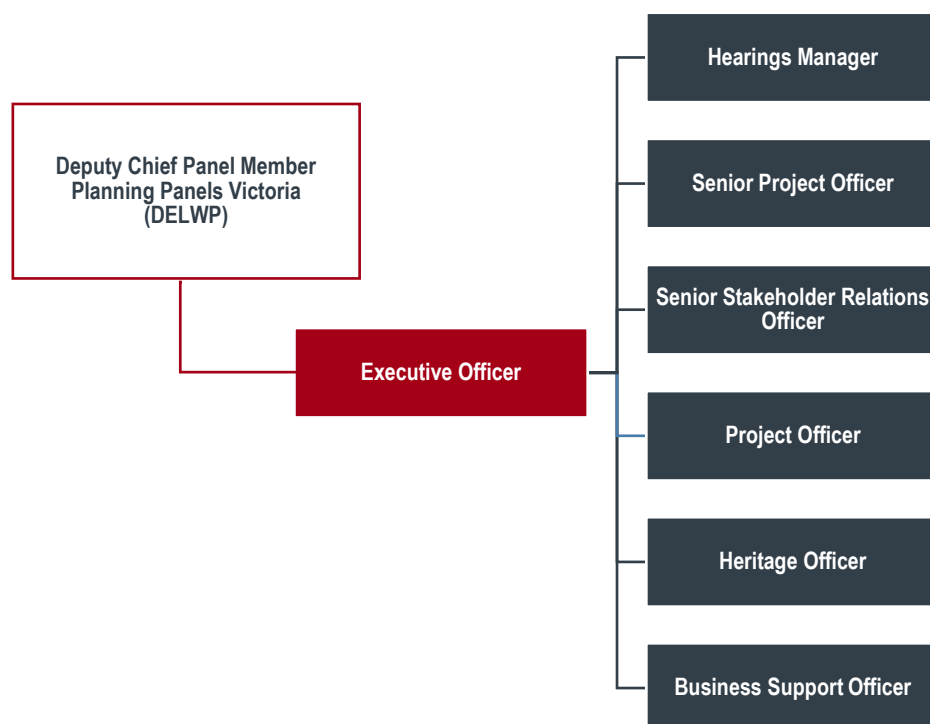
The following chart outlines all of the Council's members and membership categories (including periods of appointment) for 2020–21.



## 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 2020–21 the Council received an exemption for Direction 3.2.1 and 3.2.2 of the Standing Directions of the Assistant Treasurer and has instead implemented the DELWP Portfolio Financial Management Compliance Framework.

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

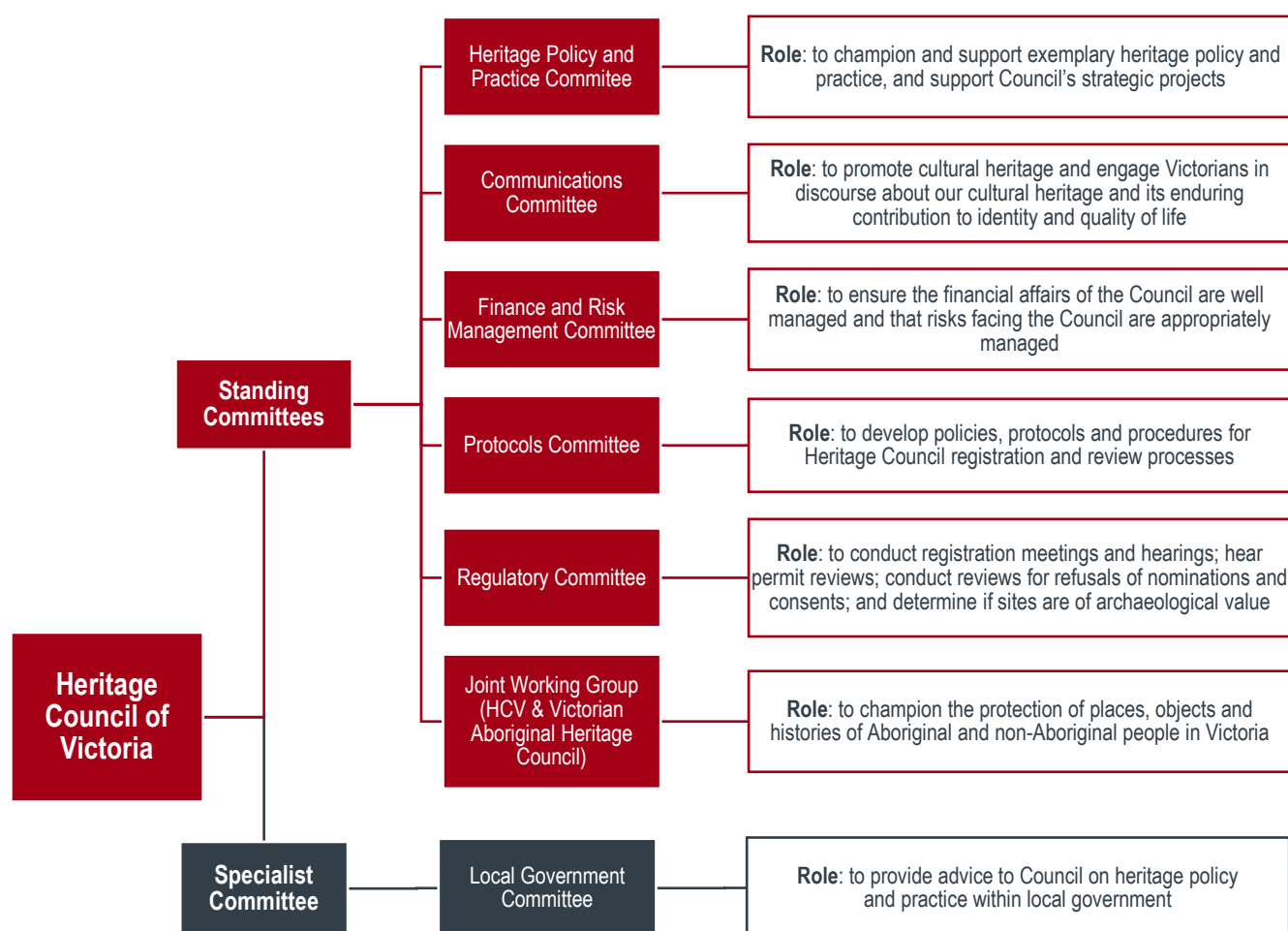
### HERITAGE COUNCIL COMMITTEES

Under s13 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. Most 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 2020–21 there was one Specialist Committee constituted under the Act.

The following chart outlines the committees that were operating in 2020–21 and their different roles:



## HERITAGE COUNCIL COMMITTEES AND MEMBERSHIP

Following is a breakdown of membership of the Heritage Council committees in 2020–21.

### Standing Committees

Heritage Policy and Practice Committee		Communications Committee	
Chair	Heritage Council Members	Chair	Heritage Council Members
Louise Honman	Margaret Baird Megan Goulding David Hogg* Natica Schmeder Maggi Solly*	Christine Phillips*	Joanne Guard* Karen Murphy* Jeffrey Robinson Maggi Solly*
Finance and Risk Management Committee		Protocols Committee	
Chair	Heritage Council Members	Chair	Heritage Council Members
Justin Naylor	Adrian Finanzio* Anna Foley* Louise Honman Karen Murphy* Jeffrey Robinson Maggi Solly*	Patrick Doyle	Margaret Baird Rueben Berg Mark Burgess* Joanne Guard* Andrew May Jenny Moles
Regulatory Committee		HCV / VAHC Joint Working Group	
Chair & Deputy	Heritage Council Members	HCV co-Chair	HCV Members
Jenny Moles (Chair) Andrew May (Deputy)	All members	Andrew May	Megan Goulding, Jamie Lowe*
		VAHC co-Chair	VAHC Member
		Rodney Carter	Doris Paton

\*Alternate attending on behalf of full member

## Specialist Committee

Local Government Committee (LGSC)			
Heritage Council chair	Heritage Council members	Heritage Victoria representative	External members
Natica Schmeder	Joanne Guard*, Justin Naylor, Maggi Solly*	Sonia Rappell	David Helms, Colleen Lazenby, Dannielle Orr, Richa Swarup, Samantha Westbrooke, Kelly Wynne

\*Alternate attending on behalf of full member

### Heritage Council representation

- **Victorian Heritage Restoration Fund** – Louise Honman
- **History Council** – Andrew May
- **Living Heritage Program Assessment Panel** – Natica Schmeder

## MEETINGS REPORT 2020–21

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	HCV / VAHC Joint Working Group	Registration Hearings *	IPOs*	Nomination Reviews*	Permit Reviews*	Heritage Act Committee	Local Government Committee	Project Steering Committee**
<b>Members</b>														
Jenny Moles	8	–				4		1	2			4		5
Andrew May	8	–				5	5	5	1		1	4		5
Margaret Baird	8	–			2	3		4			2			4
Rueben Berg	7	–				5		2			1	3		7
Patrick Doyle	8	–				5		2				4		
Megan Goulding	7	–			5		4	2	2					
Louise Honman	7	–		8	5			2	1	1	1			8
Justin Naylor	8	–		8				2	1		1		4	
Jeffrey Robinson	8	–	6	7	1			1	2					18
Natica Schmeder	8	–			6			4	1				4	10
<b>Alternates</b>														
Mark Burgess	–	8				4								1
Adrian Finanzio	–	2		1				1	1		1			
Anna Foley	–	6		6					1					11
Joanne Guard	–	2	7							1			4	11
David Hogg	–	7			4			2						
Jamie Lowe	–	1					3			1				
Karen Murphy	–	5	5	6				3			1			
Christine Phillips	–	3	6											11
Maggi Solly	–	8	5	8	5								4	4

\*Some hearings/reviews took place over multiple days.

\*\*Some Members sat on multiple project steering committees.



# Workforce data

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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 processes.

There was one incident reported during the year and this has been included in DELWP's OH&S report.

## **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 s42 of the *Financial Management Act 1994* and as disclosed in the Council's Financial Statements.

# Other disclosures

## LOCAL JOBS FIRST

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

## GOVERNMENT ADVERTISING EXPENDITURE

In the 2020–21 reporting period the Council did not have any expenditure on government campaigns.

## CONSULTANCY EXPENDITURE

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

In 2020–21, 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 2020–21, 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 2020–21 reporting period, the Council had a total ICT expenditure of \$52,503 (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)
\$18,600	\$33,903	\$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 2020–21 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 s49A 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**

FoI requests can be lodged online at <https://ovic.vic.gov.au>. An application fee of \$30.10 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 FoI 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](mailto:heritage.council@delwp.vic.gov.au)

### **FoI Statistics**

There were six FoI applications from the public received by the Heritage Council of Victoria during the 2020–21 reporting period. All the decisions were made within the 30-day time statutory time period. One request was the subject of a complaint to OVIC, and none were appealed to VCAT (Victorian Civil and Administrative Tribunal).

### **Further information**

Further information regarding the operation and scope of FoI can be obtained from the Act; regulations made under the Act; and [foi.vic.gov.au](http://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 Council is a public body for the purposes of the Act.

### **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.

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](http://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 2021–22 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 2019–20	November 2020	See: <a href="http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/">http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/</a>
Corporate Plan 2021–22	September 2021	or email <a href="mailto:heritage.council@delwp.vic.gov.au">heritage.council@delwp.vic.gov.au</a>

(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 2020 – see the fee schedule <https://www.heritage.vic.gov.au/about-us/fees-and-penalties>

(d) There was no major research or development activity (more than \$100,000) carried out by the entity during the 2020–21 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](mailto: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).

# Portfolio financial management compliance attestation statement

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I Prof. Philip Goad, on behalf of the Responsible Body, certify that the Heritage Council of Victoria has been granted an exemption from the Standing Directions 2018 under the *Financial Management Act 1994* and Instructions. This exemption has been granted by the Assistant Treasurer on the basis that the Council complies with the Department of Environment, Land, Water and Planning's Portfolio Financial Management Compliance Framework.



**Prof. Philip Goad**  
**Chair, Heritage Council of Victoria**  
**4 November 2021**



# Financial report

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## 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 2021 and financial position of the entity at 30 June 2021.

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 4 November 2021.



Prof. Phillip Goad  
Chair  
Heritage Council of Victoria  
  
Melbourne  
4 November 2021



Rhonda McLaren  
Accountable Officer  
Heritage Council of Victoria  
  
Melbourne  
4 November 2021



Karen Ling  
Chief Financial Officer  
Heritage Council of Victoria  
  
Melbourne  
4 November 2021

## Independent Auditor's Report

### To the Heritage Council of Victoria

<b>Opinion</b>	<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"> <li>• balance sheet as at 30 June 2021</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• accountable officer's declaration and statutory certification.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 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>
<b>Basis for Opinion</b>	<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 <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other Information</b>	<p>The Council Members of the authority are responsible for the "other information" included in the authority's Annual Report for the year ended 30 June 2021. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Council Members's responsibilities for the financial report</b>	<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 determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Council Members are responsible for assessing the 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's 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  
4 November 2021



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 2020 to 30 June 2021. 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 2021

	Notes	2021 \$	2020 \$
<b>Revenue and income from transactions</b>			
Government grants	2.1	-	250,000
Rendering of services	2.2	1,859,966	1,596,788
Interest income	2.3	8,373	27,032
<b>Total revenue and income from transactions</b>		<b>1,868,339</b>	<b>1,873,820</b>
<b>Expenses from transactions</b>			
Member fees and other costs	3.1	(268,466)	(302,010)
Supplies and services	3.2	(1,127,343)	(1,108,429)
Grants and other transfers to local government, individuals and businesses	3.3	(165,000)	(300,000)
<b>Total expenses from transactions</b>		<b>(1,560,809)</b>	<b>(1,710,439)</b>
<b>Net results from transactions (net operating balance)</b>		<b>307,530</b>	<b>163,381</b>
<b>Comprehensive result</b>		<b>307,530</b>	<b>163,381</b>

*The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

## BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	5.1	4,271,183	3,887,309
Receivables	4.1	70,168	66,247
<b>Total assets</b>		<b>4,341,351</b>	<b>3,953,556</b>
<b>Liabilities</b>			
Payables	4.2	117,077	87,790
Security deposits	4.3	290,000	332,715
Contract liabilities	4.4	547,263	453,570
<b>Total liabilities</b>		<b>954,340</b>	<b>874,075</b>
<b>Net assets</b>		<b>3,387,011</b>	<b>3,079,481</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		1,856,997	1,549,467
Contributed capital		1,530,014	1,530,014
<b>Net worth</b>		<b>3,387,011</b>	<b>3,079,481</b>

*The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*



## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Accumulated surplus/(deficit) \$	Contribution by owners \$	Total \$
<b>Balance at 1 July 2019</b>	<b>1,386,086</b>	<b>1,530,014</b>	<b>2,916,100</b>
Comprehensive result	163,381	-	163,381
<b>Balance as at 30 June 2020</b>	<b>1,549,467</b>	<b>1,530,014</b>	<b>3,079,481</b>
Comprehensive result	307,530	-	307,530
<b>Balance as at 30 June 2021</b>	<b>1,856,997</b>	<b>1,530,014</b>	<b>3,387,011</b>

*The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipt from government		-	250,000
Receipts from other entities		1,984,593	1,704,785
Interest received		8,373	27,032
GST recovered from ATO		13,620	5,828
<b>Total receipts</b>		<b>2,006,586</b>	<b>1,987,645</b>
<b>Payments</b>			
Payments to suppliers and members		(1,414,997)	(1,423,303)
Payments of grants and other transfers		(165,000)	(300,000)
<b>Total payments</b>		<b>(1,579,997)</b>	<b>(1,723,303)</b>
<b>Net cash flows from operating activities</b>	5.1(b)	<b>426,589</b>	<b>264,342</b>
<b>Cash flows used in investing activities</b>			
<b>Net cash flows from/(used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows used in financing activities</b>			
(Repayments)/proceeds of security deposits		(42,715)	50,000
<b>Net cash flows used in financing activities</b>		<b>(42,712)</b>	<b>50,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>383,874</b>	<b>314,342</b>
Cash and cash equivalents at the beginning of the financial year		3,887,309	3,572,967
<b>Cash and cash equivalents at the end of the financial year</b>	5.1(a)	<b>4,271,183</b>	<b>3,887,309</b>

*The accompanying notes form part of these financial statements. This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.*

## 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).

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

## **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. However, the pandemic has not affected the Revenue from contracts with customers in the 2020–21 Financial Year.

## 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).

**Significant Judgements:** 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.

### Structure

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

### 2.1 Government grants

	2021	2020
	\$	\$
<b>Government grants</b>		
Grants from DELWP	-	250,000
<b>Total government grants – recognised as income of not-for-profit entities</b>	<b>-</b>	<b>250,000</b>

### 2.2 Rendering of services

	2021	2020
	\$	\$
<b>Rendering of services</b>		
Planning fees, permit fees and permit review fees	1,859,966	1,596,788
<b>Total rendering of services</b>	<b>1,859,966</b>	<b>1,596,788</b>

The rendering of services included in the table above are transactions that HCV has determined to be classified as revenue from contracts with customers in accordance with AASB 15. 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).

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.

## 2.3 Interest income

	2021	2020
	\$	\$
<b>Interest income</b>		
Interest from cash, deposits and investments	8,373	27,032
<b>Total interest income</b>	<b>8,373</b>	<b>27,032</b>

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



### 3. THE COST OF DELIVERING SERVICES

#### Introduction

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

#### Structure

- 3.1 Expenses incurred in delivery services
  - 3.1.1 Superannuation
  - 3.1.2 Supplies and services
- 3.2 Grants expenses

#### 3.1 Expenses incurred in delivery of services

	2021 \$	2020 \$
<b>Member fees and other costs</b>		
Sitting fees	(236,745)	(259,808)
Travel and subsistence expenses	(2,901)	(8,049)
Superannuation	(21,841)	(19,749)
Other on-costs	(6,979)	(14,404)
<b>Total member fees and other costs</b>	<b>(268,466)</b>	<b>(302,010)</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	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Defined contribution plans:</b>				
Victorian Superannuation Fund – Vic Super Scheme	(5,867)	(7,873)	(3,150)	(33)
Various other	(7,878)	(13,229)	(4,947)	(329)
<b>Total</b>	<b>(13,745)</b>	<b>(21,102)</b>	<b>(8,097)</b>	<b>(362)</b>

Members of the HCV are entitled to receive superannuation benefits and the Council contributes to defined contribution plans. HCV does not contribute to defined benefit plans.

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.

### 3.1.2 Supplies and services

	2021	2020
	\$	\$
<b>Supplies and services</b>		
Community awareness and publicity	(56,789)	(48,015)
Contract and professional services	(987,203)	(947,145)
General expenses	(24,043)	(44,401)
IT expenses	(47,276)	(12,930)
Motor vehicle expenses	-	(3,464)
Office and accommodation	(6,243)	(36,719)
Postage and telephone	(5,472)	(2,531)
Other expenses	( 22)	-
Travel and subsistence	( 295)	(13,224)
<b>Total supplies and services</b>	<b>(1,127,343)</b>	<b>(1,108,429)</b>

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

Types of expenses include 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 Grants expenses

	2021	2020
	\$	\$
<b>Grants</b>		
Other grants and transfers	(165,000)	(300,000)
<b>Total</b>	<b>(165,000)</b>	<b>(300,000)</b>

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
  - 4.4 Contract Liabilities

### 4.1 Receivables

	2021 \$	2020 \$
<b>Current receivables</b>		
<b>Contractual</b>		
Accrued revenue	38,906	29,693
<b>Total contractual receivables</b>	<b>38,906</b>	<b>29,693</b>
<b>Statutory</b>		
GST input tax credit recoverable	-	2,646
Amounts owing from Victorian Government	-	2,646
<b>Total statutory receivables</b>	<b>-</b>	<b>5,292</b>
<b>Total current receivables</b>	<b>38,906</b>	<b>34,985</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Loans receivable	31,262	31,262
<b>Total non-current receivables</b>	<b>31,262</b>	<b>31,262</b>
<b>Total receivables</b>	<b>70,168</b>	<b>66,247</b>

**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.

**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.

Refer to note 6.2 for impairment policy.

## 4.2 Payables

	2021 \$	2020 \$
<b>Current payables</b>		
<b>Contractual</b>		
Accrued expenses	60,492	87,428
Trade creditors <sup>(i)</sup>	12	-
Superannuation payable	8,097	362
<b>Total contractual payables</b>	<b>68,601</b>	<b>87,790</b>
<b>Statutory</b>		
Payroll tax payable	-	-
GST input tax payable	10,974	-
Amounts owing to the Victorian Government	37,502	-
<b>Total statutory payables</b>	<b>48,476</b>	<b>-</b>
<b>Total current payables</b>	<b>117,077</b>	<b>87,790</b>
<b>Total payables</b>	<b>117,077</b>	<b>87,790</b>

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

Contractual payables are classified as financial instruments and measured at amortised cost. This includes trade creditors and other accrued expenses. Trade creditors represent 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 \$
<b>2021</b>							
<b>Payables<sup>(i)</sup></b>							
Accrued expenses	60,492	60,492	60,492	-	-	-	-
Trade creditors	12	12	12	-	-	-	-
Superannuation payable	8,097	8,097	8,097	-	-	-	-
<b>Total</b>	<b>68,601</b>	<b>68,601</b>	<b>68,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2020</b>							
<b>Payables<sup>(i)</sup></b>							
Accrued expenses	87,428	87,428	87,428	-	-	-	-
Trade creditors	-	-	-	-	-	-	-
Superannuation payable	362	362	362	-	-	-	-
<b>Total</b>	<b>87,790</b>	<b>87,790</b>	<b>87,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### 4.3 Security deposits

	2021 \$	2020 \$
<b>Current security deposits</b>		
Short term security deposits	100,000	182,715
<b>Total current security deposits</b>	<b>100,000</b>	<b>182,715</b>
<b>Non-current security deposits</b>		
Long term security deposits	190,000	150,000
<b>Total non-current security deposits</b>	<b>190,000</b>	<b>150,000</b>
<b>Total security deposits</b>	<b>290,000</b>	<b>332,715</b>

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:

- Short-term (the amount held will be returned within the next 12 months) and 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 \$
<b>2021</b>							
Security deposits	290,000	290,000	-	-	100,000	190,000	-
<b>Total</b>	<b>290,000</b>	<b>290,000</b>	-	-	<b>100,000</b>	<b>190,000</b>	-
<b>2020</b>							
Security deposits	332,715	332,715	-	42,715	140,000	150,000	-
<b>Total</b>	<b>332,715</b>	<b>332,715</b>	-	<b>42,715</b>	<b>140,000</b>	<b>150,000</b>	-

### 4.4 Contract liabilities

	2021 \$	2020 \$
<b>Contract Liabilities</b>		
<b>Opening balance 1 July 2020</b>	<b>453,570</b>	-
Initial recognition on 1 July 2020 for AASB 15	-	327,173
Add: Payments received for performance obligations yet to be completed during the period	538,454	447,177
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(444,761)	(320,780)
<b>Total contract liabilities</b>	<b>547,263</b>	<b>453,570</b>
Represented by		
Current contract liabilities	547,263	453,570
<b>Non-current contract liabilities</b>	-	-

#### Contract liabilities relating to rendering of services

Contract liabilities represent 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 flow information and balances
- 5.2 Commitments for expenditure
  - 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.

	2021 \$	2020 \$
<b>(a) Reconciliation of cash and cash equivalents</b>		
At call deposits	2,561,871	2,553,497
Cash equivalent	1,709,312	1,333,812
<b>Total cash and deposits disclosed in the balance sheet</b>	<b>4,271,183</b>	<b>3,887,309</b>
<b>Balance per cash flow statement</b>	<b>4,271,183</b>	<b>3,887,309</b>
<b>(b) Reconciliation of net result for the period</b>		
Comprehensive result	307,530	163,381
<b>Non-cash movement</b>		
Initial application of AASB 15	-	(327,173)
<b>Movements in assets and liabilities</b>		
(Increase)/Decrease in receivables	(3,921)	(12,572)
Increase/(Decrease) in payables	29,287	(12,864)
Movement in contract liabilities	93,693	453,570
<b>Net cash flows from operating activities</b>	<b>426,589</b>	<b>264,342</b>

### 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 2021 provide for the issue of \$182,905 (2020: \$182,905) 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.

	2021 \$	2020 \$
<b>Grant commitments</b>		
Not later than one year	182,905	182,905
Later than one year but no later than five years	-	-
<b>Total</b>	<b>182,905</b>	<b>182,905</b>



### **5.2.2 Commitments for operating expenditure**

At reporting date, the HCV has no operating commitments (2020: \$nil).

### **5.2.3 Commitments for capital expenditure**

At reporting date, the HCV has no capital commitments (2020: \$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
- 6.3 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

##### **Financial assets at amortised cost**

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

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

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

The HCV recognises the following assets in this category:

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

#### Categories of financial liabilities

##### **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
- security deposits.

##### **Offsetting financial instruments:**

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the HCV has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the HCV does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

#### **Derecognition of financial assets:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the HCV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the HCV has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the HCV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the HCVs continuing involvement in the asset.

#### **Derecognition of financial liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized as an 'other economic flow' in the comprehensive operating statement.

#### **Reclassification of financial instruments:**

Subsequent to initial recognition the reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the HCV's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, the HCV is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government entities are required to apply the PMF under the Standing Directions 2018 under the FMA.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in nett result.

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

	Cash and deposits \$	Contractual Financial assets at amortised cost \$	Contractual Financial liabilities at amortised cost \$	Total \$
<b>2021</b>				
<b>Contractual financial assets</b>				
<b>Cash and deposits</b>	4,271,183	-	-	<b>4,271,183</b>
<b>Receivables <sup>(i)</sup></b>				
Accrued revenue	-	38,906	-	<b>38,906</b>
Loans receivables	-	31,262	-	<b>31,262</b>
<b>Total contractual financial assets</b>	<b>4,271,183</b>	<b>70,168</b>	-	<b>4,341,351</b>
<b>Contractual financial liabilities</b>				
<b>Payables <sup>(ii)</sup></b>				
Accrued expenses	-	-	60,492	<b>60,492</b>
Trade creditors	-	-	12	<b>12</b>
Superannuation payable	-	-	8,097	<b>8,097</b>
Security deposits	-	-	290,000	<b>290,000</b>
<b>Total contractual financial liabilities</b>	-	-	<b>358,601</b>	<b>358,601</b>
<b>2020</b>				
<b>Contractual financial assets</b>				
<b>Cash and deposits</b>	3,887,309	-	-	<b>3,887,309</b>
<b>Receivables <sup>(i)</sup></b>				
Accrued revenue	-	29,693	-	<b>29,693</b>
Loans receivables	-	31,262	-	<b>31,262</b>
<b>Total contractual financial assets</b>	<b>3,887,309</b>	<b>60,955</b>	-	<b>3,948,264</b>
<b>Contractual financial liabilities</b>				
<b>Payables <sup>(ii)</sup></b>				
Accrued expenses	-	-	87,428	<b>87,428</b>
Trade creditors	-	-	-	<b>-</b>
Superannuation payable	-	-	362	<b>362</b>
Security deposits	-	-	332,715	<b>332,715</b>
<b>Total contractual financial liabilities</b>	-	-	<b>420,505</b>	<b>420,505</b>

(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 prudently 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 2021, HCV did not have trade receivables past due. Accordingly, HCV determined 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 \$
2021					
Contractual financial assets					
Cash and deposits	0.33%	4,271,183	-	2,561,871	1,709,315
Receivables <sup>(i)</sup>					
Accrued revenue		38,906	-	-	38,906
Loans receivables		31,262	-	-	31,262
Total		4,341,351	-	2,561,871	1,779,483
Contractual financial liabilities					
Payables: <sup>(ii)</sup>					
Accrued expenses		60,492	-	-	60,492
Trade creditors		12	-	-	12
Superannuation payable		8,097	-	-	8,097
Security deposits		290,000	-	-	290,000
Total		358,601	-	-	358,601
2020					
Contractual financial assets					
Cash and deposits	1.06%	3,887,309	-	2,553,497	1,333,812
Receivables <sup>(i)</sup>					
Accrued revenue		29,693	-	-	29,693
Loans receivables		31,262	-	-	31,262
Total		3,948,264	-	2,533,497	1,394,767
Contractual financial liabilities					
Payables: <sup>(ii)</sup>					
Accrued expenses		87,428	-	-	87,428
Trade creditors		-	-	-	-
Superannuation payable		362	-	-	362
Security deposits		332,715	-	-	332,715
Total		420,505	-	-	420,505

(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).

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

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



		Interest rate risk	
	Carrying amount	-1.0% -100 basis points	+1.0% 100 basis points
2021			
Contractual financial assets			
Cash and deposits – floating interest	2,561,871	(25,619)	25,619
Total	2,561,871	(25,619)	25,619
2020			
Contractual financial assets			
Cash and deposits – floating interest	2,553,497	(25,335)	25,335
Total	2,553,497	(25,335)	25,335

### 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 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 \$33,759,454 (2020: \$32,678,654) are held by the HCV as financial security for the following:

- pursuant to a condition of a permit \$33,759,454 (2020: \$32,678,654)

Heritage permits granted under s102 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 (2020: \$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 Ex gratia expenses
- 7.2 Responsible persons
- 7.3 Related parties
- 7.4 Remuneration of auditors
- 7.5 Subsequent event
- 7.6 AASB issued that are not yet effective

### 7.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex gratia expenses (2020: \$nil).

### 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 2020 to 30 June 2021
Chair	Jenny Moles	1 July 2020 to 30 June 2021
Accountable Officer	Rhonda McLaren	1 July 2020 to 30 June 2021
Member	Andrew May	1 July 2020 to 30 June 2021
Member	Megan Goulding	1 July 2020 to 30 June 2021
Member	Louise Honman	1 July 2020 to 30 June 2021
Member	Jeffrey Robinson	1 July 2020 to 30 June 2021
Member	Patrick Doyle	1 July 2020 to 30 June 2021
Member	Justin Naylor	1 July 2020 to 30 June 2021
Member	Margaret Baird	1 July 2020 to 30 June 2021
Member	Natica Schmeder	1 July 2020 to 30 June 2021
Member	Rueben Berg	1 July 2020 to 30 June 2021
Alternate Member	Maggi Solly	1 July 2020 to 30 June 2021
Alternate Member	Karen Murphy	1 July 2020 to 30 June 2021
Alternate Member	Christine Phillips	1 July 2020 to 30 June 2021
Alternate Member	David Hogg	1 July 2020 to 30 June 2021
Alternate Member	Adrian Finanzio SC	1 July 2020 to 30 June 2021
Alternate Member	Mark Burgess	1 July 2020 to 30 June 2021
Alternate Member	Anna Foley	1 July 2020 to 30 June 2021
Alternate Member	Jamie Lowe	1 July 2020 to 30 June 2021
Alternate Member	Jo Guard	1 July 2020 to 30 June 2021

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 2020 to 30 June 2021 was Rhonda McLaren.

Members of HCV are appointed by the Governor in Council on the recommendation of the Minister for Planning in accordance with s10 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 s10 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.

	2021 No.	2020 No.
<b>Income band (\$)</b>		
0 – 9,999	5	5
10,000 – 19,999	9	9
20,000 – 29,999	5	6
<b>Total number</b>	<b>19</b>	<b>20</b>
<b>Total remuneration</b>	<b>258,057</b>	<b>284,412</b>

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

There have been no acting arrangements during the financial year.

### 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 7.1.

#### 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):

	2021	2020
	\$	\$
<b>Compensation of key management personnel</b>		
Short term benefits	235,516	259,808
Post-employment benefits	22,541	24,604
<b>Total (i)</b>	<b>258,057</b>	<b>284,412</b>

(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 provided funding to Heritage Victoria, DELWP of \$165,000 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 \$828,587 of the secretariat is recouped from HCV.

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

## 7.4 Remuneration of auditors

	2021	2020
	\$	\$
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	(30,000)	(17,400)
<b>Total</b>	<b>(30,000)</b>	<b>(17,400)</b>

## 7.5 Subsequent event

#### 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.

## 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 2020–21 reporting period. These accounting standards have not been applied to these Financial Statements. HCV is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- **AASB 17 Insurance Contracts**

The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contracts that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.

AASB 2020-5 *Amendments to Australian Accounting Standards – Insurance Contracts* was issued in July 2020 with the intention to reduce the costs application and easing transition by deferring its effective date to annual periods beginning on or after 1 January 2023 instead of 1 January 2021.

This standard currently does not apply to the not-for-profit public sector entities.

The HCV's assessment indicates that there will be no impact of this standard as HCV does not issue insurance contracts.

- **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 Balance Sheet as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.

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

- **AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021**

This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g. account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

This standard is applicable to annual reporting periods beginning on 1 April 2021.

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

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2020-21 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- **AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.**
- **AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).**
- **AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.**
- **AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures.**
- **AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2.**
- **AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.**
- **AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities.**
- **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.**

# 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
<b>Ministerial Directions and Financial Reporting Directions</b>		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
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
<b>Management and structure</b>		
FRD 22H	Organisational structure	Page 23
FRD 22H	Governing Board	Page 23
FRD 22H	Board Committees	Page 24
<b>Financial and other information</b>		
FRD 10A	Disclosure index	Page 62
FRD 12B	Disclosure of major contracts	Page 28
FRD 15E	Executive Officer disclosures	Page 27
FRD 22H	Performance against objectives and measures	Page 10
FRD 22H	Employment and conduct principles	Page 27
FRD 22H	Occupational health and safety policy	Page 27
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 28
FRD 22H	Disclosure of Information & communication technology expenditure	Page 28
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Page 28
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 29
FRD 22H	Statement on Competitive Neutrality Policy	Page 29
FRD 22H	Application and operation of the <i>Public Interest Disclosure Act 2012</i>	Page 29
FRD 22H	Details of consultancies over \$10,000	Page 28
FRD 22H	Details of consultancies under \$10,000	Page 28
FRD 22H	Statement of availability of other information	Page 30
FRD 22H	Workforce Data disclosures	Page 27
FRD 24D	Reporting of office-based environmental impacts	Page 30
FRD 25D	Local Jobs First disclosures	Page 28
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	Page 32
SD 5.2.3	Declaration in report of operations	Page 4

Legislation	Requirement	Page reference
<b>Financial</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	Page 33
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 41
SD 5.2.1(a)	Compliance with Standing Directions	Pages 24, 33, 58
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 58
FRD 110A	Cash Flow Statements	Page 40
FRD 112D	Defined Benefit Superannuation Obligations	Page 45
Note:		
(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.		
<b>Legislation</b>		
<i>Heritage Act 2017</i>		Page 30
<i>Freedom of Information Act 1982</i>		Page 28
<i>Building Act 1993</i>		Page 29
<i>Public Interest Disclosure Act 2012</i>		Page 29
<i>Local Jobs First Act 2003</i>		Page 28
<i>Financial Management Act 1994</i>		Page 32



# Appendices

## Appendix 2: Heritage Council Corporate Plan 2021–22

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In accordance with Schedule 1, s10(2) of the *Heritage Act 2017*, the Heritage Council's Corporate Plan is included as an appendix in this Annual Report.

2021–22  
**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

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**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 2021–22 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.

The past year was one of significant community upheaval caused by the coronavirus (COVID-19) pandemic. Impacts were felt in all aspects of the Council's work. The Council had to quickly develop new practices to deal with the changed environment. While the coronavirus threat remains, it is now largely in abeyance in the state and we are looking forward to 2021–22 and further embedding positive changes from the past year.

The Council's work in 2021–22 will be guided by our new Strategic Plan 2021–25. The Strategic Plan highlights the Council's priorities for the next five years and consolidates our focus on a robust and efficient regulatory process, work to strengthen and communicate the Victorian Heritage Register, and the examination of new and emerging issues in heritage. We present our new Corporate Plan outlining the anticipated scope of work for 2021–22 and the first steps we will take towards achieving our overarching strategic goals.



**Jenny Moles**  
**Acting Chair, Heritage Council of Victoria**

# 1.0 Heritage Council of Victoria

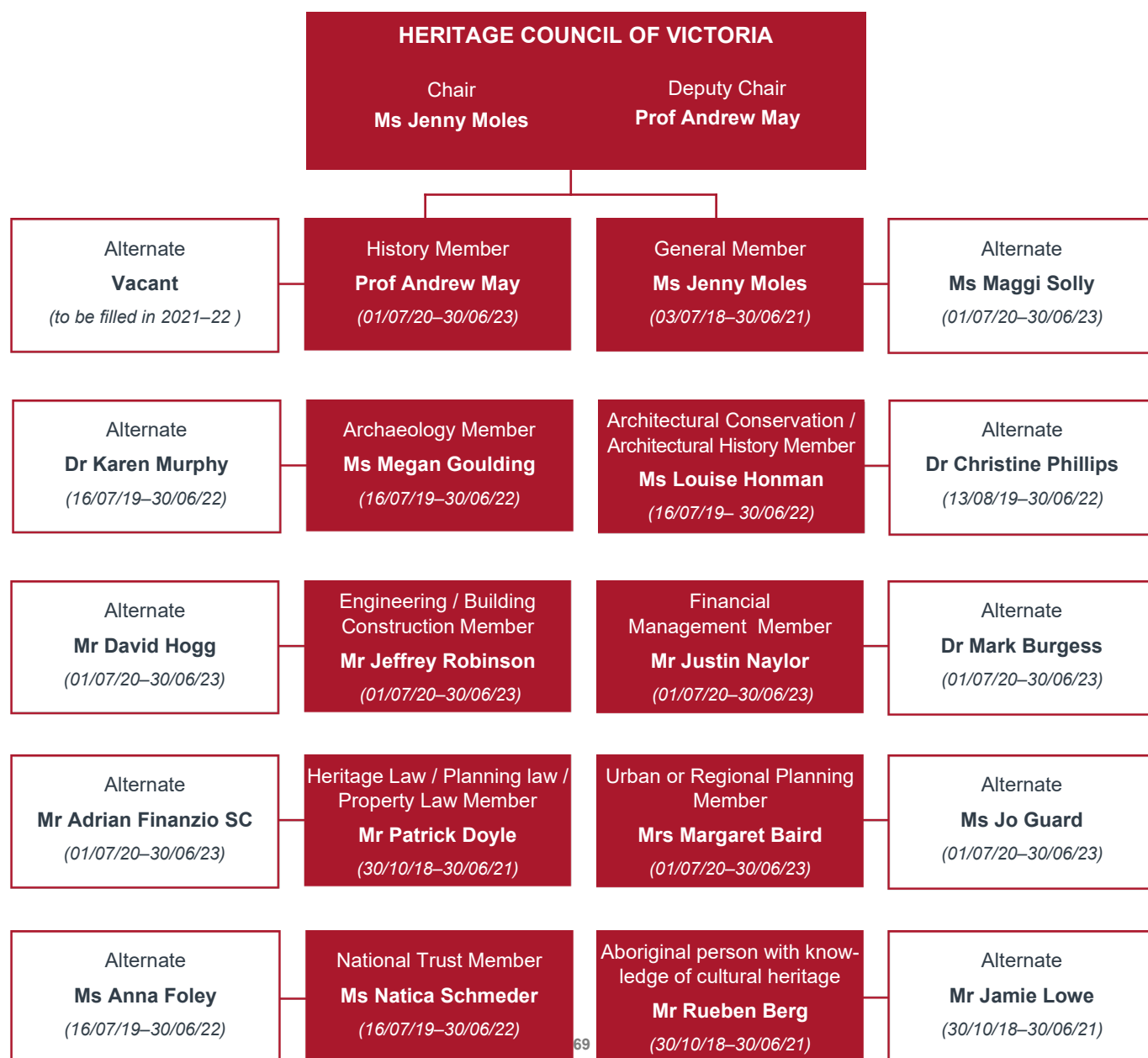
The Council is an independent statutory authority established under the *Heritage Act 2017* (the Act) as the Victorian Government's primary decision-making body on the identification of places and objects of cultural heritage significance to the State of Victoria.

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.

Note: the statutory scope of the *Heritage Act 2017* covers places and objects of cultural heritage significance to the State of Victoria, but does not apply to a place or object that is of cultural heritage significance solely on the ground of its association with Aboriginal tradition. In this Corporate Plan, the terms 'cultural heritage' and 'heritage' are used generically and interchangeably to refer to the 'heritage' to which the *Heritage Act 2017* applies, recognising that heritage places and objects may have multiple attributes and values.

## 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 2021–22 and members in those positions at 30 June 2020.



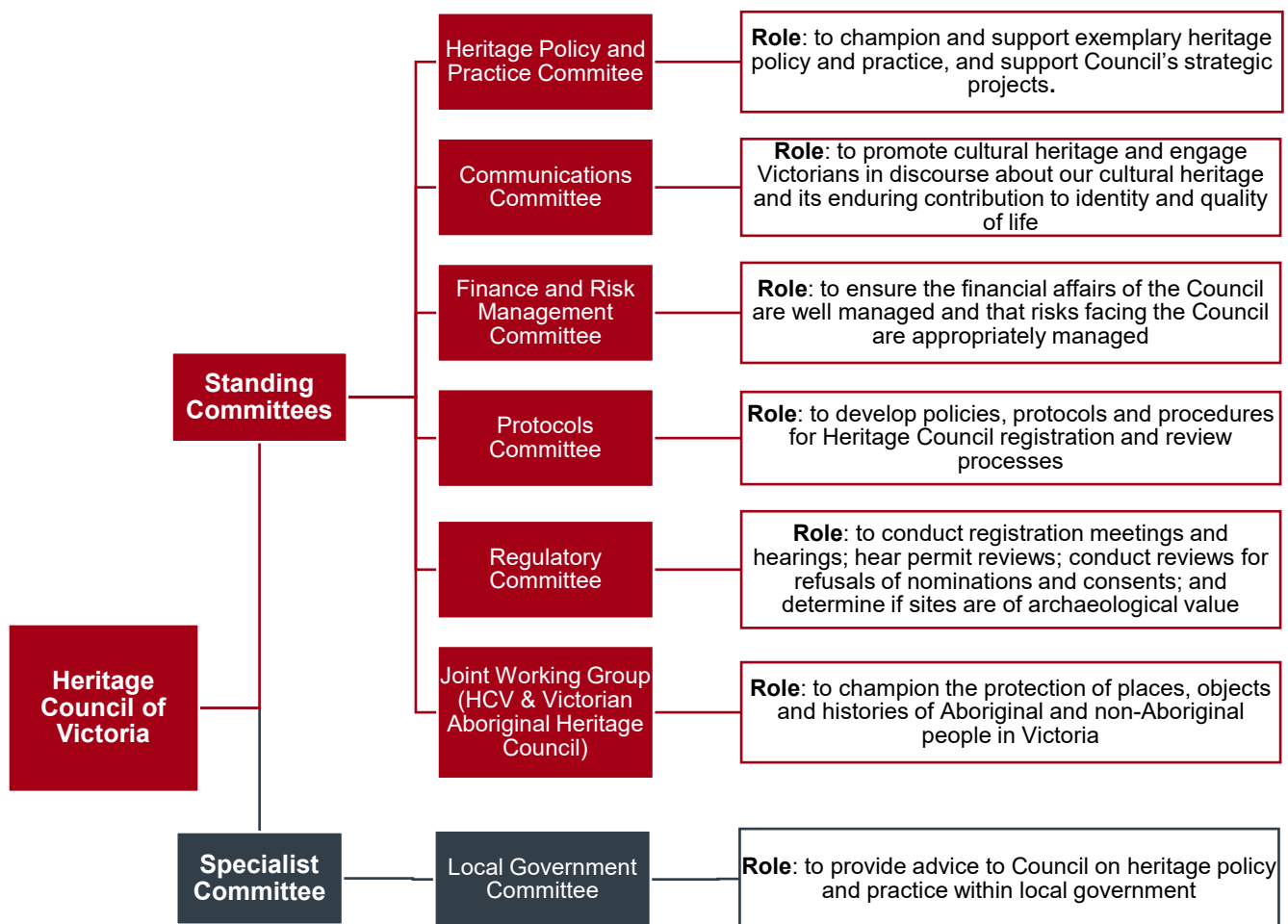
## 1.2 COUNCIL COMMITTEES

Under Part 2, Division 1, s13 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.

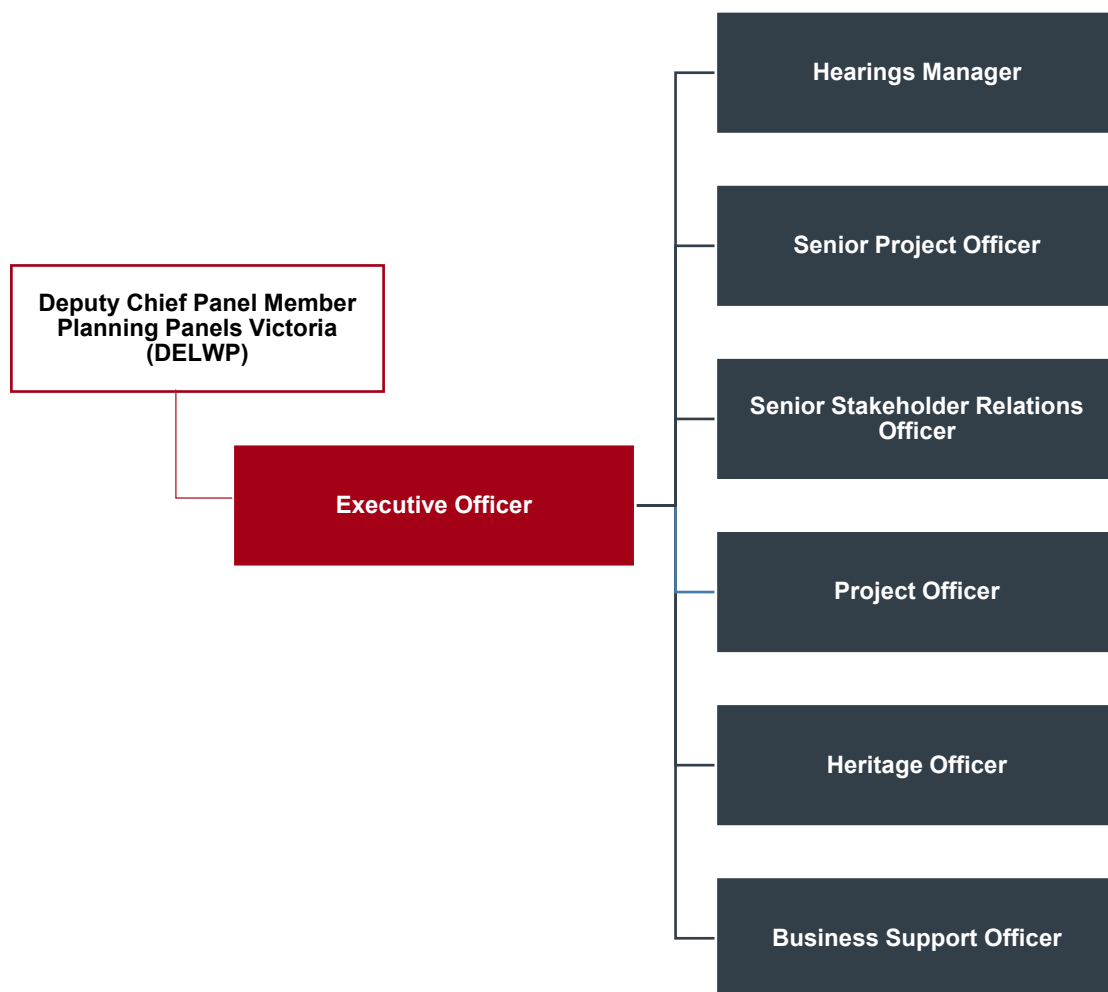
The following chart outlines the committees that will be operating in 2021–22 and their different roles:





### 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 2021–25, to guide its work. The Council's Strategic Plan 2021–25 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 2021–22.

### 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. We aspire to have:

- Victorian communities, landowners and custodians understanding and valuing our heritage and its contribution to enriching culture
- a Victorian heritage system that protects, sustains and enhances our heritage
- coherent and integrated heritage processes across all levels of government
- transmission of heritage values to current and future generations through effective stewardship and inspirational story telling.

### 2.3 VALUES

#### **Respect for heritage**

We value Victoria's heritage places and objects as an assets to be enjoyed as expressions of the traditions, identities and achievements of our diverse communities and cultures.

#### **Collaboration**

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

#### **Innovation**

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

#### **Skilled practice**

We value the skills and resources that enable high-quality heritage management across the state.

# 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*.

As in 2020–21, the main challenge in the current operating environment is the ongoing impact of the coronavirus (COVID-19) pandemic. The effects of the crisis and the efforts to contain it continue to create an unpredictable operating context and while there is some sign of a return to normal, with staff returning to the office and the resumption of face-to-face meetings, there will be permanent change as a result. The Council must continue to meet its responsibilities while being flexible and positioned to take advantage of opportunities that arise from this rapid change.

The quick transition to virtual work and hearings has increased attention to technology and new ways of working. The use of videoconference for hearings and events creates both challenges and opportunities in the operational environment. The Council is in a good financial position allowing it to continue work to strengthen decision making and maintain a strategic focus.

## 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 correspond to certain strategic goals listed in the Council's Strategic Plan 2021–25. The Council's 2021–25 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 2021–25 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, s11) 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 2021–24

## 4.1 ESTIMATES OF 2021–24 REVENUE, EXPENDITURE AND OVERALL FINANCIAL POSITION FOR THE HERITAGE FUND, MANAGED BY THE COUNCIL PURSUANT TO s11(1)(o) AND PART 11 OF THE ACT

	Budget 2020–21 \$'000	2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
<b>Revenue</b>				
DELWP Contribution	-	-	-	-
Fees Revenue	1,260	1,625	1,664	1,703
CBS Interest	20	10	10	11
<b>Total</b>	<b>1,280</b>	<b>1,635</b>	<b>1,674</b>	<b>1,714</b>
<b>Expenditure</b>				
Admin and Remuneration	1,337	1,582	1,533	1,580
Communications	100	100	100	100
Strategic Projects	222	218	100	100
Partnership Projects	15	15	15	15
Grant to Heritage Victoria	150	300	150	150
Legacy Grants and Studies	167	167	-	-
Projects	49	-	-	-
<b>Total</b>	<b>2,040</b>	<b>2,382</b>	<b>1,898</b>	<b>1,945</b>
<b>Overall Position</b>	<b>(760)</b>	<b>(747)</b>	<b>(224)</b>	<b>(231)</b>

HCV	Budget 2020–21 \$'000	Forecast		
		2021–22 \$'000	2022–23 \$'000	2023–24 \$'000
Revenue	1,280	1,635	1,674	1,714
Expenditure	2,040	2,382	1,898	1,945
Overall Position	(760)	(747)	(224)	(231)

Heritage Council of Victoria has access to funds of \$2.56 million in investments.

### Notes on 2021–22 projected budget deficit

- The projected \$747,000 budget deficit in 2021–22 is due to an increase in grants and funding for strategic and operational projects. This spending includes an investment in IT and staffing.
- The Heritage Fund holds investments of \$2.56 million and approximately \$1.22 million cash on hand which can be drawn down as required.

### Notes on the Council's Financial Projections 2021–24

- It is difficult to calculate anticipated revenue over the next three years due to the unknown impact of the coronavirus on the economy. The Council assumed a 25% drop in revenue into the Heritage Fund in 2020–21 but this decrease did not eventuate, and revenue remained consistent with previous years.
- The Council has projected revenue to remain steady over the next three years, but due to the unpredictability of forecasting in the current environment the Council will be reviewing its budgets and forecasts regularly throughout the 2021–22 financial year.
- Previously, the Council has adopted a 'balanced-budget' approach to the Heritage Fund. Over the next three years the Council is forecasting increased expenditure on strategic projects, drawing down on reserves, with an eventual return to a 'balanced-budget' approach.
- The Council has not forecast the need to request additional funding from DELWP over the next three years. However, forecasting is imprecise and this line has been retained in case the council's financial position changes.

# 05 Objectives, priority activities and performance targets

For 2021–22

The Council's objectives listed below include those which correspond to certain strategic goals listed in the Council's Strategic Plan 2021–2025.

Strategy 1	WIDER UNDERSTANDING OF CULTURAL HERITAGE		
<b>Goals</b>	<p>a. More Victorians understand the role that cultural heritage plays in the life of our communities, heritage processes, and the roles and responsibilities of organisations involved in heritage management.</p> <p>b. The stories and narratives of our important cultural heritage places and objects are well told and widely shared.</p> <p>c. The Council is recognised as leading public discourse about the conservation, management and celebration of Victoria's cultural heritage.</p>		
	Goal(s)	SOHR	Target Outcomes (ie: 'Measures of Success')
Update the Heritage Council communications plan	1(b)		Communications Plan updated to reflect revised focus and adopted by HCV
Support local government through creation of relevant information packs and delivery of information sessions	1(a)	PI 2 PI 3	'Heritage 101' information pack created for councils and the public 'Heritage 101' induction pack created for new councillors
Work with the Minister, Heritage Victoria, National Trust, local government, community heritage organisations and other stakeholders to clarify and communicate roles, responsibilities and processes for heritage	1(a)		Chair to meet with Minister bi-annually At least one annual formal engagement session (meeting / workshop) with Heritage Victoria, National Trust, and local government
Engage with Development Victoria, the Property Council (Victoria), UDIA, and other property organisations to create opportunities for improved communication, and better recognition of the contribution of cultural heritage to the Victorian economy and development projects	1(c)		Engagement approach with Development Victoria, the Property Council (Victoria), UDIA, and other property organisations agreed

Strategy 2	EFFECTIVE AND REPRESENTATIVE VICTORIAN HERITAGE REGISTER		
<b>Goals</b>	<p>a. Victoria's Heritage Register recognises and protects our State significant cultural heritage.</p> <p>b. The Victorian Heritage Register reflects the diverse range of State significant cultural heritage valued by communities throughout Victoria.</p> <p>c. The Victorian Heritage Register is accessible and easy to use as a source of useful information about Victoria's State significant heritage.</p>		
	Goal(s)	SOHR	Target Outcomes (ie: 'Measures of Success')
Update the 'Victorian Heritage Register Criteria and Threshold Guidelines' to reflect current legislation and contemporary best practice	2(a)		Work commenced on the review of the 'Victorian Heritage Register Criteria and Threshold Guidelines'
Work with Heritage Victoria to improve the functionality of the Victorian Heritage Database so that users understand its purpose and have easy access to current information about places on the Victorian Heritage Register	2(c)	PI 6	Liaison with Heritage Victoria about the functionality of the Victorian Heritage Database through Hermes/VHD working group

Strategy 3	INNOVATIVE AND SUSTAINABLE HERITAGE PRACTICE		
Goals	<div><div>a.</div>Cultural heritage conservation contributes to sustainable practices and addresses challenges arising from climate change.</div> <div><div>b.</div>Victoria has a more highly skilled heritage workforce – professional and trade – to support custodians and policy makers.</div> <div><div>c.</div>The Council identifies, instigates, undertakes or supports projects which develop or demonstrate exemplary heritage practice and/or showcase Victoria’s cultural heritage.</div>		
	Goal(s)	SOHR	Target Outcomes (ie: ‘Measures of Success’)
Instigate a project to highlight and promote the intergenerational value of heritage in the context of the UN Sustainable Development Goals	3(a)		HCV working group established to consider UN SDGs and intergenerational value of heritage
Implement a ‘Cultural Heritage and Climate Change Project’ focused on the effects of climate change on impact Victoria’s cultural heritage places and objects and the development of principles, tools and resources to enable their protection and conservation	3(c)		HCV principles on climate change and cultural heritage prepared and adopted Climate change case studies and framework developed and project results publicly communicated
Pro-actively support a national strategic approach to the growing shortage of specialist heritage trade skills, in the context of post-pandemic economic recovery, through the Heritage Chairs and Officials of Australia and New Zealand (HCOANZ)	3(b)		Propose a review of the findings from heritage trades and training projects report by HCOANZ

Strategy 4	SHARED RESPONSIBILITY FOR HERITAGE CONSERVATION		
Goals	<ul style="list-style-type: none"><li>a. The Council leads a shared approach to recognising, protecting and conserving Victoria’s cultural heritage.</li><li>b. The shared history of Aboriginal and non-Aboriginal Victorians is recognised and understood.</li><li>c. Local government is supported in managing local heritage.</li><li>d. Victorian state government agencies demonstrate high-quality conservation and management of public heritage assets.</li></ul>		
	Goal(s)	SOHR	Target Outcomes (ie: ‘Measures of Success’)
Collaborate with the Victorian Aboriginal Heritage Council through a joint working group to facilitate a common approach which appropriately recognises places of shared histories and promotes a broader understanding of Australia’s history	4(a)		Joint working Group with the Victorian Aboriginal Heritage Council meeting regularly
Contribute to delivering <i>Dhawura Ngilan</i> Vision and Standards in collaboration with the Victorian Aboriginal Heritage Council and Heritage Chairs and Officials of Australia and New Zealand (HCOANZ)	4(b)		Joint working Group with the Victorian Aboriginal Heritage Council agrees approach to implementation of the <i>Dhawura Ngilan</i> Vision and Standards  Promote/support the <i>Dhawura Ngilan</i> implementation initiatives to HCOANZ
Facilitate best practice local heritage management, guidance and knowledge sharing through forums, workshops, the updated Heritage Council Communications Plan, and the work of the Local Government Specialist Committee	4(c)	PI 5	Local Government Heritage Forum structure and content, including focus, structure, timing and costs, is approved by HCV



Strategy 5		IMPROVED COUNCIL OPERATIONS	
<b>Goals</b>		<p>a. The Council will have adequate resources and will manage its workload to address strategic programs while managing statutory functions effectively.</p> <p>b. Capacity for community participation and transparency of Council processes will be increased.</p> <p>c. The Council will continue to provide robust and effective advice to the Minister.</p>	
	<b>Goal(s)</b>	<b>SOHR</b>	<b>Target Outcomes (ie: 'Measures of Success')</b>
Examine ways to improve efficiency and to increase available resources, including advocacy for additional staff, greater support for Members and specific project funding	5(a)		Review of staff allocation, member costs and strategic funding and implementation of recommendations
Implement a systematic annual program for training and capacity-building for Council Members	5(c)		HCV identifies training and capacity needs and opportunities on an annual basis and implements a program to address these
Develop a user-friendly, publicly accessible, online system for management of documentation associated with hearings and other statutory processes.	5(b)		Online system for management of documentation associated with hearings and other statutory processes launched and in operation

# 05 Appendix A

## The Heritage Council's core functions

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The Council has the following statutory functions, as set out in Part 2, Division 1, s11, of the *Heritage Act 2017*.

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

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