



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

- Heritage Council of Victoria

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## **Contents**

#### **REPORT OF OPERATIONS**

Accountable Officer's declaration	4
Chair's report	5
About the Heritage Council	7
Manner of establishment and relevant Minister	7
Mission, Vision and Values	7
Nature and range of services	7
Functions, powers and duties	8
Key initiatives and operational performance	9
Key initiatives and achievements	9
Objectives and performance for 2021–22	10
Statement of Expectations	13
In summary	13
State of Heritage	14
Financial assistance	14
World Heritage Management	14
Victorian Heritage Register – Assessments and Determinations	15
Victorian Heritage Register – Places included in 2021–22	16
Victorian Heritage Register – Permits	20
Victorian Heritage Inventory – Consents and site removals	20
Living Heritage Grants Program	21
Financial summary	23
Governance and organisational structure	24
Workforce data	28
Other disclosures	29
Portfolio financial management compliance attestation	33
FINANCIAL STATEMENTS	
Financial report	34
Appendices	61
Appendix 1: Disclosure Index	61
Appendix 2: Heritage Council Corporate Plan 2022–23	63

## **Accountable Officer's declaration**

In accordance with the *Financial Management Act 1994*, I am pleased to present the Heritage Council of Victoria's Annual Report for the year ending 30 June 2022.

Damien Welch Accountable Officer

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Executive Officer - Heritage Council Secretariat

1 December 2022

## Chair's report

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. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of Aboriginal culture and traditional practices.

The Heritage Council of Victoria's strategic, regulatory and communications activities continued apace during 2021–22, despite some continuing impacts of the coronavirus (COVID-19) pandemic across Victoria. Following the launch of the Council's Strategic Plan 2021–25, the Council sought to consolidate its strategic vision of leading in the recognition and conservation of the state's diverse cultural heritage and having Victorians connect with and value its contribution to enriching our culture.

Although towards the end of 2021 life began to return to some normality, public events remained partly restricted for the first half of this reporting period as a result of COVID-19 public health measures. The Council progressed its promotional and educational work in the community through the use of social media and online technology, continuing to prove itself an early adopter of technological solutions for public events, promotions and product launches. The Council's Instagram page continued its rapid growth, attracting followers who enjoyed its focus on the fascinating places in the Victorian Heritage Register. The easing of restrictions by 2022 allowed the Council to embark on a large-scale photography project to capture a diverse selection of regional cultural heritage, particularly from the Goldfields. Much of this has already featured in publications and social media. The Council's quarterly heritage newsletter increased our contact with owners and custodians of state-listed places and objects and engaged with new audiences. The Council's fruitful partnership with Sacred Spaces continued with an episode featuring Deputy Chair Professor Andrew May on the topic of 'Public Toilets around Melbourne', viewed online over 2000 times.

In last year's report, I made comments, in the context of COVID-19 public health measures, on our increasing engagement with the built cultural heritage in our local neighbourhoods and the fundamental role heritage places play in creating great neighbourhoods. The Council's strategic focus continues to be on the engagement of the broader community by encouraging this increased interest in our shared cultural heritage. The Council's annual Heritage Address is an important part of this engagement: this year it was held as an online event, and has since been viewed over 1000 times. Heritage Council Archaeology member Meg Goulding and Jeremy Smith, Heritage Victoria's Principal Archaeologist, presented discoveries from recent archaeological investigations in central Melbourne. The recommencement of in-person events in 2022–23, will be an exciting and welcome return, though the Council has learned the advantages that arise from promoting the protection of cultural heritage online.

A critical part of the Council's role is the conduct of regulatory processes, including holding public hearings in relation to registration recommendations and permit reviews. As a result of the coronavirus (COVID-19) pandemic, the Council continued to conduct the majority of public hearings online by videoconference, supporting all hearing parties in using online technologies. Our ongoing efforts to consolidate improvements in the accessibility and efficiency of public hearings continued, with the Council's development of its new online interface for all public submissions, 'HCV Hub', which was being readied for launch toward the end of this reporting period. Important registration determinations were published during the period in relation to the Swan Hill Pioneer Settlement and the Fairfield Park Amphitheatre Complex, among others.

As ever, I was especially pleased to see the Council's project work continue in critical strategic areas, such as the continuation of the Council's project in collaboration with Heritage Victoria in relation to the effects of climate change on significant heritage sites in Victoria, the second stage of which was commenced. The Council finalised and published a new technical guide, *Mortars, materials, mixes and methods. A guide to repointing mortar joints in older buildings*, that was celebrated by an online presentation by David Young, OAM, the author. Two projects to deliver practical improvement recommendations from the State of Heritage Review: Local Heritage 2020 report also commenced (for completion in 2023) including the development of 'Heritage 101' resources, as did a review of the Victorian Heritage Register Criteria and Threshold Guidelines, a fundamental document for the Council's regulatory functions.

The Council remains in a strong financial, operational and strategic position, and is excited about continuing its work to progress its core objectives over the coming year.

#### **CHANGING COUNCIL MEMBERSHIP**

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

Helen Doyle, Alternate History member

• Simon Molesworth QC, Heritage law, planning law or property law member.

On behalf of the Council, I would also like to express special thanks to Megan Goulding, Louise Honman, Jamie Lowe, Christine Phillips and Natica Schmeder who completed their terms at the end of June 2022.

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

Prof Philip Goad 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 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 applies, recognising that heritage places and objects may have multiple attributes and values.

The responsible minister for the period from 1 July 2021 to 27 June 2022 was the Hon Richard Wynne MP, Minister for Planning. The responsible minister for the period from 27 June 2022 to 30 June 2022 was the Hon Lizzie Blandthorn MP, Minister for Planning.

#### **MISSION, VISION AND VALUES**

The Council used 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 guided and informed the Council's objectives, priorities, main undertakings and activities in FY2021–22.

#### Mission

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

#### 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 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.

#### **Values**

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

Value	
Respect for heritage	We value Victoria's heritage places and objects as 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.

#### **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 s.11, of the Heritage Act:

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

# **Key initiatives and operational performance**

The Council's Strategic Plan 2021–25 highlights its strategic directions and actions, and its Corporate Plan 2021–22 outlines the strategic priorities, actions and performance measures that were monitored and reported against during 2021–22. The Council's ability to achieve its objectives for 2021–22 was impacted by the coronavirus (COVID-19) pandemic and associated restrictions, particularly in relation to public events.

#### **KEY INITIATIVES AND ACHIEVEMENTS**

This section summarises the Council's key initiatives and achievements during 2021–22.

#### Promotion of cultural heritage

With in-person events not permitted in 2021, the Council continued to curate and deliver more digital content and online events for the public. The recommencement of some in-person events in 2022, enabled the Council to once again partner with cultural organisations to support events at heritage spaces throughout Melbourne. This two-pronged approach allowed for the Council to promote the protection of cultural heritage to a broad audience.

- As a long-term heritage partner, the Council continued its support of Open House Melbourne in July 2021
  despite the program moving entirely online. The Council's annual Heritage Address was held as an online
  event with Heritage Council Archaeology member Meg Goulding and Jeremy Smith, Heritage Victoria's
  Principal Archaeologist, who presented new discoveries from some of Melbourne's recent archaeological
  investigations. The recording of the Heritage Address has been viewed online over 1000 times and is still
  available to watch.
- The Council partnered with Sacred Spaces to facilitate a new episode of the documentary series that celebrates Melbourne architecture and the built environment. This most recent episode featured Heritage Council Deputy Chair Professor Andrew May on the topic of 'Public Toilets around Melbourne'. This episode has been viewed online over 2000 times and is still available to watch.
- The Council sponsored the highest accolade in the heritage category for the Victorian Architecture awards, the
  John George Knight Award, and supported a national heritage architecture award with Houses magazine. In
  July 2021, the 'House in Heritage Category' Houses Award was awarded to both Welsh + Major for 'The Hat
  Factory' and Fox Johnson for 'SRG House'. In June 2022, the John George Knight Award was awarded to
  'Wesley Place 130 Lonsdale' by Lovell Chen with Cox Architecture.
- The Council published four editions of its quarterly heritage newsletter for members of the public and all lovers of heritage. 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 May 2022, with the publication of the 5th edition of the newsletter, 637 people had subscribed. Most readers are from Victoria, Australia, but there are also international readers in the United States of America, United Kingdom, Germany, France and Singapore.
- Council's Instagram account grew rapidly with over 2,600 followers by 30 June 2022. The account offers
  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. The Council's LinkedIn
  account continues to gain popularity with over 500 followers as of June 2022 an increase of 287% year on
  year.
- In mid-2022, with the easing of COVID-19 restrictions, the Council commissioned a large-scale photography project to capture a diverse selection of regional cultural heritage from the Goldfields. More than 20 places and objects included in the Victorian Heritage Register were photographed. The portfolio includes examples of immigrant heritage, structural and engineering heritage, monuments, cultural objects, places of worship, heritage precincts, heritage still in use for its original purpose, and heritage reused for a new purpose. The images will be used for future Council publications and for the promotion of the value of heritage protection.

#### Research and projects

A number of important projects were commenced or completed in FY2021–22.

- In October 2021, the Council released a new technical guide: Mortars, materials, mixes and methods, A guide to repointing mortar joints in older buildings (https://heritagecouncil.vic.gov.au/researchprojects/technicalguide mortars/). Due to COVID-19 restrictions, the launch of the technical guide was celebrated by an online presentation by David Young, OAM, the guide's author. A follow-up two-hour introductory seminar for heritage practitioners and builders in using the guide is planned for late 2022.
- The second stage of a partnership project with Heritage Victoria to understand the impacts of climate change on Victoria's state-significant cultural heritage places and objects commenced. A set of provisional principles that were developed in the first stage of the project to guide policy and decision making for 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 early 2023 on the completion of the project's second stage.
- Projects to deliver two of the practical improvement recommendations from the State of Heritage Review: Local Heritage 2020 also commenced. When completed in early 2023, these projects will provide a variety 'Heritage 101' resources for use by local government councillors, planning and heritage officers, and the public.
- In September 2021, the Council commenced a review of the Victorian Heritage Register Criteria and Threshold Guidelines. This fundamental document, whose role is outlined in ss.11(k) and 12 of the Heritage Act, is periodically reviewed by the Council to ensure its continued clarity and effectiveness. Targeted workshops were conducted with heritage practitioners and others in early 2022 to gather feedback, and the final report with suggested improvements was presented to Council in June 2022. An updated version of the guidelines will be released in late 2022.
- Council received funding from the Victorian Government's Regulatory Reform Incentive Fund to develop an online platform for the quick and secure lodgement of all forms, submissions and other material for its hearings and reviews. Development started in January 2022 and the platform - called the 'HCV Hub' - is on track for its public launch in early September 2022.

#### **Governance and compliance**

- The Council's Finance and Risk Management Committee continued its work ensuring that appropriate policies and guidance in relation to finance and good governance are in place to support the Council's functions.
- In 2021–22, 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 2022-23 was developed in consultation with, and approved by, the Minister for Planning. The 2022-23 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 2021-22 the Council advised the Minister in relation to:
  - the impact of COVID-19 restrictions on the Council
  - prospective Heritage Act amendments
  - strategic project work in relation to climate, on local heritage management and on regulatory project work in relation to the online lodgement of hearing submissions.

#### **OBJECTIVES AND PERFORMANCE FOR 2021–22**

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 2021–22 Corporate Plan.

STRATEGY 1	WIDER UNDERSTANDING OF CULTURAL HERITAGE		
Objectives	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.	
	b.	The stories and narratives of our important cultural heritage places and objects are well told and widely shared.	
	c.	The Council is recognised as leading public discourse about the conservation, management and celebration of Victoria's cultural heritage.	

STRATEGY 1	WIDER UNDERSTANDING OF CULTURAL HERITAGE		
Priority Activity	Goal	Performance Target	
State of Heritage Review: Local Heritage Practical Improvement (PI) 2 and Practical improvement (PI) 3: support local	1(a)	PI 2 – 'Heritage 101' information pack created for councils and the public PI 3 – 'Heritage 101' induction pack created for new councillors	
government through the creation of relevant		Result	
information packs and delivery of information sessions.		Partially achieved. Work on both Heritage 101 packs is progressing well, but their final publication has been delayed until early 2023.	
Work with the Minister, Heritage Victoria, National Trust, local government, community heritage organisations and other	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	
stakeholders to clarify and communicate roles, responsibilities and processes for		Result	
heritage		Partially achieved. The Chair and Minister met biannually. But a formal engagement session was not held due to the impacts of key staff member absences.	
Update the Heritage Council	1(b)	Communications Plan updated to reflect revised focus and adopted.	
communications plan		Result	
		Due to the impacts of key staff member absences this was reprioritised for delivery in FY2022–23.	
Engage with Development Victoria, the Property Council (Victoria), UDIA, and other	1(c)	Engagement approach with Development Victoria, the Property Council (Victoria), UDIA, and other property organisations agreed	
property organisations to create opportunities for improved communication,		Result	
and better recognition of the contribution of cultural heritage to the Victorian economy and development projects		Due to the impacts of key staff member absences this was reprioritised for delivery in FY2022–23.	

STRATEGY 2	EFFE	EFFECTIVE AND REPRESENTATIVE VICTORIAN HERITAGE REGISTER			
Objectives		ictoria's Heritage Register recognises and protects our State significant cultural eritage.			
	<b>b.</b> The Victorian Heritage Register reflects the diverse range of State significant heritage valued by communities throughout Victoria.				
		<b>c.</b> The Victorian Heritage Register is accessible and easy to use as a source of useful information about Victoria's State significant heritage.			
Priority Activity	Goal	Performance Target			
Update the 'Victorian Heritage Register Criteria and Threshold Guidelines' to reflect	2(a)	Work commenced on the review of the Victorian Heritage Register Criteria and Threshold Guidelines			
current legislation and contemporary best practice.		Result			
		Achieved. The Council's review of the Guidelines was initiated, workshops and consultation completed and recommended changes were presented at the Council's June meeting.			
State of Heritage Review: Local Heritage Practical Improvement (PI) 6: work with		Liaison with Heritage Victoria about the functionality of the Victorian Heritage Database through Hermes/VHD working group			
Heritage Victoria to improve the functionality of the Victorian Heritage Database so that		Result			
users understand its purpose and have easy access to current information about places on the Victorian Heritage Register		Achieved. The Council continues to work with Heritage Victoria on the functionality of the Victorian Heritage Database via Hermes/VHD working group meetings.			

STRATEGY 3	INI	INNOVATIVE AND SUSTAINABLE HERITAGE PRACTICE		
Objectives	a.	Cultural heritage conservation contributes to sustainable practices and addresses challenges arising from climate change.		
	b.	Victoria has a more highly skilled heritage workforce – professional and trade – to support custodians and policy makers.		
	c.	The Council identifies, instigates, undertakes or supports projects which develop or demonstrate exemplary heritage practice and/or showcase Victoria's cultural heritage.		

STRATEGY 3	INNO	INNOVATIVE AND SUSTAINABLE HERITAGE PRACTICE			
Priority Activity	Goal	Performance Target			
Instigate a project to highlight and promote the intergenerational value of heritage in the	3(a)	HCV working group established to consider UN SDGs and intergenerational value of heritage			
context of the UN Sustainable Development Goals		Result			
		The Council's focus was to first deliver its project on the impacts of climate change on the state's cultural heritage, so this was reprioritised for delivery in FY2022–23.			
Pro-actively support a national strategic approach to the growing shortage of specialist heritage trade skills, in the context of post-pandemic economic recovery,	3(b)	Propose a review of the findings from heritage trades and training projects report by HCOANZ			
		Result			
through the Heritage Chairs and Officials of Australia and New Zealand (HCOANZ)		Due to the coronavirus (COVID-19) pandemic the HCOANZ meeting agenda was greatly reduced this year, focussing solely on each state's progress for delivering Dhawura Ngilan. This was reprioritised for discussion at the FY2022–23 meeting.			
Implement a 'Cultural Heritage and Climate Change Project' focused on the effects of	3(c)	Heritage Council principles on climate change and cultural heritage prepared and adopted			
climate change on impact Victoria's cultural heritage places and objects and the development of principles, tools and resources to enable their protection and		Climate change case studies and framework developed and project results publicly communicated			
		Result			
conservation		Partially achieved. The Council adopted provisional principles and published these on its website. The other deliverables are underway and on track for completion in 2023.			

STRATEGY 4	SHARED RESPONSIBILITY FOR HERITAGE CONSERVATION			
Objectives	<ul> <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>			
Priority Activity	Goal	Performance Target		
Collaborate with the Victorian Aboriginal	4(a)	Joint Working Group with the Victorian Aboriginal Heritage Council meeting regularly		
Heritage Council through a joint working group to facilitate a common approach		Result		
which appropriately recognises places of shared histories and promotes a broader understanding of Australia's history		Achieved. The Joint Working Group met twice in FY2021–22.		
Contribute to delivering <i>Dhawura Ngilan</i> Vision and Standards in collaboration with the Victorian Aboriginal Heritage Council	4(b)	Joint working Group with the Victorian Aboriginal Heritage Council agrees approach to implementation of the <i>Dhawura Ngilan</i> Vision and Standards		
and Heritage Chairs and Officials of		Promote/support the <i>Dhawura Ngilan</i> implementation initiatives to HCOANZ  Result		
Australia and New Zealand (HCOANZ)		110001		
		Achieved. The Joint Working Group agreed an approach and this was reported to HCOANZ at its meeting this year.		
Facilitate best practice local heritage management, guidance and knowledge	4(c)	Local Government Heritage Forum structure and content, including focus, structure, timing and costs, is approved by the Heritage Council		
sharing through forums, workshops, the updated Heritage Council Communications		Result		
Plan, and the work of the Local Government Specialist Committee		Achieved. The Council agreed to the structure, timing and costs of a possible forum in 2023. Due to concerns about COVID-19 in 2021–22 it instead held an online information session in partnership with the Department of Environment, Land, Water and Planning on Preventing Demolition by Neglect.		

STRATEGY 5	IMI	IMPROVED HERITAGE COUNCIL OPERATIONS		
Objectives	a.	The Council will have adequate resources and will manage its workload to address strategic programs while managing statutory functions effectively.		
	b.	Capacity for community participation and transparency of Council processes will be increased.		
	c.	The Council will continue to provide robust and effective advice to the Minister.		

STRATEGY 5	IMPR	IMPROVED HERITAGE COUNCIL OPERATIONS			
Priority Activity	Goal	Performance Target			
Examine ways to improve efficiency and to increase available resources, including		Review of staff allocation, member costs and strategic funding and implementation of recommendations			
advocacy for additional staff, greater support for Members and specific project		Result			
funding		Partially achieved. Both the coronavirus (COVID-19) pandemic and staff leave have impacted the delivery of this target.			
Develop a user-friendly, publicly accessible, online system for management of	5(b)	Online system for management of documentation associated with hearings and other statutory processes launched and in operation			
documentation associated with hearings and other statutory processes		Result			
		Partially achieved. The development of the new HCV Hub to manage the circulation of all documentation associated with the Councils statutory processes was completed and is on track to be launched on 12 September.			
Implement a systematic annual program for training and capacity-building for Council	5(c)	HCV identifies training and capacity needs and opportunities on an annual basis and implements a program to address these			
Members		Result			
		Achieved. The Council constituted a Training Committee and developed a program of member training.			

#### 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**

The work of the Council remained impacted by the coronavirus (COVID-19) pandemic and related public health measures, particularly in the first part of the reporting period, but the Council has responded and adapted to the changing conditions. The Council continues to prove itself an early adopter of technological solutions to changed operating environments, in particular in relation to online public events, promotional content and product launches. The Council's innovations in its regulatory work also continued to develop with the exciting work on its online platform, the HCV Hub, and the ongoing focus on supporting flexible and accessible public hearings. However, the restrictions in Melbourne for periods of 2021-22 continued to result in some delays or changes in the delivery of work to meet the Council's performance targets, particularly in relation to training and events. Despite the ongoing challenges, the Council has again achieved a significant amount during the year. The Council finalised and published the Mortars, materials, mixes and methods technical guide and commenced projects to deliver two of the practical improvement recommendations from the State of Heritage Review: Local Heritage 2020. Hearings have continued to run efficiently and effectively via videoconference, and the Council's reputation for robust and timely decision-making remains strong. Communications to stakeholders and the broader community through social media channels has highlighted the value of our diverse cultural heritage, its contribution to enriching our culture and the importance of the heritage system. The Council is in a good position, operationally and financially, to continue to achieve its core and strategic objectives.

## **State of Heritage**

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

#### **FINANCIAL ASSISTANCE**

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

#### Land tax remission

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

Current land tax remission:

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

#### **WORLD HERITAGE MANAGEMENT**

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

In November 2013, the then Planning Minister approved a management plan for the World Heritage—listed site, developed by the Ministerial appointed World Heritage Steering Committee for the site (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 comments on its scope to guide future reviews.

The World Heritage Management Plan is currently 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)
- Carlton Gardens Master Plan (May 2005)
- 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).

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 2021–22. The Heritage Management Plan (formerly the Conservation Management Plan) and the Royal Exhibition Building and Exhibition Reserve Master Plan were finalised by Museums Victoria, and the City of Melbourne endorsed the Carlton Gardens Master Plan. The Traditional Owner and First Peoples Cultural Values report was finalised and published from the Engage Victoria website, alongside the other finalised documents forming part of the World Heritage Management Plan.

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.

#### World Heritage Environs Area (WHEA) Strategy Plan

The draft World Heritage Environs Area (WHEA) Strategy Plan: Royal Exhibition Building and Carlton Gardens (the Strategy Plan) was prepared by the Executive Director, Heritage Victoria, and placed on public exhibition from 16 July 2021 to 24 September 2021. A published notice invited members of the public to make submissions on the draft Strategy Plan to the Heritage Council, which received 31 initial submissions.

In January 2022, a problem was identified with the way various provisions of the Heritage Act interact, with the practical effect being that neither the Executive Director, Heritage Victoria, nor the Heritage Council is empowered to consider the boundary of a WHEA, which had been a component of the draft Strategy Plan. This resulted in the Heritage Council adjourning its scheduled hearing into the submissions received.

The Minister for Planning, who is responsible for recommending the declaration of a WHEA, wrote to the Heritage Council on 30 January 2022 and requested that it provide advice on the merits of expanding the WHEA as had been contemplated by the draft Strategy Plan. The Heritage Council was asked to consider the submissions already received during the July–September 2021 public-notice period, as well as nine hearing submissions received, and an invited submission from the Executive Director, Heritage Victoria. The Heritage Council provided its advice in April 2022 and recommended expanding the WHEA in three areas – to the east, south-west and west – as had previously been recommended by the draft Strategy Plan.

A revised version of the draft the Strategy Plan is expected to be placed on public notice later in 2022.

#### **World Heritage Management Plan**

The review of the over-arching World Heritage Management Plan commenced in January 2022. The Steering Committee is responsible for the preparation and adoption of the World Heritage Management Plan and expects to provide public notice of a draft Overview Site Management Plan – to become the over-arching document forming part of the World Heritage Management Plan – and its component parts in late 2022. The WHEA Strategy Plan will no longer form part of the World Heritage Management Plan due to its separate statutory requirements under the Heritage Act, but it will be reviewed concurrently with the World Heritage Management Plan in future review cycles.

#### **Strategic Vision**

The Steering Committee sought public submissions on its inaugural Strategic Vision from 4 March 2022 to 22 April 2022. The Steering Committee will consider all submissions and finalise the Strategic Vision later in 2022 when the World Heritage Management Plan review is completed. The adopted Strategic Vision will become publicly available.

#### **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 2022, according to categories of registration.

VHR categories of registration	Number as of 30 June 2022
a registered place, incl	2332
a registered archaeological place	202
a place included in the World Heritage List	1
a registered object <sup>1</sup> , incl	45
a registered archaeological artefact	0
a registered object integral to a registered place <sup>1</sup>	96
a registered shipwreck	659
a protected zone	10
Total registered places, objects and shipwrecks	3142

<sup>1 -</sup> It is not possible to get an accurate total of individual objects as many registered objects are collections or multiples.

#### Assessments and Determinations in 2021–22

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.

Assessments & Determinations	2021–22	2020–21	2019-20	2018–19	2017–18
Assessments <sup>1</sup>			•		
Nominations accepted	41	40	57	56	57
Nominations rejected by the ED under s.29 <sup>2</sup>	14	12	15	6	0
Number of VHR assessments completed incl.	40	42	42	31	37
ED recommendations for inclusion in VHR	12	6	11	8	9
ED recommendations to amend VHR	22	23	25	14	13
ED recommendations to remove from VHR	1	0	1	0	0
ED recommendations to not include in VHR	5	1	5	9	15
Interim Protection Orders (IPOs)					
IPOs requested of the ED	13	13	16	23	11
IPOs issued by the ED	1	2	1	2	0
IPOs requested of the Heritage Council	5	4	8	8	4
IPOs issued by the Heritage Council	3	0	0	0	0
Heritage Council Nomination Reviews <sup>2</sup>					
Nomination Review requested	1	3	1	2	0
Nomination accepted	2	1	0	0	0
Nomination refused	0	1	1	2	0
Nomination referred to the ED for reconsideration	0	1	0	0	0
Heritage Council Registration Hearings & Meetings					
Hearings	9	11	6	5	10
Meetings	1	1	4	1	1
Registration decisions called in by Minister	1	0	2	1	0
Hearing Decisions Pending	1	1	0	2	3
Heritage Council Determinations					
Additions to the VHR	10	8	7	7	15
Amendments to existing registrations	20	26	22	12	14
Removals from VHR	1	0	0	0	1

<sup>1–</sup> 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.

#### Heritage Certificates in 2021–22

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 2021–22:

• 9,241 (an average of 796 per month) certificates were issued.

#### VICTORIAN HERITAGE REGISTER - PLACES AND OBJECTS INCLUDED IN 2021-22

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

<sup>2 –</sup> The provisions for the ED to reject nominations (under s.29) and for the Heritage Council to hold Nomination Reviews (under s.30) were introduced in the Heritage Act 2017.



#### Included September 2021 GMH FISHERMANS BEND – H2399

223–261 Salmon Street, Port Melbourne, Melbourne City

The GMH Fishermens Bend complex, the Australian headquarters of automotive manufacturer General Motors-Holden's Ltd from 1936, is significant as one of Victoria's most important automotive manufacturing facilities. It was instrumental in the development of the industry in the state and in the development of the Holden 48-215, Australia's first locally made, mass-produced car. The Administration Building, Parts Building and Social Centre are also significant as notable examples of Moderne-style architecture in Victoria.



## Included October 2021 ELLEN KELLY HOMESTEAD SITE – H2410

Greta Road, Glenrowan West, Benalla Rural City

The Ellen Kelly Homestead site is significant for its association with the 'Fitzpatrick incident', which is widely regarded as the trigger event for the Kelly Outbreak. It is also significant for its direct association with the early life of Ned Kelly (who is credited as one of the builders of the former dwelling) and his mother Ellen Kelly. Additionally, the site is important for its high potential to contain archaeological evidence relating to the construction and occupation of the Kelly family dwelling and reveal unknown information about the family's material domestic life.



#### Included October 2021 FORMER METROPOLITAN FARM – H2400

Farm Road, Cocoroc, Wyndham City

The Former Metropolitan Farm was a key element of the Melbourne metropolitan sewerage system, a major engineering achievement for the state – all of Melbourne's sewerage was sent for treatment there from 1897 to 1940. It was the first facility of its type established in Victoria and was a model for other facilities established subsequently. It is also significant for its association with the Melbourne Metropolitan Board of Works (MMBW) and for the large community of MMBW workers and their families who dwelt at the farm from the 1890s to the 1970s.



#### Included November 2021 SECCULL HOUSE – H2406

32 North Road, Brighton, Bayside City

Seccull House is significant as one of the most celebrated works of noted architect Guilford Bell. Constructed in 1972, it is a highly distinctive, finely designed and substantial house that blends Modernist sensibility with distinct Classical and Middle Eastern influences. It is defined by its strong axial arrangement, with wings arranged in an F-shaped plan around internal courtyards. Its stark white walls, punctuated by black sliding doors and steel columns, create a strong visual impression.



## Included January 2022 FAIRFIELD PARK AMPHITHEATRE COMPLEX – H2412

3 Fairfield Park Drive, Fairfield, Yarra City

Fairfield Park Amphitheatre Complex, constructed between 1985 and 1988 for the Greek/English Epidavros Summer Festival, is significant for its representation of the bicultural importance of Greek Australians in Victoria's social, cultural and political development. It represents a significant moment in the migration continuum between the Australia's postwar immigration program from Greece in 1947, the Federal government's policy of multiculturalism from the late 1970s, and the decline of Greek migration at the end of the 1980s, by which time around 96 per cent of Victoria's Greek community lived in Melbourne.



#### Included March 2022 SWAN HILL PIONEER SETTLEMENT - H2409

125 Monash Drive, Swan Hill, Swan Hill Rural City

Swan Hill Pioneer Settlement was designed by Roy Grounds and associates, Lindsay Prior and artist Robert Ingpen between 1962 and 1994. It is significant as the first and most influential and pivotal example of the Museum Village Movement in Victoria. It is also significant for its association with early community efforts to save the rapidly vanishing physical evidence of rural settlements, buildings, industries, farms and their practices, and to tell later generations stories of their forebears.



#### Included April 2022 O'DELL'S HUT – H2411

Odells Track, Brookville, East Gippsland Shire

O'Dell's Hut is significant as a rare example of an early portable hut. Its scale and form are uncommon among huts in Victoria. It contains unusual features of note that were not widely replicated, including its skids, straps and tow hitches which clearly demonstrate how it was transported to different locations. It retains a corrugated iron roof with the Morewood & Co Star brand which likely dates from between the 1860s and 1880s, adding to its rarity. There are other examples of portable huts in Victoria but most appear to be of later construction.



#### Included June 2022 EDITH INGPEN HOUSE – H2416

65 School Road, Crossover, Baw Baw Shire

This house is significant for its association with Edith Ingpen, the first woman graduate in architecture at the University of Melbourne in 1933. Ingpen started her career at a time when only 2% of registered architects in Victoria were women, and she became a vocal champion of women in the profession. Designed and built by Ingpen from around 1933 to 1937 as her own weekend retreat, the house is also significant as a notable interwar experimental building that has a rare circular form. It is one of only three known surviving examples of Ingpen's independent architectural work.



#### Included June 2022 LYCEUM CLUB - H2417

2-18 Ridgway Place, Melbourne, Melbourne City

The Lyceum Club is significant as the clubrooms of the largest private members club for women in Victoria. Since its formation in 1912, the club has had a pioneering role in furthering the status of university educated women within male dominated professional spheres. The clubrooms, built in 1957–59 to a modernist design by Ellison Harvie, are also rare in Victoria, and Australia, as a building designed for and by women. This tradition of continuous design input by women on the one project over decades has few precedents.



## Included June 2022 MELBOURNE AIDS MEMORIAL QUILT - H2418

31-51 Commercial Road, South Yarra, Stonnington City

The Melbourne AIDS Memorial Quilt is significant as one of the most important artefacts of the AIDS crisis in Victoria and is one of Victoria's largest, most important and enduring pieces of community art. Originally coordinated by volunteers from the Fairfield Hospital from late 1988, each of the 209 quilt panels represents a person who died from an AIDS-related condition and had an association to Melbourne or Victoria. Part of the international AIDS memorial quilt movement, it represents a pivotal moment in the history of commemorative textile making in Victoria.

#### Victorian Heritage Register – Amendments in 2021–22

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.

There was one place Amended to be removed from the Register, in October 2021: Former Fairlea Women's Prison (H1552). On 26 March 2021 the Heritage Council determined that Yarra Bend Park (VHR H2398) should be included in the VHR as a Registered Place and a Registered Archaeological Place. The Yarra Bend Park registration encompasses the land and extant fabric of the Former Fairlea Women's Prison, and the cultural heritage values of the Former Prison are reflected in the Yarra Bend Park registration.

Amendment Date	VHR No	Name of Place / Object Amended	VHR No	Name of Place / Object Amended
August 2021	H1608	Stonington, Malvern		
September 2021	H0188	Former Geelong Grammar School	H1624	Carlton Gardens Primary School
October 2021	H0486 H0680 H1169	Lauderdale, Ballarat City Fine Art Gallery, Ballarat Central Former Donaghy's Rope Walk Building, Geelong West	H1552 H2000	Former Fairlea Women's Prison Glenrowan Heritage Precinct, Wangaratta
December 2021	H0421 H0490	Former AMP Building, Melbourne Myoora, Caulfield North	H0829 H1499	John Darling and Son Flour Mill, Albion National Gallery of Victoria, Melbourne
February 2022	H0703	Former Hoffman Brickworks, Brunswick		
March-2022	H0111	Craig's Royal Hotel, Ballarat Central		
May 2022	H1221 H1840	Former Wills House Former Deputy Manager's Residence	H1953	HV McKay Memorial Gardens and Church, Sunshine
June 2022	H0505 H0952	Former Christopher Crisp Residence, Bacchus Marsh Former Coburg Railway Line	H1623 H1839	California Gully Primary School Former Manager's Residence

#### **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 in 2021–22 was substantially higher than previous years. This reflects the increase in the complexity and number of permit applications received this year. Conservation works associated with the Living Heritage Program continue to be generally approved by permit exemption.

Permits	2021–22	2020–21	2019–20	2018–19	2017–18
Permits Issued / Refused / Amended / Exemptions					
Total permit applications	1109	900	1104	1146	1148
Permits refused or part refused	4	3	4	6	6
Permit amendments approved	77	42	36	14	19
Permit amendments refused	2	1	3	2	0
Total permits issued by the ED, incl	200	160	164	217	206
Maritime permits under Victorian Act	7	11	2	6	8
Maritime permit extensions	0	0	0	0	0
Maritime permits under Commonwealth Act	3	6	5	9	4
Total permit exemptions issued by the ED	791	784	897	907	917
Cost of Works covered by permits issued and perm	nit exemptions				
Cost of works covered by permits issued	\$903,000,000	\$262,000,000	\$459,000,000	\$526,101,602	\$887,397,786
Cost of works covered by permit exemptions	\$345,000,000	\$437,000,000	\$225,000,000	\$298,133,684	\$89,747,226
Total value of works covered by heritage permits and exemptions	\$1,248,000,000	\$699,000,000	\$684,000,000	\$824,235,286	\$977,145,012
Heritage Council Permit Reviews	2021–22	2020–21	2019–20	2018–19	2017–18
Reviews lodged	3	5	2	7	3
Reviews determined	0	3	3	4	3
Reviews called in by Minister for Planning	1	0	0	0	0
Reviews withdrawn	1	2	0	0	0
Reviews pending (as of 30 June 2022)	1	0	2	3	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 7,000 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 2021–22 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 number of Consents issued in 2021–22 reflects the slight reduction in the amount of infrastructure work that has taken place compared to the previous year, particularly in relation to the complex Melbourne Metro Rail projects. Although the figures for Consent to Excavate approvals have fallen from the previous year, the number of complex excavation programs that are being undertaken continues to rise.

Archaeological Consents (s.129)	2021–22	2020–21	2019–20	2018–19	2017–18
Consents to Damage (over half of site)	22	15	26	27	44

Archaeological Consents (s.129)	2021–22	2020–21	2019–20	2018–19	2017–18
Consents to Damage (under half of site)	40	16	28	46	26
Consents to Excavate	20	53	29	36	26
Consents to Uncover <sup>1</sup>	9	40	16	11	n/a
Consents for Other works <sup>1</sup>	25	21	17	18	n/a
TOTAL	116	145	116	138	96
Site removals (s.119)	2021–22	2020–21	2019–20	2018–19	2017–18
Sites removed from the Heritage Inventory (s.119)	13	13	9	37	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 2021–22, Round 6 of the Community Heritage Grants stream of the Living Heritage Program supported 19 new conservation projects to publicly accessible heritage places across Victoria. The Heritage Council was involved in the recommendation of these projects, with a total value of \$2.36 million.

Place	VHR No	Managed by	Grant	Description of Works
Alexandra Court House and Former Shire Offices	H1654	CEACA Limited t/a Alexandra Community Hub \$49,000		Conservation works.
Anglican Church (Lake Tyers Aboriginal Trust Church)	H1796	Lake Tyers Aboriginal \$200,000 Trust		Urgent conservation works.
Ballaarat Mechanics' Institute Collection	H2096	Ballaarat Mechanics' Institute	\$170,000	Conservation works to 53 significant books and one oil painting.
Beechworth Cemetery (Fountain)	H2215	Beechworth Public Cemetery Trust	\$56,000	Conservation works to the fountain.
Benalla Water Supply Depot	H1048	Benalla Water Tower Preservation Group Inc.	\$44,000	Development of an Existing Conditions and Recommendations Report, and repair to the Blacksmith's shop roof.
Castlemaine Market	H0130	Mount Alexander Shire Council	\$198,000	Conservation works.
Castlemaine Public Cemetery	H1776	Castlemaine Cemetery Trust	\$77,000	Conservation works to the Sexton's Office and stabilisation of 1875 Cemetery Plan and exterior plaques.
Christ Church, South Yarra	H0635	Christ Church South Yarra (Melbourne Anglican Trust Corporation)	\$95,000 (matched)	Sandstone repairs.
Horsham Town Hall	H2279	Horsham Rural City Council	\$200,000	Urgent floor repairs.
Jack's Magazine	H1154	Working Heritage	\$163,000	Conservation works.
Loong, Chinese Dragon	H2120	National Chinese Museum of Australia t/a Golden Dragon Museum	\$133,000	Conservation works to Loong and his Flame and Pearl Regalia.
Melbourne Athenaeum	H0501	The Melbourne Athenaeum Inc.	\$200,000	Conservation works to the roof and clerestory windows.
Puffing Billy Locomotives and Rolling Stock	H2187	Emerald Tourist Railway Board	\$180,000	Conservation works including: repairs to boiler, water tanks, cab and other components, replacement of cracked wheels; manufacture and installation of timber cow-catcher; and repainting throughout.
St George the Martyr Church	H1125	The Parish of St George Queenscliff & St James Point Lonsdale	\$39,000 (matched) Urgent roof remediation to the Church to	
St Peter's Eastern Hill Precinct	H0009	St Peter's Anglican Church, Eastern Hill	\$144,000 (matched)	Conservation works to the Hall roof.
Seymour Cottage	H2268	Romsey & Lancefield Districts Historical Society Inc.	\$37,000	Conservation Management Plan, heritage landscape plan and structural condition report.

Place	VHR No	Managed by	Grant	Description of Works
The Heights	H0429	National Trust of Australia (Victoria)	\$167,000	Conservation works to the stable roof.
Windsor House	H0326	Private Owners	\$23,500 (matched)	Replacement of roof.
Yurunga	H0598	Hindmarsh Shire Council	\$184,000	Conservation works, including stabilisation to rear walls and repairs to drainage, rainwater goods and water tank.

## 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**

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Revenue	2,190	1,868	1,874	2,270	1,756
Expenses	1,905	1,561	1,710	1,456	1,665
Net Result	286	307	164	814	90
Total Assets	6,274	4,341	3,954	3,243	2,791
Total Liabilities	2,601	954	874	383	272

#### **CURRENT YEAR FINANCIAL REVIEW**

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

The Council's revenue increased slightly on the previous financial year as a result of increased fee income, following an anticipated drop in the previous year due to the coronavirus (COVID-19) pandemic.

The Council's operating expenditure increased slightly over the same period, largely attributable to higher than anticipated supplies and services costs.

The Council's operating surplus at the end of the financial year remained stable at \$285,875 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, unchanged from the previous year, 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 remains possible that the impacts of the coronavirus (COVID-19) pandemic will affect the Council's operations in future years. Most Heritage Fund revenue is subject to prevailing economic conditions, in particular in the property and construction industry. With the potential flow-on effects of previous COVID-19 restrictions and resultant changes in industry practice, 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 2022–23 (appended) have been prepared accordingly.

# Governance and organisational structure

#### **HERITAGE COUNCIL MEMBERS**

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

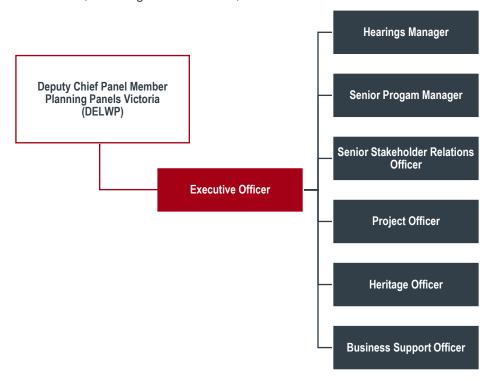
The following chart outlines all of the Council's members and membership categories (including periods of appointment) for 2021–22.



#### **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 2021–22 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.

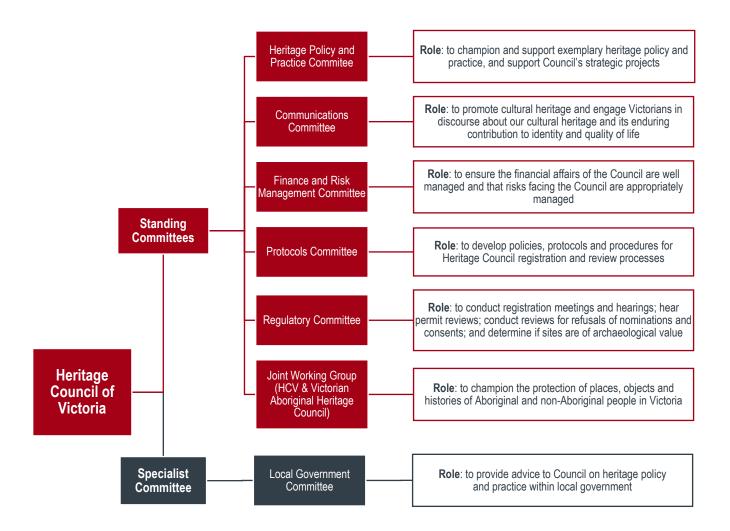
#### **HERITAGE COUNCIL COMMITTEES**

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

**Standing Committees** – consisting of Council members only. Six standing committees have been constituted to ensure the effective operation of the Council, especially in relation to its legislative functions. Most standing Committees meet at least six times per year and, on the 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 2021–22 there was one Specialist Committee constituted under the Act.

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



#### HERITAGE COUNCIL COMMITTEES AND MEMBERSHIP

Following is a breakdown of membership of the Heritage Council committees in 2021–22.

#### **Standing Committees**

Heritage Policy and Pra	actice 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* Mark Burgess*		
Finance and Risk Mana	gement 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*	Simon Molesworth	Margaret Baird Rueben Berg Mark Burgess* Andrew May Natica Schmeder		
Regulatory Committee		HCV / VAHC Joint Working Group			
Chair & Deputy	Heritage Council Members	HCV co-Chair	HCV Members		
Andrew May (Chair)	All members	Andrew May	Megan Goulding, Jamie Lowe*		
Margaret Baird (Deputy)		VAHC co-Chair	VAHC Member		
		(vacant)	Doris Paton		

<sup>\*</sup>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*	n/a	David Helms, Colleen Lazenby, Dannielle Orr, Richa Swarup, Samantha Westbrooke, Kelly Wynne				

<sup>\*</sup>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 2021–22**

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*	Local Government Committee	Project Steering Committee**
Members													
Philip Goad	7	-				4		1	2				
Andrew May	7	-				4	2	3			1		12
Margaret Baird	7	_			6	3		1			2		4
Rueben Berg	7	-				4			3				10
Megan Goulding	6	-			4		2	1					
Louise Honman	8	-		5	6			4	4	1			9
Simon Molesworth	8	-				4		1			2		
Justin Naylor	8	-		5				2	1	1	1	3	
Jeffrey Robinson	8	-	5	5				1	2				23
Natica Schmeder	8	-			6	4			1			3	
Alternates													
Maggi Solly	2	6	4	5	6			2				3	12
Helen Doyle	3	5							1				
Joanne Guard	3	-	5						3			3	11
Jamie Lowe	-	-					2						
Adrian Finanzio	2	1		1				1	1				
Karen Murphy	2	5	3	4				2					3
Christine Phillips	2	2	5					1			2		7
Mark Burgess	2	5	3			4		1	1				1
David Hogg	2	4			6				1				
Anna Foley	2	4		4				1		1			4

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

<sup>\*\*</sup>Some Members sat on multiple project steering committees.

## **Workforce data**

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

#### **OCCUPATIONAL HEALTH & SAFETY**

The Council is supported by the Heritage Council Secretariat staff, who are employed within DELWP and are embraced by the department's OH&S management processes.

There were no incidents reported during the year.

#### **MERIT AND EQUITY**

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

#### **WORKFORCE INCLUSION POLICY**

The Council supports DELWP's Workforce Inclusion Policy.

#### **EXECUTIVE OFFICER DISCLOSURE**

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

### Other disclosures

#### **LOCAL JOBS FIRST**

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

#### **GOVERNMENT ADVERTISING EXPENDITURE**

In the 2021–22 reporting period the Council did not have any expenditure on government campaigns.

#### **CONSULTANCY EXPENDITURE**

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

In 2021–22, there were three consultancies engaged during the year where the total fee payable was \$10,000 or greater (excl. GST). The total expenditure incurred during 2021–22 in relation to these consultancies was \$116,025.45 (excl. GST).

Details of individual consultancies are outlined on the Heritage Council's website at <a href="https://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/">https://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/</a>

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

In 2021–22, 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 2021–22 reporting period, the Council had a total ICT expenditure of \$37,299 (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)				
\$36,099	\$1,200	\$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 2021–22 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 to 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 (FoI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss.29, 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 s.49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

#### Making a request

Fol requests can be lodged online at https://ovic.vic.gov.au. An application fee of \$30.60 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

Access to documents can also be obtained through a written request to the Council, as detailed in s.17 of the *Freedom of Information Act 1982.* 

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

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

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

#### **Fol Statistics**

There were no applications from the public received by the Heritage Council of Victoria during the 2021–22 reporting period.

#### **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.

#### **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 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 2023–23 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 2020–21	November 2021	See: http://heritagecouncil.vic.gov.au/about-heritage-council/annual-reports/
Corporate Plan 2022–23	October 2022	or email heritage.council@delwp.vic.gov.au

(c) Changes in fees and charges – The Heritage Council charges fees for nomination reviews and permit reviews. The permit review fees are calculated as a percentage of the permit application fees charged by Heritage Victoria. Fees increased as per the Heritage (General) Regulations 2017 and the Heritage Underwater Cultural Heritage Regulations 2017 on 1 July 2021 – see the fee schedule https://www.heritage.vic.gov.au/about-us/fees-and-penalties

(d) There was no major research or development activity carried out by the entity during the 2021–22 financial year.

The information is available on request from:

The Executive Officer Heritage Council Secretariat Phone: (03) 9194 0867

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

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

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

# Portfolio financial management compliance attestation statement

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

11 November 2022

## Financial report

#### Accountable Officer's declaration and statutory certification

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the entity at 30 June 2022.

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

We authorise the attached financial statements for issue on 11 November 2022.

Prof. Phillip Goad

Chair Heritage Council of Victoria

Melbourne 11 November 2022 Damien Welch

)owip#

Accountable Officer Heritage Council of Victoria

Melbourne 11 November 2022

Karen Ling

Chief Financial Officer Heritage Council of Victoria

Melbourne 11 November 2022



#### Independent Auditor's Report

To the Council Members of the Heritage Council of Victoria

#### Opinion

I have audited the financial report of the Heritage Council of Victoria (the authority) which comprises the:

- balance sheet as at 30 June 2022
- comprehensive operating statement for the year then ended
- · statement of changes in equity for the year then ended
- · cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- accountable officer's declaration and statutory certification.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

#### Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Council Members' responsibilities for the financial report

The Council Members of the authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, 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.

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

Level 31 / 35 Collins Street, Melbourne Vic 3000 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au Auditor's responsibilities 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 for the audit of about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

MELBOURNE 15 November 2022

as delegate for the Auditor-General of Victoria

2

## 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 2021 to 30 June 2022. The purpose of the report is to provide users with information about the Heritage Council of Victoria's stewardship of resources entrusted to it.

Fin	ancial statements	Page
	Comprehensive operating statement	38
	Balance sheet	39
	Statement of changes in equity	40
	Cash flow statement	41
	Accountable officer's declaration and statutory certification	34
No	tes to the financial statements	Page
1.	About this report	
	The basis on which the financial statements have been prepared and compliance with reporting regulations	42
2.	Funding delivery of our services	43
	Revenue recognised from grants, rendering of services and other sources	
3.	The cost of delivering services	45
	Operating expenses of the Heritage Council of Victoria	45
4.	Other assets and liabilities	
	Working capital balances, and other key assets and liabilities	47
5.	How we financed our operations	50
	Cash flow information and commitments for expenditure	
6.	Risks, contingencies and valuation judgements	52
	Financial risk management, contingent assets and liabilities	JZ
7.	Other disclosures	58

#### **COMPREHENSIVE OPERATING STATEMENT**

#### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
Revenue and income from transactions			
Rendering of services	2.1	2,182,293	1,859,966
Interest income	2.2	8,189	8,373
Total revenue and income from transactions		2,190,482	1,868,339
Expenses from transactions			
Member fees and other costs	3.1	(312,129)	(268,466)
Supplies and services	3.2	(1,314,378)	(1,127,343)
Grants expenses	3.3	(278,100)	(165,000)
Total expenses from transactions		(1,904,607)	(1,560,809)
Net result		285,875	307,530
Comprehensive result		285,875	307,530

#### **BALANCE SHEET**

#### **AS AT 30 JUNE 2022**

	Notes	2022	2021
		\$	\$
Assets			
Financial assets			
Cash and deposits	5.1	6,206,489	4,271,183
Receivables	4.1	67,896	70,168
Total assets		6,274,385	4,341,351
Liabilities			
Payables	4.2	147,879	117,077
Security deposits	4.3	1,856,487	290,000
Contract liabilities	4.4	597,133	547,263
Total liabilities		2,601,499	954,340
Net assets		3,672,886	3,387,011
Equity			
Accumulated surplus		2,142,872	1,856,997
Contributed capital		1,530,014	1,530,014
Net worth	-	3,672,886	3,387,011

#### STATEMENT OF CHANGES IN EQUITY

#### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Accumulated surplus/(deficit)	Contribution by owners	Total
	\$	\$	\$
Balance at 1 July 2020	1,549,467	1,530,014	3,079,481
Comprehensive result	307,530	-	307,530
Balance as at 30 June 2021	1,856,997	1,530,014	3,387,011
Comprehensive result	285,875	-	285,875
Balance as at 30 June 2022	2,142,872	1,530,014	3,672,886

#### **CASH FLOW STATEMENT**

#### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	2022	2021
		\$	\$
Cash flows from operating activities			
Receipts			
Receipts from other entities		2,234,215	1,984,593
Interest received		8,189	8,373
GST recovered from ATO		1,817	13,620
Total receipts		2,244,221	2,006,586
Payments			
Payments to suppliers and members		(1,597,302)	(1,414,997)
Payments of grants and other transfers		(278,100)	(165,000)
Total payments		(1,875,402)	(1,579,997)
Net cash flows from operating activities	5.1(b)	368,819	426,589
Cash flows used in investing activities			
Net cash flows from/(used in) investing activities		-	-
Cash flows used in financing activities			
(Repayments)/proceeds of security deposits		1,566,487	(42,715)
Net cash flows from/(used in) financing activities		1,566,487	(42,712)
Net increase in cash and cash equivalents		1,935,306	383,874
Cash and cash equivalents at the beginning of the financial year		4,271,183	3,887,309
Cash and cash equivalents at the end of the financial year	5.1(a)	6,206,489	4,271,183

#### 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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions have been made by management in applying applicable Australian Accounting Standards (AAS) that have a significant effect on the financial statements and estimates. These relate to:

- accrued revenue, refer to note 4.1;
- accrued expenses, refer to note 4.2; and
- superannuation expense, refer to note 3.1.1.

#### **Compliance information**

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). 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 AAS 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 statements

The coronavirus (COVID-19) pandemic has affected the operations of the Council but has had limited impact on the financial statements.

#### 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 rendering of services and other sources.

#### Structure

- 2.1 Rendering of services
- 2.2 Interest income

#### 2.1 Rendering of services

	2022	2021
	\$	\$
Rendering of services		
Planning fees, permit fees and permit review fees	2,182,293	1,859,966
Total rendering of services	2,182,293	1,859,966

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 and a hearing into permit review as per s.106(1) of the Act, or a review of any condition imposed on the permit as per s.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.

#### 2.2 Interest income

	2022	2021
	\$	\$
Interest income		
Interest from cash, deposits and investments	8,189	8,373
Total interest income	8,189	8,373

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 Member fees and other costs 3.1.1 Superannuation
- 3.2 Supplies and services
- 3.3 Grants expenses

#### 3.1 Member fees and other costs

	2022	2021
	\$	\$
Member fees and other costs		
Sitting fees	(265,057)	(236,745)
Travel and subsistence expenses	(404)	(2,901)
Superannuation	(27,655)	(21,841)
Other on-costs	(19,013)	(6,979)
Total member fees and other costs	(312,129)	(268,466)

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:

	Paid contribution for the year		Contribution outstanding at year end	
Fund	<b>2022</b> \$	2021 \$	2022 \$	2021 \$
Defined contribution plans:				
Victorian Superannuation Fund – Vic Super Scheme	(6,281)	(5,867)	(2,981)	(3,150)
Various other	(15,348)	(7,878)	(3,045)	(4,947)
Total	(21,629)	(13,745)	(6,026)	(8,097)

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 part of member fees and other costs in the comprehensive operating statement of the HCV.

Contributions are set at a minimum of 10.00% of member's wages and salaries and are legally enforceable on the HCV.

#### 3.2 Supplies and services

	2022	2021
	\$	\$
Supplies and services		
Community awareness and publicity	(34,410)	(56,789)
Contract and professional services	(1,143,679)	(987,203)
General expenses	(85,822)	(24,043)
IT expenses	(26,569)	(47,276)
Office and accommodation	(9,182)	(6,243)
Postage and telephone	(530)	(5,472)
Other expenses	(13,000)	(22)
Travel and subsistence	(1,186)	(295)
Total supplies and services	(1,314,378)	(1,127,343)

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

Types of expenses includes hiring of professional services for heritage building feasibility studies, education and training, advertising, publicity and information costs and project staffing and expenses for contractors.

#### 3.3 Grants expenses

	2022	2021
	\$	\$
Grants		
Other grants and transfers	(278,100)	(165,000)
Total	(278,100)	(165,000)

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

#### 4 OTHER ASSETS AND LIABILITIES

Introduction	Structure
This section sets out those assets and liabilities that arose	4.1 Receivables
from the HCV's controlled operations.	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

	2022	2021
	\$	\$
Current receivables		
Contractual		
Accrued revenue	36,634	38,906
Total contractual receivables	36,634	38,906
Total current receivables	36,634	38,906
Non-current receivables		
Contractual		
Loans receivable	31,262	31,262
Total non-current receivables	31,262	31,262
Total receivables	67,896	70,168

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 receivables with the objective to collect the cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Refer to note 6.2 for impairment policy.

#### 4.2 Payables

	2022 \$	2021 \$
Current payables	*	Ψ
Contractual		
Accrued expenses	91,487	60,492
Trade creditors <sup>(i)</sup>	293	12
Superannuation payable	6,026	8,097
Total contractual payables	97,806	68,601
Statutory		
GST input tax payable	12,791	10,974
Amounts owing to the Victorian Government	37,282	37,502
Total statutory payables	50,073	48,476
Total current payables	147,879	117,077
Total payables	147,879	117,077

<sup>(</sup>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.

#### 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				Ма	turity dates
		· <u>-</u>	Less than 1 month	1–3 months	3 months – 1 year	1-5 years	5+ years
			\$	\$	\$	\$	\$
2022							
Payables <sup>(i)</sup>							
Accrued expenses	91,487	91.487	91,487	-	-	-	-
Trade creditors	293	293	293	-	-	-	-
Superannuation payable	6,026	6,026	6,026	-	-	-	-
Total	97,806	97,806	97,806	-	-	-	-
2021							
Payables (i)							
Accrued expenses	60,492	60,492	60,492	-	-	-	-
Trade creditors	12	12	12	-	-	-	-
Superannuation payable	8,097	8,097	8,097	-	-	-	-
Total	68,601	68,601	68,601	-	-	-	-

<sup>(</sup>i) The amount of payables disclosed exclude statutory payables (i.e. taxes payable).

#### 4.3 Security deposits

	2022	2021
	\$	\$
Current security deposits		
Short term security deposits - Current	1,806,487	100,000
Total current security deposits	1,806,487	100,000
Non-current security deposits		
Long term security deposits	50,000	190,000
Total non-current security deposits	50,000	190,000
Total security deposits	1,856,487	290,000

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 – s.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 \$				Ма	turity dates
			Less than 1 month	1–3 months	3 months – 1 year	1-5 years	5+ years
			\$	\$	\$	\$	\$
2022							
Security deposits	1,856,487	1,856,487	-	150,000	1,656,487	50,000	-
Total	1,856,487	1,856,487	-	150,000	1,656,487	50,000	-
2021							
Security deposits	290,000	290,000	-	-	100,000	190,000	-
Total	290,000	290,000	-	-	100,000	190,000	-

#### 4.4 Contract liabilities

	<b>2022</b> \$	2021 \$
Contract liabilities	•	<del>-</del>
Opening balance 1 July 2021	547,263	453,570
Add: Payments received for performance obligations yet to be completed during the period	551,114	538,454
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	(501,244)	(444,761)
Total contract liabilities	597,133	547,263
Represented by		
Current contract liabilities	597,133	547,263
Non-current contract liabilities	-	-

#### 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

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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 Agreements 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.

	2022	2021
	\$	\$
(a) Reconciliation of cash and cash equivalents		
At call deposits	2,570,060	2,561,871
Cash equivalent	3,636,429	1,709,312
Total cash and deposits disclosed in the balance sheet	6,206,489	4,271,183
Balance per cash flow statement	6,206,489	4,271,183
(b) Reconciliation of net result for the period to cashflow from operating activities		
Net result	285,875	307,530
Movements in assets and liabilities		
(Increase)/decrease in receivables	2,272	(3,921)
Increase/(decrease) in payables	30,802	29,287
(Decrease)/increase in contract liabilities	49,870	93,693
Net cash flows from operating activities	368,819	426,589

#### 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 is stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### 5.2.1 Agreements 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 2022 provide for the issue of \$182,905 (2021: \$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.

	2022	2021
	<u> </u>	\$
Grant commitments		
Not later than one year	78,794	182,905
Later than one year but no later than five years	104,111	-
Total	182,905	182,905

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

At reporting date, the HCV has no operating commitments (2021: \$nil).

#### 5.2.3 Commitments for capital expenditure

At reporting date, the HCV has no capital commitments (2021: \$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
  - 6.1.1 Financial Instruments: Categorisations
- 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.

#### 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 by the HCV 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; and
- 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 originated. 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.

#### 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 contractual 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:
  - a) has transferred substantially all the risks and rewards of the asset; or
  - b) 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 net result.

#### 6.1.1 Financial instruments: categorisation

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

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total \$
	amortised cost	amortised cost	
2022			
Contractual financial assets			
Cash and deposits	6,206,489	-	6,206,489
Receivables			
Accrued revenue	36,634	-	36,634
Loans receivables	31,262	-	31,262
Total contractual financial assets	6,274,385	-	6,274,385
Contractual financial liabilities			
Payables (i)			
Accrued expenses	-	91,487	91,487
Trade creditors	-	293	293
Superannuation payable	-	6,026	6,026
Security deposits	-	1,856,487	1,856,487
Total contractual financial liabilities	-	1,954,293	1,954,293
2021			
Contractual financial assets			
Cash and deposits	4,271,183	-	4,271,183
Receivables			
Accrued revenue	38,906	-	38,906
Loans receivables	31,262	-	31,262
Total contractual financial assets	4,341,351	-	4,341,351
Contractual financial liabilities			
Payables <sup>(i)</sup>			
Accrued expenses	-	60,492	60,492
Trade creditors	-	12	12
Superannuation payable	-	8,097	8,097
Security deposits	-	290,000	290,000
Total contractual financial liabilities	-	358,601	358,601

<sup>(</sup>i) The amount of payables disclosed excludes statutory payables (i.e. taxes payable).

#### 6.2 Financial risk management objective and policies

The HCV's financial risk management program seeks to manage risks and the associated volatility of its financial performance. The main purpose in holding financial instruments is to prudentially manage the HCV's financial risks within the government policy parameters.

The HCV is exposed to the following risks:

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

#### 6.2.1 Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The HCV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the entity. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the HCV's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than Government, it is the HCV's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements, where appropriate. In addition, the HCV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest.

Provision of impairment for financial assets is recognised when there is objective evidence that the HCV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

As at the reporting date, there is no event to indicate that any of the contractual financial assets are impaired. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired and they are stated at the carrying amounts as indicated.

#### Impairment of financial assets under AASB 9

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 2022, HCV did not have trade receivables past due. Accordingly, HCV determined that no allowance for expected credit loss on initial application date of AASB 9 and at the end of the financial year.

#### 6.2.2 Liquidity risk

Liquidity risk is the risk that the HCV would be unable to meet its 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.

#### 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.

#### Interest rate exposure of financial instruments

	Weighted		Inte	Interest rate exposure			
	average interest rate	Carrying amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$		
2022							
Contractual financial assets							
Cash and deposits	0.32%	6,206,489	-	2,570,060	3,636,429		
Receivables							
Accrued revenue		36,634	-	-	36,634		
Loans receivables		31,262	-	-	31,262		
Total		6,274,385	-	2,570,060	3,704,325		
Contractual financial liabilities							
Payables: (i)							
Accrued expenses		91,487	-	-	91,487		
Trade creditors		293	-	-	293		
Superannuation payable		6,026	-	-	6,026		
Security deposits		1,856,487	-	-	1,856,487		
Total		1,954,293	-	-	1,954,293		
2021		•					
Contractual financial assets							
Cash and deposits	0.33%	4,271,183	-	2,561,871	1,709,315		
Receivables							
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: (i)							
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		

<sup>(</sup>i) 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 movement of 200 basis points up and 100 basis points down (2021: 100 basis points up and down) in market interest rates (AUD);

	<u> </u>		Interest rate risk
	Carrying amount	-1.0% -100 basis points	+2.0% 200 basis points
2022			
Contractual financial assets			
Cash and deposits – floating interest	2,570,060	(25,701)	51,402
Total	2,570,060	(25,701)	51,402
	_		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

#### 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, receivables, 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 in the notes to the financial statements 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 pursuant to a condition of a permit totaling \$33,020,558 (2021: \$33,759,454), are held by the HCV as financial security.

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

#### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or nonone 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:
  - o it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - o the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no quantifiable contingent liabilities (2021: \$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 Australian accounting standards 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 (2021: \$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 2021 to 27 June 2022
Minister for Planning	The Hon. Lizzie Blandthorn MP	27 June 2022 to 30 June 2022
Chair	Philip Goad	1 July 2021 to 30 June 2022
Accountable Officer	Rhonda McLaren	1 July 2021 to 30 June 2022
Member	Andrew May	1 July 2021 to 30 June 2022
Member	Megan Goulding	1 July 2021 to 30 June 2022
Member	Louise Honman	1 July 2021 to 30 June 2022
Member	Jeffrey Robinson	1 July 2021 to 30 June 2022
Member	Simon Molesworth QC	1 July 2021 to 30 June 2022
Member	Justin Naylor	1 July 2021 to 30 June 2022
Member	Margaret Baird	1 July 2021 to 30 June 2022
Member	Natica Schmeder	1 July 2021 to 30 June 2022
Member	Rueben Berg	1 July 2021 to 30 June 2022
Alternate Member	Maggi Solly	1 July 2021 to 30 June 2022
Alternate Member	Karen Murphy	1 July 2021 to 30 June 2022
Alternate Member	Christine Phillips	1 July 2021 to 30 June 2022
Alternate Member	David Hogg	1 July 2021 to 30 June 2022
Alternate Member	Adrian Finanzio SC	1 July 2021 to 30 June 2022
Alternate Member	Mark Burgess	1 July 2021 to 30 June 2022
Alternate Member	Anna Foley	1 July 2021 to 30 June 2022
Alternate Member	Jamie Lowe	1 July 2021 to 30 June 2022
Alternate Member	Jo Guard	1 July 2021 to 30 June 2022
Alternate Member	Helen Doyle	1 July 2021 to 30 June 2022

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 2021 to 30 June 2022 was Rhonda McLaren.

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

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

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

	2022	2021
	No.	No.
Income band (\$)		
0 – 9,999	6	5
10,000 – 19,999	8	9
20,000 – 29,999	6	5
Total number	20	19
Total remuneration	288,176	258,057

The compensation detailed above excludes the salaries and benefits the Portfolio Minister receives. The Ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*. From this financial year, the disclosure will no longer be included in the Department of Parliamentary Services' financial report and will be reported within the State's Annual 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 the Department of Environment, Land, Water and Planning (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 7.2.

#### Key management personnel

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

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

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

The remuneration breakdown of the HCV's key management personnel is shown in the table below (excludes the salaries and benefits of the Portfolio Minister and the Accountable Office, refer to note 7.2 Responsible persons):

	2022	2021
	\$	\$
Compensation of key management personnel		
Short term benefits	261,978	235,516
Post-employment benefits	26,198	22,541
Total	288,176	258,057

#### Significant transactions with government related entities

The HCV provided funding to Heritage Victoria, DELWP of \$278,100 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 \$950,636 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

	2022	2021
	\$	\$
Victorian Auditor General's Office		
Audit of the financial statements	(30,000)	(30,000)
Total	(30,000)	(30,000)

The remuneration of auditors is included in contract and professional services in note 3.2 Supplies and services.

#### 7.5 Subsequent event

HCV is not aware of any other circumstances that have arisen, or information that has become available between 30 June 2022 and the date of final approval of this general-purpose financial report that qualifies for inclusion as a post balance date event.

#### 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 2021–22 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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. HCV will not early adopt the Standard.

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

## **Appendices**

### Appendix 1: Disclosure Index

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

Legislation	Requirement	Page reference			
Ministerial Directions and Financial Reporting Directions					
Report of operations					
Charter and purpose					
FRD 22	Manner of establishment and the relevant Ministers	Page 7			
FRD 22	Purpose, functions, powers and duties	Page 8			
FRD 22	Key initiatives and projects	Page 9			
FRD 22	Nature and range of services provided	Page 7			
Management and structure					
FRD 22	Organisational structure	Page 24			
FRD 22	Governing Board	Page 24			
FRD 22	Board Committees	Page 25			
Financial and other information	ation				
FRD 8	Performance against objectives and measures	Page 10			
FRD 10	Disclosure index	Page 61			
FRD 12	Disclosure of major contracts	Page 29			
FRD 15	Executive Officer disclosure	Page 28			
FRD 22	Employment and conduct principles	Page 28			
FRD 22	Occupational health and safety policy	Page 28			
FRD 22	Summary of the financial results for the year	Page 23			
FRD 22	Significant changes in financial position during the year	Page 23			
FRD 22	Major changes or factors affecting performance	Page 23			
FRD 22	Subsequent events	Page 23			
FRD 22	Disclosure of government advertising expenditure	Page 29			
FRD 22	Disclosure of Information & communication technology expenditure	Page 29			
FRD 22	Application and operation of Freedom of Information Act 1982	Page 29			
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	Page 30			
FRD 22	Statement on National Competition Policy	Page 30			
FRD 22	Application and operation of the Public Interest Disclosure Act 2012	Page 30			
FRD 22	Details of consultancies over \$10,000	Page 29			
FRD 22	Details of consultancies under \$10,000	Page 29			
FRD 22	Statement of availability of other information	Page 31			
FRD 24	Reporting of office-based environmental impacts	Page 31			
FRD 25	Local Jobs First disclosure	Page 29			
FRD 29	Workforce Data disclosures	Page 28			
Compliance attestation and declaration					
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	Page 33			
SD 5.2.3	Declaration in report of operations	Page 4			

Legislation	Requirement	Page reference			
Financial					
Declaration					
SD 5.2.2	Declaration in financial statements	Page 34			
Other requirements	under Standing Directions 5.2				
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 42			
SD 5.2.1(a)	Compliance with Standing Directions	Pages 25, 33, 58			
Other disclosures as required by FRDs in notes to the financial statements					
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 58			
FRD 110	Cash Flow Statements	Page 41			
FRD 112	Defined Benefit Superannuation Obligations	Page 45			
FRD 114	Financial Instruments – general government entities and public non-financial corporations	Page 52			

Note:

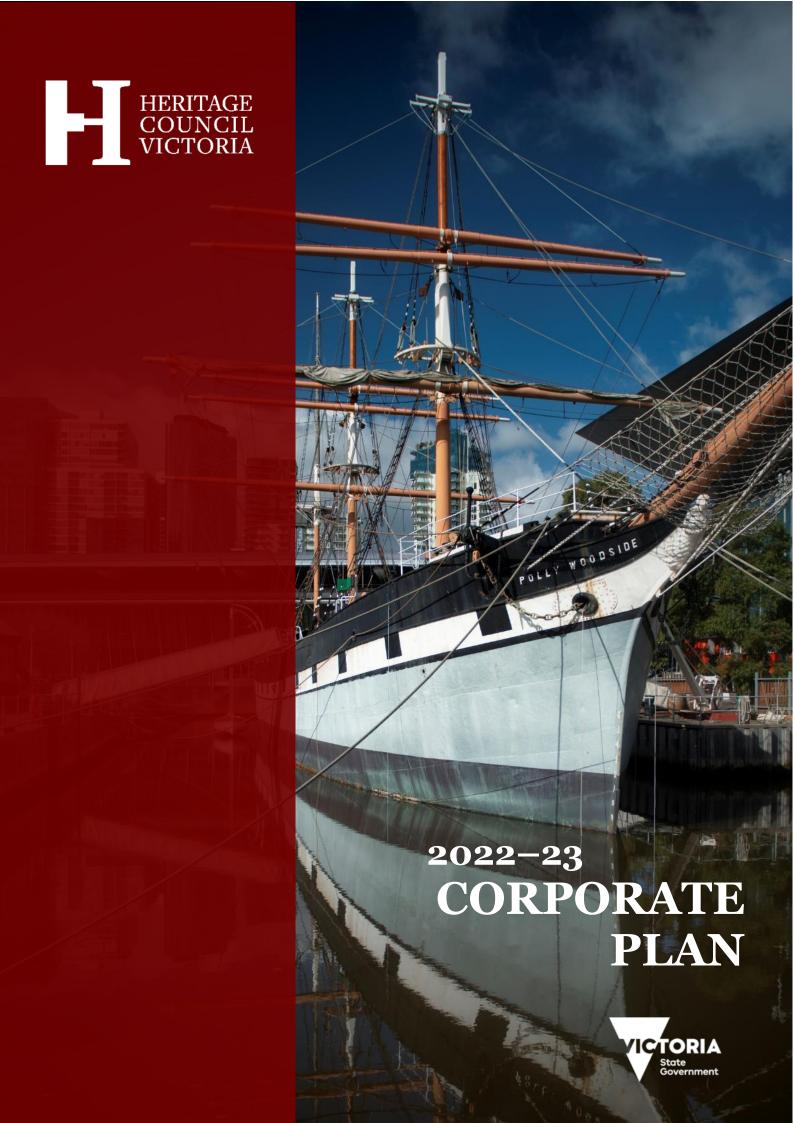
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

Legislation	
Heritage Act 2017	Page 31
Freedom of Information Act 1982	Page 29
Building Act 1993	Page 30
Public Interest Disclosures Act 2012	Page 30
Local Jobs First Act 2003	Page 29
Financial Management Act 1994	Page 42

## **Appendices**

Appendix 2: Heritage Council Corporate Plan 2022–23

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



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

- Heritage Council of Victoria

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## **Contents**

Chair's foreword	67
1.0 Heritage Council of Victoria	68
1.1 Council members	68
1.2 Council committees	69
1.3 Secretariat	70
2.0 Mission, vision and values	71
2.1 Mission	71
2.2 Vision	71
2.3 Values	71
3.0 Objectives, main undertakings and scope of activities	72
3.1 Current operating context – overview	72
3.2 Objectives	72
3.3 Main undertakings	72
3.4 Nature and scope of activities	73
4.0 Financial projections 2022–25	74
4.1 Estimates of 2022–25 revenue, expenditure and overall financial position	74
5.0 Objectives, priority activities and performance targets	75
Appendix A – The Heritage Council's core functions	78

## Chair's foreword

As a peak Heritage body, we are proud to acknowledge Victorian Traditional Owners as the original custodians of Victoria's land and waters, and to acknowledge the importance and significance of Aboriginal cultural heritage across the state. 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 2022–23 is an important document that sets 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 impact of the coronavirus (COVID-19) pandemic is continuing to be felt and the Council is continuing to develop hybrid work practices and take forward the best aspects of the new ways of meeting, working and engaging with the broader community. Despite the upheaval, the Council has made great progress in working towards its strategic aims. The Council received positive feedback on its State of Heritage Review and is continuing to implement the recommendations of this report. In addition, leading research in the area of managing climate change and heritage is nearing completion, and the Council is working with Heritage Victoria to identify and address gaps in the Victorian Heritage Register.

The Council's work continues to be guided by our 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, works 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 2022–23 and the steps we will take towards achieving our strategic goals. The Council's strong financial position, thanks to its prudent management, allows resources to be prioritised for the recognition and promotion of Victoria's cultural heritage.

Prof Philip Goad

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 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 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 2022–23 and members in those positions at 30 June 2022.



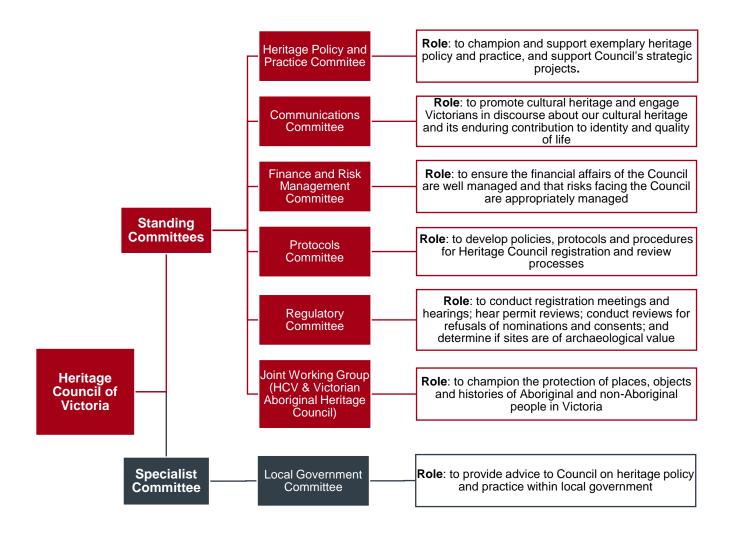
#### 1.2 COUNCIL COMMITTEES

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

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

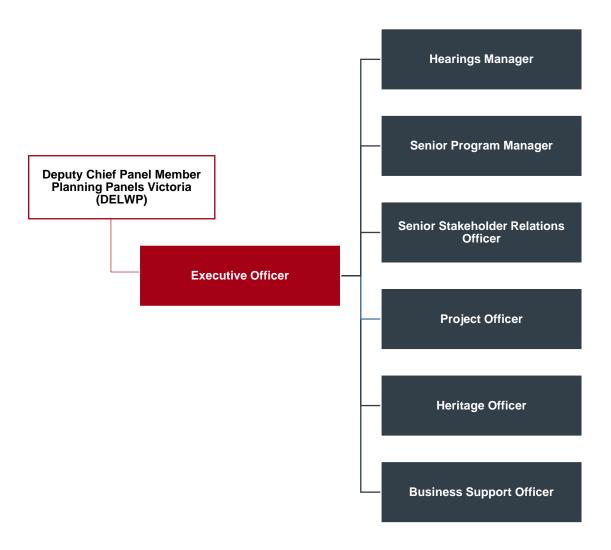
**Specialist Committees** – consisting of Council members and external subject-matter experts. Specialist committees advise the Council on cultural heritage matters pertaining to specific subject areas. They meet a maximum of four times per year and provide advice to the Council as needed.

The following chart outlines the committees that will be operating in 2022–23 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 2022–23.

#### 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*.

The impact of the coronavirus (COVID-19) pandemic is continuing to be felt and will be a challenge to the operating environment in 2022–23. The Council is operating a hybrid model with staff returning to the office two or three days a week and most meetings and hearings remaining online for now. The Council has dealt quickly with changes to work programs and will continue to use its flexibility and responsiveness to deal with future changes. Despite these challenges the Council is focused on continuing to improve performance and lead in the development and implementation of strategic heritage projects.

While the coronavirus (COVID-19) pandemic has impacted much of the Council's work, to date there has been no major impact on the Council's financial position. Strong financial management by the Council allows it to focus on large strategic projects with the ability to make a long-term positive impact on the recognition and management of cultural heritage in Victoria.

#### 3.2 OBJECTIVES

The objectives for 2022–23 are outlined in detail in section 5 of this corporate plan and are related to the Council's priority activities and performance targets. They correspond to the following five key strategies for achieving the Council's vision over the next five years:

- Wider understanding of cultural heritage.
- Effective and representative Victorian Heritage.
- Innovative and sustainable heritage practice.
- Shared responsibility for heritage conservation.
- Improved Heritage Council operations.

#### 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 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, s.11) can be found at Appendix A. The Council's core functions and objectives will determine its activities and their scope, as set out in further detail in section 5. The nature and scope of activities include:

- attending to core statutory functions (making determinations, conducting hearings and reviews) in relation to the VHR, the Heritage Inventory, nominations, permits and consents
- managing the Heritage Fund and publication of the corporate plan and annual report
- reporting annually on the state of Victoria's cultural heritage
- developing guidelines and research in relation to the protection and conservation of cultural heritage
- promoting public understanding of the state's cultural heritage including by conducting public forums, industry
  workshops and developing strategic partnerships such as those with Open House, Design Week and the
  Australian Heritage Festival
- conducting internal reviews, training and analysis in relation to the Council's core functions.

## **04 Financial projections**

For 2022-25

4.1 ESTIMATES OF 2022–25 REVENUE, EXPENDITURE AND OVERALL FINANCIAL POSITION FOR THE HERITAGE FUND, MANAGED BY THE COUNCIL PURSUANT TO SECTION 11(1)(o) AND PART 11 OF THE ACT

	Budget 2021–22 \$'000	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000
Revenue				
DELWP Contribution	-	_	_	_
Fees Revenue	1,625	2,113	2,121	2,129
CBS Interest	10	6	6	6
Total	1,635	2,119	2,127	2,135
Expenditure				
Admin and Remuneration	1,582	1,464	1,501	1,539
Communications	100	88	88	88
Strategic Projects	218	100	200	200
Partnership Projects	15	15	15	15
Grant to Heritage Victoria	300	395	150	150
Legacy Grants and Studies	167	216	_	_
Total	2,382	2,278	1,954	1,992
Overall Position	(747)	(159)	173	143

HCV	Budget 2021–22 \$'000	2022–23 \$'000	Forecast 2023–24 \$'000	2024–25 \$'000
Revenue	1,635	2,119	2,121	2,129
Expenditure	2,382	2,278	1,954	1,992
Overall Position	(747)	(159)	173	143

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

#### Notes on 2022-23 projected budget deficit

- The projected \$159,000 budget deficit in 2022–23 is due to an increase in grants and an anticipated pay out of legacy grants and projects.
- The Heritage Fund holds investments of \$2.56 million and approximately \$1.38 million cash on hand which can be drawn down as required.

#### Notes on the Council's Financial Projections 2022-25

- The economic conditions are difficult to predict with the ongoing impact of the coronavirus (COVID-19)
  pandemic. The Council previously budgeted for a projected decline in revenue, but this decrease did not
  eventuate, and revenue has remained consistent with previous years. The Council has therefore projected
  revenue to remain steady over the next three years.
- The Council is returning to a 'balanced budget' approach over the next three years.
- 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 2022-23

The Council's objectives listed below correspond to strategic goals listed in the Council's Strategic Plan 2021–25.

The double objectives held below correspond to directly godie held in the double of directly in the 2021 20				
Strategy 1	WIDER UNDERSTANDING OF CULTURAL HERITAGE			
Goals	d. 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.			
	e. The stories and narratives of our important cultural heritage places and objects are well told and widely shared.			
			ecognised as leading public discourse about the anagement and celebration of Victoria's cultural heritage.	
Strategic Actions	Goal	SOHR	Target Outcomes (ie: 'Measures of Success')	
Update the Heritage Council communications plan	1(b)	PP2	Communications Plan updated to reflect revised focus and adopted by HCV. Community 'roadshow' prepared and delivered.	
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.	
Demonstrate the economic and social value of heritage to the community by reference to authoritative data and case studies	1(a)		Project commenced to assemble and synthesise information on the economic and social value of heritage to the community.	

Strategy 2	EFFECTIVE AND REPRESENTATIVE VICTORIAN HERITAGE REGISTER			
Goals	<ul> <li>Victoria's Heritage Register recognises and protects our State significant cultural heritage.</li> </ul>			
		b. The Victorian Heritage Register reflects the diverse range of State significant cultural heritage valued by communities throughout Victoria.		
		c. The Victorian Heritage Register is accessible and easy to use as a source of useful information about Victoria's State significant heritage.		
Strategic Actions	Goal	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	INNOVA	TIVE AN	D SUSTAINABLE HERITAGE PRACTICE		
Goals	Cultural heritage conservation contributes to sustainable practices and addresses challenges arising from climate change.				
	<ul> <li>Victoria has a more highly skilled heritage workforce – professional and trade – to support custodians and policy makers.</li> </ul>				
	c. The Council identifies, instigates, undertakes or supports projects which develop or demonstrate exemplary heritage practice and/or showcase Victoria's cultural heritage.				
Strategic Actions	Goal	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)		Public communication of the outcomes of the Cultural Heritage and Climate Change Project including case studies and other tools.		
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	RESPO	DNSIBILITY FOR HERITAGE CONSERVATION		
Goals	The Council leads a shared approach to recognising, protecting and conserving Victoria's cultural heritage.				
	<ul> <li>The shared history of Aboriginal and non-Aboriginal Victorians is recognised and understood.</li> </ul>				
	<ul> <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>				
Strategic Actions	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)		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				
Goals	a. The Council will have adequate resources and will manage its workload to address strategic programs while managing statutory functions effectively.				
	<ul> <li>Capacity for community participation and transparency of Council processes will be increased.</li> </ul>				
	c. The Council will continue to provide robust and effective advice to the Minister.				
Strategic Actions	Goal	SOHR	Target Outcomes (ie: 'Measures of Success')		
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)		Annual review of staff allocation, member costs and strategic funding and implementation of recommendations  Scope options for improved management of member documents		
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 operational and subject to review and fixes as necessary		

## Appendix A

#### The Heritage Council's core functions

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

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

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