

The Hands on Heritage program entered its fifth year of operation and completed another very successful year. The program is highly valued by owners who receive additional labour to maintain their heritage properties. The program is funded by the Heritage Council and is undertaken by Conservation Volunteers Australia (CVA) through its Better Earth program. CVA also provide labour for additional projects from the Green Reserve program and funding from corporate sponsors. It is an innovative model designed to introduce and involve a wide cross section of the community in practical heritage conservation activities.

The Heritage Council's funding of \$40,000 provided assistance to owners at 25 heritage sites. This translated to 939 days of support. Additional funding of \$20,000 is provided to CVA to administer the program and employ a part time heritage facilitator.

Volunteers from CVA Better Earth program undertook artefact conservation, weed control, painting, fencing, path and landscape works. Projects were undertaken at Anderson's Mill, Eureka Youth Camp, Collins Settlement Site, Abbotsford Convert, Barwon Park, Strathfieldsaye Homestead, Mount Alexander Diggings, Mt Rothwell Homestead, and the Maldon Denominational School. For the first time two projects were undertaken for VicTrack on the Gordon and Harcourt Railway Stations.

The St Kilda Bowling Club and Myrtleford Gold received project support from CVA corporate sponsorship.

Green Reserve teams coordinated by CVA, who spend two days per week for six months, made a valuable contribution at the Queenscliff Maritime Museum, Heritage Victoria Conservation Laboratory, Campbells Creek Cemetery, Daylesford Railway Station, Buda at Castlemaine, Barwon Park, Pirianda an Alfred Nicholas Gardens, Ballarat Cemetery, Ballarat Mechanics Institute, City of Ballarat heritage urban design project, Royal Historical Society and the Echuca heritage sites project. In total Green Reserve teams contributed 879 days towards heritage projects.

Local government in Victoria has a responsibility under the Planning and Environment Act 1987 "to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value". The Heritage Council continues to provide assistance to local government to meet this obligation.

Heritage studies

Grants were provided through the Victorian Heritage Program in 2004-2005 to enable the following councils to undertake heritage identification studies:

- Alpine Shire - Stage Two of a heritage study to assess and document heritage places.
- Golden Plains Shire - Stage Two of a heritage study to assess and document heritage places.
- Moira Shire - Stage Two of a heritage study to assess and document heritage places.
- Towong Shire - Stage Two of a heritage study to assess and document heritage places.

Local protection

Local government continues to play a major role in the protection of the State's cultural heritage.

In 2004-2005, among the planning scheme amendments approved were major heritage amendments to the Pyrenees, Greater Dandenong and Yarra Ranges Planning Schemes.

The "Review of the Heritage Studies Program" report, which was presented to the Heritage Council in January 2004, suggested that additional assistance may need to be provided to some rural councils to assist them to translate heritage studies into planning scheme protection due to the amount of work involved. The Heritage Council is sympathetic to this recommendation and provided small grants to the Northern Grampians and the Southern Grampians Shire Councils to assist them to prepare heritage amendments to their planning schemes.

Heritage Advisors

The Heritage Council continues to provide assistance with the establishment of Heritage Advisory services in local councils. Almost \$300,000 was distributed in grant funding to 60 councils through the Victorian Heritage Program in 2004-2005 for this purpose.

The degree to which the heritage advisor program is valued by local government across the State can be gauged by the fact that Victoria's councils contribute at least \$3.30 for every \$1.00 of State Government funding.

Other

- A workshop was held at 80 Collins Street, Melbourne for heritage consultants and local government planners involved in the preparation of heritage studies. The workshop identified a number of suggested changes to the heritage study brief.
- A workshop was held at Moonee Valley Council in May 2005 with heritage advisors, local government planners and other interested parties on the topic of Melbourne 2030 and Heritage.
- The Heritage Council has continued to express its concerns with the interface between ResCode and Heritage Overlays.
- The Heritage Council's Local Government Planning Working Group continued its review of the draft 2000 document "Guidelines for the Assessment of Heritage Planning Applications".



Above left: Landscape maintenance underway at Collins Settlement Site thanks to Hands On Heritage volunteers.

Above: Volunteers from Korea find some shade in which to work on a 35 degree day at Abbotsford Convent.

Above: Volunteers give the Gordon Railway Station a fresh coat of paint.

Left: headstones, St Kilda cemetery. Photo: Janusz Molinski.

The Places at Risk program was funded in 2004-2005 out of \$300,000 from the Victorian Heritage Program. It specifically targets the most endangered places on the Victorian Heritage Register.

A place at risk is defined as a place on the Victorian Heritage Register, which suffers from neglect or decay to such an extent that its existence is threatened, either immediately or as a result of a foreseeable sequence of events.

Over the 2 years of the program, projects have been funded at 19 places, totalling \$489,000. So far, 7 places have been removed from risk by the program.

Projects completed this financial year include:

Stone Cottages, Barkers Creek, VHR 1743

The two stone cottages near Castlemaine came to our attention due to concern over their poor condition. When entered on the Register in 1997, one had already lost its roof and both were damaged by fire and decay. Of unknown date (possibly 1870s), the cottages had roofs consisting of huge stone slabs, some nearly a metre square and 50mm thick. The stonework is distinctive and unusual.

With a budget approaching \$20,000, stonemason Huntly Barton of Kyneton was engaged to repair the cottages. Together with builder Adrian Barry, the mason repaired and reinforced the walls, installed a new roof and secured the doors and windows. In line with the 'place at risk' philosophy, this not only conserves the cottages but removes key risk factors by making them secure, minimising environmental damage (eg rain) and halting structural decay.

Woolshed at Ercildoune Homestead, Burrumbeet VHR 0313

This is perhaps the most successful project to date, in that this building had virtually been 'written off' before the Places at Risk program became involved. Places at Risk funded 50% of the total project cost of \$60,000.

The woolshed at Ercildoune, a property north-west of Ballarat, is particularly significant as the place was a pioneer of early sheep shearing techniques. In its early days, the sheep at Ercildoune were washed prior to shearing in a facility whose remains survive today. Unused for 20 years, the shed had become seriously dilapidated, with a 300 mm lean at one end and a partly collapsed roof and floor.

The owner suggested Steve Briody, a son of the family that had owned the property when it still ran sheep, repair the shed. Steve is a mature-age engineering student and an excellent handyman. Once an appropriate conservation approach had been agreed between owner, contractor, and Heritage Victoria, Steve commenced work with a small and dedicated team of locals. The building is now structurally secure and watertight.

Ercildoune's woolshed has many of the features common to projects funded by Places at Risk: it is unused, relatively remote, and in a rural area. This is no accident, as these are some of the risk factors identified in research by English Heritage and now Heritage Victoria.

In the future it is hoped to undertake further research into these risk factors, both to target the small funds available for such projects, and to identify low-cost risk-reduction strategies.



Above: Restored Stone Cottage, Barkers Creek.



Above: Restoration at Ercildoune Woolshed.

The Heritage Council continued to provide financial assistance to owners of heritage places in the form of grants and low or interest-free loans. The focus of the Heritage Council's Financial Assistance Program is on privately-owned places that are not eligible for funding under the Victorian Heritage Program.

Some interesting projects funded this year include:

Nathan's Terrace, VHR 1205

A grant of \$10,000 funded a structural assessment and defects report, prepared by an engineer, for Nathan's Terrace. Comprising twelve single storey terrace houses on two street frontages, the terrace was developed by Melbourne furniture retailer, Samuel Nathan during the land boom of the late 1880s.

The owners of one terrace approached Heritage Victoria for assistance towards repair of the decorative parapet. On inspection it became clear that urgent repairs were required to all the terraces. Rather than support piecemeal repairs, it was decided to fund a structural assessment and defects report for all the terraces. Each owner will receive a report on their property.



Above: Former Labassa Conservatory.

Former Labassa Conservatory, VHR 2005

Several grants totalling \$40,000 have assisted the owner of this place to investigate its complex fabric and structure, and will contribute to its conservation.

Formerly the garden conservatory to nearby Labassa mansion, the place was converted to a residence in the 1930s following subdivision. The current owner intends to reverse these later modifications and use the conservatory as a single, glazed living area with a new detached bedroom wing at the rear. Having funded architect's and engineer's reports, Heritage Council funds are now assisting the restoration of the delicate pressed zinc decorations on the building.

Cloverdale Cottage

This early farming cottage in outer-suburban Lysterfield was purchased by the Government in 2001 following a protracted dispute over the local Council's refusal to grant the then owners a demolition permit.

After holding the property for 2 years, and investigating several options for possible subdivision, the Government sold the cottage as it had purchased it, but with a legal agreement in place for the preservation of the structure. The cottage is in a severe state of decay with much of the roof and floors missing or damaged.

While the place is not listed on the Victorian Heritage Register, it is of regional significance and it was felt that the long struggle by the community to save it justified a grant of \$18,000 to reconstruct the roof.



Above: Cloverdale cottage.

28 1.7 HERITAGE FUND

ASSISTANCE APPROVED FOR REGISTERED PROPERTIES 2004-2005

PROJECT	LOAN	GRANT
Napier Waller House, Crown Rd, Ivanhoe		\$15,000.00
"Norwood" Wareek		\$35,000.00
Labassa Conservatory, Manor Grove, Caulfield		\$5,000.00
Russell's Old Corner Store, King St, Melbourne		\$1,326.00
Duke of Cornwall Mine, Fryerstown		\$2,160.00
Presbyterian Church, Lyttleton St, Castlemaine		\$3,000.00
Nathans Terrace, Wellington and Shields Streets, Flemington		\$10,000.00
Ercildoune, Napier Street, Footscray		\$6,600.00
Glenara Homestead, Glenara Drive, Bulla		\$10,000.00
Old Telegraph Station, Castlemaine		\$2,200.00
Labassa Conservatory, Manor Grove, Caulfield		\$20,000.00
Cloverdale Cottage, Lysterfield		\$18,000.00
Napier Waller House, Crown Rd, Ivanhoe		\$17,000.00
A'Coy House, Bowden Street, Castlemaine		\$45,000.00
Lake Tyers Aboriginal Mission, former rations store and office		\$15,000.00
St Jude's Anglican Church, Carlton		\$3,215.00
Hands on Heritage Program 2005/2006		\$60,000.00
Total		\$268,501.00

PLACES AT RISK PROGRAM	LOAN	GRANT
Timboon House, Old Geelong Rd, Camperdown		\$1,610.00
Coriyule Homestead, McDermott Rd, Drysdale		\$17,000.00
Barkers Creek Stone Cottages, Blakeley Rd, Barkers Creek		\$10,000.00
Coolart, Lord Somers Road, Somers		\$7,000.00
Silverwells, Ure Road, Gembrook		\$10,000.00
Former Wills House, Dickens Street, Woodend		\$7,500.00
Strathfieldsaye Estate, Stratford		\$13,500.00
Former Bendigo Hotel, 82 Broadway, Dunolly		\$102,500.00
Barkers Creek Stone Cottages, Blakeley Rd, Barkers Creek (additional)		\$10,000.00
Criterion Hotel, Macalister Street, Sale (transfer to new owner)	\$42,500.00	\$42,500.00
Criterion Hotel, Macalister Street, Sale		\$5,000.00
Total	\$42,500.00	\$226,610.00

1.8 SUMMARY OF FINANCIAL RESULTS 29

SUMMARY OF FINANCIAL RESULTS

	Notes	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000	2001 \$'000
Revenue	1	1,997	1,662	1,786	1,895	1,444
Expenses	2	1,476	1,397	1,978	1,816	2,108
Net Result		521	266	(192)	79	(664)
Total Assets	3	2,822	2,292	1,630	1,886	2,042
Total Liabilities	4	618	609	213	277	512

NOTES:

- Operating Revenue has increased in a number of areas. Increased fees for Permits from April 2005 of 45K, increased activity for Certificates of 15K and other income of 150K from the Commonwealth government for National Heritage Place Interpretation were received. Furthermore 30K additional interest on investment monies held, 50K extra from the Victorian Heritage Program and 70K turn around in Security Bond monies held have also been received.
- Small increase in Operating Expense due to the increase in Members sitting fees and Seminar meeting attendance.
- Total Assets have increased due to monies for 'Public Heritage for Places at risk' and other various projects that have yet to be fully undertaken and expended.
- Total Liabilities have increased as a result of the higher archaeological security deposits held.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
REVENUE FROM ORDINARY ACTIVITIES			
Revenue from operating activities			
Revenue from government	2	1,373,000	1,393,000
Resources received free of charge	1(b), 14	-	-
Permit fees		120,180	78,465
Planning certificates fees		123,350	108,809
Archaeological security deposits retained	1(j)	20,932	(50,341)
Sale of publications and reports		500	4,937
Revenue from non-operating activities			
Other income		261,541	68,181
Interest income		97,283	59,224
		1,996,786	1,662,275
EXPENSES FROM ORDINARY ACTIVITIES			
Administration expenses	3	345,110	457,612
Heritage project expenses	4	573,121	553,750
Grants for historic property restoration	5	461,306	320,931
Members fees	16	96,261	60,489
Depreciation		-	67
Assets written off		-	3,733
		1,475,798	1,396,582
Net result for the reporting period	12	520,988	265,693
Total changes in equity other than those resulting from transactions with Victorian State Government in its capacity as owner	12	520,988	265,693

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
Current assets			
Current assets			
Cash assets	6	132,308	137,367
Investments	7	1,754,819	1,228,301
Loans	8	90,424	84,617
Receivables		208,850	177,221
Total current assets		2,186,401	1,627,506
Non-current assets			
Loans	8	635,439	664,472
Plant and equipment	9	-	-
Total non-current assets		635,439	664,472
Total assets		2,821,840	2,291,978
Current liabilities			
Payables	10	249,782	357,535
Archaeological security deposits	11	368,507	251,880
Total liabilities		618,289	609,415
Net assets		2,203,551	1,682,563
Equity			
Contributed Capital	12	1,530,013	1,530,013
Accumulated surplus/(deficit)	12	673,538	152,550
Total equity		2,203,551	1,682,563

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Cash flows from operating activities			
Receipts from State Government		1,373,000	1,393,000
Receipts from other entities (incl. GST)		498,884	154,156
Payments to suppliers and employees (incl. GST)		(1,105,324)	(812,838)
Interest income		97,283	59,224
Grants for historic property restoration		(461,306)	(320,931)
Net cash provided by / (used in) operating activities	6	402,538	472,611
Cash flows from investing activities			
Loans repaid		98,226	88,837
Security deposit received		95,695	44,862
Loans advanced		(75,000)	-
Net cash inflow from investing activities		118,921	133,699
Net increase (decrease) in cash held		521,459	606,310
Cash at the beginning of the financial year		1,365,668	759,358
Cash at the end of the financial year	6	1,887,127	1,365,668

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general-purpose financial report has been prepared in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Consensus Views.

It is also prepared in accordance with the historical cost convention. The accounting policies adopted are consistent with those of the previous year, except where a change is required to comply with an Australian accounting standard or Urgent Issues Group Consensus View.

(A) REVENUE RECOGNITION

Government contributions are recognised when the Council obtains control of the funds. All other revenue is recognised when controlled (ie. when received or receivable).

(B) RESOURCES RECEIVED FREE OF CHARGE

Prior to the 2003/2004 year a notional figure was included in both Income and Expenses for resources received free of charge. These resources in the form of services were recognised at their fair value and only recognised when a fair value could be reliably determined and the services would have been purchased if not donated. In the 2004-2005 year a fee for service arrangement was entered into by the Department of Sustainability and Environment and Department of Infrastructure whereby Heritage Victoria paid this fee on behalf of the Heritage Council.

(C) RECEIVABLES

All debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(D) LOANS RECEIVABLE

Heritage Council provides grants and low interest loans to persons currently in the possession of buildings of historic significance, for restoration and maintenance.

When a loan is provided, a signed contract is entered into to secure the Council's interest. Prior to 1991, the need for a Bank Guarantee was determined by the Council Finance Committee, based on the loan applicant's ability to repay the loan at that point in time. Subsequently the Council now requires that all loans be fully secured by a Bank Guarantee with the exception of loans provided to church authorities and Local and State Government Authorities.

(E) DEPRECIATION

Assets with a cost in excess of \$1,000 are capitalised (2004 - \$1,000) and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over the estimated useful lives to the Council using the straight-line method. A full year's depreciation is charged against the value of assets except for the current year additions, improvements and disposals where depreciation commences or ceases in the month in which the asset is purchased or sold.

In relation to the estimated life of assets, the following periods have been adopted:

Plant and Equipment 10 Years

There are no assets within the Heritage Council of Victoria.

(F) VALUATION OF NON CURRENT ASSETS

The cost method of accounting is used to measure Plant and Equipment in accordance with the Department of Treasury and Finance's Policy Paper on 'Revaluation of Non-Current Physical Assets'.

(G) CASH

For purposes of the statement of cash flows, cash includes cash at bank and investments in 11am call deposits and short term deposits less than 90 days.

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HERITAGE COUNCIL OF VICTORIA

(H) INVESTMENTS

Investments are valued at cost and classified as current assets with respect to the timing of redemption of each investment. Investments are funds invested with Treasury Corporation Victoria throughout the financial year. Interest revenue is brought to account when it is earned.

(I) PAYABLES – TRADE AND OTHER CREDITORS

These amounts represent liabilities for goods and services provided to the Council prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(J) ARCHAEOLOGICAL SECURITY DEPOSITS

Security deposits are required for archaeological excavation permits and are disclosed under liabilities in the Statement of Financial Position. The deposits are kept in trust to ensure the site is returned to its former state and the proper cataloguing and conservation of any excavated material. Any balance is returned to the applicant on completion of the project. Security deposits retained are treated as revenue and used to meet expenses incurred. A credit figure in 03/04 is due to an incorrect anticipation of revenue in a prior year.

(K) EMPLOYEE BENEFITS

(i) Staff Salaries and Associated costs

The Heritage Council does not have any employees and no liabilities for employee entitlements exist.

(ii) Council Member fees

Council Members are remunerated for attending various Council meetings. (Refer Note 16)

(L) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

Costs incurred to update existing systems or to design, develop and implement new systems to deal with the goods and services tax are charged as expenses when incurred, except where they result in an enhancement of future economic benefits and are recognised as an asset.

(M) CONTRIBUTED CAPITAL

Consistent with UIG Abstract 38 Contributions by Owners Made to Wholly-Owned Public Sector Entities and Financial Reporting Direction No. 2 Contributed Capital, transfers that are in the nature of contributions or distributions have been designated as contributed capital.

(N) ROUNDING OFF

Rounding off to the nearest dollar has been adopted in the Financial Statements.

(O) IMPACTS OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

For annual reporting periods ending on or after 30 June 2004, AASB 1047 Disclosing the Impacts of Adopting AASB Equivalents to International Financial Reporting Standards requires narrative disclosure of how the transition process is being managed and an explanation of the key differences of accounting policies that are expected to arise from the transition to AASB equivalents to IASB pronouncements.

For financial reporting periods beginning on or after 1 January 2005, all Australian reporting entities are required to adopt the financial reporting requirements to the Australian equivalents to International Financial Reporting Standards (IFRS's).

Given the nature of the Heritage Councils activities the adoption of the requirements of the Australian equivalents to IFRS is not anticipated to have a material impact on the Heritage Councils financial position or financial performance. For details refer to Note 17.

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HERITAGE COUNCIL OF VICTORIA

NOTE 2: GOVERNMENT CONTRIBUTIONS

	2005 \$	2004 \$
Government Contributions during the year comprised:		
State Government Contributions	1,373,000	1,393,000
<u>Total government contributions</u>	<u>1,373,000</u>	<u>1,393,000</u>

NOTE 3: ADMINISTRATION EXPENSES

Administration Expenses comprised the following:

Salaries and associated costs		
Administrative costs	195,424	339,928
Advertising, publicity and information	141,986	110,885
Audit fees - Auditor General	7,700	6,800
	<u>345,110</u>	<u>457,612</u>

NOTE 4: HERITAGE PROJECT EXPENSES

Project costs	507,713	471,282
Contractors Expenses*	65,408	82,468
	<u>573,121</u>	<u>553,750</u>

*mainly relates to the hiring of contractors for Heritage building feasibility studies, education and training and conservation management plans.

NOTE 5: GRANTS FOR HISTORIC PROPERTY RESTORATION

The Executive Director with the consent of the Heritage Council, provided grants for the purpose of assisting with the conservation of any part of Victoria's cultural heritage.

	461,306	320,931
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HERITAGE COUNCIL OF VICTORIA

NOTE 6: NOTES TO THE STATEMENT OF CASH FLOWS

	2005 \$	2004 \$
Reconciliation of Cash		
For the purpose of the Statement of Cash Flows, cash includes cash at bank and investments at 11AM call deposits and short term deposits with less than 90 days settlement. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at Bank	132,308	137,367
Investments (refer Note 7)	1,754,819	1,228,301
Total	1,887,127	1,365,668
Reconciliation of net cash flows from Operating Activities to net result for the reporting period		
Net result for the reporting period	520,989	265,693
Increase/(Decrease) in Payables and Accruals	(107,753)	278,281
(Increase)/Decrease in Receivables	(31,629)	(149,072)
Archaeological Security Deposits Retained	20,932	73,909
Bad and Doubtful Debts	-	-
Depreciation	-	67
Assets written off	-	3,733
Net Cash (Outflow) from Operating Activities	402,538	472,611

NOTE 7: INVESTMENTS (ALSO REFER NOTE 6)

Treasury Corporation - Call Deposits	104,819	28,301
Treasury Corporation - Short-term Deposits	1,650,000	1,200,000
Total	1,754,819	1,228,301

Investments include Archaeological Security deposits held

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HERITAGE COUNCIL OF VICTORIA

NOTE 8: LOANS

	2005 \$	2004 \$
Heritage Council Loans		
Movements in this account are as follows:		
Opening Balance 1 July	749,089	837,926
Less: Repayments	98,226	88,837
	<u>650,863</u>	<u>749,089</u>
Add: New Loans	75,000	0
Closing Balance 30 June	725,863	749,089
Loans are disclosed as follows		
Current	90,424	84,617
Non-Current	635,439	664,472
The current portion of loans receivable is calculated as the total loan repayments due and receivable in the 12-month period after balance date.	<u>725,863</u>	<u>749,089</u>

NOTE 9: PLANT AND EQUIPMENT

Plant and Equipment (Sea Anchor) at cost	0	0
Less: Accumulated Depreciation	-	-
	<u>0</u>	<u>0</u>

NOTE 10: PAYABLES

Sundry Creditors	228,450	323,094
Accruals	21,332	34,440
	<u>249,782</u>	<u>357,535</u>

NOTE 11: ARCHAEOLOGICAL SECURITY DEPOSITS

Archaeological security deposits* (see note 1(j))	368,507	251,880
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* mainly represents deposits required for archaeological excavation permits.

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HERITAGE COUNCIL OF VICTORIA

NOTE 12: EQUITY AND MOVEMENTS IN EQUITY

	2005 \$	2004 \$
(a) Contributed Capital		
Balance 1 July	1,530,013	1,530,013
Balance 30 June	1,530,013	1,530,013
(b) Accumulated Surplus / (Deficit)		
Balance 1 July	152,550	(113,143)
Net result for reporting period	520,988	265,693
Balance 30 June	673,538	152,550
(c) Total Equity	2,203,551	1,682,563

NOTE 13: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments to Pay Out Loans and Grants

In addition to the loans and grants issued during the year, total approvals given by the Heritage Council up to 30 June 2004, provide for the issue of a further \$1,048,346 (2003 - \$569,611) in loans and grants in future years.

These commitments are represented as follows, but are not reflected in the Statement of Financial Performance and Statement of Financial Position until the option has been taken up by the applicant.

Grant Commitments	998,626	814,290
Loan Commitments	75,000	234,056
Total	1,073,626	1,048,346

(b) Commitments for Operating and Finance Leases

At report date, the Council has no operating or finance lease commitments.

(c) Commitments for Capital Expenditure

At report date, the Council has no commitments for Capital expenditure.

(d) Contingent Liabilities

At report date, there was one legal claim outstanding which the Council disputes. The amount involved is yet to be quantified.

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HERITAGE COUNCIL OF VICTORIA

NOTE 14: RESOURCES RECEIVED FREE OF CHARGE (ALSO REFER NOTE 1(B) & NOTE 3)

	2005 \$	2004 \$
Not applicable after 2003 year		
This amount comprised:		
Salaries and associated costs	0	0
Administrative Costs	0	0
	0	0

NOTE 15: FINANCIAL INSTRUMENTS

(A) TERMS, CONDITIONS AND ACCOUNTING POLICIES

The Council's accounting policies, including the term and condition of each class of financial asset and financial liability, both recognised and unrecognised at balance date are as follows:

RECOGNISED FINANCIAL INSTRUMENTS	ACCOUNTING POLICIES	TERMS AND CONDITIONS
(i) FINANCIAL ASSETS		
Cash assets and investments	Cash on hand and Term Deposits are carried at the principal amount.	Cash is invested, when available, at varying interest rates between 4% - 5.5%.
Receivables	Receivables are carried at nominal amounts due less any provision for doubtful debts. Estimated doubtful debts are based on examination and assessment of each individual debt.	Generally normal credit terms are 30 days. Other receivables mainly relate to Government Departments and agencies and as such the credit risk is minimal.
Loans	Loans are carried at their principal amounts.	Loans have varying interest rates (Average 5%).
(ii) FINANCIAL LIABILITIES		
Payables	Payables are recognised for amounts to be paid in the future for goods and services received whether or not billed by the supplier.	Terms of Settlement are generally 30 days from the date of invoice in line with government policies.
Archaeological Security Deposits	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.	Any balance is returned to the applicant on completion of the project. Security deposits retained are treated as revenue and used to meet expenses incurred.

NOTE 15: FINANCIAL INSTRUMENTS (CONTINUED)

(B) INTEREST RATE RISK

The Council's exposure to interest rate risk and effective interest rates of financial assets and financial liabilities both recognized and unrecognized at balance date are as follows:

Financial Instruments	Variable Interest		Non-Interest Bearing		Weighted Effective Interest Rate %
	2005 \$	2004 \$	2005 \$	2004 \$	
Financial Assets					
Cash Assets	132,308	137,367	-	-	5.3
Investments	1,754,819	1,228,301	-	-	5.3
Loans	725,863	749,089	-	-	5.0
Receivables	-	-	208,850	177,221	N/A
Total Financial Assets	2,612,990	2,114,757	208,850	177,221	
Financial Liabilities					
Payables	-	-	249,782	357,535	N/A
Archaeological Security Deposits	-	-	368,507	251,880	N/A
Total Financial Liabilities	-	-	618,289	609,415	

(C) NET FAIR VALUE

Financial Instrument	Total carrying amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets				
Cash Assets	132,308	137,367	132,308	137,367
Investments	1,754,819	1,228,301	1,754,819	1,228,301
Loans	725,863	749,089	725,863	749,089
Receivables	208,850	177,221	208,850	177,221
Total Financial Assets	2,821,840	2,291,978	2,821,840	2,291,978
Financial Liabilities				
Payables	249,782	357,535	249,782	357,535
Archaeological Security Deposits	368,507	251,880	368,507	251,880
Total Financial Liabilities	618,289	609,415	618,289	609,415

NOTE 15: FINANCIAL INSTRUMENTS (CONTINUED)

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

Recognised Financial Instruments:

Cash on Hand and Term Deposits:	The carrying amount approximates fair value.
Receivables/loans:	The carrying amount approximates fair value.
Payables/archaeological security deposits:	The carrying amount approximates fair value.

(D) CREDIT RISK EXPOSURES

The Council's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

NOTE 16: DISCLOSURES RELATED TO RESPONSIBLE PERSONS

In accordance with the Directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made for Responsible Persons.

Persons who held the above positions in relation to the Heritage Council at any time during the reporting period are:

RESPONSIBLE MINISTERS –

The Hon. Mary Delahunty MP (Minister for Planning) – 1 July 2004 to 25th January 2005
The Hon. Robert Hulls MP (Minister for Planning) – 26 January 2005 to 30 June 2005

DIRECTORS – 1 JULY 2004 TO 30 JUNE 2005:

Chris Gallagher (Chair)
Peter Hiscock
Peter Williams
Renate Howe
Meredith Gould

Malcolm McDonald
Peter Beaumont
Susan Brennan
Neville Wale
Krystal Buckley

ALTERNATE DIRECTORS – 1 JULY 2004 TO 30 JUNE 2005:

Lisa Riddle
Bronwyn Hibbert
Vicki Davies
Damien Cash
Philip Goad

Anita Smith (until April 2005)
Stuart McLennan
Judy Nicholson
Amanda Johns
Jan Schapper

ACCOUNTABLE OFFICER – Ray Tonkin – 1 July 2004 to 30 June 2005

Remuneration of Responsible Persons (excluding the Ministers and the Accountable Officer)

Income Between:	2005	2004
	No	No
\$0 - \$9,999	19	19
\$10,000 - \$19,999	1	1
	20	20
Total remuneration received, or due and receivable, by Responsible Persons from the reporting entity amounted to:	\$ 96,261	\$ 60,489

The relevant amounts relating to the Ministers and the Accountable Officer are reported separately in the Financial Statements of the Department of Premier and Cabinet and the Department of Sustainability and Environment respectively. The Council does not have any Executive Officers.

OTHER TRANSACTIONS OF RESPONSIBLE PERSONS AND THEIR RELATED ENTITIES.

The Accountable Officer is a member of the Napier Waller House Committee of Management and for the former Royal Mint Committee of Management (Mint Inc). These transactions have been made at arms length on normal terms.

OTHER RECEIVABLES FROM AND PAYABLES TO RESPONSIBLE PERSONS AND THEIR RELATED PARTIES.

There were no other receivables from or payables to Responsible parties and Responsible Person related parties during the current year or in the previous year.

42 1.8 NOTES TO THE FINANCIAL STATEMENTS

HERITAGE COUNCIL OF VICTORIA

NOTE 17 IMPACTS OF ADOPTING AASB 1047 EQUIVALENTS TO IASB STANDARDS

Following the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), Heritage Council of Victoria will report for the first time in compliance with A-IFRS when results for the financial year ended 30 June 2006 are released.

It should be noted that under A-IFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. Consequently, where appropriate, Heritage Council of Victoria applies those paragraphs in accounting standards applicable to not-for-profit entities.

An A-IFRS compliant financial report will comprise a new statement of changes in equity in addition to the three existing financial statements, which will all be renamed. The Statement of Financial Performance will be renamed as the Operating Statement, the Statement of Financial Position will revert to its previous title as the Balance Sheet and the Statement of Cash Flows will be simplified as the Cash Flow Statement. However, for the purpose of disclosing the impact of adopting A-IFRS in the 2004-05 financial report, which is prepared under existing accounting standards, existing titles and terminologies will be retained.

With certain exceptions, an entity that has adopted A-IFRS must record transactions that are reported in the financial report as though A-IFRS had always applied. This requirement also extends to any comparative information included within the financial report. Most accounting policy adjustments to apply A-IFRS retrospectively will be made against accumulated funds at the 1 July 2004 opening balance sheet date for the comparative period. The exceptions include deferral until 1 July 2005 of the application and adjustments for:

.AASB 132 Financial Instruments: Disclosure and Presentation;
.AASB 139 Financial Instruments: Recognition and Measurement;

The comparative information for transactions affected by these standards will be accounted for in accordance with existing accounting standards.

This financial report has been prepared in accordance with current Australian accounting standards

and other financial reporting requirements (Australian GAAP). The following tables outline the estimated significant impacts on the financial position of Heritage Council of Victoria as at 30 June 2005 and the likely impact on the current year result had the financial statements been prepared using A-IFRS.

The estimates disclosed below are Heritage Council of Victoria's best estimates of the significant quantitative impact of the changes as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to A-IFRS may differ from the estimates disclosed due to:

- change in facts and circumstances;
- potential amendments to A-IFRS and Interpretations; and
- emerging accepted practice in the interpretation and application of IA-IFRS and UIG Interpretations.

TABLE 1: RECONCILIATION OF NET RESULT AS PRESENTED UNDER AUSTRALIAN GAAP AND THAT UNDER A-IFRS

NOTE	YEAR ENDED 30 JUNE 2005 \$
Net result as reported under Australian GAAP	\$520,988
ESTIMATED A-IFRS IMPACT ON REVENUE	
Revenue items	
ESTIMATED A-IFRS IMPACT ON EXPENSES	
Employee benefits	
Depreciation and amortisation	
Borrowing costs	
Grants and transfer payments	
Supplies and services	
Impairment expenses	
Other expenses	
Total estimated A-IFRS impact on net result	\$0
Net result under A-IFRS	\$520,988

1.8 NOTES TO THE FINANCIAL STATEMENTS 43

HERITAGE COUNCIL OF VICTORIA

TABLE 2: RECONCILIATION OF TOTAL ASSETS AND TOTAL LIABILITIES AS PRESENTED UNDER AUSTRALIAN GAAP AND THAT UNDER A-IFRS

NOTE	YEAR ENDED 30 JUNE 2005 \$
Total assets under Australian GAAP	\$2,821,840
ESTIMATED A-IFRS IMPACT ON ASSETS	
Inventories	
Inventories held for distribution	
Property, plant and equipment	
Intangible assets	
Investment properties	
Non-current assets held for sale	
Other differences [describe]	
Total estimated A-IFRS impact on assets	\$0
Total assets under A-IFRS	\$2,821,840
Total liabilities under Australian GAAP	\$618,289
ESTIMATED A-IFRS IMPACT ON LIABILITIES	
Provisions	
Superannuation	
Other differences	
Total estimated A-IFRS impact on liabilities	\$0
Total liabilities under A-IFRS	\$618,289

TABLE 3: RECONCILIATION OF EQUITY AS PRESENTED UNDER AUSTRALIAN GAAP AND THAT UNDER A-IFRS

NOTE	YEAR ENDED 30 JUNE 2005 \$
Total equity under Australian GAAP	\$2,203,551
ESTIMATED A-IFRS IMPACT ON EQUITY	
Contributed capital	
Reserves	
Accumulated fund	
Total estimated A-IFRS impact on equity	\$0
Total equity under A-IFRS	\$2,203,551

EXPLANATORY NOTES:

The Heritage Council of Victoria has elected to apply the first-time adoption exemption available under AASB 1 First-time adoption of Australian Equivalent to International Financial Reporting Standard to defer the date of transition of MSB 139 Financial Instruments: Recognition and Measurement until 1 July 2005. Accordingly, there will be no quantitative impacts on the financial positions as at 1 July 2004 and 30 June 2005 and the financial performance for the year ended 30 June 2005.

44 1.8 STATEMENT OF CASH FLOWS

HERITAGE COUNCIL OF VICTORIA

STATEMENT BY THE HERITAGE COUNCIL CHAIR AND ACCOUNTABLE OFFICER

In our opinion,

(a) The accompanying Financial Statements of the Heritage Council present fairly the financial transactions of the Council for the year ended 30 June 2005, and the financial position of the Council as at that date, in accordance with applicable Australian Accounting Standards and other mandatory professional requirements.

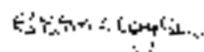
(b) The Financial Statements of the Council have been prepared in accordance with the Financial Management Act 1994 and comply in all material respects with the directions (part 9) issued by the Minister under the Act.

At the date of signing this statement, we are not aware of any circumstances which would render any particulars included in these Financial Statements to be misleading or inaccurate.

Dated: 12 October 2005



RAY TONKIN
Accountable Officer
Heritage Council



CHRIS GALLAGHER
Chair
Heritage Council

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AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Heritage Council

To the Members of the Parliament of Victoria and Members of the Council

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2005 relates to the financial report of Heritage Council included on its web site. The Members of the Council of Heritage Council are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 30 June 2005 of Heritage Council consists of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

The Members of the Council of Heritage Council are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Heritage Council as at 30 June 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE
12 October 2005



JW CAMERON
Auditor-General

46 1.8 STATEMENT OF LEGISLATIVE COMPLIANCE

Consultancies

One consultancy was let to Planisphere Pty Ltd and Meredith Gould and Associates to prepare local planning guidelines for Victoria.

Major Contracts

The authority did not enter into any contacts during the reporting period.

National Competition Policy

Competitive neutrality is a guiding principle of the National Competition Policy and requires that Government owned businesses should compete with private sector businesses on the same footing.

The Heritage Council of Victoria is committed to the ongoing implementation of National Competition Policy and applies competitive neutrality policy to all significant activities where the benefits of competitive neutrality exceed the costs. During the reporting period the Council ensured that goods and services procured were used safely, in an environmentally considerate way and were purchased at the most competitive prices.

Overseas Travel

There was no overseas travel during this period.

Cultural Diversity

The Heritage Council of Victoria, an independent, statutory authority created to promote and advise on the protection and conservation of Victoria's non-indigenous cultural heritage, notes the State Government's pledge to a whole of Government approach in relation to reporting on multicultural, women's, youth and indigenous affairs.

Building Safety

The Council's approach to use of Department of Sustainability and Environment buildings has enabled the department to meet its obligations in relation to compliance with the building and maintenance provisions of the Building Act 1993.

Rent

The Heritage Council of Victoria does not pay rent. Its meetings are conducted in Department of Sustainability and Environment offices.

Whistleblowers Protection Act 2001

The Whistleblowers Protection Act 2001 came into effect on 1 January 2002. The Act is designed to protect people who disclose information about serious wrongdoing within the Victorian Public Sector and to provide a framework for the investigation of these matters.

The protected disclosure coordinator for DSE acts as an agent for the Heritage Council of Victoria to receive disclosures under the Act and applies DSE procedures in managing disclosures.

Disclosures of improper conduct by the Council may be made to the following:

Deidre Egan, Protected Disclosure Coordinator DSE,
PO Box 500, East Melbourne Vic 3002
Phone: 9637 8575
Fax: 9637 8129
Email: Deirdre.Egan@dse.vic.gov.au

The Ombudsman Victoria,
Level 22, 459 Collins St,
Melbourne VIC 3000
Phone: 9613 6222
Toll Free: 1800 806 314

Information Privacy

The Council notes the Information Privacy Act 2000 (Vic).

Equal Employment Opportunity

The Heritage Council of Victoria does not have any employees.

Workforce Data

The Heritage Council of Victoria does not have any employees.

Occupational Health and Safety (OH & S)

The Heritage Council of Victoria does not have any employees, however members of the Council note the Department of Sustainability and Environment's approach to OH & S.

Industrial Relations

No time has been lost during the year through industrial accidents or disputes.

Advertising

The Heritage Council of Victoria did not buy advertising in the 2004-2005 financial year.

