



Contents

| | |
|---|---|
| 2 Introduction | 46 Our Supporters |
| 2 Chairman's foreword | 47 Generous financial support |
| 3 About Us | 48 Royal Botanic Gardens Foundation Victoria |
| 3 Our Vision | 48 Maud Gibson Trust |
| 3 Our Mission | 49 Perennial Gardeners |
| 3 Our Values | 49 Seat Sponsorship |
| 3 Our Charter | 49 Director's Circle |
| 3 Definitions | 51 Research grants |
| 4 Our Organisation | 51 Friends of the Royal Botanic Gardens Cranbourne Inc |
| 5 Melbourne Gardens | 51 Friends of the Royal Botanic Gardens, Melbourne Inc. |
| 5 Cranbourne Gardens | 52 Our volunteers |
| 5 State Botanical Collection | 52 Herbarium Volunteers |
| 5 ARCUE | 53 Cranbourne Gardens Volunteers |
| 5 Visitor numbers | 54 Melbourne Gardens Volunteers |
| 6 Governance | 55 Honorary Associates |
| 6 Royal Botanic Gardens Board Victoria Members | 56 Financial statements |
| 7 Board committees | 58 Accountable Officer's, Chief Finance Officer's and Board's Declaration |
| 8 Executive Team (as at 30 June 2016) | 59 Comprehensive Operating Statement |
| 9 Organisation Chart | 60 Balance Sheet |
| 10 Our Employees | 61 Statement of Changes in Equity |
| 11 Employee profile | 62 Cash Flow Statement |
| 12 Employee learning and development | 63 Notes to the Financial Statements |
| 13 Employee relations | 93 Independent Auditor's Report |
| 14 Our Performance | 95 Appendix One: Disclosure Index |
| 15 Financial Overview | 96 Appendix Two: Other disclosures |
| 15 Revenue Generation and Budgetary Objectives | 96 Statements of compliance with government policy |
| 15 Comparison of financial performance and position | 96 National competition policy |
| 17 Consultancies | 96 Victorian Industry Participation Policy statement |
| 18 Risk management and Insurance | 96 Advertising expenditure |
| 18 Risk Management Attestation | 96 Statement of availability of other information |
| 19 Risk Management Framework | 97 Gifts, Benefits, and Hospitality Attestation |
| 19 Insurance | 98 Legislation |
| 20 Our Achievements | 98 Legislative compliance |
| 21 Theme 1 - Discovery and sharing knowledge | 98 <i>Financial Management Act 1994</i> |
| 28 Theme 2 - Inspiring plant learning | 98 <i>Freedom of Information Act 1982</i> |
| 35 Theme 3 - Creating special places | 98 <i>Building and maintenance provisions of the Building Act 1993</i> |
| 40 Theme 4 - Towards a sustainable future | 99 <i>Compliance with the Protected Disclosure Act 2012</i> |

Introduction

CHAIRMAN'S FOREWORD

It is a great pleasure to present the *Royal Botanic Gardens Board Victoria Annual Report 2015-16*.

This year has been one of consolidation and preparation, as we completed major strategic plans and began to craft a narrative for the next exciting phase of the Royal Botanic Gardens Victoria.

The Board launched its *Landscape Succession Strategy - Melbourne Gardens 2016-2036: adapting a world-renowned botanical landscape to climate change* on the 170th anniversary of the founding of Melbourne's Botanic Gardens. This ground-breaking strategy is one of the first to address the impacts of climate change on botanic gardens and will guide the careful plant selection and expert horticultural care needed to manage transition of the Melbourne Gardens' landscape to one more suited to Melbourne's emerging climate.

Long-term master planning for both sites commenced and an extensive online and community-based public consultation process informed development of the final draft of the *Cranbourne Gardens Master Plan 2016-2026*. The Cranbourne Master Plan sets priorities for the next ten years with particular reference to catering for the growing population on our doorstep in an increasingly urbanised neighbourhood on Melbourne's south-eastern fringe. At Melbourne Gardens, the master planning process began, seeking a bold vision for the next 20 years. It is expected to take another 12 months to complete.

The first phase of the Organisation Structure Review, announced in April, merged the Plant Sciences and Biodiversity Division and the Australian Research Centre for Urban Ecology under the one Science Division to strengthen the profile and impact of our science. The creation of a new 'Public Engagement and Business Development' directorate places a greater emphasis on and capacity for the Gardens' public and business functions. The Review is expected to be completed by the end of 2016 and I look forward to working with a renewed and revitalised organisation.

While the year saw an emphasis on future planning, work by our scientists and horticulturists continued to deliver world-class research and landscapes. Science collaborations resulted in use of next generation techniques in the genetic sequencing of rare plants, and relocation of the Australian Network for Plant Conservation (ANPC) Orchid Conservation Program to Cranbourne Gardens brought this vital program under the Royal Botanic Gardens Victoria's management.

Our Melbourne and Cranbourne sites together attracted more than 1.8 million visitors and continued to prove the popularity and importance of botanic gardens. Roll-out of the new visual identity proved a popular addition for visitors, and contemporary new signs and brochures have added a new vitality to the visitor experience. We continued to be a popular venue for school students with more than 32,000 students completing education programs during the year. In all that we do and deliver, the Royal Botanic Gardens Victoria is committed to reinforcing our Mission, that is, advocating the importance of plants to life.

The year also saw a change of Ministers in May. On behalf of the Board, I would like to thank the outgoing Minister, the Hon Lisa Neville MP, for her strong support of Royal Botanic Gardens Victoria and welcome our new Minister, the Hon Lily D'Ambrosio MP, to the portfolio.

In addition to Government support, Royal Botanic Gardens Victoria enjoys the support of many wonderful donors, Friends' groups, and volunteers, as well as my colleagues on the Board and the Foundation. These supporters are joined in their efforts by a particularly dedicated and passionate staff. The Board joins with me in thanking everyone who has contributed to the success of the Royal Botanic Gardens Victoria during the year.

In accordance with the *Financial Management Act 1994*, I present the Royal Botanic Gardens Board Victoria's Annual Report for the year ending 30 June 2016.



Ken Harrison
Chairman
Royal Botanic Gardens Board Victoria
16 August 2016

ABOUT US

Our Vision

Life is sustained and enriched by plants

Our vision is a flourishing community and healthy planet, sustained and enriched by plants. Through iconic landscapes, horticultural excellence and scientific eminence we will make an enduring contribution to this vision.

Plants, along with fungi and algae, are fundamental to life on Earth. They provide the air we breathe, the food we eat, many of the medicines that heal us, and habitat and shelter for our planet's wildlife. They give our lives inspiration and meaning.

We prosper and our planet benefits when we understand, appreciate and protect plants for their life-giving qualities. The actions we all take should be based on our knowledge and respect for plants.

Our Mission

Every interaction with us advances the understanding and appreciation of plants

Our mission is to use our two remarkable gardens, our innovative science, and our skills at sharing knowledge, to help the community understand and value plants. We will seek every opportunity to interact with people, from all walks of life and wherever they live. By engaging with our local communities, attracting visitors to our gardens and connecting with people online, we will achieve our vision.

In all our interactions we will be creative, open, brave and remarkable as we look for every opportunity in our roles to advance the understanding and appreciation of plants. Our values guide our decision-making and behaviour and determine how we will act as we achieve our vision.

Our Values

Creative – We are inventive and enthusiastic

Our curiosity allows us to find considered solutions to challenges. We use our resources wisely and draw upon our collective intelligence to answer questions. We have a joyful, positive and respectful approach that is expressed with a good sense of humour. Our inclusive and engaging style helps us to learn and share our knowledge in new and interesting ways.

Open – We make time to listen, learn and be clear

To help us achieve our vision we listen to each other and the community. We are friendly and respectful of different perspectives. We solve problems together because supporting and learning from each other results in better work. We share our knowledge because it helps people inside and outside our organisation understand the importance of plants.

Brave – We have the courage to change things

We have the confidence to challenge established ways of thinking if it improves our collective understanding of plants. We embrace our responsibility to protect plants and biodiversity, whatever the role we play. We have the courage to try new things, and we help each other as we make these changes. We are positive, so we turn challenges into opportunities. We lead the way to inspire confidence and enthusiasm in others.

Remarkable – We leave a lasting impression

We create experiences and special places that help everyone to learn and see the world differently. Whether our actions are big or small, they inspire people to think and act. We seek out knowledge and apply our learning, because we believe in the importance of plants. We do things that are different and exciting, if they help us achieve our vision. We are proud of our past and we are passionate about our future.

Our Charter

Under the *Royal Botanic Gardens Act 1991*, the objectives of our organisation are:

- To conserve, protect and improve the botanic gardens and managed land and their collections of living plants
- To conserve and enhance the State Botanical Collection and National Herbarium of Victoria
- To provide for the use of the State Botanical Collection or plants or plant specimens at the botanic gardens or managed land for scientific or reference purposes, consistent with accepted international practice
- To increase public knowledge and awareness of plants and plant communities
- To provide for the use of the Botanic Gardens for education, public enjoyment and tourism
- To provide for the carrying out of and contribution to research into biodiversity and the conservation of biodiversity.

Definitions

The Royal Botanic Gardens Board Victoria is responsible to the Minister for Energy, Environment and Climate Change. The Royal Botanic Gardens Board Victoria is responsible for Melbourne Gardens, Cranbourne Gardens, the State Botanical Collection and the Australian Research Centre for Urban Ecology. Throughout this document the organisation will be referred to as follows:

ARCUE – refers to the Australian Research Centre for Urban Ecology, whose research facilities are located at the Parkville campus of The University of Melbourne

Australian Garden – refers to the Australian Garden at Cranbourne Gardens

Cranbourne Gardens – refers to the site at Cranbourne

Herbarium – refers to the National Herbarium of Victoria

Melbourne Gardens – refers to the site at Melbourne

Royal Botanic Gardens Board Victoria – refers to the body responsible for corporate governance

Royal Botanic Gardens Victoria – refers to the whole organisation, including the sites at Melbourne and Cranbourne, the National Herbarium of Victoria, and the Australian Research Centre for Urban Ecology

State Botanical Collection – refers to the irreplaceable resource of approximately 1.5 million dried specimens and comprehensive botanical library held in the National Herbarium of Victoria at Melbourne Gardens.

Our Organisation

The Royal Botanic Gardens Board Victoria administers Melbourne Gardens, Cranbourne Gardens, the National Herbarium of Victoria and the Australian Research Centre for Urban Ecology (ARCUE).

Royal Botanic Gardens Victoria incorporates two outstanding botanic gardens, a heritage-listed landscape in the heart of Melbourne and a contemporary native garden set within a natural bushland reserve at Cranbourne. It is also home to the State Botanical Collection (including 1.5 million preserved plants, algae and fungi) and is a regional hub for plant knowledge, with internationally recognised biodiversity, conservation and urban ecology research programs.



MELBOURNE GARDENS

Melbourne Gardens has been a treasured part of Melbourne's cultural life for 170 years – much loved by generations of Victorians, as well as by many visitors from interstate and overseas. It is a picturesque haven for recreation and an important resource for education, conservation, science and horticulture. Melbourne Gardens extends over 38 hectares and houses a collection of more than 8,500 species of plants from around the world, including diverse plant collections such as camellias, rainforest flora, cacti and succulents, roses, Californian species, herbs, perennials, cycads, plants from Southern China and, in the Rare and Threatened Species Collection, plants from south-eastern Australia.

At Melbourne Gardens visitors can enjoy a range of guided tours including the popular Aboriginal Heritage Walk, punting on the Ornamental Lake, seasonal walks and an extensive program of theatre, film and events during the summer season. Melbourne Gardens is home to the Melbourne Observatory, The Ian Potter Foundation Children's Garden, two cafes, two gift shops and a Visitor Centre located at Observatory Gate.

CRANBOURNE GARDENS

Cranbourne Gardens includes one of Victoria's most precious areas of remnant native bushland and offers visitors the chance to explore heathlands, wetlands and woodlands on the 363-hectare site. It is recognised as a site of State significance for flora and fauna conservation, with more than 25 species listed as endangered, threatened or at risk of extinction. Facilities in the bushland include over ten kilometres of walking tracks, six kilometres of cycling tracks, a lookout tower, picturesque shelters, barbecues and picnic tables.

The international award-winning Australian Garden celebrates the beauty and diversity of Australian landscapes and features approximately 170,000 plants representing 1,700 different species. The innovative design of the Garden has won multiple awards. Complementing the garden landscape are a visitor centre, café and kiosk, gift shop, community events space and interpretive displays.

STATE BOTANICAL COLLECTION

The State Botanical Collection was founded in 1853 and is housed in the National Herbarium of Victoria building at Melbourne Gardens. The Royal Botanic Gardens Victoria is the Victorian Government's major centre for botanical studies in plant identification, collection and classification.

The State Botanical Collection is an irreplaceable resource of approximately 1.5 million dried specimens of plants, fungi and algae from Australia and many other countries. One of the most historically significant and among the top few collections in the world, the State Botanical Collection is an international scientific research resource used by Royal Botanic Gardens Victoria staff as well as visiting botanists. Research areas include biodiversity, classification, evolution, biogeography, molecular systematics, conservation and horticulture.

In addition, the State Botanical Collection contains the oldest and most comprehensive botanical library in Australia. Sitting alongside the State Botanical Collection is the Victorian Conservation Seedbank, an insurance policy against extinction for some of Victoria's rarest and most threatened plant species.

ARCUE

ARCUE was created in 1998 to increase understanding of the ecology, restoration and management of biodiversity in urban and suburban areas throughout Australia and the world.

ARCUE's activities encompass basic and applied research; undergraduate and postgraduate training; long-term ecological studies; community education; policy and management advice to all levels of government; and consultancy services. In addition, ARCUE works closely with the School of BioSciences at The University of Melbourne (where it is located), and with the research and education programs at both Melbourne Gardens and Cranbourne Gardens.

ARCUE continues to increase its environmental business activities in support of its research objectives.

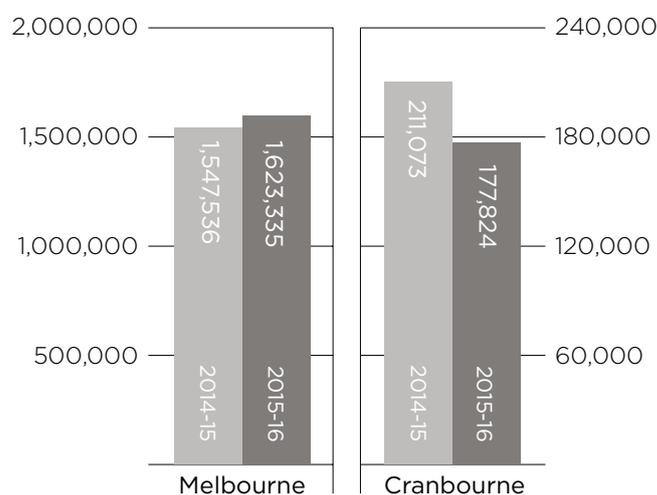
VISITOR NUMBERS

Attendance figures increased slightly this year, with 1.8 million visitors to the Melbourne Gardens and the Cranbourne Gardens.

Table 1: Visitor numbers

| | 2015-16 |
|--|------------------|
| Cranbourne Gardens | 177,824 |
| Including Australian Garden visitors | 141,753 |
| Melbourne Gardens | 1,623,335 |
| Including The Ian Potter Foundation Children's Garden visitors | 216,942 |
| Total RBGV visitors (to both sites) | 1,801,159 |

Figure 1: Melbourne Gardens & Cranbourne Gardens



GOVERNANCE

The Royal Botanic Gardens Board Victoria is a statutory authority established under the *Royal Botanic Gardens Act 1991*. The Board is responsible to the Minister for Energy, Environment and Climate Change for fulfilling its statutory obligations under the *Royal Botanic Gardens Act 1991* and the Royal Botanic Gardens Regulations 2014. These make provision for the care, protection, management and improvement of Melbourne Gardens and Cranbourne Gardens, the Herbarium and ARCUE. The responsible Ministers during the 2015–16 reporting period were:

- the Hon Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 1 July 2015 to 22 May 2016; and
- the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change for the period from 23 May 2016 to 30 June 2016.

The Board comprises seven members, including a Chairman and a Deputy Chairman, who are appointed by the Governor-in-Council on the recommendation of the Minister. Appointed Board members have a diversity of knowledge and expertise in the fields of botany, financial management, business management, public administration and nature conservation. The members are appointed for a term not exceeding four years, but are eligible for re-appointment. A quorum of the Board is four members.

The Board oversees the governance of the Royal Botanic Gardens Victoria and may delegate its functions and powers to a committee of the Board, the Director and Chief Executive, any of the Board's members, or any of its employees. A member of the Board who, either directly or indirectly, has a conflict of interest or duties, or a direct or pecuniary interest in any matter before the Board, must declare the nature of the interest or conflict at a meeting of the Board. The member must not take any further part in the discussion or voting on the matter to which the declaration relates. The Director and Chief Executive has responsibility for the day-to-day management and control of the Royal Botanic Gardens Victoria.

Board meetings are held at least eight times every year. The Director and Chief Executive attends every Board meeting and the Director, Corporate Resources is the Secretary to the Board. Directors attend at least one Board meeting each year to inform the Board of key issues and outputs relevant to their Division; this enhances the Board members' knowledge of the Royal Botanic Gardens Victoria and its activities. The Board may also request external or independent advice on a particular matter.

Royal Botanic Gardens Board Victoria Members

Mr Kenneth Harrison AM, MBA, BBus, FCPA, FAICD
Chairman – appointed 10 December 2013
Appointed to the Board 9 April 2012

Mr Harrison is an accountant and investment banker, and specialises in commercial property, pastoral and agricultural pursuits as Chairman of Collinsbank Pty Ltd. Keenly interested in the philanthropic sector, he occupies fundraising roles with several key institutions.

Professor Rob Adams AM

Appointed to the Board 9 April 2016

Professor Adams is Director City Design and Projects at the City of Melbourne and a member of the Cities of the Future Council of the World Economic Forum. He has made a significant contribution to the rejuvenation of central Melbourne over his 33-year tenure.

Professor Tony Bacic FAA

Appointed to the Board 17 December 2013

Professor Bacic is a plant biologist with an extensive background in research and research training. His primary focus is on understanding plant growth and development with a view to ensuring a secure food supply and sustainable agriculture. He was Director of the Bio21 Molecular Science & Biotechnology Institute (until 31 December 2014), The University of Melbourne, Deputy Director of the ARC Centre of Excellence in Plant Cell Walls, and was a long serving member of the Maud Gibson Trust Advisory Committee.

Mr Graham Cunningham MBA, BEc

Deputy Chairman – appointed 9 April 2012

Appointed to the Board 9 April 2012;
term ended 31 July 2015

Mr Cunningham has an extensive background in finance and business and has served on a range of private and public sector boards. He was Chairman of the Royal Botanic Gardens Foundation Victoria until 30 June 2015.

Mrs Penny Fowler GAICD, BBus

Deputy Chairman – appointed 9 April 2016

Appointed to the Board 8 April 2014

With a background in business and marketing, Mrs Fowler is the Chairman of the Herald and Weekly Times Pty Ltd and the Royal Children's Hospital Good Friday Appeal. She is also a board member of the Australian Ballet and the McClelland Sculpture Park & Gallery, actively involved in a range of community organisations and an ambassador for Second-Bite.

Mr Martyn Kenneth Myer AO

Appointed to the Board 20 May 2014;

term ended 8 April 2016

Mr Myer has an engineering and financial services background and has been chairman of Cogstate Ltd, a health services software company, since 1999. He is currently a Member of the Council of the University of Melbourne, the Board of the Melbourne Theatre Company and the Board of the Royal Institution of Australia, President of The Myer Foundation and Chairman of Myer Family Investments Pty Ltd.

Ms Jillian Riseley GAICD MSt BA

Appointed to the Board 9 April 2016

Ms Riseley has 20 years' experience in sustainability and public affairs and is currently Managing Director of Meliora Group, a strategic advisory firm. Ms Riseley has held leadership roles in the corporate and public sectors and is currently also a Board member of Launch Housing and Heathcote Health. Qualifications include a Masters of Studies in Sustainability Leadership from the University of Cambridge.

Ms Susanne Williamson

Appointed to the Board 9 April 2016

For 25 years, Ms Williamson has held senior marketing and fundraising positions at charities including the Heart Foundation, Arts Centre Melbourne and Monash University. Winner of multiple awards for her work in the non-profit and commercial sectors, she is currently Head of Fundraising at the Walter and Eliza Hall Institute of Medical Research.

Ms Sarah Wrigley GAICD, BMS (NZ)

Appointed to the Board 9 April 2012;
term ended 8 April 2016

Ms Wrigley has high level experience in marketing and fundraising. She is Chairman of the Warrandyte Community Bank® and has strong knowledge of community boards and valuable links to the community.

Ms Jennifer Wolcott, GAICD

Appointed to the Board 15 December 2009

Ms Wolcott is currently Executive Director Policy & Planning, Regional Development Victoria. She has more than 20 years' experience in the Victorian public sector holding executive positions in Environment Protection Authority, the Department of Natural Resources and Environment, the Department of Primary Industries and Parks Victoria, and has been a member of the Victorian Coastal Council and led a number of major inquiries, including the Independent Fiskville Investigation.

Table 2: Board attendance figures
– from 1 July 2015 to 30 June 2016

| Board Member | No. of meetings eligible to attend | No. of meetings attended |
|---------------------|------------------------------------|--------------------------|
| Kenneth Harrison | 9 | 9 |
| Rob Adams | 2 | 1 |
| Graham Cunningham | 1 | 1 |
| Tony Bacic | 9 | 8 |
| Penny Fowler | 9 | 8 |
| Martyn Kenneth Myer | 7 | 5 |
| Jillian Riseley | 2 | 1 |
| Susanne Williamson | 2 | 2 |
| Jennifer Wolcott | 9 | 6 |
| Sarah Wrigley | 7 | 7 |

Board committees

Most Board members also participate in one or more Board Committees, which include:

- Australian Research Centre for Urban Ecology Board of Management
- Finance and Audit Committee
- Remuneration Committee
- Risk Committee

The Committees may include Board members and other persons who bring special areas of expertise to the organisation.

Finance and Audit Committee

The Finance and Audit Committee consists of three independent members, appointed by the Board, usually for a term of three years. Under the Committee's Charter, the role of the Finance and Audit Committee is to oversee:

- the financial performance of the Royal Botanic Gardens Victoria
- the financial reporting process
- the scope of work and performance of the internal and external auditors
- matters of accountability and internal control affecting the operations of the Royal Botanic Gardens Victoria
- the effectiveness of management information systems and other systems of internal control, and
- the Royal Botanic Gardens Victoria's monitoring of compliance with laws and regulations.

Independent members of the Finance and Audit Committee in 2015–16 were Mr Graham Cunningham (Committee Chairman 1 July 2015 – 31 July 2015), Mr Ken Harrison (1 July 2015 – 30 June 2016), Ms Sarah Wrigley (1 July 2015 – 8 April 2016; Committee Chairman 1 August 2015 – 8 April 2016), Professor Tony Bacic (Committee Chairman 9 April 2016 – 30 June 2016), Ms Jillian Riseley (28 June 2016 – 30 June 2016) and Ms Susanne Williamson (28 June 2016 – 30 June 2016).

Remuneration Committee

Remuneration of Board members is fixed by the Governor-in-Council under Schedule 2 of the *Royal Botanic Gardens Act 1991*. The Board appoints the Director and Chief Executive of the Royal Botanic Gardens Victoria and is responsible for the Director and Chief Executive's remuneration and performance, and for review of the Director and Chief Executive's decisions on Executive remuneration.

Members of the Remuneration Committee in 2015–16 were Mr Graham Cunningham (Committee Chairman 1 July 2015 – 31 July 2015), Mr Ken Harrison (1 July 2015 – 30 June 2016), Ms Sarah Wrigley (1 July 2015 – 8 April 2016; Committee Chairman 1 August 2015 – 8 April 2016) and Professor Tony Bacic (Committee Chairman 9 April 2016 – 30 June 2016). Refer to the financial statements for further information regarding remuneration.

Risk Committee

The Risk Committee consists of three members, appointed by the Board, usually for a term of three years. Under the Committee's Charter, the role of the Risk Committee is to oversee the operation and implementation of the Royal Botanic Gardens Victoria's Risk Management Framework.

Members of the Risk Committee in 2015–16 were Ms Jennifer Wolcott (Committee Chairman 1 July 2015 – 30 June 2016), Mrs Penny Fowler (1 July 2015 – 30 June 2016) and Mr Ken Harrison (1 July 2015 – 30 June 2016).

Executive Team (as at 30 June 2016)

Director and Chief Executive (2013)

Professor Timothy J Entwisle PhD, BSc (Hons)

Leads and promotes the activities of the Royal Botanic Gardens Victoria including the Melbourne Gardens and the Cranbourne Gardens, the National Herbarium of Victoria and the Australian Research Centre for Urban Ecology in order to achieve the highest standards in horticultural, scientific and financial management, and in visitor and education programs.

Professor Entwisle is a highly respected scientist, scientific communicator and botanic gardens director. He took up the role of Director and Chief Executive of the Royal Botanic Gardens Victoria in March 2013, following two years in a senior role at Royal Botanic Gardens, Kew, and eight years as Executive Director of the Royal Botanic Gardens and Domain Trust in Sydney. Professor Entwisle is an Honorary Professorial Fellow in the School of BioSciences at The University of Melbourne, and a regular contributor to print, radio, television and social media.

Chief Botanist and Director, Plant Sciences and Biodiversity (2006)

Professor David Cantrill PhD, BSc (Hons)

Responsible for scientific research into plant biodiversity and systematics, and management of the State Botanical Collection. As Chief Botanist, he holds statutory responsibility under the *Royal Botanic Gardens Act 1991* and the *Drugs, Poisons and Controlled Substances Act 1981*.

Professor Cantrill worked as a senior research scientist in Europe for 15 years, first for the British Antarctic Survey in Cambridge and later at the Swedish Museum of Natural History in Stockholm. He has published over 100 scientific articles; is an editor of *Grana*, an international journal for pollen studies; and sits on a number of international editorial and scientific advisory boards. His research interests focus on integrating information from fossil and living diversity to understanding the origins of patterns of diversity in the southern hemisphere. He holds an honorary professorship with the School of BioSciences at The University of Melbourne.

Director, Australian Research Centre for Urban Ecology (1998)

Associate Professor Mark McDonnell PhD, MSc, BA

Responsible for scientific studies of plant biodiversity and ecological processes in Australian cities and towns. His personal research focuses on applying ecological science to the management and preservation of biodiversity in urban and suburban environments in Australia. Dr McDonnell is an Associate Professor with the School of BioSciences at The University of Melbourne.

Director, Corporate Resources (1992)

Jenny Steinicke BA, Grad Dip Bus

Responsible for initiating and co-ordinating projects to improve corporate governance and management, including financial management and planning, human resources, marketing and communications, information services, business development and implementation, and legal, legislative and contractual issues. Ms Steinicke is also responsible for financial and project management of the new Herbarium project at Melbourne Gardens and the Integrated Water Management projects at Melbourne Gardens and Cranbourne Gardens. She has over 20 years' experience in botanic gardens management, and previously held senior management positions in consumer affairs and education.

Director, Melbourne Gardens (2010)

Chris Cole Dip Hort (Kew)

Responsible for horticultural planning and operations, including landscape planning, management and development of living plant collections, arboriculture, environmental horticulture and research, nursery operations, and management of site facilities and infrastructure at Melbourne Gardens. Provides direction for the development and delivery of public programs at Melbourne Gardens and is also responsible for managing the development and implementation of Integrated Water Management and Landscape Succession projects at Melbourne Gardens. Mr Cole has 15 years' experience in public and botanic gardens management and has worked at Hampton Court Palace, National Trust, Royal Botanic Gardens, Kew and Townsville Botanic Gardens.

Director, Cranbourne Gardens (2001)

Chris Russell BSc (Hons), Grad Dip Land Rehab

Responsible for the management and operation of Cranbourne Gardens, including the Australian Garden, horticultural planning and operations, conservation research and management, development and delivery of public programs, and landscape and infrastructure development and management. Mr Russell is also responsible for strategic planning for future site use, input into land-use planning in the region surrounding the Cranbourne Gardens and delivery of capital works projects. Prior to joining the Royal Botanic Gardens Victoria, Mr Russell had experience in environmental management and capital projects with Parks Victoria (formerly National Parks Service Victoria), the building industry, and scientific research.

Organisation Chart

DIRECTOR AND CHIEF EXECUTIVE

Professor Timothy J Entwisle

Administration
Foundation



Our Employees

Our work is transformational; it is also about people. It contributes to the lives of people and is healing, restorative, life-giving and even spiritual; a sense of being connected in some way to the patterns of life which transcend our own current lifetime. (Corporate Plan 2014-2019)



Matt Howard, Curator,
The Ian Potter Foundation Children's Garden

EMPLOYEE PROFILE

The Royal Botanic Gardens Board Victoria is committed to applying merit and equity principles when appointing employees. The selection processes ensure that applicants are assessed and evaluated fairly and equitably, on the basis of key selection criteria and other accountabilities, without discrimination.

Our employees have been correctly classified in workforce data collections.

Notes to Table 4 below:

All figures reflect employment levels during the last full pay period of June 2016.

Excluded are those employees on leave without pay or absent on secondment, or casuals who were not paid in the final pay period.

Ongoing employees include people engaged on an open-ended contract of employment.

FTE means Full-time staff equivalent.

Table 3: Summary of employment levels as at June 2016 and June 2015

| | Total headcount | Ongoing employees | | | | Fixed term, Fixed task & Casual | |
|-----------|---|--------------------|-----------------------|-----------------------|--------|---------------------------------|-------|
| | (includes ongoing, Fixed term, Fixed task & Casual) | Number (headcount) | Full-time (headcount) | Part-time (headcount) | FTE | Headcount | FTE |
| June 2016 | 208 | 141 | 101 | 40 | 124.91 | 67 | 33.21 |
| June 2015 | 215 | 152 | 106 | 46 | 130.00 | 63 | 33.62 |

Table 4: Details of employment levels re: gender, age and classification

| | June 2015 | | | June 2014 | | |
|-----------------------|---|--------------------|---------------------------------|---|--------------------|---------------------------------|
| | Total headcount (includes Ongoing, Fixed term, Fixed task & Casual) | Ongoing | Fixed term, Fixed task & Casual | Total headcount (includes Ongoing, Fixed term, Fixed task & Casual) | Ongoing | Fixed term, Fixed task & Casual |
| | | Number (headcount) | Headcount | | Number (headcount) | Headcount |
| | 208 | | | 215 | | |
| Gender | | | | | | |
| Male | 87 | 69 | 18 | 92 | 75 | 17 |
| Female | 121 | 72 | 49 | 123 | 77 | 46 |
| Age | | | | | | |
| Under 25 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25-34 | 18 | 8 | 10 | 23 | 10 | 13 |
| 35-44 | 59 | 45 | 14 | 68 | 49 | 19 |
| 45-54 | 72 | 57 | 15 | 72 | 57 | 15 |
| 55-64 | 40 | 27 | 13 | 43 | 32 | 11 |
| Over 64 | 19 | 12 | 7 | 9 | 4 | 5 |
| Classification | | | | | | |
| Staff | 158 | 97 | 61 | 164 | 107 | 57 |
| Line Manager | 31 | 29 | 2 | 32 | 32 | 0 |
| Branch Manager | 13 | 13 | 0 | 13 | 13 | 0 |
| Executives | 6 | 0 | 6 | 6 | 0 | 6 |

EMPLOYEE LEARNING AND DEVELOPMENT

The Royal Botanic Gardens Board Victoria is committed to development of a skilled and professional workforce, and to providing safe and equitable working conditions for all. All new employees are provided with an induction pack upon commencement.

The relevant Line Manager takes the employee through the induction pack and provides other support during the orientation period.

The 2015-16 development program included face-to-face sessions in Equal Opportunity, Sunsmart, and Performance Review System Workshops. Employees also attended conferences, seminars, field-trips and technical training appropriate to their respective roles.

Topics covered by e-learning modules included Equal Opportunity, Bullying and Harassment, Code of Conduct, Charter of Human Rights, Manual Handling, Duty of Care, Office Ergonomics, Risk Management, Job-specific modules (eg Hazardous Substances), and Fraud Awareness. All new employees complete the suite of existing e-learning modules within three months of commencement. All other employees complete e-learning modules on an annual basis.

Equal Opportunity (EO)

The Royal Botanic Gardens Board Victoria has an Equal Opportunity Committee that meets on an as needs basis, arranges EO training sessions, acts as Contact Officers for any EO issues and monitors compliance with the Victorian *Equal Opportunity Act 2010*.

Occupational Health and Safety (OHS)

The Royal Botanic Gardens Victoria's OHS Working Group and OHS Committee continued to oversee development and implementation of OHS initiatives to ensure a healthy and safe workplace.

Focus continued on the Occupational Health and Safety Management System review project, with assistance of OHS consultants Your Safety Partners. Key achievements of 2015-16 included the roll-out of improved safety risk management templates and guidelines, development of a Hazard Management Register including initial trialling at Cranbourne Gardens, selection of a Learning Management System (for procurement and implementation in 2016-17) and continued development of new, and review of existing, OHS-related procedural documents and collation into a Safety Tool Kit (OHS manual 80 per cent complete).

Organisation-wide manual handling and ergonomics training was conducted in addition to specific competency training within functional groups. In addition to the development of the Hazard Register (which will be implemented across both Melbourne and Cranbourne sites in 2016-17) workplace hazards continued to be managed through conduct of regular workplace hazard inspections involving facilities managers and Health and Safety Representatives.

Public Administration Values

Consistent with the requirements of the *Public Administration Act 2004*, the Board has adopted a range of policies designed to promote good governance in all its decision making and operations. The policies comprise: Code of Conduct, Conflict of Interest, Dispute Resolution, Gifts (including benefits and hospitality), Meetings and Decision-making, and Performance Assessment.

WorkCover Claims

WorkCover and data relating to claims lodged in 2015-16 and in the previous year are reported in Table 5. As at 30 June 2016, 17 new WorkCover claims had been received. The OHS Committee and Return to Work Co-ordinator continue to monitor all WorkCover claims and incidents.

Table 5: WorkCover claims for the past two years

| | 2015-16 | 2014-15 |
|---|----------|----------|
| Minor Claims ¹ | 12 | 9 |
| Standard Claims ² | 5 | 5 |
| Total all Claims | 17 | 14 |
| No. of Lost Time Standard Claims per 100 FTE | 4.43 | 6.72 |
| Average Cost per Claim RBGV ³ (\$) | 1,435.99 | 1,150.46 |

1. **Minor Claims** - Less than 10 days' time lost and/or under \$667 medical and like expenses (non-recoverable).
2. **Standard Claims** - Greater than 10 days' time lost and/or greater than \$667 medical and like expenses. Some salary costs may be recoverable from insurers.
3. **Average cost per claim RBGV** - Claims costs paid by RBGV for less than 10 days' time lost and/or under \$667 medical and like expenses (ie non-recoverable from insurer).

On commencement, all new employees are provided with 'Return to Work Obligations' information sheets, and current Worksafe posters are visible on all notice boards.

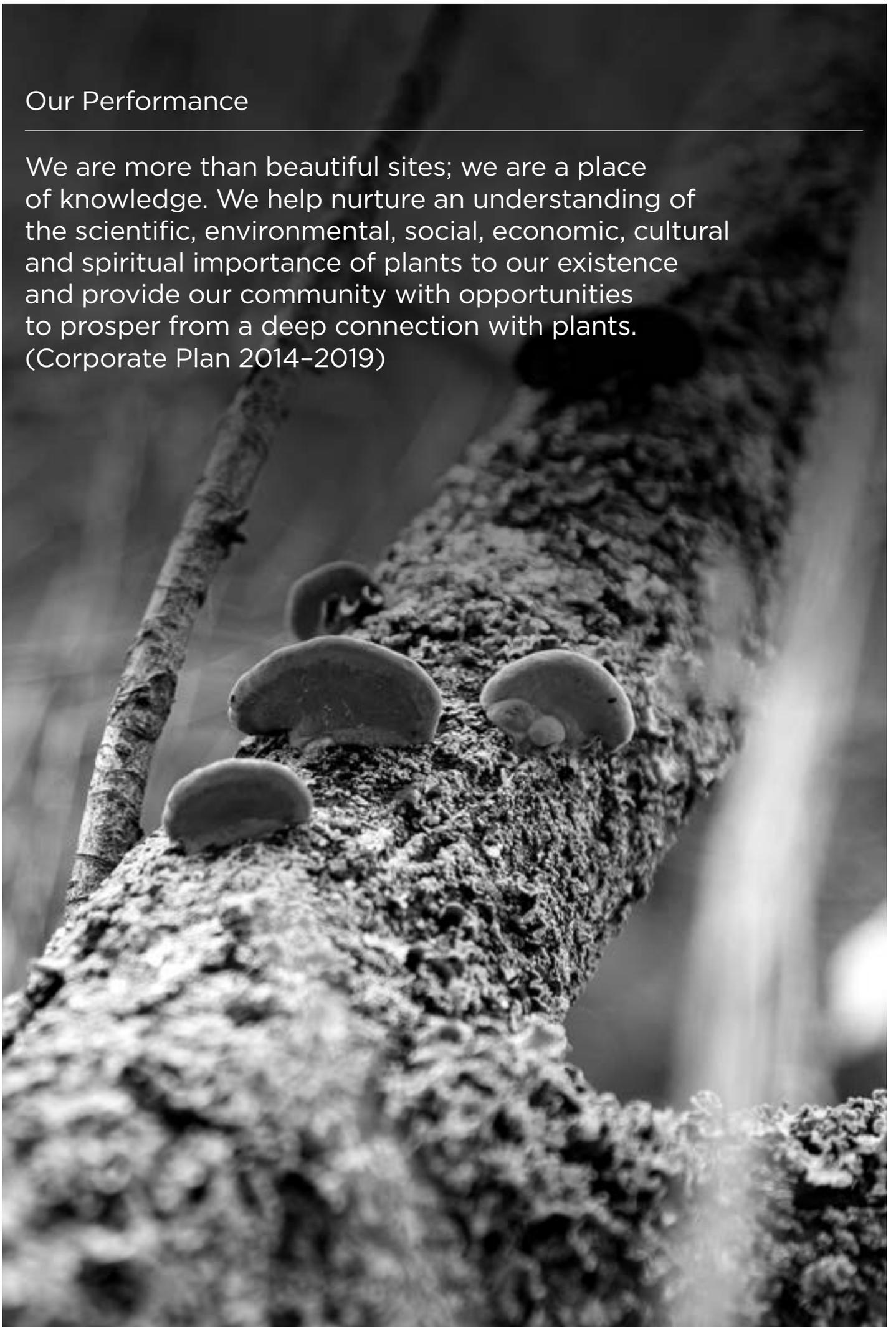
EMPLOYEE RELATIONS

Royal Botanic Gardens Enterprise Agreement 2014-2017

The Royal Botanic Gardens Board Victoria Enterprise Agreement (EA) 2014 was approved by the Fair Work Commission on 9 December 2015 and came into effect from 16 December 2015. The EA has a nominal expiry date of 31 October 2017. The in-principle agreement date with the Community and Public Sector Union was reached on 1 November 2014, with pay increases and other adjustments being backdated to this date. Pay increases of 2.35 per cent, 1.5 per cent, 1.5 per cent and 1.5 per cent were backdated to 1 November 2014, 1 May 2015 and 1 November 2015, and made on 1 May 2016 respectively.

Our Performance

We are more than beautiful sites; we are a place of knowledge. We help nurture an understanding of the scientific, environmental, social, economic, cultural and spiritual importance of plants to our existence and provide our community with opportunities to prosper from a deep connection with plants. (Corporate Plan 2014-2019)



FINANCIAL OVERVIEW

Revenue Generation and Budgetary Objectives

The Royal Botanic Gardens Board Victoria's income is primarily annual recurrent funding from the Victorian Government, supplemented by income generated through grants, donations, fund-generating programs, business operations and investment. The annual recurrent budget is allocated to salaries, operating costs and minor capital works.

The main budgetary objectives of the organisation are to:

- maintain and improve the two botanic gardens and curate their living collections
- pursue scientific research on the Australian flora and improve the curation and storage of the State Botanical Collection
- interpret and use the living collections and State Botanical Collection to advance the understanding and appreciation of plants
- complete implementation of the Integrated Water Management project at both Melbourne Gardens and Cranbourne Gardens, and
- identify and implement new business opportunities building on the Royal Botanic Gardens Victoria's brand, while fostering expansion of current revenue sources.

Income from Government

During 2015-16, annual funding provided by the Department of Environment, Land, Water and Planning (DELWP) was applied to achieve the Board's main budgetary objectives and also used to enable repair or replacement of the most urgent of those assets requiring attention, including the maintenance of garden paths and kerbs, reconstruction of internal Gardens' boardwalks, replacement of office and garden equipment and vehicles, the installation of elliptical louvres in the Melbourne Gardens' Visitor Centre, building works undertaken to improve safety, and restoration of the landscaping surrounding the William Tell Rest House.

Works on the Fire Protection System project at Melbourne Gardens continued with completion of the Nursery and Works Yard element, and other capital repairs were aimed at improving the safety of the ramps and stairs at the Cranbourne Gardens' Visitor Centre. In addition, a water-based heating, ventilation and air conditioning (HVAC) system was installed to service the Boon Wurrung Café, Tarnuk Room and Auditorium at Cranbourne Gardens. Risk-related minor asset funding was also received from DELWP during the year for works to be undertaken in 2016-17 on the last remaining element of the Fire Protection System project at Melbourne Gardens, which relates to installation of the cross-garden connection and Terrace works (Melbourne Gardens ring main), a new HVAC system for the Herbarium building to replace the current system that is no longer functioning effectively, and safety improvement path works around the Fern Gully at Melbourne Gardens.

Table 6: Financial results for 2015-16

| | 2015-16 \$ |
|---|---------------------|
| Government and other grant funding | |
| - Parks and Reserves Trust Account grants | 15,942,218 |
| - Commonwealth Government | 168,711 |
| - Other grants | 751,481 |
| Sponsorship | 1,613,427 |
| Other Income | 5,088,499 |
| Total Expenses | (25,253,887) |
| Net result | (1,689,551) |

Comparison of financial performance and position

The Royal Botanic Gardens Board Victoria's operating result for the financial year ended 30 June 2016 was lower than the previous year, mainly due to inclusion of salary-related payments relating to the 2014-15 financial year arising from implementation of the Royal Botanic Gardens Victoria's new Enterprise Agreement (EA) in December 2015 and expenditure of carry forward project revenue received in the previous financial year.

Other significant movements in Royal Botanic Gardens Board Victoria's revenue and expenses included an increase in Parks and Reserves Trust Account funding, mainly due to the annual CPI increase, receipt of additional funding for implementation of part of the new weekend loading provision of the EA and a one-off funding supplementation for 2016-17 received in advance.

With respect to the Royal Botanic Gardens Board Victoria's financial position, significant movements include:

- an increase in the value of property, plant and equipment assets due to the independent revaluation of land, buildings, infrastructure and cultural assets (the latter of which includes the State Botanical Collection), that resulted in a corresponding increment in the Physical Asset revaluation surplus equity balance, and
- an increase in cash and deposits balances as at 30 June 2016, mainly due to receipt of the Parks and Reserves Trust Account funding for 2016-17 in advance and funding for risk-related capital works, the latter of which is reflected as an increase in the contributed capital equity balance.

There were no events occurring after the balance date which may significantly affect the Royal Botanic Gardens Victoria's operations in subsequent reporting periods.

Table 7: Five-year comparison of financial results

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--|--------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Government and other grant funding | | | | | |
| Parks and Reserves Trust Account grants | 15,942,218 | 14,536,099 | 14,292,000 | 14,289,000 | 12,936,000 |
| Commonwealth Government | 168,711 | 64,217 | 0 | 120,000 | 1,545,000 |
| Other grants | 751,481 | 631,346 | 378,450 | 426,892 | 831,781 |
| Sponsorship | 1,613,427 | 1,771,407 | 1,882,990 | 1,371,924 | 1,768,237 |
| Other income | 5,088,499 | 5,285,075 | 5,308,180 | 5,292,853 | 5,855,568 |
| Total expenses | (25,253,887) | (22,749,249) | (22,733,521) | (22,034,830) | (20,437,812) |
| Net result | (1,689,551) | (461,105) | (871,901) | (534,161) | 2,498,774 |
| Net cash flow from operating activities | 1,490,429 | 2,134,640 | 847,928 | (1,623,215) | 6,926,746 |
| Total assets | 613,975,705 | 421,812,214 | 421,799,557 | 422,753,073 | 426,432,783 |
| Total liabilities | 6,373,072 | 5,157,402 | 4,683,640 | 4,842,404 | 7,837,073 |

Consultancies

Table 8: Consultancies

Details of individual consultancies during the year are summarised as follows:

| Consultant | Purpose of Consultancy | Start Date | End Date | Total Approved Fee (excl. GST) | Expenditure 2015-16 (excl. GST) | Future Expenditure (excl. GST) |
|---------------------------------|--|------------|------------|--------------------------------|---------------------------------|--------------------------------|
| VOTAR PARTNERS PTY LTD | To review the IT environment and propose a series of improvement initiatives to be implemented over the next five years, which will align the ICT Strategy with RBGV's organisational objectives and with Whole-of-Government IT Strategy initiatives, including an assessment of records management analysis. | 3/03/2015 | 6/07/2015 | 43,539 | 3,300 | 0 |
| HURLY CONSULTING | To redesign the Human Resources Branch structure to enable it to meet its strategic and operational objectives. | 19/02/2015 | 30/07/2015 | 10,821 | 1,932 | 0 |
| ELDRED HOSPITALITY | To review compliance with and provide recommendation on market expectations as to an existing rental arrangement. | 1/10/2016 | 23/10/2016 | 20,000 | 20,000 | 0 |
| CATO BRAND PARTNERS PTY LTD | To review current RBGV signage and propose a common signage hierarchy for both the Melbourne Gardens and Cranbourne Gardens sites. | 23/11/2015 | 31/03/2016 | 30,000 | 30,000 | 0 |
| MIDNIGHTSKY | To propose an approach that will deliver a fundraising campaign which deepens the engagement of staff and existing supporters with the RBGV vision as well as connecting with new supporters. | 29/07/2015 | 31/12/2015 | 32,500 | 32,500 | 0 |
| HALLIDAY'S BUSINESS INSIGHTS | To conduct a workplace cultural health and wellbeing assessment across an RBGV division and provide a report and recommendations | 1/03/2016 | 31/05/2016 | 24,545 | 22,545 | 0 |
| BENDELTA | To review the RBGV organisational structure and propose an alternative which better aligns with the RBGV Vision and Mission, and efficiently and effectively facilitates delivery of RBGV's strategic objectives. | 1/11/2015 | 31/12/2016 | 139,425 | 112,325 | 27,100 |
| PARKING AND TRAFFIC CONSULTANTS | To conduct a feasibility study on car parking arrangements for the Cranbourne Gardens site. | 1/11/2015 | 31/03/2016 | 10,950 | 10,950 | 0 |
| CONTEXT PTY LTD | To develop a Conservation Management Plan for the Melbourne Gardens, that will inform preparation of the new Melbourne Gardens Landscape Master Plan. | 1/07/2015 | 30/06/2016 | 119,400 | 119,400 | 0 |
| | | | | 431,180 | 352,952 | 27,100 |

In 2015-16, the Royal Botanic Gardens Board Victoria engaged two consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$4,800 (excluding GST).

Royal Botanic Gardens Board Victoria did not award any major contracts (valued at \$10 million or more) during 2015-16.

Risk management and Insurance

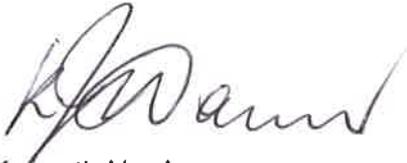
RISK MANAGEMENT ATTESTATION

Attestation for compliance with Victorian Risk Management Framework

Attestation for compliance with the Victorian Risk Management Framework

I, Kenneth Harrison, certify that the Royal Botanic Gardens Board has complied with the *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes*.

The Risk Committee verifies this certification.



Kenneth Harrison
Chairman
Royal Botanic Gardens Board Victoria

7 July 2016

RISK MANAGEMENT FRAMEWORK

The Royal Botanic Gardens Victoria's Risk Management Framework adopts and applies a systematic process to identify, analyse, assess, treat and monitor risk in the activities and functions of the Royal Botanic Gardens Victoria so that the risk inherent in those activities and functions is reduced. The current Risk Management Framework was developed in 2016 and meets the requirements of ISO 31000:2009 *Risk management - Principles and guidelines*. Risks are examined in the context of existing organisational controls, and the degree to which those controls are effective in managing the risk is assessed and related to the level and degree of oversight required. Results are reviewed quarterly by the Risk Committee.

The Royal Botanic Gardens Board Victoria uses the Risk Management Framework along with other planning mechanisms to identify, understand and manage possible positive and negative outcomes.

Development of the Royal Botanic Gardens Victoria's new Risk Management Framework, to provide for compliance with the updated *Victorian Government Risk Management Framework* released in May 2015, updated the risk profile of the Royal Botanic Gardens Victoria. It identified one risk rated as Extreme, that of loss or degradation of the State Botanical Collection, resolution of which requires a new Herbarium building. This Extreme risk has been drawn to the attention of the Minister consistent with the Board's obligations under section 81 of the *Public Administration Act 2004*. Upgrading of the Fire Protection System at Melbourne Gardens has continued, with completion of the Nursery and Works Yard precincts. The final stage of Melbourne Gardens' fire protection systems upgrade, the cross-Gardens connection and Terrace, will be completed in 2016-17.

Management continued to mitigate, to the extent possible, the ongoing effects of climate change and operational costs that continue to rise by amounts greater than CPI on an annual basis.

During the year, regular meetings of the Critical Incident Planning Group took place to plan for responses to and recovery from critical incidents.

Insurance

During 2015-16, the Royal Botanic Gardens Victoria's insurance coverage relating to the State Botanical Collection was reviewed and aspects of the policy clarified with the Victorian Managed Insurance Authority.

Our Achievements

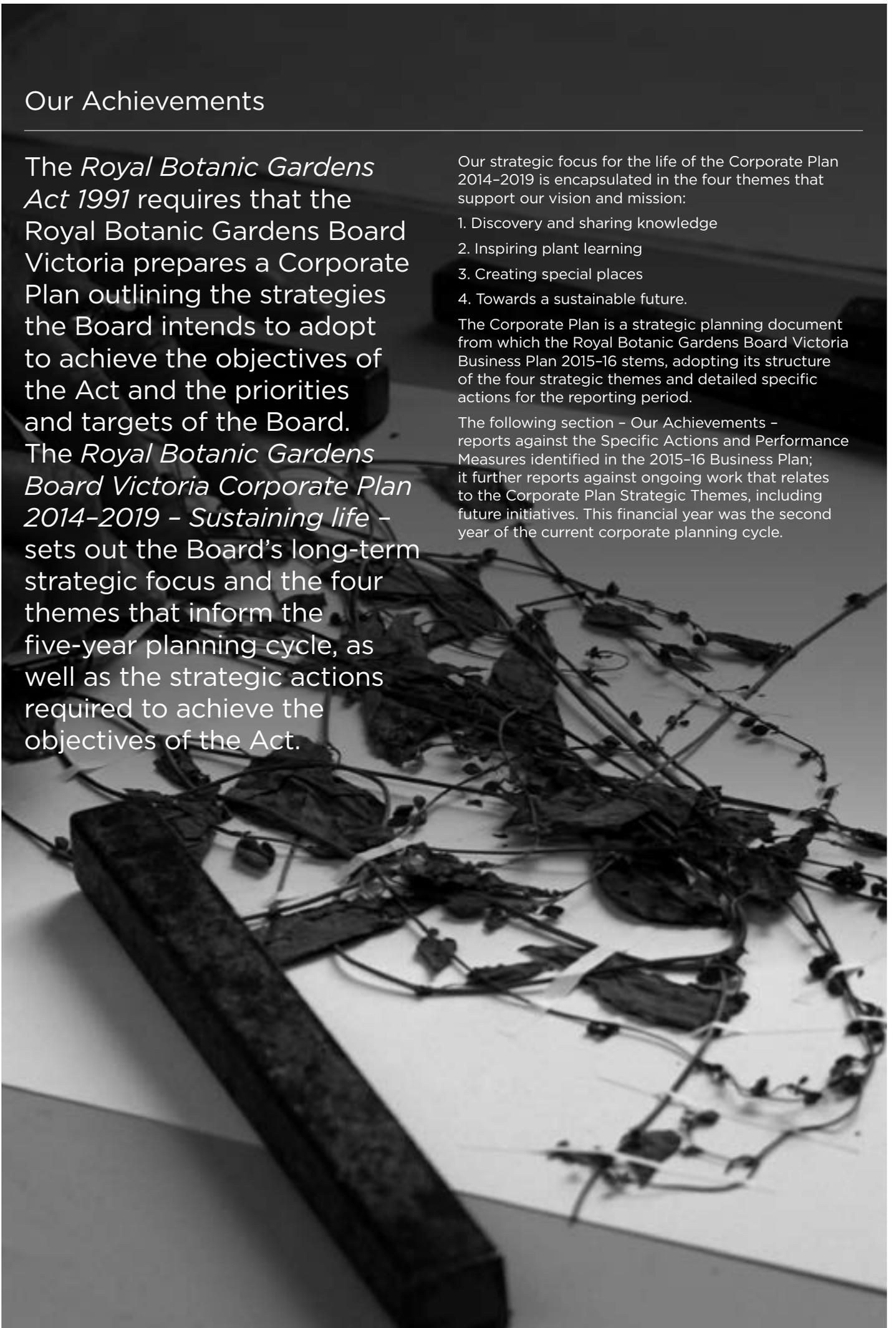
The *Royal Botanic Gardens Act 1991* requires that the Royal Botanic Gardens Board Victoria prepares a Corporate Plan outlining the strategies the Board intends to adopt to achieve the objectives of the Act and the priorities and targets of the Board. The *Royal Botanic Gardens Board Victoria Corporate Plan 2014-2019 - Sustaining life* - sets out the Board's long-term strategic focus and the four themes that inform the five-year planning cycle, as well as the strategic actions required to achieve the objectives of the Act.

Our strategic focus for the life of the Corporate Plan 2014-2019 is encapsulated in the four themes that support our vision and mission:

1. Discovery and sharing knowledge
2. Inspiring plant learning
3. Creating special places
4. Towards a sustainable future.

The Corporate Plan is a strategic planning document from which the Royal Botanic Gardens Board Victoria Business Plan 2015-16 stems, adopting its structure of the four strategic themes and detailed specific actions for the reporting period.

The following section - Our Achievements - reports against the Specific Actions and Performance Measures identified in the 2015-16 Business Plan; it further reports against ongoing work that relates to the Corporate Plan Strategic Themes, including future initiatives. This financial year was the second year of the current corporate planning cycle.



Theme 1: Discovery and sharing knowledge

We will share our expertise and spread our influence beyond the gates of the Royal Botanic Gardens Victoria, and contribute to the global scientific knowledge base through our science, research, conservation and by working with external parties. (Corporate Plan 2014-2019)



Above: Botanical illustration from the Wehl collection, held in the State Botanical Collection

AT A GLANCE

- 3,179 Australian and foreign vascular and Australian algae Type specimens were photographed as high resolution digital images for the Global Plants Initiative (GPI) project; 2,220 images with associated metadata were delivered to Journal Storage (JSTOR).
- 3,992 specimens from the foreign collection were databased as part of the Foreign Collection Project.
- 36 peer-reviewed papers were published by Plant Sciences and Biodiversity and ARCUE staff and students, of which 75 per cent were published in Institute for Scientific Information (ISI)- or SCOPUS-listed journals.
- 45 talks and lectures (to students, the public, experts and academics) were given by senior executive and science staff and students, and 21 presentations were made at national and international conferences or symposia, at network forums or as university public lectures.

YEAR IN REVIEW

The total budget allocated to achieving Theme 1 in 2015-16 was \$4.7 million, which included funding for the core activities of the Royal Botanic Gardens Victoria that are related to this Theme.

Royal Botanic Gardens Victoria achieved the following Budget Paper No.3 output performance measure in the 2015-16 reporting period:

Table 9: Royal Botanic Gardens Victoria performance against objectives

| Performance indicator | Threatened native species and communities for which specifically targeted conservation measures are in place at Royal Botanic Gardens |
|-----------------------|---|
| Unit of measure | number |
| 2015-16 target | 6 |
| 2015-16 actual | 6 |
| Variance % | 0 |
| Result | ✓ |

Note (1).

✓ = performance target achieved or exceeded or expected to be achieved.

■ = performance target not achieved - exceeds 5% variance.

○ = performance target not achieved. Within 5% variance.

RESEARCH

Research by Plant Sciences and Biodiversity scientists plays a key role in discovering and naming plants and fungi (taxonomy) and in elucidating their relationships and evolutionary history (systematics). Complementary to this is the practical and applied research into the ecology, restoration and management of biodiversity in urban areas undertaken by ARCUE scientists. Much of the research conducted by Royal Botanic Gardens Victoria's scientists underpins a range of conservation and sustainability initiatives.

Consolidating and developing scientific research

Following an organisation-wide structure review in 2015-16, it was decided that RBGV's science be integrated into the one science division.

Other developments included completion of the Plant Sciences and Biodiversity Master Plan, which was approved by the Royal Botanic Gardens Board Victoria in February. The plan identified three priorities including building taxonomic capacity, which will inform research work in the next ten years. In addition to this, work commenced on developing a Science Strategy for the whole organisation, which will be informed by the Plant Sciences and Biodiversity Division Master Plan and ARCUE External Review and is expected to be completed by December 2016.

Research collaborations

The Royal Botanic Gardens Victoria is committed to attracting high-quality research staff and students and to working collaboratively with other key national and international scientific and academic institutions to maximise its research capacity. Research projects often extend over a number of years; in 2015-16 twenty-one new funding proposals were successful including support for the Victorian Conservation Seedbank, Orchid Conservation Program, phylogenetic research into the Asparagales; novel genetic techniques for conservation and fungal genomics received particular prominence.

Next generation genetic techniques as tools for conservation

Attendance at the 11th Clonal Plants Workshop in the Czech Republic in August exposed staff to a new Next Generation Sequencing method, MIG-seq, which is designed for genetic studies on rare or little-known species. This method shows great promise for conservation studies such as those conducted by Royal Botanic Gardens Victoria. Researchers are collaborating with the method's developer, Professor Yoshihisa Suyama from Tohoku University in Japan, and are providing samples to test its suitability for distinguishing clonal plants and genetic lineages. A project analysing clonality in the rare daisy *Olearia passerinoides* subsp. *glutescens* aims to develop microsatellite markers and compare the results to those obtained from the new MIG-seq method to enable a rigorous assessment of their reliability and suitability for conservation studies of rare plants.

In another first, staff used a new source of sequence data from transcriptomes of clonal pairs of Common Reed *Phragmites australis* exposed to different salt levels, which showed local clonal adaptation to higher salinity levels. This information will be critical for management of salinizing ecosystems in the Gippsland Lakes.

Uncovering the genetic basis of fungal form – mushroom or truffle

Staff participated in an international project involving Flinders University, the Joint Genome Institute (JGI), and the United States Department of Energy, to identify the genetic basis of the switch between mushrooms and sequestrate (truffle-like) fungi. In Australia there have been numerous independent evolutionary transitions between the above-ground mushroom fruit-body form and the below-ground truffle-like forms. Such transitions have occurred in diverse lineages across the fungal evolutionary tree with the truffle-like forms resulting from these distantly related lineages all looking remarkably similar. It is thought that such changes in fruit body form may have been adaptations to past climate change. Due to the vital role of many ectomycorrhizal fungi in providing nutrition to plantation forests, there is much interest in this project to see if it can unlock the genetic basis of fruit type and perhaps provide a basis for selecting beneficial and adapted fungi for forest trees exposed to future climate change, and for restoration of natural vegetation.

Urban ecology

ARCUE's Associate Professor Mark McDonnell attended the Ecological Society of America Annual Meeting (100th anniversary celebration) in August 2015, participating in the launch of the new *Journal of Urban Ecology*, published by Oxford University Press, of which he is the Editor-in-Chief. In September, he developed and presented a two-week intensive course on Urban Ecology to Masters of Landscape Architecture students at the National University of Singapore. The following month, fellow ARCUE scientist, Dr Amy Hahs presented a two-week intensive course on GeoDesign to Masters of Landscape Architecture students at the same university.

Along with other project partners of EAGA (Eastern Alliance for Greenhouse Action), ARCUE's work was recognised by the United Nations Association of Australia (UNAA) when EAGA received the UNAA World Environment Day Local Government Award for Biodiversity Monitoring in Melbourne's east. Led by the City of Boroondara, the project involved the development and trial of a framework for monitoring indicators of biodiversity health in the context of a changing climate. The joint Project Team members from ARCUE and The University of Melbourne undertook research, facilitated capacity building workshops with Project Working Groups, prepared framework documents and analysed data from the trial.

Publications

Plant Sciences and Biodiversity staff continued to achieve publication success in peer-reviewed journals with 36 papers published during the year; 75 percent of these were in ISI-or SCOPUS-listed journals.

Among the most notable of these papers was the publication of two papers resulting from the Hanson Constructions-supported project on the conservation genetics of four rare grassland species from the Victorian Volcanic Plain: Ahrens, C.W., and James, E.A. 2016. Regional genetic structure and environmental variables influence our conservation approach for feather-heads (*Ptilotus macrocephalus*). *Journal of Heredity*, 107, pp. 238-247, and Ahrens, C.W., & James, E.A. (2016). 'Conserving the small milkwort, *Comesperma polygaloides*, a vulnerable subshrub in a fragmented landscape.' *Conservation Genetics*, 17, pp. 891-901.

ARCUE researchers published 19 peer-reviewed research papers and one book chapter, of which 78 per cent were published in ISI- or SCOPUS-listed journals.

Following the publication of the *Handbook of Road Ecology* by Wiley in April 2015, ARCUE's Dr Rodney van der Ree, a lead editor of and significant contributor to the book, embarked on a speaking tour of France, Japan, USA, India, Malaysia, Singapore and South Africa to promote the book. The tour was undertaken with the support of an Australian Academy of Science travelling fellowship valued at \$7,000. The handbook addresses the global cost of road building on wildlife mortality in ecologically sensitive areas and is a resource for road planners, designers and construction teams. It is particularly relevant in developing countries where roads are being proposed through ecologically sensitive wilderness areas; 150 copies of the book were distributed to practitioners in developing economies.

Research findings from ARCUE's long-term study into turtle populations at 20 wetlands around greater Melbourne were published in *Austral Ecology: a journal of ecology in the southern hemisphere*, v. 41 in January. The journal article entitled 'Road density and wetland context alter population structure of a freshwater turtle' examined findings from a six year study by Dr Andrew Hamer and his team, which looked at the impact of habitat fragmentation by road networks on *Chelodina longicollis*, the common long-necked turtle. Preliminary evidence showed that by fragmenting habitat, road networks can have a direct impact on the mortality of turtles. The program involved measuring turtles at the monitoring sites to determine size and approximate age, which in turn assisted researchers in determining population density and viability at each site.

PEER AND COMMUNITY ENGAGEMENT AND ACCESS

Royal Botanic Gardens Victoria is committed to increasing awareness of its contributions to plant biodiversity research, plant conservation and urban ecology by increasing its national and international partnerships with the scientific community as well as improving access to plant information.

eFlora of Victoria

Following the go-live launch of version one of VicFlora in February 2015, a seminar was held in September to showcase version two, in particular its improved features including search capability, expanded species profile pages and images of key features. The greatly improved version two is scheduled to be released in September 2016, once further plant images have been added to the product. Progress towards the release of version two was advanced with a grant of \$30,000 from the Maud Gibson Trust in February 2016 to support the imaging of exemplar herbarium specimens of Victorian taxa to add to the online resource. From August 2015 to June 2016, 12,514 unique users had viewed 194,192 pages of version one of VicFlora. Importantly for a web-based service, the bounce rate is less than 50 per cent and user sessions last an average of eight minutes, indicating that once 'discovered', users spend a considerable amount of time using VicFlora. A specification for the development of a new 'skin' for VicFlora was distributed in June, and work is due to commence in July 2016.

Conferences and forums

Plant Sciences and Biodiversity staff presented their research findings at national and international conferences and meetings during 2015-16.

Dr Pina Milne highlighted one of the many significant collections held in the State Botanical Collection when she delivered a presentation at the John Child Bryophyte and Lichen Workshop, Waimate, New Zealand in October. The title of the presentation was *The Rev. William Colenso bryophyte collection at the National Herbarium of Victoria (MEL)*. In addition to this, in June Dr Milne attended both the Global Genome Biodiversity Network and Global Plants Initiative Meeting, in Berlin. Other staff presented findings on the germination requirements of the threatened Southern Shepherd's Purse at the National Seed Science Forum, Sydney, a keynote address on the applications of genetics in conservation at the 13th International Conference on Integrated Field Science, Japan, orchid conservation at the 6th International Orchid Conservation Conference, Hong Kong, and VicFlora at the Australasian Systematic Botany Society Annual Conference, Canberra.

Dr Tom May attended the scientific meeting of the Australasian Mycological Society in New Zealand in May, which was held jointly with the New Zealand Fungal Foray. Fungimap staff and volunteers also participated in a series of events in northern Tasmania in May 2016 including various public lectures, talks, activities for primary school students, workshops and forays. These events were organised in collaboration with the Australian Plants Society Tasmania, the Central North Field Naturalists and the Tasmanian natural resource management organisations Cradle Coast NRM and NRM North. All activities were well-attended and there was local print and radio media coverage. The events were followed by a collecting expedition to the Tarkine region of north-western Tasmania.

Approximately 150 collections were made of various macrofungi for incorporation into the State Botanical Collection.

With the support of a Melbourne Friends' scholarship Collections Branch Co-ordinator Curation Catherine Gallagher travelled to Berlin to research MEL's foreign collection and, along with Dr Milne, attend the 31st Annual Meeting of the Society for the Preservation of Natural History Collections in June. This research trip allowed her to investigate current tools and technologies in curatorial practice as well as gain a more detailed understanding as to which parts of MEL's foreign collection are likely to contain significant material. Work on the Foreign Collections Project was highlighted with presentations to the both the Melbourne Friends' and the Royal Botanic Gardens Foundation outlining increased efforts to progress the databasing and curation of this important part of the State Botanical Collection.

ARCUE staff and students presented their research findings at national and international conferences during 2015–16 including Dr Rodney van der Ree, who presented papers at the International Conference on Ecology and Transportation (ICOET), Raleigh, North Carolina, USA.

RARE AND THREATENED SPECIES

Royal Botanic Gardens Victoria staff contributed to the implementation of State, Territory and Federal Government management plans to further the conservation of plants and ecosystems by participating in working groups and recovery teams, and undertaking joint research projects with and on behalf of external corporate bodies and research institutions.

Plant Sciences and Biodiversity staff contributed to the work of recovery teams and working groups for the following species: the Helmeted Honeyeater, *Borya mirabilis*, *Pimelea spinescens*, *Grevillea infecunda*, *Swainsona recta*, *Ballantinia antipoda*, *Diuris fragrantissima*, and other species in the Threatened Orchid Recovery Project. Work by Horticulture staff, under the auspice of BGANZ Victoria, towards the establishment of a multi-site regional botanic garden conservation collection also progressed (see page 38). The project is due to be launched at the BGANZ Plants Forum in September.

Victorian Conservation Seedbank

Now in its eleventh year, the Victorian Conservation Seedbank continued to build on the store of seed from rare or threatened species or from species found only in Victoria (endemics) and lodged for long-term storage at Melbourne Gardens and the Royal Botanic Gardens, Kew's Millennium Seed Bank Project (MSBP) headquartered at Wakehurst Place in the United Kingdom. Collections were made from 56 new populations, including seed of 44 taxa new to the Victorian Conservation Seedbank. A shipment of duplicate seeds has been sent to Wakehurst Place. Of these, a total of 21 species are new to the Millennium Seed Bank.

Orchid Conservation Program

The Australian Network for Plant Conservation (ANPC) Orchid Conservation Program has been relocated to Cranbourne Gardens and is now under the management of Royal Botanic Gardens Victoria. The program works in partnership with various government, private industry and community organisations and is responsible for the symbiotic propagation and re-introduction of some of south-eastern Australia's most threatened orchids. Of Victoria's 400 terrestrial species, almost a quarter are threatened and covered by this vital conservation program, which undertakes research on the orchids' symbiotic fungi, pollinators and requirements for optimising re-introductions in the wild. Endangered orchids that have been brought back from the brink of extinction include *Caladenia audasii* (Audas Spider-orchid), down to only five plants, *Thelymitra mackibbinii* (The Brilliant Sun-orchid), less than 60 wild plants known, and *Caladenia versicolor* (The Candy Spider-orchid), down to only three populations, prior to their successful propagation and subsequent re-introductions.

In collaboration with partner organisations including Wimmera Catchment Management Authority (CMA), ANPC, Trust for Nature, Parks Victoria, the Department of Environment, Land, Water and Planning, and Portland Aluminium/Alcoa, a planting program commenced in August to reintroduce hundreds of endangered orchids back into the wild, including six species of federally-threatened orchids. An estimated 3,000 native orchids will be planted in various locations throughout their natural range as part of this three-year project funded by Portland Aluminium/Alcoa. This work is the culmination of a research conservation program led by Royal Botanic Gardens Victoria's Dr Noushka Reiter in hand pollinating and collecting seed and symbiotically germinating the seed in the laboratory until the plants are ready for re-introduction to the wild.

HERBARIUM COLLECTIONS

Collections development

The Royal Botanic Gardens Victoria remains committed to developing the collections and curating and databasing the 1.5 million existing plant, algae and fungi specimens held within the State Botanical Collection.

Development opportunities in 2015–16 included the acquisition of the H.E. Ramsay Collection from Mildura Rural City Council when it agreed to permanently transfer the collection to the State Botanical Collection. Helen Eileen Ramsay was a local botanist and plant collector working in the Mildura region in the 1940s and 1950s. A founding member of the Sunraysia Field Naturalist's Club, Ramsay collaborated closely with the Herbarium's Dr Jim Willis and regularly sent specimens from collecting trips to the National Herbarium of Victoria. In 1960, Ramsay donated her collection of 1,000 specimens to the Mildura Arts Centre. Recognised as a collection of State significance, it includes two new species of *Bassia* that were described by Willis and named in Ramsay's honour. The Collection will be databased and be accessible online on Australia's Virtual Herbarium.

Foreign Collections Project

Now in its second year of funding from the Royal Botanic Gardens Foundation, the Foreign Collections Project – *Revealing the Secrets of the Herbarium* – saw its capacity for databasing the estimated 400,000 specimens in the Collections increase two-fold with the appointment of an additional staff member in April. Databasing of foreign Myrtaceae Types revealed the State Botanical Collection holds a significant number of specimens of Brazilian taxa, including many sheets from the Sonder Collection that were annotated by 19th century German botanist O.K. Berg. Berg used the specimens to describe new species in Vol. Part 1 *Myrtaceae of Martius' Flora Brasiliensis* (1857–1859). As part of this project, 3,992 foreign-collected specimens were databased. In addition to this, a further 11,382 specimens were mounted or curated from the State Botanical Collection as part of the Herbarium Volunteers program.

Collections access

During 2015–16, 58 visiting researchers accessed the herbarium specimen collection and spent 155 days working in the collections. In addition, 13,545 specimens were processed as part of the loans and exchange program and material was sent on loan to 26 institutions, nine of which were overseas scientific institutions.

Support for the National Museum of Australia's 'Landmarks: People and Places Across Australia' gallery continued with the loan of eight 19th century Australian collections. This has been a long-term loans program, with more specimens from the State Botanical Collection due to be sent to the Museum during 2016–17. Representations of specimens from the H.E. Ramsay collection featured in an exhibition at the Port Jackson Press Print Gallery in Collingwood in April. The solo exhibition by Christine Johnson *Voyagers Botanical – Inland* included cyanotypes based on botanical specimens in the Ramsay collection. Johnson's cyanotype etchings of Ramsay specimens included images of *Wahlenbergia fluminalis* and *Argentipallium blandowskianum* from the Mallee region of north-west Victoria.

As part of a collaborative effort to digitise State Botanical Collection publications, the Library hosted the Australian branch of the Biodiversity Heritage Library (BHL), based at Museum Victoria, from November to March. The BHL is the world's largest, free online repository of literature and archival material relating to biodiversity with contributors including the Smithsonian Libraries, Missouri Botanic Garden, Library of Congress and Natural History Museum Library, London. The collaboration allowed the BHL to expand the breadth of their work and provided an opportunity for some of the State Botanical Collection's publications to be digitised. During this time, Museum Victoria BHL staff added 92 volumes from 40 titles, containing 13,468 pages to the BHL, all of which are now available online.

Atlas of Living Australia

Royal Botanic Gardens Victoria continued to support the work of the Atlas of Living Australia (ALA) through the development of KeyBase, Australian Virtual Herbaria (AVH) data delivery across the Council of Heads of Australasian herbaria network and ingestion of names for mosses and fungi for the National Species List. Royal Botanic Gardens Victoria's data is accessible to the wider community through AVH and ALA portals delivering information on plant distribution, seed bank holdings and, in the future, the living collection. There are over 872,808 Royal Botanic Gardens Victoria records in the ALA/AVH, and these have been used 90 million times by researchers around the world in 2015–16.

Global Plants Initiative

Work continued to create digital images of specimens held in the State Botanical Collection to be added to Global Plants on JSTOR, a world-wide scientific database (plants.jstor.org), as part of the Global Plants Initiative. Now in its fifth year, 3,179 Australian and foreign vascular Type specimens were imaged, and eight batches of images with associated metadata (totalling 2,220 Types) were delivered to JSTOR. This year marked another milestone for the MEL Global Plants Initiative project, with more than 20,400 Type specimens now available online through JSTOR, comprising Australian vascular Types, Australian algae (Chlorophyta, Rhodophyta and a small number of Heterokontophyta), and foreign vascular Types from families 1–43.

LOOKING AHEAD

Victorian Grassland Conservation Program – establish an integrated and broadly scoped program, including research into the population and life history structure of threatened grassland communities, discovery and classification of new species, seed banking, propagation, management and restoration

Science Strategy – a whole-of-organisation science strategy will be finalised by June 2017 with the aim of consolidating science research and service delivery programs

Australian Network for Plant Conservation annual conference

– Royal Botanic Gardens Victoria will host the *New Approaches to Plant Conservation in the Modern World* conference in November 2016. Bringing together on-ground conservation practitioners and researchers, the conference program will examine themes such as landscape scale restoration, rescuing small populations from extinction and conservation for people and nature.

OVERVIEW OF SPECIFIC ACTIONS AND PERFORMANCE MEASURES

Long-term Strategy 1.1: Consolidating and focussing scientific research

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 1.1.2 | Develop and implement the whole-of-organisation Science Strategy by 31 December 2015 | <ul style="list-style-type: none"> Postponed, with new completion date set as 31 December 2016 |
| | Conduct external review of ARCUE's programs including research, teaching, financial management and community outreach | <ul style="list-style-type: none"> External Review completed 17-18 November 2015, and report presented to ARCUE staff in January 2016 Management response to the ARCUE review was released in February 2016. Both long- and short-term actions from the external review are being implemented |
| | Undertake \$0.5 million worth of commercial ecological research projects | <ul style="list-style-type: none"> Total revenue of \$488,057 was achieved |

Long-term strategy 1.2: Providing plant information to people where and how they want it

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 1.2.2 | Establish a regional or virtual identification network in Victoria linked to e-Flora by 30 June 2016, to provide increased public accessibility to fundamental knowledge of Victoria's vascular flora | <ul style="list-style-type: none"> Access to knowledge about the Victorian vascular flora has increased through additions to VicFlora and a network of users is developing |

Long-term strategy 1.3: Making a major contribution to solving plant-related and ecological problems

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 1.3.4 | Publish Handbook of Road Ecology (Wiley) and promote ecologically sound road building practices in developing countries | <ul style="list-style-type: none"> Handbook was promoted in France, Japan, USA, India, Malaysia, Singapore and South Africa Over 150 copies circulated to practitioners in developing economies |
| 1.3.7 | Through BGANZ Victoria, explore RBGV leading the establishment of a multi-site regional botanic garden conservation collection with associated interpretation | <ul style="list-style-type: none"> Second phase of the project has been scoped The project to be officially launched at BGANZ Plants Forum in September 2016 |

Long-term strategy 1.4: Restoring and unlocking the Herbarium's World Collection

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|--|
| 1.4.1 | Mount, database and curate the non-Australian component of the Herbarium collection (rich in specimens of historic and scientific importance) by 2024 | <ul style="list-style-type: none"> 6,272 foreign-collected specimens were databased from Cronquist families 16-76 11,382 specimens were mounted or curated from the State Botanical Collection |
| | Mount, database and curate the Australian component of the State Botanical Collection | <ul style="list-style-type: none"> 11,325 specimens were mounted, remounted and curated from the State Botanical Collection |

Theme 2: Inspiring plant learning

We will build and expand the Royal Botanic Gardens Victoria's public programs, education and innovative communication role to help everyone understand and value the role of plants in their lives. (Corporate Plan 2014-2019)



Above: Botanical illustration from the Wehl collection, held in the State Botanical Collection

AT A GLANCE

- 32,697 students participated in on-site programs at Cranbourne Gardens and Melbourne Gardens in 2015-16, which was a comparatively similar to the number of students who participated in programs in 2014-15. In addition, 824 teachers/adults participated in Professional Development programs run by the Education Teams.
- A new online booking system was introduced in July 2015, making it easier for visitors, particularly international visitors, to book selected programs including the Aboriginal Heritage Walk, Harp in the Gardens and the popular observatory program, Starry Southern Skies.
- An inventive interpretive trail was launched featuring 40 top eucalypts is helping visitors to Cranbourne Gardens make decisions about the best Eucalypts for home gardens. The trail is supported by online resources with plant notes on each of the species, images, and fact sheets on selecting, planting and caring for eucalypts.
- More than 15,000 visitors participated in visitor programs and events including the Boozy Botanicals, Easter Hunt, Melbourne Observatory tours, guided walks, NAIDOC celebrations, World's Longest Regional Lunch and the Australian Quilt and Textile Exhibition.

YEAR IN REVIEW

The total budget allocated to achieving Theme 2 in 2015-16 was \$3.6 million, which included funding for the core activities of the Royal Botanic Gardens Victoria that are related to this Theme.

Royal Botanic Gardens Victoria achieved the following Budget Paper No.3 output performance measure in the 2015-16 reporting period:

Table 10: Royal Botanic Gardens Victoria performance against objectives

| Performance indicator | Number of visitors to the Royal Botanic Gardens in Melbourne and Cranbourne |
|-----------------------|---|
| Unit of measure | number |
| 2015-16 target | 1,801,159 |
| 2015-16 actual | 1.6 to 2.0 million |
| Variance % | 0 |
| Result | ✓ |

Note (1).

✓ = performance target achieved or exceeded or expected to be achieved.

■ = performance target not achieved - exceeds 5% variance.

○ = performance target not achieved. Within 5% variance.

VISITOR PROGRAMS

As well as the many thousands of people who participated in formal programs at both the Cranbourne and Melbourne sites in 2015-16, many more visitors enjoyed informal interactions with Customer Service staff, Garden Ambassadors or Voluntary Guides while exploring the Gardens at their own pace.

At Cranbourne Gardens 11,651 people enjoyed an audio tour of the Australian Garden, 1,019 people joined our knowledgeable Garden Ambassadors on a tour and 768 children participated in school holiday programs. Melbourne Gardens attracted more than 15,000 participants on popular public programs including the Aboriginal Heritage Walk and the Melbourne Observatory tours. These were complemented by featured public events including NAIDOC week celebrations at both sites, a Christmas Day Harp Concert and Open House Melbourne at Melbourne Gardens, and the annual Family Fun Day in January at Cranbourne Gardens.

A suite of in-language brochures was produced for distribution to the many thousands of international visitors at Melbourne Gardens and translated into eight languages: Chinese (simplified), Chinese (traditional), French, German, Italian, Japanese, Korean and Spanish.

Tours and events

In addition to seasonal visitor and education programs, a number of special one-off events were held at both sites to celebrate and raise awareness of the life-sustaining value of plants and the role they play in our daily lives. In addition to on-site programs, staff and volunteers contributed their skills and expertise to off-site events including the Horticultural and Gardening Festival 2015 and the Melbourne International Flower and Garden Show (MIFGS) 2016, where they delivered nature-based activities for children in partnership with the Nursery and Gardens Industry of Victoria.

Bioblitz 2016

The Gardens once again contributed to the City of Melbourne's annual Bioblitz program that encourages the discovery of the diverse animal and plant species across the city and promotes the importance of 'citizen science' in fostering an understanding of plant conservation and habitat. Professor Tim Entwisle participated in a Melbourne Conversation panel discussion – Nature in our Liveable City: Past, Present and Future – to mark the launch of Bioblitz 2016. Melbourne Gardens (Public Programs) hosted a series of walks and talks including Moths in the City, Bird Walk, ClimateWatch, Ants in the Gardens, and QuestaGame. Data gathered through the Bioblitz program was uploaded to the Atlas of Living Australia. ARCUE's Dr Amy Hahs assisted the City of Melbourne in quantifying the structure of vegetation across the municipality by developing a Rapid Assessment Method to capture information about shrub and understorey vegetation.

Regional World's Longest Lunch

The Elisabeth Murdoch Promenade was the setting for the Regional World's Longest Lunch at Cranbourne Gardens in March as part of the 2016 Melbourne Food and Wine Festival. More than 100 guests enjoyed the event, which was presented by the Sorrento Catering Company, Cranbourne Gardens' on-site caterer, and featured local food and wine in a three-course feast.

Australian Quilt and Textile Exhibition

The fifth Australian Textile Exhibition was held at Cranbourne Gardens in March. Hosted in conjunction with Leesa Chandler of Chandler's Cottage and the Cranbourne Friends, the exhibition featured Australian flora and fauna-inspired quilts from all over Australia as well as demonstrations by various quilting and textile experts. This annual exhibition is growing in popularity and attracted 5,508 visitors.

'Science café' programs

Two 'Science café' programs designed to appeal to a younger adult audience were trialled at Melbourne Gardens during the year. A Gin Pop-up Bar was held at Domain House in November in collaboration with the National Trust of Australia (Victoria). A master class was held in conjunction with the pop-up bar for those patrons who were keen to learn more about the importance of botanicals in gin production. Similarly, the *Boozy Botanicals* pilot program was held in partnership with Maidenii, an Australian Vermouth company during autumn and winter. The program included a 30-minute tasting of Maidenii's and other cocktails at Jardin Tan, followed by a walk in Gardens led by Professor Tim Entwisle and Mr Shaun Byrne of Maidenii. The walk and talk was designed to be a sensory experience, hearing the stories, touching and smelling plant material, and tasting (non-alcoholic) drinks at designated stops around the Gardens.

Indigenous programs

In 2015-16, Royal Botanic Gardens Victoria hosted a number of programs and events to allow visitors to explore Aboriginal history, culture and traditions.

At Melbourne Gardens, the annual NAIDOC celebration on 7 July 2015 saw 80 people enjoy a new NAIDOC family celebration trail, including a talk on native plants by Sandra Hodge. Ben Church also took NAIDOC-inspired tours on the Garden Explorer, which attracted a further 28 people. The popular *Aboriginal Heritage Walk* at Melbourne Gardens attracted more than 1,400 individual visitors as well as 3,002 individuals through group tours during 2015-16.

In July 2015 the Cranbourne Gardens provided a stunning setting for NAIDOC week celebrations where staff worked with a range of community support and local government groups to provide visitor activities focussed on the connection between Indigenous culture and Australian plants. The strengthening of relationships as a result of the success of the inaugural Cranbourne Gardens celebration in 2013 meant that 2,500 members of our local Indigenous community attended the 3rd annual NAIDOC celebration in 2015.

Eucalypts for your home garden

A new interpretive program and trail was launched at Cranbourne Gardens on National Eucalypt Day in March. The program includes an interpretive trail featuring 40 top eucalypt species growing in the Australian Garden and suitable for the home garden. Online resources include plant notes on each of the species, images, and fact sheets on selecting, planting and caring for eucalypts, as well as a series of instructional and informational YouTube videos. The *Eucalypts for your home garden* was developed with the support of the Bjarne K Dahl Trust.

NATURE PLAY AND LEARNING

Royal Botanic Gardens Victoria continued its commitment to supporting schools, teachers, students and the broader school community with pedagogical developments in place-based learning. The Education Services team utilised the rich natural and cultural resources at both sites to provide opportunities to enliven and enhance the learning of students from kindergarten to tertiary study, as well as provide teacher professional development and teachers' resources.

Schools Partnership Programs

At Melbourne Gardens, a year-long partnership with The Baltara School was completed.

The fortnightly program for traumatised students who require a high teacher-student ratio gave students the opportunity to explore a range of sites and collections around the Gardens. Despite their behavioural challenges, the children appeared to grow in confidence, interest and knowledge as they gained skills and understanding in art, science and Indigenous cultural studies throughout the year.

The partnership with St Joseph's Primary School, Collingwood that commenced in Term Two of 2015 with weekly visits to the Children's Garden by 18 Year Three students continued with the Cherry Ballart Program in 2016. The students are from diverse cultural backgrounds and have little or no access to green space in their school and local environment. The Cherry Ballart Program saw Gardens' staff visit the school to begin working with the teachers and students to establish a garden in the school grounds.

Early Childhood

Nature Play Week 2016

Cranbourne Gardens hosted the launch of Nature Play Week 2016 in April, with 100 participants attending. An initiative of the Kids in Nature Network, of which Royal Botanic Gardens Victoria is a founding partner, the week was launched by award-winning children's author and 2015 Senior Australian of the Year, Jackie French AM. Nature Play Week activities were hosted at both sites. A seminar – Rewilding public spaces: facilitating nature play – was held at Cranbourne Gardens for professionals who have an interest in creating green spaces for children. It was attended by 76 participants and explored the importance of the outdoor playgroup and bush kinder movement for early childhood development; keynote speakers included Doug Fargher, Clare Hart and Dr Julie Rudner.

Little Seeds Nature Playgroup

An eight-week program of nature play activities for pre-school children between the ages of three and five years was launched by the Melbourne Gardens education team in February. The program is led by an early childhood specialist teacher, and children participate in a selection of stories, songs, walks and gardening activities that aim to foster curiosity, wonder and respect for the natural world. Based on the understanding that 'play' is essentially children's 'work', activities include helping with the seasonal harvest of crops in the Kitchen Garden, and collecting morning tea scraps to feed to the compost worms, as well as free play.

Balee Koolin Bubup Bush Playgroup

Following the injection of one-off funding of \$7,000 in January from the Department of Education and Training, the Balee Koolin Bubup Bush Playgroup continued for a further year. The program has been developed as a partnership between Cranbourne Gardens, Casey-Cardinia Library Corporation's Library Has Legs Program and Boon Wurrung elder Aunty Fay Stewart Muir from the Victorian Aboriginal Corporation for Languages (VACL). It caters for Aboriginal and Torres Strait Islander children aged 0 to 4 and their families and offers an early years' Indigenous pedagogy inspired by 68,000 years of traditional childrearing practices, as well as providing nature-based experiences that children share with their parents. The Royal Botanic Gardens Victoria is currently identifying alternative funding to continue the program.

Sustained and Enriched by Plants

In its second year of triennial funding from the Department of Education and Training, the *Sustained and Enriched by Plants* education program saw the delivery of existing programs including *Nature Play and Learning*, *Connecting to Country*, and *Gardening for a Resilient Future*.

Sustained and Enriched by Plants provides experiences for students that are not achievable in a school setting. Students are able to intimately investigate plants and rich living landscapes through sensory, physical, emotional and social experiences, providing students with interactions with the natural world that are vital to students' learning and wellbeing. Modules delivered through this program link across the curriculum to Victorian Early Years Learning Development Framework (VEYLDF) and the Australian Curriculum/Victorian Essential Learning Standards (AusVELS). Modules cover priorities in Humanities, The Arts, Health and Physical Education, Civics and Citizenship, and Interpersonal Development and are most strongly aligned with Science, Environment and Sustainability.

Professional Development

Teacher Professional Development programs were delivered at both sites with 225 teachers participating in programs at Cranbourne Gardens and 599 teachers at Melbourne Gardens. Programs covered a range of topics including nature play, field work in the curriculum, bush kinder, sustainable gardening and indigenous programs.

Geography Teachers Association Victoria professional development

In February 2016, Education Services (Melbourne Gardens) partnered with the Geography Teachers Association Victoria to deliver a seminar to about 60 teachers on Indigenous culture, climate change, habitat ecology and Working Wetlands in the Gardens. Excellent feedback was received, and in May Professor Tim Entwisle was invited be part of a panel at the Association's annual Patron's Function.

COMMUNITY ENGAGEMENT AND ACCESS

Royal Botanic Gardens Victoria seeks to actively engage with the community on-site and online to promote the importance of plants to life through the development of interpretive programs, communications material and social media channels. As well, it continued to support a number of groups throughout the year by providing access to venues and program assistance. The Gardens committed to providing equal access for all, as outlined in the Access Action Plan 2011-2015.

School Garden Awards 2015

In November the Royal Botanic Gardens Victoria again hosted the Victorian School Garden Awards in conjunction with the Nursery and Garden Industry Association of Victoria and Catholic Education Melbourne. Students from over 50 schools attended the event, involving over 350 students, which included an official awards ceremony, roving performers, tours of The Ian Potter Foundation Children's Garden and environmentally-themed student activities.

Monash University Partnership app Biel Bik

Work continued on developing the Biel Bik app suitable for secondary school students. The Biel Bik program is a partnership between Melbourne Gardens Education Team, Monash University and the Victorian Aboriginal Corporation for Languages. The app will have curriculum links to secondary level Geography, Science, History and VCE Tourism studies. Plant information and content was completed for the first five stops. As part of the project, Boon Wurrung Elder Aunty Fay provided Boon Wurrung language and sound recordings of spoken language. The app is due to be trialled in schools in late 2016.

Visual identity implementation program

Following the development and launch of a new visual identity and brandmark in 2014-15, the distinctive identity was progressively rolled-out across the organisation and at both sites in line with the regular maintenance and replacement schedule.

It can now be seen on gate signage, map boards, the website, stationery and online templates, as well as the new uniforms that were issued to both staff and volunteers. In addition, new Entry Orientation Shelter and Visitor Centre interpretive panels at Cranbourne Gardens were installed, and at Melbourne Gardens new entry portals and Atrium signage was installed at the Visitor Centre. Anecdotally, the visual identity has been well received with overwhelmingly positive responses from both key stakeholders and the general public.

Talking Plants

Professor Tim Entwisle hosted a second summer season of *Talking Plants* on ABC Radio National. Based on his popular weekly Talking Plants blog (talkingplants.blogspot.com.au), he collaborated on the six part season with garden designer Jim Fogarty. Topics under discussion included invasive weeds, plant communication, saving the world and fake plants. As a respected science communicator, Professor Entwisle contributes to a number of forums including ABC Radio National with regular contributions to *Blueprint for Living* and a co-hosting role with Mathew Crawford for a pop-up show *In Season*, with each episode focussed on one of Professor Entwisle's five Australian seasons.

HORTICULTURAL LEARNING AND EXCELLENCE

Through generous donations, Melbourne Gardens Horticulture staff had the opportunity to undertake a range of learning and development initiatives. These included participation in Victorian fern collecting trips; travel to Oman Botanic Gardens to provide information and expertise on controlled environment (glasshouse) and plant management; attending the New Zealand Plant Conservation Network (NZPCN) conference to aid the management of the New Zealand collection; and visiting the Wittunga Botanic Gardens and Waite Arboretum to study dry land plants and their management to aid management of the Southern Africa and Australian Forest Walk collection.

During the year, Melbourne Gardens also hosted its first two Horticultural Internship students as part of the horticultural Internship program. The Internship Program is a seasonal program that is unpaid, practically based and 'hands on', and provides a great learning opportunity in one of the world's finest botanic gardens.

At Cranbourne Gardens, in the experimental display area of the Australian Garden, the next stage of the Woody Meadow Project commenced with coppicing (hard pruning) trials. This research project is part of a broader international study and is being undertaken by Horticulture Technician Ahmed Ashraf towards a Masters of Urban Horticulture. His worked was supported by a 2016 Maud Gibson Trust Elisabeth Murdoch Scholarship.

LOOKING AHEAD

Botanic and Rare Plant Fair – Royal Botanic Gardens Victoria, Melbourne Friends and The Diggers Club are hosting the inaugural Botanic and Rare Plant Fair at Melbourne Gardens in October. The fair will celebrate rare and unusual plants with panel discussions, tours, specialist plant stalls, the Growing Friends' spring plant sale and behind-the-scenes tours of the Herbarium and the Nursery.

Kangaroo Paw Festival – In November, a month-long celebration at Cranbourne Gardens, held in association with the Cranbourne Friends, will feature the iconic Kangaroo Paw. The Australian Garden will be transformed with mass Kangaroo Paw displays.

Program highlights include a three-day symposium with expert horticulturists and botanists and the Growing Friends Plant Sale.

Circle exhibition – Royal Botanic Gardens Victoria will host the Melbourne-leg of the Circle travelling exhibition in autumn 2017. The exhibition, by award-winning children's author and artist Jeannie Baker, will feature illustrations from her recently published children's picture book, which tells the story of the world's remaining wetlands. Other elements of the exhibition will highlight Melbourne Gardens' Working Wetlands project, the interdependency and connectedness of living things, and the need to raise awareness about habitat and biodiversity loss.

OVERVIEW OF SPECIFIC ACTIONS AND PERFORMANCE MEASURES

Long-term strategy 2.1: More people knowing about us and visiting us, taking home our key messages and vision

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|--|
| 2.1.1 | Develop and implement a Communications Strategy for the Royal Botanic Gardens Victoria that reflects our new vision | <ul style="list-style-type: none"> A draft Communications Strategy is well under way, with completion expected by August 2016 |
| 2.1.2 | Implement a new visual identity system for the Royal Botanic Gardens Victoria | Visual identity system fully implemented, including: <ul style="list-style-type: none"> distribution of new staff uniforms, identification badges and lapel pins installation of decals at Royal Botanic Gardens Victoria gift shops at both sites progressive updating of brochures incorporating new branding and redesign installation of Melbourne Gardens' safety and operational signs |

Long-term strategy 2.2: Creating more opportunities for people to encounter our plants and landscapes

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 2.2.1 | Develop and implement an Events Strategy to increase revenue and participation, and to raise our profile as a cultural space equal to museums and galleries by 30 June 2016 | <ul style="list-style-type: none"> Deferred until 2016-17 due to the departure of Project Manager (Major Events) and recruitment to vacancy being completed in June 2016 |
| | Implement 'Caring for Country' Indigenous Secondary Student Internship program to provide increased access to RBGV expertise and facilities | <ul style="list-style-type: none"> Year 1 program implemented, with one Indigenous student completing the Internship in December 2015 Year 2 program in progress, with students being identified for placement in 2016-17 |

Long-term strategy 2.3: Creating a science communication and promotion hub in Observatory Gate

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 2.3.1 | Pilot 'Science Café' event at Melbourne Gardens | Two 'Science Café' programs were trialled. <ul style="list-style-type: none">• In partnership with the National Trust, a Gin Pop-up Bar event was held at Domain House, including a 'Master Class'• A <i>Boozy Botanicals</i> program was trialled during autumn/winter 2016 |

Long-term strategy 2.4: Encouraging horticultural learning and excellence

| Specific actions | | Progress against deliverables and performance measures |
|------------------|--|--|
| 2.4.1 | Establish a horticultural internship program by 30 June 2017 | <ul style="list-style-type: none">• Pilot program successfully completed, with the first two placements occurring between December 2015 and February 2016• Feedback has now been incorporated and website information updated for the 2016-17 program |

Long-term strategy 2.5: Actively promoting plant happenings and discoveries

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 2.5.1 | Develop and implement the Virtual Botanic Garden - apps, social media and better access to all our plant-related database information - by 30 June 2019 | <ul style="list-style-type: none">• Development of a secondary education-focussed program using augmented reality technology is 85 per cent complete, with an app scheduled to be trialled in schools by 31 December 2016• Development and delivery of the Dahl Trust <i>Eucalypts for your home garden</i> program completed and launched on National Eucalypt Day in March |

Theme 3: Creating special places

We will expand partnerships through sharing knowledge and expertise on how to build amazing experiences and places, and developing new gardens because when everyone connects more deeply with plants, our lives are improved. (Corporate Plan 2014-2019)



Above: Botanical illustration from the Wehl collection, held in the State Botanical Collection

AT A GLANCE

- The William Tell Rest House and the Lake View Shelter at Melbourne Gardens were rebuilt following an arson attack in 2014.
- Michael Leunig, a much-loved cartoonist, artist, philosopher and poet planted a rare North African desert cypress *Cupressus dupreziana* at Melbourne Gardens in October, the 104th commemorative tree planting in a program that dates back to the 1860s. It was the second in a contemporary series that honours individuals who have made a long-lasting contribution to the cultural life of Australia.
- Following the demise of the historic Separation Tree at Melbourne Gardens in early 2015, a brief was developed to commission a sculptural installation using the existing tree and original site to create something of beauty, that has longevity, and that reflects the tree's life and significance. A complementary object is planned for Parliament House, subject to further discussions.

YEAR IN REVIEW

The total budget allocated to achieving Theme 3 in 2015-16 was \$7.9 million, which included funding for the core activities of the Royal Botanic Gardens Victoria that are related to this Theme.

LIVING COLLECTIONS AND LANDSCAPE MANAGEMENT

Royal Botanic Gardens Victoria maintains its sites and living collections to the highest curatorial standards, conserving biodiversity, landscape, horticultural and heritage values.

Planning and Development

Work progressed on a number of operational and strategic plans for both the Cranbourne and Melbourne sites. The Melbourne Gardens Buildings Master Plan was completed and a Signage Strategy and Manual for both sites was developed. The Cranbourne Gardens Master Plan was completed and work began on a new Melbourne Gardens Master Plan ten years after the final review of the last Master Plan. In addition, work began on developing plans for a new Herbarium building, with the finalisation of specifications for inclusion in future funding proposals. Professor Tim Entwisle continued to promote the major projects in the forthcoming capital campaign, particularly the 'Science and Arts Precinct' (including a new herbarium and the restored Great Melbourne Telescope) and a new iconic glasshouse.

Cranbourne Gardens Master Plan

Following finalisation of the Master Plan Engagement Strategy, the Ideas Gathering Phase commenced in October 2015 and continued through to mid-January 2016. This phase utilised online community engagement through a web portal to gather feedback and ideas from participants. A communications campaign was implemented to promote and encourage community participation. Facilitated workshops for targeted groups were also held during this phase and involved the Senior Leaders Group, Cranbourne divisional staff, Cranbourne Master Gardener volunteers, the Royal Botanic Gardens Board Victoria, Maud Gibson Trust representatives and Cranbourne Friends committee, and a selection of City of Casey officers. Although the response rate to the online community engagement phase was lower than hoped, over 1,500 ideas were collated by Capire Consultants into an Ideas Plan that informed the drafting of the Cranbourne Gardens Master Plan. The final text version of the Master Plan has now been completed and will be ready for publication in November 2016.

Fern Gully Redevelopment Project

Plans were drafted for two of the three health and well-being gardens in Fern Gully, with a number of donors expressing interest in sponsoring the spaces. All gardens will offer visitors the opportunity to find a quiet place for contemplation. The Fern Gully Rest House and the current bamboo garden are also being explored as an all abilities garden surrounding the refurbished structure.

Living Collections Management

At Melbourne Gardens, work continued on rejuvenating the Eel Bridge Precinct extending along to the newly-rebuilt William Tell Rest House with completion of a planting design for the area focussing on plants from Mediterranean climates and set out in the Gardenesque style. Hard landscaping works were installed in late 2015 and planting was completed in mid-2016, with over 1,000 individual plants installed. The Observatory Building beds were transformed from turf to plants, with over 150 plants selected for their ability to cope with dry conditions. This work was completed in late 2015.

Arid Garden redesign and collection development

Site concept plans for the redevelopment of the Arid Garden at Melbourne Gardens were completed. Fortuitously, and in preparation for the Arid Garden redevelopment, Royal Botanic Gardens Victoria signed an agreement for procurement of arid and succulent plant material from an historic collection in country Victoria. This collection of rare and unusual plants is part of the original Blossfeld expedition to South America in 1935. Horticulture and Nursery staff at Melbourne Gardens undertook several collecting trips to the property to collect this rare, mature and unusual arid plant material, the provenance of 80 per cent of which can be traced to the Blossfeld expedition. In all, more than 1,000 plants were collected, with 150 new accessions entered onto the Royal Botanic Gardens Victoria database. The plant material will be grown on, with a view to introducing it to the Arid Garden as part of the redevelopment project.

The Ian Potter Lakeside Precinct replanting project

The plantings and growing conditions in The Ian Potter Lakeside Precinct at the Australian Garden were reassessed due to underperformance of the original plantings as a result of poor drainage and difficult growing conditions. The precinct was replanted during the year with 2,177 new plants including *Acacia fimbriata*, *Banksia ericifolia* and *Banksia spinulosa* forms, *Banksia robur* and a diverse range of Callistemon, Hibiscus and Melaleuca species. The new plants were selected based on the original design intent but also for their suitability to the prevailing soil conditions.

BOTANIC GARDENS CAPACITY BUILDING

Royal Botanic Gardens Victoria remains committed to the highest standards of botanic gardens management. In this regard, Royal Botanic Gardens Victoria strengthened its partnerships with its regional, state, national and international partners by establishing collegiate relationships with other botanic gardens in the interests of sharing knowledge and expertise, and learning from the experience and understanding of its partners.

International staff exchange

Royal Botanic Gardens Victoria signed a staff exchange agreement with the National Parks Board Singapore, who manage the Singapore Botanic Gardens and Gardens by the Bay. The program aims to foster professional development for staff from both organisations by providing opportunities for participants to gain experience in another botanical institution, allow peer collaboration on living plant collection curation and management, and facilitate skill development through exposure to different techniques, methodologies and expertise. As part of this agreement, Melbourne Gardens Co-ordinator Horticulture, Neil Perkins, visited Singapore in June, where he studied horticultural and glasshouse management and collections curation. As part of this reciprocal arrangement, a staff member from the National Parks Board Singapore will visit Melbourne Gardens in September.

Global Gardens of Peace

Royal Botanic Gardens Victoria continued its international support of the Global Gardens of Peace Children's Garden project in Khan Younis, Gaza Strip. Two senior Melbourne Gardens' staff, Landscape Architect Andrew Laidlaw and Senior Curator Peter Symes, continued to champion the project. They contributed their expertise to the development of a funding proposal, costed at AUD8 million, that was submitted to the United Nations Development Program. It is understood this proposal has made preliminary progress towards approval, but funding is yet to be sourced.

Botanic Gardens Australia and New Zealand Inc. (BGANZ)

Royal Botanic Gardens Victoria staff continued to be actively involved in BGANZ, holding executive positions on BGANZ including Cranbourne Gardens Horticulture Manager John Arnott as Chair of BGANZ Vic, Chair of the Diversity and Demographics Working Group, and as the Victorian representative and Vice President on the BGANZ National Council; Cranbourne Gardens Public Programs Manager Sharon Willoughby as Chair of the Botanic Gardens Education Network, and with Professor Tim Entwisle as executive members of BGANZ Vic. In addition, Royal Botanic Gardens Victoria staff attended two BGANZ Network meetings and made regular contributions to BGANZ's magazine, the *BOTANIC GARDENER*. In June, Ms Willoughby was invited to represent the BGANZ National Council at the American Public Gardens Association conference in Miami, USA.

A number of staff attended the 7th biennial BGANZ Congress held in Wollongong in October and contributed to the Congress proceedings by making presentations and running workshops. These included workshops by Professor Entwisle and Ms Willoughby on *Connecting via Social Media*, and by Education Co-ordinator Mick Robertson on *Carbon Futures – a Royal Botanic Gardens Partnership with OneSEED*. Other contributions included presentations on *Why Social Inclusion Matters When Creating Genuine Community Partnerships?* (Ms Willoughby), *An Orchid Conservation Partnership for South-Eastern Australia* (Professor Entwisle), a talk – *Separation Anxiety* – by Melbourne Gardens Arborist James Shugg on the demise of the historic Separation Tree, and a joint presentation by Mr Arnott on *Databases for Regional Gardens*.

Scholarship schemes

Two annual scholarship schemes – the Melbourne Friends Scholarship and the Maud Gibson Trust Elisabeth Murdoch Scholarship – allow staff to extend their networks and further their knowledge on research and study tours.

Maud Gibson Trust Elisabeth Murdoch Scholarship recipients for 2016 from Cranbourne Gardens included Horticulture Manager John Arnott and Horticulture Technician Nikki May. Mr Arnott received funding for a feasibility study into establishing a Victorian Regional Conservation Collection of Victorian rare and threatened species. This work is on the back of an assessment undertaken of the horticultural potential of the State's rare and threatened plants,

which was completed by Melbourne Gardens Horticultural Technician David Roberts. The feasibility study is due to be completed in December. Ms May will undertake a study tour of botanic gardens in New South Wales and the Australian Capital Territory to investigate wild food plant collections in September.

Recipients of the Melbourne Friends Scholarship included Melbourne Gardens Curator New Zealand Collection and Horticulture Technician Kate Roud who visited New Zealand to study native flora in its cultivated and natural environments and the care requirements of flora. Cranbourne Gardens Co-ordinator Horticulture Charlie Firth attended the 2nd International Conference on Urban Tree Diversity, and undertook professional development training in Quantitative Tree Risk Assessment (QTRA), Visual Tree Assessment (VTA), and Safe Tree Climbing and Aerial Rescue.

LOOKING AHEAD

Glasshouse Project – a staff workshop with a leading glasshouse designer is planned for late 2016 to explore plans for a new glasshouse at Melbourne Gardens.

Melbourne Gardens Master Plan – A consultative master planning process will commence in August 2016 to guide the development and management of the Melbourne Gardens for the next 20 years.

Science and Art Precinct – Concept plans will be developed to incorporate the new herbarium and Great Melbourne Telescope into an inspiring and exciting space for the promotion of 'observational' science.

OVERVIEW OF SPECIFIC ACTIONS AND PERFORMANCE MEASURES

Long-term strategy 3.1: Highlighting, circumscribing and promoting our key living collections

| Specific actions | Progress against deliverables and performance measures |
|------------------|--|
| 3.1.1 | Develop a whole-of-site signage strategy for Melbourne Gardens |
| | Design and install signage at Melbourne Gardens reflecting our new visual identity by 30 June 2016 |
| | |

- Draft strategy was developed and was due to be submitted to the Executive Team for ratification in July 2016
- Installation of entry gate mapboards, operational and safety signage reflecting the new identity at Melbourne Gardens is complete

Long-term strategy 3.2: Contributing to botanic gardens capacity building projects around the world

| Specific actions | Progress against deliverables and performance measures |
|------------------|---|
| 3.2.1 | Contribute to success of BGANZ Council, BGANZ Vic, Botanic Gardens Education Network and Botanic Gardens Records Officer Network forums |
| | |

- RBGV continued to contribute to BGANZ; positions held included Chair of BGANZ Vic; Victorian representative on BGANZ Council; Chair Botanic Gardens Education Officer Network; and Chair Diversity and Demographics Working Group
- RBGV staff attended BGANZ Network meetings (City of Casey, September 2015 and Werribee, March 2016)

Long-term strategy 3.3: Completing the Royal Botanic Gardens - Cranbourne picture

| Specific actions | | Progress Against Deliverables and Performance Measures |
|------------------|--|---|
| 3.3.1 | Develop and commence implementing the full-site Master Plan for Cranbourne Gardens by 30 June 2016 | <ul style="list-style-type: none">• Draft Masterplan (text only) approved by the Royal Botanic Gardens Board Victoria on 28 June 2016• Public release is scheduled for late 2016 |
| | Complete development of Australian Garden Precinct Curatorial Plans | <ul style="list-style-type: none">• Curatorial Plans completed for key Australian Garden precincts• Completion of all plans by June 2017 |

Long-term strategy 3.4: Developing the Royal Botanic Gardens Victoria - Melbourne site

| Specific actions | | Progress Against Deliverables and Performance Measures |
|------------------|---|--|
| 3.4.1 | Confirm and complete future requirements for the new Herbarium and develop Business Case for Government | <ul style="list-style-type: none">• Requirements were confirmed and a Business Case submitted to Government on 2 December 2015 |
| 3.4.2 | Prepare the site concept plan, which will guide the development of major structural elements (such as new Herbarium, Observatory Gate 2 and new glasshouse) | <ul style="list-style-type: none">• Concept plan was developed and submitted to the Royal Botanic Gardens Board Victoria for approval on 23 February 2016• Building Master Plan was endorsed by the Royal Botanic Gardens Board Victoria on 16 March 2016 |

Long-term strategy 3.6: Landscapes, living collections and horticulture all of high quality and shared widely

| Specific actions | | Progress Against Deliverables and Performance Measures |
|------------------|---|--|
| 3.6.2 | Create new Fern Gully landscape at Melbourne Gardens to inspire and reinvigorate by 30 June 2019 | <ul style="list-style-type: none">• Design documentation for Stage 2 of the Fern Gully Restoration Project completed |
| 3.6.3 | Create new Arid Garden at Melbourne Gardens to demonstrate garden alternatives in a dry climate by 30 June 2019 | <ul style="list-style-type: none">• Site concept plan for the new Arid Garden completed |

Theme 4: Towards a sustainable future

We will demonstrate sustainable and environmentally responsible practices, living up to our new values and building the capacity to achieve our new vision and mission.
(Corporate Plan 2014-2019)



Above: Botanical illustration from the Wehl collection, held in the State Botanical Collection

AT A GLANCE

- Melbourne Gardens celebrated the 170th anniversary of its foundation on 16 March with a view to the next century by launching the Landscape Succession Strategy. The original Melbourne Botanic Gardens were founded on 16 March 1846 when land was set aside on the south bank of the Yarra.
- To protect the Melbourne Gardens in a changing climate, the Landscape Succession Strategy will guide the transition of Melbourne Gardens' living collections and landscape from existing plantings to a composition more suited to the projected climate and environmental conditions of 2090.
- State Botanical Collection specimens were used as inspiration to create two new retail product ranges: handmade Italian silk accessories created in partnership with Henry Bucks and a Vintage range of hand-crafted ceramics in partnership with Samantha Robinson. Algal specimens were transformed by textile artist Tamara Schneider for the Henry Bucks range, and botanical illustrations by Euphemia Henderson were applied to create delicate homewares by Samantha Robinson.

YEAR IN REVIEW

The total budget allocated to achieving Theme 4 in 2015–16 was \$5.4 million, which included funding or the core activities of the Royal Botanic Gardens Victoria that are related to this Theme.

Foundation

At the start of July, the previously-named Development Branch became the Foundation Branch to more clearly align itself with the Royal Botanic Gardens Foundation Victoria, which was established in 2001 as the Gardens' main fundraising body. Funds raised by the Foundation supplement Victorian Government support, and during the year fundraising and revenue generation efforts focussed on supporting two major projects - the Foreign Collections Project and the Fern Gully Restoration Project.

The Foreign Collections Project aims to complete the mounting, databasing and imaging of an estimated 400,000 historically and botanically significant plant specimens held in the State Botanical Collection. Completion of this work will allow physical and electronic access to the Collection for researchers (botanists, historians), land managers and government agencies. A funding grant of \$40,000 per year over three years from the Foundation supported appointment of a curation officer and a further \$127,000 was raised during the year to support a second curation officer for this project.

The Fern Gully Restoration Project progressed, with Stages 1 and 2 of the project now fully funded. The successful completion and launch of Stage 1 generated considerable public interest and support, and provided a platform for support of Stage 2 fundraising for the Fern Gully Health and Wellbeing spaces. Efforts are now focussed on generating funds for Stage 3, restoration of Fern Gully Rest House and surrounding garden, with the aim of raising \$200,000 to complete the Fern Gully restoration.

Campaign planning

Planning and development work for the launch of a major Royal Botanic Gardens Victoria fundraising campaign continued. The focus of the campaign – Discover Life – is to support the Gardens’ vision that ‘Life is sustained and enriched by plants’ and will generate funds for projects outlined in the Gardens’ Corporate Plan. Key elements of the campaign were presented and trialled at an event to promote the new Herbarium in early June, with the intention of refining it over time. A Campaign Council was established with representatives from staff, Royal Botanic Gardens Victoria Foundation, Melbourne Friends, Cranbourne Friends and Maud Gibson Trust with the first meeting scheduled for early July. Priorities for the remainder of 2016 and first half of 2017 were identified and will include development of promotional material for the campaign and major projects (including some concept work for the Observatory Science and Art Precinct and new Herbarium). Marketing of projects (such as the new Herbarium and surrounding precinct) to existing and new supporters will continue. ‘First-touch’ engagement with Director’s Circle and VIP supporters as well as with Government and philanthropic Foundations commenced. A project to significantly increase the Royal Botanic Gardens Victoria’s contact database is scheduled for the latter half of 2016.

INFORMATION SYSTEMS

Information Systems are managed across both the Cranbourne and Melbourne sites and include finance and business systems as well as the management of extensive horticultural and botanical databases.

ICT Strategy development

Following completion of the ICT (Information and Communications Technology) Strategy in June 2015, an ICT Steering Committee was established to oversee implementation of the Strategy. The first stage ICT implementation saw successful completion of the network IP (internet protocol) address project in November 2015. The Server Migration project, switching from Novell eDirectory to Microsoft Active directory servers, was completed in April 2016 and plans for transition of the Groupwise email system to Outlook were well advanced for transition as scheduled in August 2016.

ORGANISATION STRUCTURE REVIEW

Phase One of the Organisation Structure Review commenced with advertising of a Registration of Interest in August and, following submission of quotes, Bendelta was appointed as the consultant. The project brief is to review the current structure and propose options for alternative structures looking at the allocation of resources, roles and responsibilities as aligned to the Corporate Plan. As part of this process, Bendelta conducted a survey of staff, focus groups and one-on-one interviews. Findings from Phase One were presented to staff and key stakeholders in April. An interim structure for the next three years and the executive-level groupings and positions were outlined. Key outcomes of Phase One were merging of the ARCUE and Plant Sciences and Biodiversity divisions to form a new whole-of-organisation Science Division, as well as creation of a new interim division ‘Public Engagement and Business Development’. Work proceeded on reviewing the next levels down and it is expected the review of the entire organisation will be completed by December 2016.

SUSTAINABLE RESOURCE MANAGEMENT

Environmental sustainability underscores the Royal Botanic Gardens Victoria’s operations. To this end, the Royal Botanic Gardens Victoria has in place a number of policies, including the Environmental Stewardship Policy and the Living Collections and Biosecurity Policy, and applies ecologically sustainable development principles in the planning and development of major infrastructure projects. The Environmental Stewardship Policy identifies three core areas where the organisation can contribute most to environmental stewardship: Biodiversity and Ecology, Community Engagement, and its Landscapes.

The Royal Botanic Gardens Victoria recorded data on domestic and irrigation water use, waste recycling and reuse, organic green waste processing and energy consumption, and remains committed to responsible resource use to minimise its carbon footprint.

Landscape Succession Strategy

The Landscape Succession Strategy – *Landscape Succession Strategy, Melbourne Gardens 2016–2036: adapting a world-renowned botanical landscape to climate change* – was launched in March. It provides a guide to managing the Melbourne Gardens landscape in the face of climate change and sets out achievable steps to guide the transition of Melbourne Gardens from existing plantings to a composition more suited to the projected climate and environmental conditions of 2090. Underpinning the Strategy is a commitment to preserving the heritage character of Melbourne's much-loved botanic gardens for future generations, and it is considered to be one of the first strategies of its kind developed for a botanic garden. Following the local launch, one of the key authors of the Strategy, Melbourne Gardens Curator Environmental Horticulture Mr Peter Symes, presented a paper on the Strategy at the *6th International Conference on Landscape and Urban Horticulture* in Athens. The Strategy has been well-received and acknowledged for its forward thinking and planning.

Water and irrigation

Royal Botanic Gardens Victoria remains committed to reducing its use of mains water. To this end, Melbourne Gardens has achieved significant benefits from the Working Wetlands.

About 15 ML of stormwater was used for irrigation in 2015–16 compared to 31 ML during 2014–15. Only 464 mm of rainfall was recorded in 2015–16, which was subsequent to similar well below average rainfall of 431 mm for 2014–15. While rainfall was slightly higher than the previous financial year, the below average winter-spring rainfall during 2015–16, which was likely due to the El Niño phenomenon, resulted in significantly less stormwater yields. Annual irrigation water use equated to 122 ML or 75 litres per visitor per year compared to 123 ML in 2014–15. Melbourne Gardens' domestic water consumption was recorded at 8.9 ML.

The Working Wetlands project has improved water quality in the lake system at Melbourne Gardens with a sustained reduction in nutrient levels (compared to the 2002–12 baseline, representing about a 90 per cent reduction in bioavailable phosphorous and about a 60 per cent reduction in bioavailable nitrogen), and outbreaks of blue-green algae have remained at low levels compared to the previous decade.

Water consumption at Cranbourne Gardens was recorded at 39.7 ML, representing an overall 16 per cent increase in water consumption from 2014–15. The majority of this increase (17 per cent) was as a result of additional irrigation requirements due to an unseasonably warm spring and an extended dry period over summer and early autumn. In terms of overall water consumption, 92 per cent can be attributed to irrigation requirements. Annual water use in 2015–16 equated to 223 litres per visitor.

Environmental Horticulture and the Horticulture Branch continued supplementary maintenance on the constructed and floating treatment wetlands at Melbourne Gardens to maintain water treatment performance.

Waste management

Waste minimisation and management programs are in place at both Cranbourne Gardens and Melbourne Gardens and included green organic processing, co-mingled waste and paper and cardboard recycling, with a proportion of waste also going to landfill.

At Cranbourne Gardens, approximately 51 tonnes of green waste and 10 tonnes of co-mingled waste, paper and cardboard were recycled; 10.6 tonnes of public and gardens waste went to landfill. Approximately 630 kilograms of organic waste from the staff lunchroom was processed and converted to compost.

At Melbourne Gardens, 131 tonnes of co-mingled waste and 3.6 tonnes of cardboard and paper were recycled, and 1,200 cubic metres of green waste were processed. A further 32,152 tonnes of public waste and 50 tonnes of general office and gardens' waste (unmulched green waste, soil and building materials) went to landfill.

Energy management

Electricity usage at Cranbourne Gardens was 370,880 kilowatt hours, representing an increase of 7.5 per cent from the 2014–15 year. Melbourne Gardens recorded an increase of 6.9 per cent from 2014–15 with 780,947 kilowatt hours of electricity used, which included operation of the Working Wetlands' infrastructure.

For 2015–16, the total energy consumption of operating Working Wetlands' infrastructure (irrigation pump station, water treatment and recirculation pumps) was estimated at 116 megawatt hours (MWh). Photovoltaic supply to the grid was measured at 73 MWh or about a 63 per cent offset of Working Wetlands' electrical power consumption.

Gas consumption at Melbourne Gardens was recorded at 5,141,363 megajoules, a 20 per cent increase from 2014–15. More than half of this is used for heating glasshouses, with the remainder mostly used for heating the main buildings.

LOOKING AHEAD

ICT Strategy – the next phase is scheduled for August 2016 with migration from the Groupwise email system to the Outlook email system

Organisation Structure Review – analysis of the non-executive levels will continue, with completion of the Review expected by 31 December 2016.

OVERVIEW OF SPECIFIC ACTIONS AND PERFORMANCE MEASURES

Long-term strategy 4.1: Developing an organisational structure and culture to meet our vision

| Specific actions | | Progress against deliverables and performance measures |
|------------------|--|--|
| 4.1.1 | Review our support organisations and stakeholder groups to maximise their contribution to our vision | <ul style="list-style-type: none"> • Meetings were held with both Friends' groups and agreement reached on changing their names to align with the new Visual Identity • Concepts for new logos were presented and will be considered by the executives of both groups early in the 2016-17 financial year • Preliminary consultations were held with both Friends' groups with the view to publishing a new organisation-wide magazine |
| 4.1.2 | Review organisational structures to best deliver the Corporate Plan objectives, and to fulfil our new vision and mission by 30 June 2017 | <ul style="list-style-type: none"> • Functional analysis in progress as of 31 December 2015 • Level 2 structure completed and Level 3 structural development well under way • Levels 4 and 5 structures scheduled for July to September 2016 |
| | Implement outcomes of Enterprise Agreement (EA) 2014 | <ul style="list-style-type: none"> • EA 2014 was approved by the Fair Work Commission (FWC) on 9 December 2015 and came into effect from 16 December 2015; implementation commenced • All salary increases and adjustments, including back-payments to 16 December 2015, were paid • Work continued to ensure Royal Botanic Gardens Victoria practices, including in terms of Work Hours arrangements and time recording, were in line with EA 2014 |

Long-term strategy 4.2: Creating sustainable landscapes

| Specific actions | | Progress against deliverables and performance measures |
|------------------|---|---|
| 4.2.2 | Achieve 100 per cent recycled water for irrigation on both sites by 31 December 2018, pending funding | <ul style="list-style-type: none"> • Business Case submitted to Government on 27 November 2015 • Ongoing banking of water in the soil has proved successful over the year |
| 4.2.3 | Implement key priorities of Melbourne Gardens' Landscape Succession Plan by 30 June 2019 | <ul style="list-style-type: none"> • Site map indicating 'mapping' priorities produced • 100 per cent living plant collections mapped |

Long-term strategy 4.3: Developing a sustainable business

| Specific actions | Progress against deliverables and performance measures |
|---|---|
| 4.3.1 Implement the Information and Communication Technology (ICT) Strategy | <ul style="list-style-type: none"> • Online tour bookings went live in September 2015 • The IP address project was completed in November 2015 • The Microsoft exchange server project commenced, with Active Directory setup completed • Online bookings generated over \$18,000 from 1 September 2015 to 30 June 2016, mainly for the Aboriginal Heritage Walk • The Network has been running on Microsoft Exchange since 1 April 2016; a new email archiving software called 'Retain', was implemented in June 2016 • The Outlook email system will replace the Groupwise email system in August 2016 |
| Develop a whole-of-organisation fundraising campaign | <ul style="list-style-type: none"> • Quiet phase planning has been completed, with roll-out under way including development of staff structure and communications • The Campaign story is being presented to supporters and a Campaign Assistant has been employed • Next steps in the Campaign to be rolled out during late 2016 are as follows: <ul style="list-style-type: none"> • Campaign Council established • Campaign Communication Co-ordinator to be employed • Staff Campaign education process to commence |
| Tender lease opportunity currently held by Peter Rowland at Gardens House | <ul style="list-style-type: none"> • The Royal Botanic Gardens Board Victoria approved the Tender Evaluation Panel's recommendation at its meeting on 28 June 2016, subject to Governor-in-Council approval |
| Review RBGV's Occupational Health and Safety (OHS) management system | <ul style="list-style-type: none"> • Hazard Management Plan developed at Cranbourne Gardens; in progress at Melbourne Gardens • Provider selected to develop Learning Management System • Safety Toolkit remains under development |
| Implement an online timesheet and leave record keeping and payment system | <ul style="list-style-type: none"> • Tender process completed and specialist Payroll provider selected • Implementation will take place in first quarter 2016-17 |

Our Supporters

‘We at the Royal Botanic Gardens Victoria are custodians of a significant cultural and scientific organisation. With collections, expertise and trust amassed over nearly 170 years, we have the capacity, and the responsibility, to bring a world of plant knowledge and inspiration to our visitors. It is only with the support of those around us that we can achieve positive change in thinking whereby the vital role of plants will be understood and appreciated by the community.’ - Professor Tim Entwisle



Temple of the Winds, Melbourne Gardens

GENEROUS FINANCIAL SUPPORT

The Royal Botanic Gardens Victoria sincerely thanks the individuals, businesses, community groups, government entities and philanthropic trusts and foundations that generously supported its work in 2015-16.

The financial support received by the Royal Botanic Gardens Victoria plays an important role in helping the organisation achieve its strategic priorities.

Ongoing support from our committed donors has been particularly critical for the significant Gardens development, landscape, horticultural and scientific projects that have been in progress during 2015-16.

Donations received during the year went to projects including the Fern Gully Restoration Project, the Foreign Collection Project, and various smaller science, horticulture and education projects. Further to this, organisations that provided research grants are acknowledged on page 51 of this report.

This list records contributions of \$1,000 and over in the 2015-16 financial year, excluding those made through the Director's Circle program (see page 49).

Anonymous (2)

Miss Betty Amsden AO DSJ

Australasian Native Orchid Society (Victorian Group) Inc

Ms Judy Backhouse

Bosisto's Eucalyptus

Mr Philip Brass and Mrs Vivien Brass

Calvert-Jones Foundation

Charles and Cornelia Goode Foundation

CSL Limited

Cybec Foundation

Finkel Foundation

Friends of Royal Botanic Gardens Cranbourne Inc

Friends of the Royal Botanic Gardens Melbourne Inc

Friends of Royal Botanic Gardens Melbourne Trust Fund

Mr Charles Goode AC and Mrs Cornelia Goode

Mr Brian J Little

Mr George Littlewood and Mrs Ann Littlewood

Maud Gibson Trust

Nell & Hermon Slade Trust

Mr Martin Owen and Mrs Susan Owen

Mr Tom Park and Mrs Cathy Park

Betsy and Ollie Polasek Endowment

Reece Pty Ltd

Prof Arthur Shulkes and Mrs Merrill Shulkes

The Stuart Leslie Foundation

NS & JS Turnbull

Royal Botanic Gardens Foundation Victoria

The Royal Botanic Gardens Foundation Victoria was established in May 2001, with the goal of providing the Royal Botanic Gardens Victoria with a secure source of future income from the investment of bequests, seat sponsorships, Director's Circle donations and general donations. Members of the Foundation Board during 2015-16 were: Gillian Hund (Chair), Ken Harrison AM, Elaine Canty AM, Adrienne Clarke AC, Misha Prusa, Professor Tim Entwisle (Secretary).

The Royal Botanic Gardens Foundation Victoria has Deductible Gift Recipient (Item 2) status and is endorsed as an Income Tax Exempt Fund.

During the year, the Royal Botanic Gardens Foundation Victoria continued to manage its capital base and enhance its capacity to provide long-term financial support to the Royal Botanic Gardens Victoria.

To support this strategic intent the Foundation Board made the decision to engage Perpetual as managers of the capital base providing increased certainty and growth opportunities. While continuing to build its capacity, the Foundation was able to make larger distributions to more projects because of the continued growth of the capital base. The support of our donors makes it possible to provide grants toward the following projects: ongoing databasing of the Foreign collection in the State Botanical Collection, the Pauline Ladiges Joint Fellowship with Melbourne University, camera traps for ecological work undertaken by the Australian Research Centre for Urban Ecology, and numerous other smaller projects across the Gardens.

The Royal Botanic Gardens Foundation Victoria also became Trustee for the Maud Gibson Trust during the year. Maud Gibson Trust is a public ancillary fund, which is required to make annual distributions to the Royal Botanic Gardens Victoria. The request from the Maud Gibson Trust committee to ask the Foundation to become its Trustee further strengthens the Foundation's financial base and demonstrates significant confidence in the Royal Botanic Gardens Foundation Victoria's capacity to manage and grow the resources it is responsible for.

Maud Gibson Trust

The Maud Gibson Trust was established in 1945 with a donation from Miss Maud Gibson for the maintenance, development, or otherwise for the benefit of the Botanic Gardens. The Trust facilitated the initial purchase of land to establish Cranbourne Gardens and has continued to take an influential role in the development of that site, including the creation of the multi-award-winning Australian Garden. It has also encouraged and supported botanical research and educational programs for many years at Melbourne Gardens. The Maud Gibson Trust supported the following projects at the Royal Botanic Gardens Victoria during the year:

- Carbon accounting for managed urban environments
- Dame Elisabeth Murdoch Scholarships
- Digitisation of herbarium sheets for VicFlora
- Forthcoming Kangaroo Paw Celebration at Cranbourne Gardens

The Royal Botanic Gardens Foundation Victoria greatly values and appreciates the commitment and contributions of all of its supporters. In addition to all those listed on the previous page under Generous Financial Support, the Foundation wishes to acknowledge the following people and organisations, and their significant contributions during 2015-16:

Anonymous (7)

Ms Liz Balogh

Bank of Melbourne

Ms Laurie Bebbington and Ms Elizabeth O'Keeffe

Mrs Meg Bentley

Mr Tony Berger and Ms Marita Quinn

Mrs Tamara Boldiston and Mr Mark Boldiston

Mr Philip Brass and Mrs Vivien Brass

Mrs Jasmine Brunner

Mr Steve Calhoun and Mrs Kathleen Calhoun

Mrs Krystyna Campbell-Pretty and the Campbell-Pretty Family

Dr Philippa Currie

Ms Debbie Dadon AM

Mr Gerard A Dieters and Ms Jean Dieters

Mr Leon Gorr and Mrs Judith Gorr

Ms Virginia Henry

Dr Patricia Kailis

Mr Mark Lewis and Mrs Bronwyn Lewis

Mr Frank Mahlab and Mrs Eve Mahlab AO

Mrs Anne Miller and Mr Edward Miller

Mrs Roslynne Milne

Mr Dennis Nassau and Mrs Fairlie Nassau

Mrs Maggie Richards and Dr Max Richards AM

Mr Mark Robertson OAM and Mrs Anne Robertson

Mrs Margaret Ross AM and Dr Ian Ross

Mr Frank Van Straten OAM and Mr Adrian Turley

Mr Steve Yannicos

Perennial Gardeners

The Royal Botanic Gardens Victoria gratefully acknowledges the following individuals who have included the Gardens in their estate plans:

Anonymous (29)
Mrs Tamara Boldiston and Mr Mark Boldiston (Lord Coconut)
Mrs Hazel Brentnall and Dr Edward Brentnall
Ms Sally Browne
Mr Douglas Butler
Mrs Elsie Carter
Mrs Lorna Downey
Mr Richard A Farrar
The Late Grace Ella Fraser
Mr Rob Grant and Mr Murray Collins
Mr Andrew Grummet AM and Mrs Margaret Grummet
The Late Arno Herpe
Mrs Maria Jo Herpe
The Late Charles A G Hill
Mr Peter Jopling AM QC
The Late Elena Keown
Ms Zara M Kimpton OAM
The Late Athol Laphorne and Mrs Millie Laphorne
Janet Lilley
Ms Patrice Raselli Marriott
The Late Michael J Mavrogordato
Mrs Anne Miller
Dr Philip Moors AO
Ms Rosemary O'Brien
Mr David Plant and Mrs Diana Plant
Ms Misha Prusa
Estate of the Late Jack MacDonald Reid
Mr Damian Robertson and Mrs Lisa Robertson
Ms Sonja Roglic and Mr Marcel Berkhout
The Estate of the Late Peter and Barbara Shearer
Mrs Merrill Shulkes and Prof Arthur Shulkes
The Estate of the Late Evelyn Siracusa
The Late Judy Ann Stewart
Mr John Webb and Mrs Pat Webb

Seat Sponsorship

| | |
|---|--------------------------------------|
| Mrs Cindy Borschman | Mrs Gillian Hund and Mr Michael Hund |
| Professor David Chandler | Mr Ben Lilley |
| Mr John Gaidzkar and Mrs Norma Gaidzkar | Mrs Susan B Morgan |
| Mrs Dita Gould | Ogg Family Trust |
| Mr Ken Hawkins | Mr John Simpson |
| Mr Michael Henry | Ms Jenny Skewes |
| Ms Lisa Herford | Mr Rocky Sorrenti |
| Ms Nicole Herford | Ms Joany Sze |
| Mrs Maria Jo Herpe | Ms Debra Yung |

Director's Circle

The Director's Circle Program is a vehicle for some of the Royal Botanic Gardens Victoria's closest supporters to pledge their annual, unrestricted contributions to help protect the Gardens for future generations, through the Royal Botanic Gardens Foundation. Director's Circle gifts support vital projects that improve the landscapes, collections, research, and educational programs at the Gardens.

The Royal Botanic Gardens Victoria sincerely thanks the following Director's Circle supporters for their vision and continuing generosity.

Patron

Professor Timothy J Entwisle

Anonymous (4)
Mr David Adam and Mrs Judy Adam
Sir David Akers-Jones GBM KBE CMG
Miss Betty Amsden AO DSJ
Mrs Jan Anderson and Mr Robert Anderson
Mr Duncan Andrews and Ms Jan Andrews
Professor Tony Bacic and Mrs Lee Bacic
Mr Graeme Baker and Mrs Lee Baker
Mr Ben Batters and Mrs Sunday Batters
Mrs Judy Begg and Mr Michael Begg
Mr Marc Besen AC and Mrs Eva Besen AO
Mr Ian Beynon and Mrs Beth Beynon
Mr Russell Board and Ms Narelle Ivers
Ms Sally Browne
Ms Marian Brookes
Mr James Calvert-Jones
Mr John Calvert-Jones AM and Mrs Janet Calvert-Jones AO
Ms Robin Campbell
Mrs Krystyna Campbell-Pretty and the Campbell-Pretty Family
Mr Peter Canet and Mrs Ivanka Canet
Ms Elaine Canty AM and Mr Roy Masters AM
Mr Nic Capp and Mrs Nikki Capp
Professor David Chandler
The Honourable Alex Chernov AC, QC and Mrs Elizabeth Chernov
Ms Sandra Clark
Mr Sandy Clark and Ms Marie McDonald
Professor Adrienne Clarke AC FAA
Mr Richard Clarke and Mrs Margaret Clarke
Mr Leigh Clifford AO and Mrs Sue Clifford
Dr Robin Collier OAM and Prof Neil Collier
Mr John Collingwood and Mrs Chris Collingwood
Mr Graham Cunningham and Mrs Ann Cunningham
Mrs Mary Davidson and Mr Fredrick Davidson AM
Sir Daryl Dawson AC, KBE, CB, QC and Lady Lou Dawson
Assoc. Prof. Elizabeth M Dax AM and Professor Hugh Taylor AC
Mr Peter de Campo
Mr Bruce Echberg and Mrs Kerry Echberg

Mr Rodger Elliot AM and Mrs Gwen Elliot AM
Mr Ian Endersby
Professor Tim Entwisle and Ms Lynda Entwisle
Mr Paul Evans and Mr John Keats
Ms Jane Fenton AM and Mr David Miles
Dr Helen Ferguson
Mrs Robin Ferry OAM and Mr Andrew Ferry OAM
Mr Anthony Fitzwilliams Hyde and
Mrs Chloe Fitzwilliams Hyde
Mr Mike Fogarty and Mrs Deb Fogarty
Mrs Penny Fowler and Mr Grant Fowler
Mr Geoffrey Freeman and Mrs Lesley Freeman
Ms Lindy Freeman
The Garnaut Family
Mrs Jenny Gold and Family
Mr Robert Green and Mrs Jan Green
Mr Peter Greenham and Mrs Anne Greenham
Mrs Lesley Griffin
Mr Peter Griffin AM and Ms Terry Swann
Mrs Joan Grigg and Mr John Grigg
Mr Andrew Grummet AM and Mrs Margaret Grummet
Mrs Sarah Guest and The Honourable James Guest
Mr Andrew Guild and Mrs Ai-gul Guild
The Hon. David Habersberger QC and
Mrs Pam Habersberger
Mrs Jean Hedges
Mr Brian Hamersfeld and Mrs Natalie Hamersfeld
Mr Michael Hamson and Mrs Susie Hamson
Mr Ken Harrison AM and Mrs Jill Harrison
Mrs Barbara Haynes and Mr David Johnston
Ms Maria Jo Herpe
Mr Jim Higgins and Mrs Barbara Higgins
Mr Graeme Holt and Mrs Judy Holt
Mr Frank Hook and Mrs Sheryl Hook
Mrs Chris Howard
Mrs Roni Hubay and Mr Gaby Hubay
Mrs Gillian Hund and Mr Michael Hund
Mr Greg Ireton and Ms Kate Taylor
Mr Will Jones
Mr Peter Kelly and Mrs Liz Kelly
Mr Craig Kimberley OAM and Mrs Connie Kimberley
Ms Zara Kimpton
Ms Lori Kravos
Ms Elizabeth Lane
Ms Millie Laphorne
Mr Tom Latham and Mrs Marianne Latham
Mrs Diana Lempriere
Mrs Alison Leslie
Mr Bill Leslie
Mrs Bronwyn Lewis and Mr Mark Lewis
Mrs Janet Limb
Ms Caroline Liow
Mr George Littlewood and Mrs Ann Littlewood
Mrs Maryclare Los and Mr Pieter Los

Mr Peter Lovell and Mr Michael Jan
Ms Alex Mayes and Mr Mark Dempsey
Mr Robert McKay and Mrs Sarah McKay
Brian and Virginia McNamee Foundation
Mr Ian McNaughton and Mrs Libby McNaughton
Mr Ross Milne-Pott and Mrs Judy Milne-Pott
Dr Philip Moors AO and Dr Debbie Moors
Mrs Diana Morgan
Mr Hugh Morgan AC and Mrs Libby Morgan
Mrs Susan B Morgan
Ms Phoebe Munro and Mr Hamish Munro
Mr Baillieu Myer AC and Mrs Sarah Myer
Mr Stephen Newton AO
Ms Wendy Olenick
Mr Richard Oliver AM and Ms Louise Jamson
Mr Martin Owen and Mrs Susan Owen
Mrs Adele Palmer
Mr George Pappas AO and Mrs Jillian Pappas
Mr Bruce Parncutt AO
Mr John Patrick and Mrs Bridget Patrick
Mrs Lee Pinkus
Mr Robert Pitt
Lady Potter AC
Mr John Prescott AC and Mrs Jennifer Prescott
Ms Misha Prusa
Mr John Ralph AC and Mrs Barbara Ralph
Mrs Carolyn Rayner
Mr Ian Reid and Mrs Julie Reid
Mr Damian Robertson and Mrs Lisa Robertson
Mr Ken Roche and Mrs Gail Roche
Mrs Margaret Ross AM and Dr Ian Ross
Mrs Maria Ryan and Mr Martin Ryan
Mr Stephen Salerno and Dr Helen Maroulis
Mr Tim Scarborough and Mrs Adelaide Scarborough
Ms Elizabeth Seviar
Mr Greg Shalit and Ms Miriam Faine
Ms Jennifer Shaw
Mrs Diana Sher and Mr Jeffrey Sher
Mrs Anita Simon
Professor Richard Smallwood AO
and Mrs Carol Smallwood
Mrs Wendy Smart and Mr Alex Smart
Mr Brian Snape AM and Mrs Diana Snape
Mr Geoff Steinicke and Mrs Judy Steinicke
Mr Duncan Stewart and Mrs Dominique Stewart
Dr Gregory Tilley and Mrs Jacqueline Tilley
Mr Colin Trumble
Dr Mark Tuck and Mrs Lisa Tuck
Mr David Valentine
Mrs Susan Vaughan and Mr Ian Vaughan
Mr Ralph Ward-Ambler AM and
Mrs Barbara Ward-Ambler
Mr Peter Wetenhall and Ms Joanna Horgan
Mr Paul Wheelton OAM and
Ms Angela Young-Wheelton

Ms Linda White
Ms Janet Whiting AM and Mr Phil Lukies
Dr Philip Williams AM and Mrs Elizabeth Williams
Ms Susanne Williamson
Mr John Wyld and Mrs Anne Wyld
Dr Elizabeth Xipell
Mr Harrison Young

Research grants

We gratefully acknowledge the following organisations for providing grants for research in 2015-16:

Aecom Australia
Albury Conservation
Andrew W. Mellon Foundation (Global Plants Initiative)
Australian Academy of Science
Australian Biological Resources Study (ABRS)
Australian Network for Plant Conservation
Australian Research Council
Australian Seed Bank Partnership (Millennium Seed Bank)
City of Boroondara
City of Melbourne
Cybec Foundation
Department of Environment, Australian Government
Department of Environment, Land, Water and Planning, Victorian Government
Earthwatch Australia
Efficiency Matrix
E2Design Lab
Frankston City Council
Friends of the Royal Botanic Gardens, Melbourne Inc.
GHD Pty Ltd
Hanson Construction
Holsworth Wildlife Research Endowment
Kosciuszko to Coast Incorporation
Maud Gibson Trust
Moonee Valley City Council
National University of Singapore
Nell and Hermon Slade Trust
NSW Roads and Maritime Services
Office of Environment and Heritage, Australian Government
Oxford University Press
Royal Botanic Gardens Victoria Foundation
The University of Melbourne
Vic Roads
World Wildlife Fund

Friends of the Royal Botanic Gardens Cranbourne Inc.

The Cranbourne Friends turn twenty-five in the latter part of 2016. Twenty-five years of wonderful work will be captured in a history commissioned by the Friends' Committee and currently being written by Carolyn Landon. From small beginnings, the group has grown, now enjoying the support of 732 members.

Richard Clarke stepped down as President in December 2015 to be replaced by Indra Kurzeme. During the year, the Friends' Elliot Centre was opened, the Growing Friends Nursery completed and the the Garden Explorer service replaced and expanded. In 2015-16, donations to Cranbourne Gardens of \$121,130 were made covering moneys for the Garden Explorers, works in the Elliot Centre, Maud Gibson Room and Orchid Centre, and possum-proofing of the Cranbourne Gardens Nursery.

One of the areas under consideration of the Committee is making the organisation ready for the next generation of Cranbourne Friends. With this in mind, the Committee has embarked on an awareness raising campaign of the work of the Friends via two social media channels: Facebook and Instagram. Work is also continuing on improving the Friends' web presence. A small sub-group of the Committee is looking at ways to attract and retain younger members.

Highlights of the Friends' Activity Calendar included a trip to the Little Desert and Surrounds, which was completely booked out and enjoyed enormously by all who attended. The annual Australian Textile Exhibition was once again held to great acclaim.

A cruise around Wilson's Promontory was a new type of activity and proved to be so popular that two cruises were scheduled. Naturally, all monies raised continue to support the Cranbourne Gardens.

Friends of the Royal Botanic Gardens, Melbourne Inc.

Led by President Sally Hirst, membership figures remained stable at just under 2,400 during the year. The Friends' quarterly program of events, including school holiday workshops at the Plant Craft Cottage, illustrated talks in Mueller Hall and Domain House, guided walks and self-drive garden visits, was well attended, generating funds and providing interesting and enjoyable activities for members and guests.

Classes in botanical illustration, held seven days a week, continued to be very well attended, as were the four-day beginners' workshops held during the term breaks. Specialty workshops featuring several guest teachers were also popular. The Friends' botanical illustrators' exhibition 'reFraming Nature', was held in Domain House during October 2015. Focussing on natural history, it raised more than \$10,000. The Growing Friends group held two successful weekend public plant sales during autumn and spring and monthly nursery sales for members only. At the end of the year, the Growing Friends raised over \$40,000.

OUR VOLUNTEERS

Herbarium Volunteers

- In 2015-16, Herbarium Volunteers worked with staff on curation and documentation of the State Botanical Collection and on conservation research. They added over 11,300 mounted and/or curated specimens to the State Botanical Collection and 353 specimens to the MELISR database, and contributed more than 10,000 hours of work to the Plant Sciences and Biodiversity Division on a range of projects, including:
- Editing, databasing and digitising the Library's botanical slide collection to support development of the online VicFlora, and the Historic Photographic collection
- Text and image preparation for the eFlora version of the Horticultural flora for south-eastern Australia
- Ongoing quality control and data entry into Fungimap, image databases and FDU wiki
- Fungimap Office activities including shop sales, finances, fundraising and member communications resulting in increased sales due to assistance during Fungimap events, including the Fungimap Tasmania Conference 2016 in May
- Cleaning and preparing seeds for long-term storage, and undertaking germination trials and requirement studies, and associated data entry for the Victorian Conservation Seedbank
- Collections Projects including work on the Filson Lichen, Ilma Stone Moss and Ratkowsky Gates Fungi Collections and databasing Types
- Mounting specimens, completing three families of the Foreign Collection, and remounting or repairing Australian vascular Type specimens, prior to scanning for the Global Plants Initiative (GPI) Project
- Working on the Orchid Conservation Program in the laboratory, field and nursery, assisting in the propagation, research and re-introduction of 30 federally threatened terrestrial species from across Victoria, South Australia and New South Wales.

Marina Albert
Eve Almond
Neil Anderton
Wendy Bedgood
Jenepher Beudel
Sally Bufe
Ainsley Carlin
Wendy Cook
Sandra Cumbari
Heather Eather
Alwynne Fairweather
Francis Faul
Katherine Flynn
Paul George
Margaret Gordon
Christine Graunas
Mary Gregory
Robert Hare
Travis Heafield
Mary Hills
Jessica Hood
Elizabeth Howcroft
Vicki Jaeger
Tom Jeavons
Bradley Jenner
Meran Jennings
Kerry Jolly
Libby Kerr
Mirini Lang
Anne Lawson
Geoffrey Lay
Jannie Lay
Geoffrey Le Page
Gary Leete
Sue Lesser
Anna Long

Jennifer Lund
Anne McLachlan
Angela Mitchell
Pauline Morrison
Tom Morton
Margaret Murfett
Gillian Newnham
Hannah Noorda
Graham Patterson
Beau Picking
Diana Plant
Lynsey Poore
Laraine Proctor
Veronica Reeve
Erin Roga
Sara Romberg
Jennifer Ross
David Sambrooks
Gennaro Scognamiglio
Catherine Taylor
Joan Thomas
Peter Wallace
Ann Walsham
Mary Ward
Mike Wicks
Charles Young

Cranbourne Gardens Volunteers

At Cranbourne Gardens, 49 Garden Ambassadors contributed 3,197 hours during the past year. Garden Ambassadors provide an extremely important contribution to the experience of visitors to Cranbourne Gardens. In addition to this, 22 Land Management Volunteers contributed 1920 hours to a range of important activities at Cranbourne Gardens. In some instances, individuals volunteer in more than one capacity*.

Garden Ambassadors

Anne Adams
Amy Akers
Robin Allison
John Armstrong
Margaret Barnes
Pamela Binks
Trevor Blake
Margaret Brookes
Margaret Clarke
Brian Cole
Erin Cosgriff
Ron Deane
Johan de Bree
Derek de Korte
David Elias
Mack Fenwick
Carol Ferguson
Chloe Foster
Barrie Gallacher
Ralph Henger
Faye Hobby
Lynette Hosking
Elspeth Jacobs
Marie Kehoe

Helen Kennedy
Christine Kenyon
Eva Kowal
Linda Lee
Nancy Leonard
Mary Macdermid
Judy Mallinson
Don Matthews
Peter McGrath
Lauris McInerney
Mark Nelson
Paula Nicholas
David Redfern
Charles Saffroy
Marj Seaton
Sue Spicer
Laurie Stephens
John Steward
Bernadette Swanson
Sue Tatton
Ray Turner
Jean Wallis
Kate Walsh
Roger Watts
Charles Young *

Land Management Volunteers

Brianna Butcher
Bianca Carnovale
Dave Cundall
Ian Hawkins
Lauren Kinsey
Callum Martin
Lachlan Martin
Liam Martin
Dawn Neylan
Mike Paterson
Nick Swinton
Claire Taylor
Sarah Thoonen

Library volunteer

Jan Maslen

Melbourne Gardens Volunteers

At Melbourne Gardens, 70 volunteers contributed 9,553 hours during the past year, in some instances volunteering their time and skills in more than one capacity*. Royal Botanic Gardens Victoria gratefully acknowledges and values the work of all volunteers and looks forward to their continuing support.

Garden Ambassadors

Frances Coffey
Dianne Costelloe
Rosemary Cotter *
Helen Creedon
Berys Dixon
Veronica Harrison
Wendy Hopkins
Julie Jones
Anne Krelle
Susan Langley
Gail Latchford
Lea Levy *
Alasdair MacDonald
Marian McLean
Gloria Minter
Eddie Natt
Jadzia Rae
Ann Scott
Libby Tronson
Max Watson

The Ian Potter Foundation Children's Garden volunteers

Anne Ada
Moira Bainbridge
Mary Becker
Angela Bentley
Lorraine Brock
Jan Brown
Stephanie Campbell-
Gabb
Billie De Bondi
Jenni Eaton
Lea Levy *
Anna Priester
Marg Smith
Sue Smith
Maggie Troup
Kate Welsh

Voluntary Guides

Jill Bartlett
Susan Broadbent
Pamela Carder
Rosemary Cotter *
Anna Denton
Caroline Durre
Kay Hall
Jenny Happell
Ross Harris
Ruth Harris
Virginia Heywood
Marlies Johnson
David Johnston
Scott Kerr
Jenny Lang
Terry Lennon
Julianne Lewis
Christine Mitchell
Georgina Mountford
Gary Nelson
Jenny Nicholas
Rosemary O'Brien
Donna Osbourne
David Plant
Ian Polmear
Margaret Polmear
Lynsey Poore
Faye Retchford
Jayne Salmon
Helen Smyth
Carole Spillane
Geraldine Wade
Max Watson
Linda Wilkins
Mali Wilson

Honorary Associates

Honorary Associates are appointed by the Royal Botanic Gardens Board Victoria on the recommendation of the Director and Chief Executive for a fixed term of up to three years, with the option of re-appointment by mutual agreement.

Honorary Associates are individuals who possess expertise in areas that supplement or complement our Royal Botanic Gardens Victoria employees. They contribute greatly to the achievements of the Royal Botanic Gardens Victoria through their research on various angiosperm plant families and bryophytes, fungi, lichens and algae, through studies in urban ecology, or by curating the specimens held in the State Botanical Collection. Others add to the value of the State Botanical Collection by collecting specimens, including undescribed plants and fungi, from areas that employees are unable to survey. The Library also benefits from the input of a number of Honorary Associates to the Mueller Correspondence Project.

Dr Peter Adams, Surrey Hills, Victoria
Dr Collin Ahrens, Prahran, Victoria
Dr Austin Brown, Glen Waverley, Victoria
Dr Fiona Caryl, ARCUE
Dr Michelle Casanova, Westmere, Victoria
Mr Ian Clarke, Bentleigh, Victoria
Dr Thomas Darragh, Department of History and Philosophy of Science, The University of Melbourne
Professor Rod Home, School of Philosophy, The University of Melbourne
Dr Christopher Ives, School of Global, Urban and Social Studies, RMIT University
Mr Jeff Jeanes, Wy Yung, Victoria
Dr Gerry Kraft, Point Lonsdale, Victoria and Hobart, Tasmania
Professor Pauline Ladiges, School of BioSciences, The University of Melbourne
Dr Sheryl Lawson, Surrey Hills, Victoria
Dr Graeme Lorimer, Biosphere Pty Ltd, Bayswater North, Victoria
Dr Sara Maroske, Department of History and Philosophy of Science, The University of Melbourne
Mrs Enid Mayfield, Geelong, Victoria
Ms Mali Moir, Mt Evelyn, Victoria
Dr John Morgan, Department of Botany, Latrobe University
Mr Kevin Rule, Nunawading, Victoria
Ms Katrina Syme, Denmark, Western Australia
Dr Caragh Threlfall, The University of Melbourne, Burnley
Mr Rick Tudor, South Yarra, Victoria
Ms Anneke Veenstra, Deakin University
Dr Nicholas Williams, School of Resource Management, The University of Melbourne

Financial Statements



Financial Statements Contents

| | |
|----|--|
| 58 | Accountable Officer's, Chief Finance Officer's and Board's Declaration |
| 59 | Comprehensive Operating Statement |
| 60 | Balance Sheet |
| 61 | Statement of Changes in Equity |
| 62 | Cash Flow Statement |
| 63 | Notes to the Financial Statements |
| 63 | Note 1 Summary of accounting policies |
| 74 | Note 2 Income from transactions |
| 74 | Note 3 Expenses from transactions |
| 75 | Note 4 Other economic flows included in net result |
| 76 | Note 5 Receivables |
| 76 | Note 6 Inventories |
| 76 | Note 7 Non-financial physical assets classified as held-for-sale |
| 78 | Note 8 Property, plant and equipment |
| 80 | Note 9 Payables |
| 80 | Note 10 Borrowings |
| 80 | Note 11 Provisions |
| 81 | Note 12 Superannuation |
| 82 | Note 13 Leases |
| 83 | Note 14 Commitments for expenditure |
| 83 | Note 15 Financial instruments |
| 89 | Note 16 Cash flow information |
| 89 | Note 17 Reserves |
| 89 | Note 18 Responsible persons |
| 90 | Note 19 Remuneration of executives |
| 90 | Note 20 Remuneration of auditors |
| 90 | Note 21 Glossary of terms and style conventions |
| 93 | Auditor-General's Report |

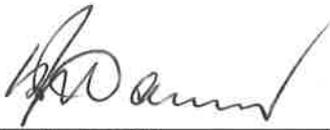
Accountable officer's, chief finance officer's and Board's declaration

The attached financial statements for the Royal Botanic Gardens Board Victoria (the Board) have been prepared in accordance with Standing Direction 4.2 of 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 2016 and financial position of the Board at 30 June 2016.

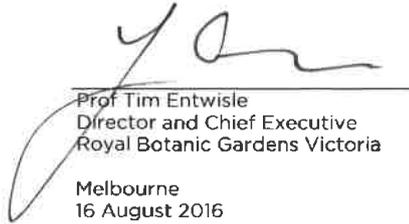
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 16 August 2016.



Ken Harrison AM
Chairman
Royal Botanic Gardens Board

Melbourne
16 August 2016



Prof Tim Entwisle
Director and Chief Executive
Royal Botanic Gardens Victoria

Melbourne
16 August 2016



Lola Makdissi
Chief Finance Officer
Royal Botanic Gardens Victoria

Melbourne
16 August 2016

Comprehensive operating statement for the financial year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|--|------|---------------------|---------------------|
| Income from transactions | | | |
| Grants | 2(a) | 16,862,410 | 15,231,662 |
| Sponsorships and donations | 2(b) | 1,613,427 | 1,771,407 |
| Sales of goods and services | 2(c) | 2,617,297 | 2,690,202 |
| Fair value of assets and services received free of charge or for nominal consideration | 2(d) | 958,337 | 829,864 |
| Interest | 2(e) | 191,064 | 241,707 |
| Other income | 2(f) | 1,321,801 | 1,523,302 |
| Total income from transactions | | 23,564,336 | 22,288,144 |
| Expenses from transactions | | | |
| Employee expenses | 3(a) | (15,133,540) | (13,783,622) |
| Depreciation | 3(b) | (2,155,415) | (1,995,751) |
| Interest expense | 3(c) | (22,576) | (25,543) |
| Other operating expenses ⁽ⁱ⁾ | 3(d) | (7,755,437) | (6,906,112) |
| Total expenses from transactions | | (25,066,968) | (22,711,028) |
| Net result from transactions (net operating balance) | | (1,502,632) | (422,884) |
| Other economic flows included in net result | | | |
| Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾ | 4(a) | 67,442 | 86,386 |
| Net gain/(loss) on financial instruments ⁽ⁱⁱⁱ⁾ | 4(b) | (9,729) | (1,497) |
| Other gains/(losses) from economic flows | 4(c) | (244,632) | (123,110) |
| Total other economic flows included in net result | | (186,919) | (38,221) |
| Net result | | (1,689,551) | (461,105) |
| Other economic flows - other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 17 | 191,764,132 | - |
| Total other economic flows - other comprehensive income | | 191,764,132 | - |
| Comprehensive result | | 190,074,581 | (461,105) |

Notes:

- (i) 'Other operating expenses' include bad debts from transactions that are mutually agreed - refer to definition of 'transactions' in Note 21.
- (ii) 'Net gain/(loss) on non-financial assets' includes impairments and disposals of all physical assets, except where these are taken through the asset revaluation surplus.
- (iii) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations and impairments and reversals of impairments.

This comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance sheet as at 30 June 2016

| | Notes | 2016 \$ | 2015 \$ |
|---|--------|--------------------|--------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 15, 16 | 7,316,464 | 5,861,002 |
| Receivables | 5, 15 | 621,599 | 929,749 |
| Total financial assets | | 7,938,063 | 6,790,751 |
| Non-financial assets | | | |
| Inventories | 6 | 233,432 | 230,303 |
| Non-financial physical assets classified as held-for-sale | 7 | 11,499 | - |
| Prepayments | | 30,689 | 25,592 |
| Property, plant and equipment | 8 | 605,762,022 | 414,765,568 |
| Total non-financial assets | | 606,037,642 | 415,021,463 |
| Total assets | | 613,975,705 | 421,812,214 |
| Liabilities | | | |
| Payables | 9, 15 | 930,000 | 540,593 |
| Borrowings | 10, 15 | 869,089 | 460,154 |
| Provisions | 11 | 4,562,786 | 4,156,655 |
| Liabilities directly associated with assets classified as held-for-sale | 7 | 11,197 | - |
| Total liabilities | | 6,373,072 | 5,157,402 |
| Net assets | | 607,602,633 | 416,654,812 |
| Equity | | | |
| Accumulated surplus | | 22,477,349 | 24,166,900 |
| Physical asset revaluation surplus | 17 | 498,826,315 | 307,062,183 |
| Contributed capital | | 86,298,969 | 85,425,729 |
| Net worth | | 607,602,633 | 416,654,812 |
| Commitments for expenditure | 14 | | |

This balance sheet should be read in conjunction with the accompanying notes to the financial statements.

**Statement of changes in equity
for the financial year ended 30 June 2016**

| | Physical Asset Revaluation Surplus | Accumulated Surplus | Contributions By Owner | Total |
|---|--|------------------------|---------------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 307,062,183 | 24,628,005 | 85,425,729 | 417,115,917 |
| Net result for the year | - | (461,105) | - | (461,105) |
| Capital contributions | - | - | - | - |
| Other comprehensive income for the year | - | - | - | - |
| Balance at 30 June 2015 | 307,062,183 | 24,166,900 | 85,425,729 | 416,654,812 |
| Net result for the year | - | (1,689,551) | - | (1,689,551) |
| Capital contributions | - | - | 873,240 | 873,240 |
| Other comprehensive income for the year | 191,764,132 | - | - | 191,764,132 |
| Balance at 30 June 2016 | 498,826,315 | 22,477,349 | 86,298,969 | 607,602,633 |

This statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cash flow statement for the financial year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|---|-------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from Government | | 16,805,379 | 16,625,291 |
| Receipts from other entities | | 6,453,901 | 6,685,495 |
| Goods and Services Tax received from the ATO ⁽ⁱ⁾ | | 173,417 | - |
| Interest received | | 182,664 | 239,868 |
| Total receipts | | 23,615,361 | 23,550,654 |
| Payments | | | |
| Payments to suppliers and employees | | (22,102,356) | (20,151,235) |
| Goods and Services Tax paid to the ATO ⁽ⁱ⁾ | | - | (1,239,236) |
| Interest and other costs of finance paid | | (22,576) | (25,543) |
| Total payments | | (22,124,932) | (21,416,014) |
| Net cash flows from/(used in) operating activities | 16(b) | 1,490,429 | 2,134,640 |
| Cash flows from investing activities | | | |
| Proceeds from sale of non-financial assets | | 60,162 | 13,114 |
| Payments for non-financial assets | | (706,987) | (1,739,341) |
| Net cash flows from/(used in) investing activities | | (646,825) | (1,726,227) |
| Cash flows from financing activities | | | |
| Owners contributions by State Government | | 873,240 | - |
| Repayment of finance leases | | (251,653) | (142,873) |
| Net cash flows from/(used in) financing activities | | 621,587 | (142,873) |
| Net increase/(decrease) in cash and cash equivalents | | 1,465,191 | 265,540 |
| Cash and cash equivalents at the beginning of financial year | | 5,861,002 | 5,594,368 |
| Effect of exchange rate fluctuations on cash held in foreign currency | | (9,729) | 1,094 |
| Cash and cash equivalents at the end of financial year | 16(a) | 7,316,464 | 5,861,002 |

Note (i): Goods and Services Tax paid to the ATO is presented on a net basis.

This cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

Notes to the financial statements for the financial year ended 30 June 2016

Note 1. Summary of accounting policies

These annual financial statements represent the audited general purpose financial statements for the Royal Botanic Gardens Board Victoria (the Board) for the period ending 30 June 2016. The purpose of the report is to provide users with information about the Board's stewardship of resources entrusted to it.

(a) Statement of compliance

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). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The accounting policies are selected and applied in a manner which ensures 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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found at Note 21.

These annual financial statements were authorised for issue by the Chairman of the Board on 16 August 2016.

(b) Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements 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. The estimates and associated assumptions are based on professional judgements 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 in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant, equipment and vehicles (refer Note 1(j));
- superannuation expense (refer Note 1(f)); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer Note 1(k)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention, except for non-financial physical assets, which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with *AASB 13 Fair Value Measurement*, the Board determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held-for-sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, the Board has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

Note 1. Summary of accounting policies *(continued)*

The Valuer General Victoria (VGV) is the Board's independent valuation agency. The Board, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

(c) Reporting entity

The Board is established under the *Royal Botanic Gardens Act 1991*. Its principal address is:
Royal Botanic Gardens Victoria
Birdwood Avenue
Melbourne VIC 3004.

The financial statements cover the Royal Botanic Gardens Board Victoria (the Board) as an individual reporting entity which administers the operations of the Melbourne Gardens, the Cranbourne Gardens and the Australian Research Centre for Urban Ecology.

(d) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under *AASB 101 Presentation of Financial Statements*. (Refer to Note 21 Glossary for the definitions of 'net result from transactions', 'other economic flows included in net result' and 'other economic flows - other comprehensive income'.)

Balance sheet

Assets and liabilities are presented in liquidity order, with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under *AASB 107 Statement of cash flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts recognised in 'Other economic flows-other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Rounding

Amounts in the financial statements (including the notes) have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 21 for a style convention explaining that minor discrepancies result from rounding.

(e) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Grants

Income from grants (other than contributions by owners) is recognised when the Board gains control over the contribution.

For reciprocal grants (ie equal value is given back by the Board to the provider), the Board is deemed to have assumed control when the Board is satisfied its performance obligations under the terms of the grant have been met. For non-reciprocal grants, the Board is deemed to have assumed control when the grant is receivable or received. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Parks and Reserves Trust Account grant

The Parks and Reserves Trust Account funding is a rate levied on metropolitan properties under the provisions of the *Water Industry Act 1994* and is provided to the Board for the purposes of conservation, recreation, leisure and tourism within the metropolitan area (refer Note 2).

Note 1. Summary of accounting policies (*continued*)

Sales of Goods and Services

Income from the supply of services

Income from the supply of services is recognised by reference to the stage of completion basis. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Board.

Under the stage of completion method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period.

Income from sale of goods

Income from the sale of goods is recognised when:

- the Board no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the Board no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transaction can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Board.

Sponsorships and donations

Sponsorships and donations are non-reciprocal in nature and the Board is deemed to have control when the monies are received from the provider.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

Interest

Interest income includes interest received on bank deposits and is recognised using the effective interest method which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

Other income

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Income is recognised for each of the Board's major activities as follows:

Rental income

Rental income in relation to the leasing of the Board's assets is recognised when received or receivable under the terms of the lease agreement.

Royalty income

Royalty income is recognised when received or receivable in accordance with the substance of the licensing agreement.

(f) *Expenses from transactions*

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(k) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of both defined benefit and defined contribution superannuation plans represents the Board's contributions that are paid or payable to these plans during the reporting period.

The Department of Treasury and Finance (DTF) in its Annual Financial Statements discloses on behalf of the State, as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more disclosures in relation to these plans.

Note 1. Summary of accounting policies *(continued)*

Depreciation

All infrastructure assets, buildings, plant, equipment and vehicles and other non-financial physical assets (excluding items under operating leases, assets held-for-sale, cultural assets and land) that have a limited useful life are depreciated. Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for both the current and prior years:

| Asset class | Useful life |
|-------------------------------|--------------------|
| Buildings | 4 to 100 years |
| Infrastructure | 5 to 100 years |
| Plant, equipment and vehicles | 4 to 10 years |

Land and cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets as their service potential has not, in any material sense, been consumed during the reporting period.

Interest expense

Interest expense represents costs incurred in connection with finance lease repayments and are recognised in the period in which they are incurred. Refer to *Glossary of terms and style conventions* in Note 21 for an explanation of interest expense items.

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

Supplies and Services

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

Bad and doubtful debts

Refer to Note 1(i) *Impairment of financial assets*.

(g) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(j) *Revaluations of non-financial physical assets*.

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Gain/(loss) arising from transactions in foreign exchange

Refer to Note 1(q) *Foreign currency*.

Impairment of non-financial assets

All assets are assessed annually for indications of impairment except for:

- inventories (refer Note 1(j));
- non-financial physical assets held-for-sale (refer Note 1(j)); and
- assets arising from construction contracts (refer Note 1(j)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Note 1. Summary of accounting policies (*continued*)

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Refer to Note 1(j) in relation to the recognition and measurement of non-financial assets.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes impairment and reversal of impairment of financial instruments measured at amortised cost and disposals of financial assets.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification.

(h) Financial instruments

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 Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The loans and receivables category includes cash and deposits (refer to Note 1(i)), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are 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 method (refer to Note 21).

Financial instrument liabilities measured at amortised cost include all of the Board's contractual payables, deposits held and advances received, and interest bearing arrangements.

(i) Financial assets

Cash and deposits

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

Receivables

Receivables consist of:

- contractual receivables, which includes debtors in relation to goods and services and accrued interest income; and
- statutory receivables, which predominantly include GST input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(h) for recognition and measurement). Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Note 1. Summary of accounting policies *(continued)*

Investments

Investments are classified in the following categories:

- financial assets at fair value through profit and loss; and
- loans and receivables.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Board 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 Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally, and the allowance for doubtful receivables, are classified as other economic flows.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, professional judgement is applied in assessing the materiality and uses estimates, averages and computational shortcuts in accordance with *AASB 136 Impairment of assets*.

(j) *Non-financial assets*

Inventories

Inventories include goods held-for-sale in the ordinary course of business operations and are measured at the lower of cost and net realisable value.

The cost of inventory is measured on the basis of weighted average cost. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Non-financial physical assets classified as held-for-sale, including disposal group assets

Non-financial physical assets (including disposal group assets) are treated as current and classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(l)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Note 1. Summary of accounting policies (continued)

Non-financial physical assets such as Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases. Refer to Note 1(l) *Leases*.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Although the value of the Crown land located at Melbourne and Cranbourne has been included in the balance sheet, it should be noted that under the provisions of the *Royal Botanic Gardens Act 1991*, the Board is only responsible for the management of the land and does not own these properties.

The cost of non-financial physical assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(g) *Impairment of non-financial assets*.

Restrictive nature of cultural, collections and heritage assets, Crown land and infrastructure assets

The Board holds a number of cultural assets, collections, heritage assets, and other non-financial physical assets (including Crown land and infrastructure assets) that the Board intends to preserve because of their unique historical, cultural or environmental attributes.

In general, the fair value of those assets is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. The limitations and restrictions imposed on use and/or disposal of these assets are also taken into account in determining their fair value.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows - other movements in equity' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows - other movements in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows - other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(k) Liabilities**Payables**

Payables consist of:

- contractual payments, such as accounts payable and unearned income. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid, and arise when the Board becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Note 1. Summary of accounting policies *(continued)*

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(h)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Borrowings

Borrowings are initially measured at fair value, being the cost of the borrowings, net of transaction costs (refer also to Note 1(l) *Leases*).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the borrowing using the effective interest method.

Provisions

Provisions are recognised when the Board has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Board does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value if the Board expects to wholly settle within 12 months; or
- present value if the Board does not expect to wholly settle within 12 months.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Board does not expect to settle the liability within 12 months, because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value if the Board expects to wholly settle within 12 months; and
- present value if the Board does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates, which is then recognised as an 'other economic flow' (refer to Note 1(g)).

On-costs

Provisions for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

Derecognition of financial liabilities

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

Note 1. Summary of accounting policies (continued)

(l) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating leases

Board as Lessor

Rental income from operating leases is recognised when received or receivable in accordance with the substance of the licensing agreements.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives is recognised as a reduction of rental expense over the lease term on a straight line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Board as Lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(m) Equity - contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 15) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

(o) Contingent assets and contingent liabilities

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

(p) Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the taxation authority, are presented as operating cash flow.

Note 1. Summary of accounting policies (continued)

(q) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Foreign currency translation differences are recognised in other economic flows and accumulated in a separate component of equity, in the period in which they arise.

(r) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note, disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

(s) AAS issued that are not yet effective

Certain new AAS have been published that are not mandatory for the 30 June 2016 reporting period. The DTF assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable.

The table below outlines the accounting standards that have been issued but are not yet effective for the 2015-16 reporting period, which may result in potential impacts on the Board's reporting for future periods:

| Standard/Interpretation | Summary | Application for annual reporting periods: | Impact on Board's Financial Statements |
|---|--|--|---|
| AASB 15 <i>Revenue from Contracts with Customers</i> | The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. | 1 Jan 2018 | The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. |
| AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i> | This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). | 1 Jan 2018 | The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15. |
| AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i> | Amends <i>AASB 116 Property, Plant and Equipment</i> and <i>AASB 138 Intangible Assets</i> to: <ul style="list-style-type: none"> • establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; • prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than consumption through the use of the asset. | 1 Jan 2016 | The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation. |

Note 1. Summary of accounting policies (continued)

| Standard/Interpretation | Summary | Application for annual reporting periods: | Impact on Board's Financial Statements |
|---|---|--|---|
| AASB 2015-6 <i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, AASB 124 & AASB 1049] | The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. A guidance note has been included to assist the application of the Standard by not-for-profit public sector entities. | 1 Jan 2016 | The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions. |
| AASB 16 <i>Leases</i> | The core principle of AASB 15 requires an The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet. | 1 Jan 2019 | The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for lessors. |
| AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i> | This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018. | 1 Jan 2018 | This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements. |
| AASB 2015-1 <i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140] | Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations. | 1 Jan 2016 | The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements. Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset. |
| AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i> | The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities. | 1 Jan 2017 | The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136. |

Note 2. Income from transactions

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | \$ | \$ |
| (a) Grants | | |
| Parks and Reserves Trust Account grants | 15,942,218 | 14,536,099 |
| Other grants | 920,192 | 695,563 |
| | 16,862,410 | 15,231,662 |
| (b) Sponsorships and donations | | |
| Cash donations and gifts | 1,613,427 | 1,771,407 |
| | 1,613,427 | 1,771,407 |
| (c) Sales of goods and services | | |
| Sale of goods | 1,111,421 | 1,188,267 |
| Rendering of services | 1,505,876 | 1,501,935 |
| | 2,617,297 | 2,690,202 |
| (d) Fair value of assets and services received free of charge or for nominal consideration | | |
| Services and donated supplies | 958,337 | 829,864 |
| | 958,337 | 829,864 |
| (e) Interest | | |
| On bank deposits | 82,630 | 135,041 |
| Other miscellaneous interest income | 108,434 | 106,666 |
| | 191,064 | 241,707 |
| (f) Other income | | |
| Rental | 1,134,657 | 1,311,127 |
| Royalties | 30,347 | 20,447 |
| Other | 156,797 | 191,728 |
| | 1,321,801 | 1,523,302 |

Note 3. Expenses from transactions

| | 2016 | 2015 |
|-------------------------------|-------------------|-------------------|
| | \$ | \$ |
| (a) Employee expenses | | |
| Salary and wages | 11,849,399 | 10,758,141 |
| Superannuation | 1,183,523 | 1,139,012 |
| Annual and long service leave | 1,174,741 | 1,112,669 |
| Other on-costs | 925,877 | 773,800 |
| | 15,133,540 | 13,783,622 |
| (b) Depreciation | | |
| Buildings | 418,209 | 418,907 |
| Infrastructure | 1,129,835 | 1,093,758 |
| Plant, equipment and vehicles | 607,371 | 483,086 |
| | 2,155,415 | 1,995,751 |
| (c) Interest expense | | |
| Interest on finance leases | 22,576 | 25,543 |
| | 22,576 | 25,543 |

Note 3. Expenses from transactions (continued)

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| (d) Other operating expenses | | |
| Supplies and services | | |
| Contract costs | 1,745,351 | 1,684,955 |
| Garden and office equipment and supplies | 803,126 | 705,660 |
| Non-financial assets hire, maintenance and operational costs | 753,840 | 764,014 |
| Consultancies and professional services | 997,165 | 423,896 |
| Cleaning and waste disposal costs | 532,168 | 520,494 |
| Water charges | 497,306 | 415,727 |
| Advertising and promotion | 292,270 | 291,990 |
| Motor vehicle expenses | 111,530 | 246,781 |
| Computer expenses | 189,554 | 149,046 |
| Travel expenses | 193,935 | 173,310 |
| Staff training and development | 147,242 | 110,907 |
| Insurance costs | 176,268 | 143,461 |
| Postage and communication expenses | 105,739 | 105,974 |
| Books, periodicals and subscriptions | 97,484 | 95,223 |
| Legal costs | 69,981 | 117,852 |
| Security | 101,674 | 94,562 |
| Catering costs | 66,043 | 69,019 |
| Other | 298,997 | 184,787 |
| | 7,179,673 | 6,297,658 |
| Other | | |
| Cost of goods sold | 557,265 | 588,873 |
| Minimum lease payments | 18,499 | 19,581 |
| | 575,764 | 608,454 |
| Total other operating expenses | 7,755,437 | 6,906,112 |

Note 4. Other economic flows included in net result

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| (a) Net gain/(loss) on non-financial assets | | |
| Net gain/(loss) on disposal of property, plant and equipment | (19,665) | 12,872 |
| Impairment of property, plant and equipment | 100,286 | 80,512 |
| Write down of inventory | (13,179) | (6,998) |
| | 67,442 | 86,386 |
| (b) Net gain/(loss) on financial instruments | | |
| Net FX gain/(loss) arising from foreign cash held | (9,729) | (1,497) |
| | (9,729) | (1,497) |
| (c) Other gains/(losses) from economic flows | | |
| Net gain/(loss) arising from revaluation of long service leave liability | (244,632) | (123,110) |
| | (244,632) | (123,110) |

Note 5. Receivables

| | 2016 \$ | 2015 \$ |
|--|----------------|----------------|
| Contractual | | |
| Sales of goods and services ⁽ⁱ⁾ | 565,278 | 907,561 |
| Accrued interest income | 17,089 | 8,689 |
| | 582,367 | 916,250 |
| Statutory | | |
| Net GST input tax credit recoverable | 39,232 | 13,499 |
| | 39,232 | 13,499 |
| Total receivables ⁽ⁱⁱ⁾ | 621,599 | 929,749 |

Note:

- (i) The average credit period on sales of goods and services is 14 days. Interest may be charged on amounts payable by tenants in the event that these payments become overdue according to the terms of the lease or licence agreement. No allowance for doubtful debts has been recognised as all amounts have been determined recoverable by reference to past default experience.
- (ii) All receivables balances held at reporting date are classified as current.

For details of ageing analysis of contractual receivables and the nature and extent of risk arising from contractual receivables, please refer to Note 15.

Note 6. Inventories

| | 2016 \$ | 2015 \$ |
|---|----------------|----------------|
| Inventories held for sale at cost | 233,432 | 230,303 |
| Total inventories ⁽ⁱ⁾ | 233,432 | 230,303 |

Note:

- (i) Inventory balances held at reporting date are classified as current.

Note 7. Non-financial physical assets classified as held-for-sale and directly associated liabilities

| | 2016 \$ | 2015 \$ |
|---|---------------|------------|
| Non-current assets | | |
| Leased vehicles held for sale ^{(i) (ii)} | 11,499 | - |
| | 11,499 | - |
| Liabilities | | |
| Finance lease liabilities | 11,197 | - |
| | 11,197 | - |

Note:

- (i) The Board holds vehicles under the leasing arrangement with DTF which are awaiting sale at the end of the reporting period. No impairment loss was recognised on re-classification of vehicles held-for-sale or at the end of the reporting period.
- (ii) The carrying amounts of vehicles held-for-sale approximate fair value at the end of the reporting period based on the Level 2 fair value classification.

Note 8. Property, plant and equipment

(a) Carrying amounts

| | 2016 \$ | 2015 \$ |
|--|--------------------|--------------------|
| Land | | |
| At fair value | 254,400,000 | 166,080,000 |
| | 254,400,000 | 166,080,000 |
| Buildings | | |
| At fair value | 33,275,028 | 29,620,000 |
| Less accumulated depreciation | (1,912) | (1,485,380) |
| | 33,273,116 | 28,134,620 |
| Infrastructure | | |
| At fair value | 63,853,496 | 53,518,530 |
| Less accumulated depreciation | (22,084) | (3,570,228) |
| | 63,831,412 | 49,948,302 |
| Plant, equipment and vehicles | | |
| At fair value | 7,106,945 | 6,311,653 |
| Less accumulated depreciation | (4,282,274) | (3,708,444) |
| | 2,824,671 | 2,603,209 |
| Cultural assets | | |
| At fair value | 251,386,773 | 167,183,416 |
| | 251,386,773 | 167,183,416 |
| Capital works under construction | | |
| At fair value | 46,050 | 816,021 |
| | 46,050 | 816,021 |
| Total property, plant and equipment | 605,762,022 | 414,765,568 |

(b) Movements in carrying amounts ⁽ⁱ⁾

| 2016 | Land \$ | Buildings \$ | Infrastructure \$ | Plant, equipment and vehicles \$ | Cultural assets \$ | Capital works \$ | Total \$ |
|---------------------------|--------------------|-------------------|----------------------|---|--------------------------|---------------------|--------------------|
| Opening balance | 166,080,000 | 28,134,620 | 49,948,302 | 2,603,209 | 167,183,416 | 816,021 | 414,765,568 |
| Additions | - | 21,911 | 339,894 | 898,389 | - | 202,463 | 1,462,657 |
| Disposals | - | - | - | (113,581) | (50,126) | - | (163,707) |
| Revaluations | 88,320,000 | 5,388,901 | 13,806,721 | - | 84,248,510 | - | 191,764,132 |
| Transfers ⁽ⁱⁱ⁾ | - | 45,607 | 866,330 | 44,025 | 4,973 | (972,434) | (11,499) |
| Impairments | - | 100,286 | - | - | - | - | 100,286 |
| Depreciation | - | (418,209) | (1,129,835) | (607,371) | - | - | (2,155,415) |
| Closing balance | 254,400,000 | 33,273,116 | 63,831,412 | 2,824,671 | 251,386,773 | 46,050 | 605,762,022 |

Note:

(i) A full revaluation was performed in June 2016.

(ii) Transfers balances represents amounts transferred between asset classes and out to disposal group held-for-sale.

| 2015 | Land \$ | Buildings \$ | Infrastructure \$ | Plant, equipment and vehicles \$ | Cultural assets \$ | Capital works \$ | Total \$ |
|---------------------------|--------------------|-------------------|----------------------|---|--------------------------|---------------------|--------------------|
| Opening balance | 166,080,000 | 28,473,015 | 50,369,326 | 2,695,528 | 167,172,870 | 79,563 | 414,870,302 |
| Additions | - | - | 657,064 | 441,336 | 10,546 | 753,928 | 1,862,874 |
| Disposals | - | - | - | (52,369) | - | - | (52,369) |
| Revaluations | - | - | - | - | - | - | - |
| Transfers ⁽ⁱⁱ⁾ | - | - | 15,670 | 1,800 | - | (17,470) | - |
| Impairments | - | 80,512 | - | - | - | - | 80,512 |
| Depreciation | - | (418,907) | (1,093,758) | (483,086) | - | - | (1,995,751) |
| Closing balance | 166,080,000 | 28,134,620 | 49,948,302 | 2,603,209 | 167,183,416 | 816,021 | 414,765,568 |

Note:

(ii) Transfers balances represents amounts transferred between asset classes and out to disposal group held-for-sale.

Restricted assets

The Board holds \$16.7 million worth of buildings and infrastructure assets (2015 - \$12.0 million) listed as heritage assets on the Victorian Heritage Register under the *Heritage Act 1995*. These heritage assets cannot be modified nor disposed of without approval from Heritage Victoria.

Note 8. Property, plant and equipment (continued)

(c) Fair Value measurement hierarchy for assets at the end of the reporting period

| | Carrying amount | | Fair value measurement using: ⁽ⁱ⁾ | | | |
|--------------------------------------|--------------------|--------------------|--|-------------------|--------------------|--------------------|
| | | | Level 2 | | Level 3 | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | \$ | \$ | \$ | | \$ | \$ |
| Land | | | | | | |
| Specialised Land | 254,400,000 | 166,080,000 | - | - | 254,400,000 | 166,080,000 |
| | 254,400,000 | 166,080,000 | - | - | 254,400,000 | 166,080,000 |
| Buildings | | | | | | |
| Specialised buildings | 17,533,366 | 16,791,300 | - | - | 17,533,366 | 16,791,300 |
| Heritage assets | 15,739,750 | 11,343,320 | - | - | 15,739,750 | 11,343,320 |
| | 33,273,116 | 28,134,620 | - | - | 33,273,116 | 28,134,620 |
| Infrastructure | | | | | | |
| Specialised infrastructure | 62,869,573 | 49,275,358 | - | - | 62,869,573 | 49,275,358 |
| Heritage assets | 961,839 | 672,944 | - | - | 961,839 | 672,944 |
| | 63,831,412 | 49,948,302 | - | - | 63,831,412 | 49,948,302 |
| Plant, equipment and vehicles | | | | | | |
| Plant and equipment | 2,008,971 | 2,153,924 | - | - | 2,008,971 | 2,153,924 |
| Vehicles ⁽ⁱⁱ⁾ | 815,700 | 449,285 | - | - | 815,700 | 449,285 |
| | 2,824,671 | 2,603,209 | - | - | 2,824,671 | 2,603,209 |
| Cultural assets | | | | | | |
| Antiques and artwork | 9,323,873 | 10,581,616 | 9,323,873 | 10,581,616 | - | - |
| Specialised cultural assets | 242,062,900 | 156,601,800 | - | - | 242,062,900 | 156,601,800 |
| | 251,386,773 | 167,183,416 | 9,323,873 | 10,581,616 | 242,062,900 | 156,601,800 |

Notes:

- (i) Classified in accordance with the fair value hierarchy, see Note 1(b). The Board does not hold any assets classified as Level 1 assets for the reporting periods ended 30 June 2016 and 30 June 2015.
- (ii) Vehicles are categorised as Level 3 assets as fair value of the vehicles is estimated based on the depreciated replacement cost.

There have been no transfers between levels during the period.

Non-specialised antiques and artworks

Non-specialised antiques and artworks are valued using the market approach. Under this valuation method, valuation of the assets is determined by a comparison to similar examples of the artists' work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. An independent valuation of antiques and artwork was undertaken by the Valuer-General Victoria to determine their fair value at June 2016.

Land and buildings

The market approach is also used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of the Board's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Board's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016.

Specialised cultural assets

Specialised cultural assets, including the State Botanical Collection, are valued using replacement cost method. Replacement costs relate to costs to replace the current service capacity of the asset. The method used calculates a unit cost per sample unit that is then scaled up to each collection.

An independent valuation of the Board's specialised cultural assets was performed by the Valuer-General Victoria. The valuation was performed using the replacement cost approach. The effective date of the valuation is 30 June 2016.

Infrastructure assets

Infrastructure assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed, bearing in mind the age and nature of the building. The estimated cost of reconstruction, including structural services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of the Board's infrastructure assets was performed by the Valuer-General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2016.

Note 8. Property, plant and equipment (continued)

Vehicles

Vehicles are valued using the depreciated replacement cost method. The Board acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed under finance leasing arrangements with DTF and Westpac Bank. Depreciation rates used reflect the utilisation of the vehicles

Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2016.

For all assets measured at fair value, the current use is considered the highest and best use.

(d) Reconciliation of Level 3 fair value

| 2016 | Specialised land \$ | Buildings \$ | Antiques and artworks \$ | Vehicles \$ | Plant and equipment \$ | Infrastructure \$ | Specialised Cultural \$ |
|--|------------------------|-------------------|-----------------------------|----------------|---------------------------|----------------------|----------------------------|
| Opening balance | 166,080,000 | 28,134,620 | 10,581,616 | 449,285 | 2,153,924 | 49,948,302 | 156,601,800 |
| Purchases/(sales) | - | 67,518 | (45,153) | 630,586 | 198,247 | 1,206,224 | - |
| Transfers in/(out) | - | - | - | - | - | - | - |
| Gains or losses recognised in net result: | | | | | | | |
| Impairments | - | 100,286 | - | - | - | - | - |
| Depreciation | - | (418,209) | - | (264,171) | (343,200) | (1,129,835) | - |
| Gains or losses recognised in other economic flows - other comprehensive income: | | | | | | | |
| Revaluations | 88,320,000 | 5,388,901 | (1,212,590) | - | - | 13,806,721 | 85,461,100 |
| Closing balance | 254,400,000 | 33,273,116 | 9,323,873 | 815,700 | 2,008,971 | 63,831,412 | 242,062,900 |

| 2015 | Specialised land \$ | Buildings \$ | Antiques and artworks \$ | Vehicles \$ | Plant and equipment \$ | Infrastructure \$ | Specialised Cultural \$ |
|--|------------------------|-------------------|-----------------------------|----------------|---------------------------|----------------------|----------------------------|
| Opening balance | 166,080,000 | 28,473,015 | 10,571,070 | 518,586 | 2,176,942 | 50,369,326 | 156,601,800 |
| Purchases/(sales) | - | - | 10,546 | 71,163 | 319,604 | 672,734 | - |
| Transfers in/(out) | - | - | - | - | - | - | - |
| Gains or losses recognised in net result: | | | | | | | |
| Impairments | - | 80,512 | - | - | - | - | - |
| Depreciation | - | (418,907) | - | (140,464) | (342,622) | (1,093,758) | - |
| Gains or losses recognised in other economic flows - other comprehensive income: | | | | | | | |
| Revaluations | - | - | - | - | - | - | - |
| Closing balance | 166,080,000 | 28,134,620 | 10,581,616 | 449,285 | 2,153,924 | 49,948,302 | 156,601,800 |

(e) Description of significant unobservable inputs to Level 3 valuations for 2015 and 2016

| Asset Category | Valuation technique | Significant unobservable inputs |
|--|--------------------------------|--|
| Specialised Land | • Market approach | • Community Service Obligation (CSO) adjustment |
| Buildings (<i>specialised and heritage</i>) | • Depreciated Replacement Cost | • Direct cost per square metre • Useful life of buildings |
| Vehicles | • Depreciated Replacement Cost | • Cost per unit • Useful life of vehicles |
| Plant and Equipment | • Depreciated Replacement Cost | • Cost per unit • Useful life of plant and equipment |
| Infrastructure (<i>specialised and heritage</i>) | • Depreciated Replacement Cost | • Cost per unit • Useful life of infrastructure assets |
| Specialised Cultural Assets | • Replacement Cost | • Cost per unit • Size of collections |

Note 9. Payables

| | 2016 \$ | 2015 \$ |
|--|----------------|----------------|
| Contractual | | |
| Supplies and Services ⁽ⁱ⁾ | 802,358 | 438,085 |
| Other payables ⁽ⁱⁱ⁾ | 68,658 | 54,107 |
| | 871,016 | 492,192 |
| Statutory | | |
| Taxes payable | 58,984 | 48,401 |
| | 58,984 | 48,401 |
| Total Payables ⁽ⁱⁱⁱ⁾ | 930,000 | 540,593 |

Note:

(i) The average credit period is 30 days. No interest is charged on late payments.

(ii) Other payables balances include security deposits and unearned income for which the timing and amount payable varies according to the terms of agreement.

(iii) All payables balances at reporting date are classified as current.

For maturity analysis and nature and extent of risks arising from payables, refer to Note 15.

Note 10. Borrowings

| | 2016 \$ | 2015 \$ |
|----------------------------------|----------------|----------------|
| Current | | |
| Lease liabilities ⁽ⁱ⁾ | 324,810 | 259,659 |
| | 324,810 | 259,659 |
| Non-Current | | |
| Lease liabilities ⁽ⁱ⁾ | 544,279 | 200,495 |
| | 544,279 | 200,495 |
| Total borrowings | 869,089 | 460,154 |

Note:

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

For maturity analysis and nature and extent of risks arising from borrowings, refer to Note 15.

Note 11. Provisions

| | 2016 \$ | 2015 \$ |
|---|------------------|------------------|
| Current provisions | | |
| Employee benefits (Note 11(a))⁽ⁱ⁾ | | |
| Annual Leave | | |
| Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾ | 401,594 | 428,123 |
| Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾ | 644,249 | 618,512 |
| Long service leave | | |
| Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾ | 177,956 | 179,036 |
| Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾ | 2,454,277 | 2,134,216 |
| | 3,678,076 | 3,359,887 |
| On-costs (Note 11(a) and Note 11(b)) | | |
| Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾ | 82,231 | 81,646 |
| Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾ | 531,390 | 464,543 |
| | 613,621 | 546,189 |
| Total current provisions | 4,291,697 | 3,906,076 |

Note 11. Provisions (continued)

| | 2016 \$ | 2015 \$ |
|---|------------------|------------------|
| Non-current provisions | | |
| Employee benefits (Note 11(a)) ⁽ⁱ⁾ | 232,329 | 215,540 |
| On-costs (Note 11(a) and Note 11(b)) | 38,760 | 35,039 |
| Total non-current provisions | 271,089 | 250,579 |
| Total provisions | 4,562,786 | 4,156,655 |

Note:

(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(ii) Amounts are measured at present values.

(a) Employee benefits and related on-costs ⁽ⁱ⁾

| | 2016 \$ | 2015 \$ |
|---|------------------|------------------|
| Current employee benefits: | | |
| Annual leave | 1,045,843 | 1,046,635 |
| Long service leave | 2,632,233 | 2,313,252 |
| | 3,678,076 | 3,359,887 |
| Non-current employee benefits: | | |
| Annual leave | - | - |
| Long service leave | 232,329 | 215,540 |
| | 232,329 | 215,540 |
| Total employee benefits | 3,910,405 | 3,575,427 |
| Current on-costs | 613,621 | 546,189 |
| Non-current on-costs | 38,760 | 35,039 |
| Total on-costs | 652,381 | 581,228 |
| Total employee benefits and related on-costs | 4,562,786 | 4,156,655 |

Note:

(i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are recognised as a separate provision.

(b) Movement in provisions

| | 2016 \$ | 2015 \$ |
|---|----------------|----------------|
| Opening balance | 581,228 | 527,372 |
| Additional provision recognised | 240,019 | 197,545 |
| Reductions arising from payments | (126,657) | (122,941) |
| Reductions resulting from settlement without cost | (7,232) | (4,930) |
| Effect of changes in discount rate | (34,977) | (15,818) |
| Closing balance | 652,381 | 581,228 |

Note 12. Superannuation

Employees of the Board are entitled to receive superannuation benefits and the Board contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The Board does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its obligation is to pay superannuation contributions as they fall due. The responsibility for the unfunded liabilities associated with these defined benefit plans is held by State Government and is accordingly disclosed in the financial statements of the Department of Treasury and Finance.

However, superannuation contributions paid or payable for the reporting period are included as part of the employee benefits in the comprehensive operating statement of the Board.

Note 12. Superannuation (continued)

The name and details of the major employee superannuation funds and contributions made by the Board are as follows:

| Fund Name | Number of employees | | Contribution rate % ⁽ⁱ⁾ | | Contribution amount \$ ⁽ⁱⁱ⁾ | |
|--|---------------------|------|------------------------------------|------------|--|---------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Defined benefit plans | | | | | | |
| State Superannuation Fund | | | | | | |
| Revised Scheme | 1 | 1 | 17.3 | 17.3 | 4,798 | 15,592 |
| New Scheme | 34 | 20 | 7.4 - 10.3 | 7.4 - 10.3 | 121,307 | 111,202 |
| Defined contribution plans | | | | | | |
| VicSuper P/L | 156 | 149 | 9.5 | 9.5 | 661,060 | 626,363 |
| MLC Superannuation Fund | 39 | 34 | 9.5 | 9.5 | 135,521 | 155,009 |
| UniSuper Management P/L | 11 | 9 | 9.5 | 9.5 | 29,583 | 40,978 |
| Australian Super | 11 | 11 | 9.5 | 9.5 | 42,256 | 39,326 |
| Vision Super | 7 | 4 | 9.5 | 9.5 | 26,925 | 23,099 |
| Host Plus Super | 4 | 5 | 9.5 | 9.5 | 17,477 | 18,316 |
| Australian Ethical Retail Super | 9 | 7 | 9.5 | 9.5 | 20,717 | 16,455 |
| Self Managed Super Funds | 12 | 11 | 9.5 | 9.5 | 25,742 | 14,801 |
| REST Super | 5 | 4 | 9.5 | 9.5 | 18,576 | 12,520 |
| Other | 25 | 19 | 9.5 | 9.5 | 72,148 | 62,392 |
| Total paid contributions for the year | | | | | \$ 1,176,110 | \$ 1,136,053 |
| Contributions outstanding at year end | | | | | \$ - | \$ - |

Notes:

(i) The bases for contributions are determined by the various schemes.

(ii) The amounts were measured as at 30 June of each year or, in the case of employer contributions, relate to the years ended 30 June.

Note 13. Leases

(a) Finance leases

Leasing arrangements

Finance leases relate to vehicles with lease terms of between 1 and 10 years. The Board has the option to purchase the vehicles for a nominal amount at the conclusion of the lease agreements.

| | Minimum lease payments ⁽ⁱ⁾ | | Present value of minimum future lease payments | |
|--|---------------------------------------|----------------|--|----------------|
| | 2016 | 2015 | 2016 | 2015 |
| | \$ | \$ | \$ | \$ |
| Not longer than 1 year | 354,085 | 280,663 | 324,811 | 259,659 |
| Longer than 1 year and not longer than 5 years | 541,917 | 210,601 | 507,933 | 200,495 |
| Longer than 5 years | 41,428 | - | 36,345 | - |
| Minimum lease payments | 937,430 | 491,264 | 869,089 | 460,154 |
| Less: future finance charges | (68,341) | (31,110) | - | - |
| Present value of minimum lease payments | 869,089 | 460,154 | 869,089 | 460,154 |
| Included in the financial statements as: | | | | |
| Current borrowings lease liabilities (Note 10) | | | 324,810 | 259,659 |
| Non-current borrowings lease liabilities (Note 10) | | | 544,279 | 200,495 |
| | | | 869,089 | 460,154 |

Note:

Minimum future finance lease payments include the aggregate of all lease payments and any guaranteed residual.

For maturity analysis and nature and extent of risks arising from finance lease liabilities, refer to Note 15.

Note 13. Leases (continued)

(b) Operating leases

Leasing arrangements - Board as Lessee

Operating leases mainly relate to specialised gardening vehicles and office equipment with a lease term of up to 5 years. All operating lease contracts contain market review clauses in the event that the Board exercises its option to renew. The Board does not have an option to purchase the leased asset at the expiry of the lease period. The operating leases relating to gardening vehicles have been reclassified as finance leases during the reporting period ended 30 June 2016.

| | 2016 \$ | 2015 \$ |
|--|---------------|----------------|
| Not longer than 1 year | 10,466 | 98,412 |
| Longer than 1 year and not longer than 5 years | 11,668 | 120,603 |
| | 22,134 | 219,015 |

Leasing arrangements - Board as Lessor

Operating leases mainly relate to the provision of catering and function and event management in the Gardens with lease terms of between 3 and 10 years and options to extend for a further 0 to 10 years. All operating lease contracts contain market review clauses in the event that the Board or lessee exercises its option to renew. The lessees do not have an option to purchase the leased asset at the expiry of the lease period.

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| Not longer than 1 year | 691,482 | 449,268 |
| Longer than 1 year and not longer than 5 years | 1,061,632 | 657,950 |
| | 1,753,114 | 1,107,218 |

Note 14. Commitments for expenditure

The following expenditure commitments have not been recognised as liabilities in the financial statements:

| | 2016 \$ | 2015 \$ |
|---|----------------|----------------|
| (a) Capital expenditure commitments | | |
| Within 1 year | - | 218,378 |
| Later than 1 year but not later than 5 years | 10,407 | 36,080 |
| Total | 10,407 | 254,458 |
| (b) Other commitments - outsourcing ⁽ⁱ⁾ | | |
| Within 1 year | 107,496 | 131,577 |
| Later than 1 year but not later than 5 years | 56,466 | 77,325 |
| Total | 163,962 | 208,902 |

Note:

(i) Commitments under other outsourcing contracts for building maintenance and security.

(ii) All amounts shown in the commitment note are nominal amounts including GST.

(iii) Finance leases and non-cancellable operating lease commitments are disclosed in Note 13.

Note 15. Financial instruments

(a) Financial risk management objectives and policies

The Board's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- borrowings.

Note 15. Financial instruments (continued)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument, are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Board's financial risks within the requirements of the *Royal Botanic Gardens Act 1991* and the Government's policy parameters.

The Board's main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board manages these financial risks in accordance with its financial risk management policy.

The Board uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Finance and Audit Committee of the Board.

The carrying amounts of the Board's contractual financial assets and financial liabilities by category are as follows:

| | Carrying amount | |
|--|------------------|------------------|
| | 2016 | 2015 |
| | \$ | \$ |
| Contractual financial assets | | |
| Loans and receivables | | |
| Cash and deposits | 7,316,464 | 5,861,002 |
| Sales of goods and services | 565,278 | 907,561 |
| Accrued interest income | 17,089 | 8,689 |
| Total ⁽ⁱ⁾ | 7,898,831 | 6,777,252 |
| Contractual financial liabilities | | |
| At amortised cost | | |
| Supplies and services payables | 802,358 | 438,085 |
| Other payables | 68,658 | 54,107 |
| Lease liabilities | 869,089 | 460,154 |
| Total ⁽ⁱ⁾ | 1,740,105 | 952,346 |

Note:

(i) The total amounts disclosed here exclude statutory receivables (ie GST input tax credit recoverable and taxes payable).

The Board's net holding gains on contractual financial assets and liabilities by category are as follows:

| | 2016 | 2015 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Contractual financial assets | | |
| Financial assets - loans and receivables | 191,064 | 241,707 |
| Total | 191,064 | 241,707 |
| Contractual financial liabilities | | |
| Financial liabilities at amortised cost | (22,576) | (25,543) |
| Total | (22,576) | (25,543) |

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents and receivables, the net gain or loss is calculated by taking the movement in the interest income earned during the reporting period; and
- for financial liabilities measured at amortised cost, the net gain or loss is equal to the interest expense incurred during the reporting period.

(b) Credit Risk

Credit risk arises from the contractual financial assets of the Board, which comprise cash and cash equivalents and non-statutory receivables contractual financial assets. The Board's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis.

Note 15. Financial instruments (continued)

Credit risk associated with the Board's contractual financial assets is minimal, especially in relation to its sales of goods and services receivables due to the adoption of stringent credit establishment and collection policies and procedures. In addition, the Board does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Board's policy is to only deal with banks with high credit ratings.

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

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Board's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The ageing analysis of the Board's contractual financial assets is as follows:

| 2016 | Carrying Amount \$ | Not past due and not impaired \$ | Past due but not impaired | | | |
|--|-----------------------|-------------------------------------|---------------------------|--------------------|-------------------------|-------------------|
| | | | Less than 1 month \$ | 1 - 3 months \$ | 3 months - 1 year \$ | 1 - 5 years \$ |
| Sales of goods and services ⁽ⁱ⁾ | 565,278 | 406,980 | 11,825 | 117,981 | 28,492 | - |
| Accrued interest income | 17,089 | 17,089 | - | - | - | - |
| Total | 582,367 | 424,069 | 11,825 | 117,981 | 28,492 | - |

| 2015 | Carrying Amount \$ | Not past due and not impaired \$ | Past due but not impaired | | | |
|--|-----------------------|-------------------------------------|---------------------------|--------------------|-------------------------|-------------------|
| | | | Less than 1 month \$ | 1 - 3 months \$ | 3 months - 1 year \$ | 1 - 5 years \$ |
| Sales of goods and services ⁽ⁱ⁾ | 907,561 | 644,678 | 16,916 | 162,103 | 83,864 | - |
| Accrued interest income | 8,689 | 8,689 | - | - | - | - |
| Total | 916,250 | 653,367 | 16,916 | 162,103 | 83,864 | - |

Note:

(i) The total amounts disclosed here exclude statutory receivables (ie GST input tax credit recoverable and taxes payable).

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently, the Board does not hold any collateral as security nor credit enhancements relating to any of its contractual financial assets.

As at reporting date, there are no events to indicate that a provision for impairment is required on the Board's financial assets. No impairment loss on loans and receivables (2015 - \$0) has been recognised in the Board's comprehensive operating statement (refer to Note 4).

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. The only financial assets held by the Board at reporting date that are past due but not impaired are sales of goods and services receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Board would be unable to meet its financial obligations as and when they fall due. The Board's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from its cash and deposits balance.

The maturity analysis for the Board's contractual financial liabilities is as follows:

| 2016 | Carrying amount ⁽ⁱ⁾ \$ | Nominal amount ⁽ⁱⁱ⁾ \$ | Maturity dates | | | | |
|-----------------------|--------------------------------------|--------------------------------------|-------------------------|--------------------|-------------------------|-------------------|-----------------------|
| | | | Less than 1 month \$ | 1 - 3 months \$ | 3 months - 1 year \$ | 1 - 5 years \$ | More than years \$ |
| Supplies and services | 802,358 | 802,358 | 778,331 | 15,001 | 9,026 | - | - |
| Other payables | 68,658 | 68,658 | 68,658 | - | - | - | - |
| Lease liabilities | 869,089 | 937,431 | 124,799 | 48,637 | 180,650 | 541,917 | 41,428 |
| Total | 1,740,105 | 1,808,447 | 971,788 | 63,638 | 189,676 | 541,917 | 41,428 |

Note 15. Financial instruments (continued)

| 2015 | Carrying amount ⁽ⁱ⁾ \$ | Nominal amount ⁽ⁱⁱ⁾ \$ | Maturity dates | | | | |
|-----------------------|--------------------------------------|--------------------------------------|-------------------------|-------------------|-------------------------|-------------------|-----------------------|
| | | | Less than 1 month \$ | 1- 3 months \$ | 3 months - 1 year \$ | 1 - 5 years \$ | More than years \$ |
| | | | | | | | |
| Supplies and services | 438,085 | 438,085 | 425,571 | 9,900 | 2,614 | - | - |
| Other payables | 54,107 | 54,107 | 54,107 | - | - | - | - |
| Lease liabilities | 460,154 | 491,264 | 28,462 | 26,749 | 225,452 | 210,601 | - |
| To | 952,346 | 983,456 | 508,140 | 36,649 | 228,066 | 210,601 | - |

Note:

(i) The carrying amounts disclosed exclude statutory amounts (eg GST payable).

(ii) Maturity analysis is presented using the contractual undiscounted cash flows (ie nominal amount).

(d) Market risk

The Board's exposures to market risk are primarily through foreign currency and interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of a financial instrument will change due to a movement in foreign currency exchange rates. The Board enters into a relatively small number of transactions denominated in foreign currencies reducing its exposure to foreign currency risk through continuous monitoring of movements in exchange rates, and ensuring availability of funds through rigorous cash flow planning and monitoring.

The Board has minimal exposure to foreign currency risk through its foreign currency bank deposits and payables balances which are denominated in foreign currencies.

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 Board does not hold any interest bearing financial instruments that are measured at fair value and therefore has nil 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 Board has minimal exposure to cash flow interest rate risk through its cash and deposits and lease liabilities that are at a floating rate.

The Board manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at a floating rate. Management has concluded that cash at bank financial assets can be left at floating rate without necessarily exposing the Board to significant bad risk. Movements in interest rates are monitored on a daily basis by Management.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are as follows:

| 2016 | Weighted average effective interest rate % | Carrying amount ⁽ⁱ⁾ \$ | Interest rate exposure | | |
|--------------------------------|---|--------------------------------------|---------------------------|------------------------------|----------------------------|
| | | | Fixed interest rate \$ | Variable interest rate \$ | Non-interest bearing \$ |
| | | | | | |
| Financial assets | | | | | |
| Cash and deposits | 2.09 | 7,316,464 | 3,995,000 | 3,274,967 | 46,497 |
| Sales of goods and services | - | 565,278 | - | - | 565,278 |
| Accrued interest income | - | 17,089 | - | - | 17,089 |
| | | 7,898,831 | 3,995,000 | 3,274,967 | 628,864 |
| Financial liabilities | | | | | |
| Supplies and services payables | - | 802,358 | - | - | 802,358 |
| Other payables | - | 68,658 | - | - | 68,658 |
| Lease liabilities | 5.08 | 869,089 | 869,089 | - | - |
| | | 1,740,105 | 869,089 | - | 871,016 |

Note 15. Financial instruments (continued)

| 2015 | Weighted average effective interest rate | Carrying amount ⁽ⁱ⁾ | Interest rate exposure | | |
|--------------------------------|--|--------------------------------|------------------------|------------------------|----------------------|
| | | | Fixed interest rate | Variable interest rate | Non-interest bearing |
| | % | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and deposits | 2.32 | 5,861,002 | 4,495,000 | 1,217,800 | 148,202 |
| Sales of goods and services | - | 907,561 | - | - | 907,561 |
| Accrued interest income | - | 8,689 | - | - | 8,689 |
| | | 6,777,252 | 4,495,000 | 1,217,800 | 1,064,452 |
| Financial liabilities | | | | | |
| Supplies and services payables | - | 438,085 | - | - | 438,085 |
| Other payables | - | 54,107 | - | - | 54,107 |
| Lease liabilities | 5.96 | 460,154 | 460,154 | - | - |
| | | 952,346 | 460,154 | - | 492,192 |

Note:

The carrying amounts disclosed here exclude statutory amounts (eg GST input tax credit recoverable and GST payable).

Sensitivity disclosure analysis and assumptions

The Board's sensitivity to market risk is determined based on past performance, future expectations and economic forecasts and, accordingly, the Board believes that the following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down in interest rates; and
- a movement of 5 per cent down and 1 per cent up in exchange rates.

The impact on net result for each category of financial instrument held by the Board at year end if the above movements were to occur is as follows:

| | Carrying amount | | Interest rate | | | |
|--|------------------|------------------|-------------------------------|---------------|------------------------------|-----------------|
| | | | Net result + 100 basis points | | Net result -100 basis points | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Contractual financial assets | | | | | | |
| Cash and deposits ⁽ⁱ⁾ | 7,316,464 | 5,861,002 | 72,700 | 57,128 | (72,700) | (57,128) |
| | 7,316,464 | 5,861,002 | 72,700 | 57,128 | (72,700) | (57,128) |
| Contractual financial liabilities | | | | | | |
| Borrowings ⁽ⁱⁱ⁾ | 869,089 | 460,154 | 8,691 | 4,602 | (8,691) | (4,602) |
| | 869,089 | 460,154 | 8,691 | 4,602 | (8,691) | (4,602) |

Note:

(i) Cash and deposits includes deposits of \$7,269,967 (2015 - \$5,712,800) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2016 - $\$7,269,967 \times 0.01 = \$72,700$ and $\$7,269,967 \times -0.01 = -\$72,700$ and
- 2015 - $\$5,712,800 \times 0.01 = \$57,128$ and $\$5,712,800 \times -0.01 = -\$57,128$.

(ii) Borrowings include lease liabilities to the value of \$869,089 (2015 - \$460,154) that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:

- 2016 - $\$869,089 \times 0.01 = \$8,691$; and $\$869,089 \times -0.01 = -\$8,691$ and
- 2015 - $\$460,154 \times 0.01 = \$4,602$; and $\$460,154 \times -0.01 = -\$4,602$.

| | Carrying amount | | Foreign exchange | | | |
|--|------------------|------------------|------------------|------------|-----------------|--------------|
| | | | Net result +5% | | Net result -10% | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Contractual financial assets | | | | | | |
| Cash and deposits ⁽ⁱ⁾ | 7,316,464 | 5,861,002 | 1,918 | 426 | (3,835) | (853) |
| | 7,316,464 | 5,861,002 | 1,918 | 426 | (3,835) | (853) |
| Contractual financial liabilities | | | | | | |
| Payables ⁽ⁱⁱ⁾ | 802,358 | 438,085 | - | - | - | - |
| | 802,358 | 438,085 | - | - | - | - |

Note:

(i) Cash and deposits includes a deposit of \$38,353 (2015 - \$8,529) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:

- 2016 - $\$38,353 \times 0.05 = \$1,918$; and $\$38,353 \times -0.10 = -\$3,835$; and
- 2015 - $\$8,529 \times 0.05 = \426 ; and $\$8,529 \times -0.10 = -\853 .

(ii) Payables includes a balance of \$0 (2015 - \$0) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:

- 2016 - \$0.
- 2015 - \$0.

Note 15. Financial instruments (continued)

(e) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- Level 1 - the fair value of the financial instrument with standard terms and conditions and traded in active liquid markets is determined with reference to quoted market prices; and
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly.

The Board currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short term nature or with the expectation that they will be paid in full by the end of the 2015-16 reporting period. These financial instruments include:

| Financial assets | Financial liabilities |
|---|-----------------------------|
| Cash and deposits | Payables: |
| Receivables: | • For supplies and services |
| • Sale of goods and services | • Other payables |
| • Accrued investment income | |
| Investments and other contractual financial assets: | |
| • Term deposits | |

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

| | Carrying amount | Fair value | Carrying amount | Fair value |
|------------------------------|-----------------|----------------|-----------------|----------------|
| | 2016 | 2016 | 2015 | 2015 |
| | \$ | \$ | \$ | \$ |
| Financial liabilities | | | | |
| Lease liabilities | 869,089 | 869,089 | 460,154 | 460,154 |
| | 869,089 | 869,089 | 460,154 | 460,154 |

Note 16. Cash flow information

(a) Reconciliation of cash and deposits

| | 2016 | 2015 |
|--------------------------|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on hand | 3,321,464 | 1,366,002 |
| Term deposits | 3,995,000 | 4,495,000 |
| | 7,316,464 | 5,861,002 |

(b) Reconciliation of the net result for the period to net cash flows from operating activities

| | 2016 | 2015 |
|---|------------------|------------------|
| | \$ | \$ |
| Net result for the period | (1,689,551) | (461,105) |
| Non-cash movements | | |
| (Gain)/loss on sale or disposal of non-current assets | 19,666 | (12,872) |
| Net (gain)/loss on financial instruments | 9,729 | (1,094) |
| Impairment of non-financial assets | (100,286) | (80,512) |
| Depreciation of non-financial assets | 2,155,415 | 1,995,751 |
| Movements in assets and liabilities | | |
| (Increase)/decrease in receivables | 308,150 | 99,567 |
| (Increase)/decrease in inventories | (3,135) | 49,820 |
| (Increase)/decrease in other non-financial assets | (5,097) | (139) |
| Increase/(decrease) in payables | 389,407 | 77,036 |
| Increase/(decrease) in provisions | 406,131 | 468,188 |
| Net cash from/(used in) operating activities | 1,490,429 | 2,134,640 |

Note 17. Reserves

| | 2016 \$ | 2015 \$ |
|--|--------------------|--------------------|
| Physical asset revaluation surplus ⁽ⁱ⁾ | | |
| Balance at beginning of financial year | 307,062,183 | 307,062,183 |
| Revaluation increments/(decrements) | 191,764,132 | - |
| Impairment losses | - | - |
| Balance at end of financial year | 498,826,315 | 307,062,183 |
| Net change in reserves | 498,826,315 | 307,062,183 |

Note:

(i) The physical assets revaluation surplus arises on the revaluation of land by \$212.7 million (2015 - \$124.3 million), buildings by \$16.1 million (2015 - \$10.7 million), infrastructure assets by \$18.9 million (2015 - \$5.1 million) and cultural assets by \$251.2 million (2015 - \$167.0 million).

Note 18. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period:

Names

The persons who held the positions of Minister, Governing Board and Accountable Officer of the Royal Botanic Gardens Victoria are as follows:

Ministers

| | | |
|---|------------------------|-----------------------------|
| Minister for Environment and Climate Change | Hon Lisa Neville MP | 1 July 2015 to 22 May 2016 |
| Minister for Energy, Environment and Climate Change | Hon Lily D'Ambrosio MP | 23 May 2016 to 30 June 2016 |

Governing Board

| | | |
|--|-----------------------|------------------------------|
| Chairman | Mr Ken Harrison | 1 July 2015 to 30 June 2016 |
| Deputy Chairman (from 9 April 2016) and Member | Mrs Penny Fowler | 1 July 2015 to 30 June 2016 |
| Deputy Chairman | Mr Graham Cunningham | 1 July 2015 to 31 July 2015 |
| Member | Prof Antony Bacic | 1 July 2015 to 30 June 2016 |
| Member | Ms Jennifer Wolcott | 1 July 2015 to 30 June 2016 |
| Member | Mr Martyn Myer AO | 1 July 2015 to 8 April 2016 |
| Member | Ms Sarah Wrigley | 1 July 2015 to 8 April 2016 |
| Member | Prof Rob Adams AM | 9 April 2016 to 30 June 2016 |
| Member | Ms Jillian Riseley | 9 April 2016 to 30 June 2016 |
| Member | Ms Susanne Williamson | 9 April 2016 to 30 June 2016 |

Accountable Officer

| | | |
|------------------------------|-------------------|-----------------------------|
| Director and Chief Executive | Prof Tim Entwisle | 1 July 2015 to 30 June 2016 |
|------------------------------|-------------------|-----------------------------|

Remuneration

The number of responsible persons, other than the Minister, and their total remuneration in connection with the management of the Royal Botanic Gardens Victoria during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of responsible persons is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

| Income Band | Total Remuneration | | Base Remuneration | |
|----------------------|--------------------|------------------|-------------------|------------------|
| | 2016 No. | 2015 No. | 2016 No. | 2015 No. |
| \$0 - 9,999 | 10 | 7 | 10 | 7 |
| \$260,000 - 269,999 | - | - | - | 1 |
| \$270,000 - 279,999 | - | - | 1 | - |
| \$280,000 - 289,999 | - | 1 | - | - |
| \$290,000 - 299,999 | 1 | - | - | - |
| Total numbers | 11 | 8 | 11 | 8 |
| Total amount | \$327,657 | \$326,056 | \$311,206 | \$310,036 |

Amounts relating to the Minister are reported in the financial statements of the Department of Premier and Cabinet.

Other Transactions

Other related transactions and loans requiring disclosure under the Ministerial Directions issued by the Minister for Finance have been considered and there are no matters to report.

Note 19. Remuneration of executives

The number of executive officers, other than the Minister and the Accountable Officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were renegotiated and a number of executives received bonus payments during the year. These bonus payments are based on the terms of individual employment contracts which provide for an annual bonus payment.

| Income Band | Total Remuneration | | Base Remuneration | |
|---|--------------------|--------------------|-------------------|------------------|
| | 2016 No. | 2015 No. | 2016 No. | 2015 No. |
| \$160,000 - 169,999 | - | - | 1 | - |
| \$170,000 - 179,999 | 1 | - | 3 | 1 |
| \$180,000 - 189,999 | 3 | 1 | 1 | 1 |
| \$190,000 - 199,999 | - | 1 | - | 3 |
| \$200,000 - 209,999 | 1 | 3 | - | - |
| Total number of executives | 5 | 5 | 5 | 5 |
| Total annualised employee equivalents (AEE) ⁽ⁱ⁾ | 5.0 | 5.0 | 5.0 | 5.0 |
| Total amount | \$940,420 | \$1,013,157 | \$873,660 | \$946,823 |

Note

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks of the reporting period.

There were no contractors charged with significant management responsibilities in relation to planning, directing or controlling, directly or indirectly, the Board's activities during the reporting period ended 30 June 2016.

Note 20. Remuneration of auditors

| | 2016 \$ | 2015 \$ |
|---|---------------|---------------|
| Victorian Auditor-General's Office | | |
| Audit of the financial statements | 19,900 | 19,400 |
| | 19,900 | 19,400 |

Note 21. Glossary of terms and style conventions

Glossary

Borrowings

Borrowings refers to interest-bearing liabilities mainly from public borrowings raised through finance leases.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected useful life of the financial instrument or, where applicable, a shorter period to the net carrying amount of the financial asset or financial liability.

Employee benefits expense

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Note 21. Glossary of terms and style conventions (*continued*)

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is a contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (ie comprehensive operating statement, balance sheet, cash flow statement, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Infrastructure systems

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewage systems and water storage and supply systems.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, the interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, plant, equipment and vehicles, and cultural and heritage assets.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

Includes short-term and long-term trade debt and accounts payable, grants, taxes and interest payable.

Note 21. Glossary of terms and style conventions (continued)

Receivables

Includes short-term and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Board.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (eg assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the

Style conventions

Figures in the tables and in the text have been rounded. Any discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

| | |
|---------|--------------------------|
| - | zero, or rounded to zero |
| (xxx) | negative numbers |
| 201x | year |
| 201x-1x | year period |

The financial statements and notes are presented based on the illustration in the *2015-16 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board's annual reports.

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Royal Botanic Gardens Board Victoria

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Royal Botanic Gardens Board Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's, chief finance officer's and board's declaration.

The Board Members' Responsibility for the Financial Report

The Board Members of the Royal Botanic Gardens Board Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

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 and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Royal Botanic Gardens Board Victoria as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
22 August 2016


for Dr Peter Frost
Acting Auditor-General

Appendix One: Disclosure Index

| Legislation | Requirement | Page reference |
|---|---|-----------------|
| Ministerial Directions | | |
| Charter and purpose | | |
| FRD 22G | Manner of establishment and the relevant Ministers | Page 3, 6 |
| FRD 22G | Purpose, functions, powers and duties | Page 3 |
| FRD 22G | Key initiatives and projects | Pages 20-45 |
| FRD 22G | Nature and range of services provided | Page 4-5 |
| Management and structure | | |
| FRD 22G | Organisational structure | Page 9 |
| Financial and other information | | |
| FRD 8D | Performance against output performance measures | Pages 15 |
| FRD 10A | Disclosure index | Page 95 |
| FRD 12A | Disclosure of major contracts | NA |
| FRD 15C | Executive officer disclosures | Page 90 |
| FRD 22G | Employment and conduct principles | Page 12-13 |
| FRD 22G | Occupational health and safety policy | Page 12 |
| FRD 22G | Summary of the financial results for the year | Page 15 |
| FRD 22G | Significant changes in financial position during the year | Page 15 |
| FRD 22G | Major changes or factors affecting performance | Page 15 |
| FRD 22G | Subsequent events | Page 15 |
| FRD 22G | Application and operation of <i>Freedom of Information Act 1982</i> | Page 98 |
| FRD 22G | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | Page 98 |
| FRD 22G | Statement on National Competition Policy | Page 96 |
| FRD 22G | Application and operation of the <i>Protected Disclosure 2012</i> | Page 99 |
| FRD 22G | Details of consultancies over \$10 000 | Page 17 |
| FRD 22G | Details of consultancies under \$10 000 | Page 17 |
| FRD 22G | Disclosure of government advertising expenditure | Page 96 |
| FRD 22G | Disclosure of ICT expenditure | Page 96 |
| FRD 22D | Statement of availability of other information | Page 96 |
| FRD 24C | Reporting of office based environmental impacts | Page 43 |
| FRD 25B | Victorian Industry Participation Policy disclosures | Page 96 |
| FRD 29A | Workforce Data disclosures | Page 11-13 |
| FRD 30C | Standard requirements for the design and printing of annual reports | Entire document |
| SD 4.5.5 | Attestation for compliance with Ministerial Standing Direction 4.5.5 | Page 18 |
| SD 4.2(g) | Specific information requirements | Entire document |
| SD 4.2(j) | Sign off requirements | Page 58 |
| Financial statements required under Part 7 of the FMA | | |
| SD4.2(a) | Statement of changes in equity | Page 61 |
| SD4.2(b) | Operating statement | Page 59 |
| SD4.2(b) | Balance sheet | Page 60 |
| SD4.2(b) | Cash flow statement | Page 62 |
| Other requirements under Standing Directions 4.2 | | |
| SD4.2(c) | Compliance with Australian accounting standards and other authoritative pronouncements | Page 63 |
| SD4.2(c) | Compliance with Ministerial Directions | Page 63 |
| SD4.2(d) | Rounding of amounts | Page 64 |
| SD4.2(c) | Accountable officer's, chief finance officer's and Board's declaration | Page 58 |
| SD4.2(f) | Compliance with Model Financial Report | Page 57-94 |
| Other disclosures as required by FRDs in notes to the financial statements | | |
| FRD 102 | Inventories | Page 68, 76 |
| FRD 103F | Non Financial Physical Assets | Page 68, 69 |
| FRD 104 | Foreign Currency | Page 72 |
| FRD 106 | Impairment of Assets | Page 66-68 |
| FRD 110 | Cash Flow Statement | Page 62 |
| FRD 112D | Defined Benefit Superannuation Obligations | Page 65, 81 |
| FRD 114A | Financial Instruments - General Government Entities and Public Non Financial Corporations | Page 67, 83-88 |
| Legislation | | |
| <i>Freedom of Information Act 1982</i> | | |
| <i>Building Act 1993</i> | | |
| <i>Victorian Industry Participation Policy Act 2003</i> | | |
| <i>Protected Disclosure Act 2012</i> | | |
| <i>Financial Management Act 1994</i> | | |

Appendix Two: Other disclosures

STATEMENTS OF COMPLIANCE WITH GOVERNMENT POLICY

National competition policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The Royal Botanic Gardens Board Victoria continues to implement and apply this principle in its business undertakings.

Victorian Industry Participation Policy statement

The Victorian Government's Industry Participation Policy seeks to maximise opportunities for Australian and Victorian suppliers to compete for government business on the basis of best value for money over the life of the goods or services. The Policy is intended to encourage growth in Victorian industry, employment and technology.

As both Melbourne Gardens and Cranbourne Gardens are located within metropolitan Melbourne, the Royal Botanic Gardens Board Victoria requires tenderers for projects with a value greater than \$3 million to demonstrate that they have genuinely considered the industry development implications of their tender by completing a Victorian Government Industry Participation Policy statement as part of the tendering and evaluation process. Where there are two or more tenders that offer similar value for money, this information may be used to differentiate between the value and benefit of the tenders.

Tenderers are required to specify the level of local value added, provide details of actual new employment opportunities to be created and the proportion to be filled by people from the local community, identify opportunities for increasing the skills of Victorians and Australians, and identify the potential to undertake technology innovation, research and development.

During 2015-16, no tenders for projects at the Royal Botanic Gardens Victoria were of sufficient value to require the inclusion of a Victorian Government Industry Participation Policy statement in the tender documentation.

Advertising expenditure

The Royal Botanic Gardens Board Victoria's expenditure in the 2015-16 reporting period on advertising campaign expenditure did not exceed \$100,000.

Information and Communications Technology (ICT) expenditure

For the 2015-16 reporting period, the Royal Botanic Gardens Victoria had a total ICT expenditure of \$1,176,000 with the details shown below.

(\$ thousand)

| | |
|---|-----|
| Business-As-Usual (BAU) ICT expenditure (Total) | 887 |
| Non-Business-As-Usual (Non-BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure) | 289 |
| Non-BAU ICT expenditure Operational expenditure (OPEX) | 217 |
| Non-BAU ICT expenditure Capital expenditure (CAPEX) | 72 |

'ICT expenditure' refers to the Royal Botanic Gardens Victoria's costs in providing business-enabling ICT services. 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 Royal Botanic Gardens Victoria'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.

Statement of availability of other information

During 2015-16:

- declarations of pecuniary interests were duly completed by all relevant officers
- no shares were held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary
- ARCUE was reviewed by a panel of external experts, providing a report to the Director and Chief Executive in December 2015.
- In addition, subject to the *Freedom of Information Act 1982*, the following information is available on request from the Director and Chief Executive, Royal Botanic Gardens Victoria:
 - details of publications produced by the Royal Botanic Gardens Victoria about itself, and how these can be obtained
 - details of changes in prices, fees, charges, rates and levies charged by the Royal Botanic Gardens Victoria
 - details of major research and development activities undertaken by the Royal Botanic Gardens Victoria
 - details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
 - details of major promotional, public relations and marketing activities undertaken by the Royal Botanic Gardens Victoria to develop community awareness of the Royal Botanic Gardens Victoria and its services
 - details of assessments and measures undertaken to improve the occupational health and safety of employees
 - a general statement on industrial relations within the Royal Botanic Gardens Victoria, and details of time lost through industrial accidents and disputes
 - a list of the Royal Botanic Gardens Victoria's major committees, the purposes of each committee, and the extent to which the purposes have been achieved
 - details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Royal Botanic Gardens Victoria intends that data tables that it may produce in the future will be available at: www.data.vic.gov.au in machine readable format.

GIFTS, BENEFITS AND HOSPITALITY
COMPLIANCE ATTESTATION

I, Professor Tim Entwisle, Director and Chief Executive

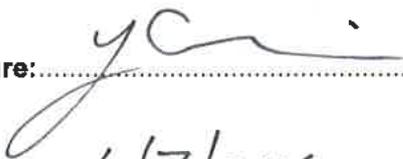
of

Royal Botanic Gardens Victoria

Certify that:

- my public entity has policies and procedures in place that are consistent with the minimum requirements and accountabilities outlined in the *Gifts, Benefits and Hospitality Policy Framework* issued by the Public Sector Standards Commissioner;
- staff are informed about these gifts, benefits and hospitality policies and procedures; and
- the Finance and Audit Committee of the Royal Botanic Gardens Board Victoria reviews the operation of the policies and procedures at least once a year to ensure transparent reporting of accepted gifts, benefits and hospitality.

Signature:



Date:

4/7/2016

LEGISLATION

No amendments were made to the *Royal Botanic Gardens Act 1991* in 2015-16.

LEGISLATIVE COMPLIANCE

Financial Management Act 1994

Full details of the Royal Botanic Gardens Board Victoria's compliance with the *Financial Management Act 1994* are outlined in the section 'Financial Management' and in the Disclosure Index on page 95.

Freedom of Information Act 1982

Principal Officer

Professor Timothy Entwisle, Director and Chief Executive, Royal Botanic Gardens Victoria

Authorised Officer

Dennis Renfrey, Freedom of Information Officer

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Royal Botanic Gardens Victoria.

Categories of documents

The Royal Botanic Gardens Board Victoria maintains a corporate records management filing system. Files are separated into the categories of personal or case files, operational and policy files, files on general operational and administrative responsibilities, and correspondence files.

Access arrangements

The Royal Botanic Gardens Board Victoria has a Freedom of Information Officer to process and co-ordinate action on requests.

Requests

For the 12 months ending 30 June 2016, one request was received and has not been finalised.

Freedom of Information (FOI) requests are made in writing describing all documents requested and including payment of the \$27.90 application fee. FOI fees and charges are not subject to GST.

Requests should be sent to the Freedom of Information Officer, Royal Botanic Gardens Victoria, Private Bag 2000, South Yarra, Victoria, 3141.

Building and maintenance provisions of the *Building Act 1993*

Pursuant to section 220 of the *Building Act 1993*, all works requiring building approval have plans certified, works in progress are inspected and Occupancy Permits are issued by independent Building Surveyors engaged on a local job-by-job basis. Plans for these works are lodged with the relevant local council.

The Royal Botanic Gardens Board Victoria requires all building practitioners engaged on building works to be registered and to maintain registration throughout the course of the work.

Conformity

All essential safety measures are in place, with regular inspections and maintenance.

Building work

At Cranbourne Gardens, a water-based heating, ventilation and air conditioning (HVAC) system was installed to service the Boon Wurrung Café, Tarnuk Room and Auditorium. A series of heat exchangers, much like those in a conventional domestic refrigerator, take advantage of the differential temperatures between the Australian Garden lake system and the air within the Visitor Centre, to provide a low energy and efficient means of cooling and heating various areas of the Visitor Centre. Works were undertaken by a licensed plumber with all relevant compliance certificates being obtained.

At Melbourne Gardens, the complete re-construction of the William Tell Rest House and partial reconstruction of the Lake View Rest House, damaged by fire in May 2014, continued following commencement of works during May 2015 after receipt of the relevant building permits and approvals, and Heritage Victoria permits. The building work for the William Tell Rest House and the Lake View Rest House was completed and both re-opened to the public in late 2015. All work was completed by commercial builders registered with the Building Practitioners Board. The design and construction work was overseen by a registered Architect, engineers and a Building Surveyor.

The fire services in the Melbourne Gardens works area were upgraded. The work was undertaken by a licenced plumber and all relevant compliance certificates were received.

Maintenance

At Cranbourne Gardens refurbishment and minor maintenance works were undertaken on the Visitor Centre entry deck. These works included removal of the old decking materials and replacement with recycled ironbark timber sourced from power poles. Works also included removal and replacement of the stair treads and tactile indicators. All building work was undertaken by a commercial builder and overseen by a consulting engineer.

A new LED lighting system was installed in the Auditorium and refurbishment and other minor maintenance works were undertaken on the Visitor Centre. Further improvement works on the main water supply pump house at the Depot were also undertaken, with copper pipes replacing the existing galvanised pipes, which were beginning to fail. All works were carried out by licensed electricians and plumbers and all relevant compliance certificates were obtained.

Not all buildings at Melbourne Gardens conformed with building standards during 2015-16. Many of the buildings are aging and require considerable repairs and maintenance. Work is being undertaken each year, within budget constraints, to gradually bring them to conformity.

One of the historic buildings within Melbourne Gardens' Nursery and Works Yard has been brought to conformity during 2015-16 with completion of essential ground and drainage works, re-stumping, repairs and maintenance.

There have been no cases of registered building practitioners becoming deregistered following work on buildings owned by the Royal Botanic Gardens Board Victoria.

Annual maintenance and improvement works, including painting, repairs and replacement of some HVAC systems, and repairs to fixtures and fittings were undertaken on various buildings and built assets. All essential safety measure inspections were undertaken by a registered Building Surveyor and compliance issues addressed as required.

The computer-based 'Maintenance Management System' is now being utilised by the whole organisation. The system continues to be an excellent tool in providing support for the management of buildings and infrastructure, and related plant items, including the forecasting of programmed maintenance tasks.

Compliance with the *Protected Disclosure Act 2012*

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. The Royal Botanic Gardens Board Victoria is a 'public body' for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources; or
- risk to public health or safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

You can make a protected disclosure about the Royal Botanic Gardens Board Victoria or its board members, officers or employees by contacting the Independent Broad-Based Anti-Corruption Commission on the contact details provided below.

Please note that the Royal Botanic Gardens Board Victoria is not able to receive protected disclosures.

How can I access the Royal Botanic Gardens Board Victoria's procedures for the protection of persons from detrimental action?

The Royal Botanic Gardens Board Victoria has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the Royal Botanic Gardens Board Victoria or its employees. You can access the Royal Botanic Gardens Board Victoria's procedures on its website at: www.rbg.vic.gov.au/Protected_Disclosure_Procedure.

Contacts

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.





Royal Botanic Gardens Victoria

Birdwood Avenue
Melbourne Victoria 3004

Private Bag 2000
South Yarra Victoria 3141
Australia

T +61 3 9252 2300
F +61 3 9252 2442
E rbg@rbg.vic.gov.au
rbg.vic.gov.au

ISSN 1320-842X

© Royal Botanic Gardens Victoria 2016. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

Stock: Revive Laser Digital is an FSC® recycled certified paper, which ensures that all pulp is derived from well-managed forests and controlled sources. Revive Laser Digital is 100% recycled and processed chlorine free. Revive Laser Digital SPX 80-110gsm is manufactured in Australia by an ISO 14001 certified mill. It is also certified carbon neutral under the National Carbon Offset Standard (NCOS), an Australian Government initiative.