



Royal Botanic Gardens
Board Victoria

Annual Report 2012–13

The front cover image is a detail of a specimen from the Foreign component of the MEL Herbarium collections.

The specimen is *Clematis smilacifolia* (Family Ranunculaceae), collected by R.C. McGregor on the island of Polillo in the Philippines, sometime in October–November 1909. It is one of an estimated 400,000 Foreign-collected specimens held at the National Herbarium of Victoria (MEL), the majority of which are still to be curated. The Royal Botanic Gardens is currently seeking funds to complete the curation of this collection.

Many of the Foreign-collected specimens held at the Herbarium are historically and scientifically significant and date back to the early collecting expeditions of the 19th century. This specimen is from the early 20th century.



The ruler shown is used by taxonomists for measuring parts of the plant to scale.

The colour chart is used for analysing colour reproduction of the scans.

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Introduction

CHAIRMAN'S FOREWORD

The Royal Botanic Gardens marked a number of milestones in 2012–13, in a year that saw the completion of major landscape projects, horticultural achievements, scientific endeavour, record visitor numbers and a change of leadership.

Professor Tim Entwisle commenced as Director and Chief Executive in March, after a highly competitive international recruitment process. He has extensive experience in the management of some of the world's most influential botanic gardens, impressive scientific credentials, and is an enthusiastic advocate for plants and the environment. His appointment follows the retirement of Dr Philip Moors after 20 years' service, and the Board is confident that we have found in Professor Entwisle a worthy successor. Dr Moors oversaw some major innovations during his tenure such as Observatory Gate, the Children's Garden, and Working Wetlands at RBG Melbourne, the Australian Garden at RBG Cranbourne, and the establishment of the Australian Research Centre for Urban Ecology. Looking ahead, the Royal Botanic Gardens has embarked on a 12 month period of consolidation, focussing on the fundamentals while the organisation prepares a 20-year vision that will guide future planning and build on this legacy.

Completion of the Australian Garden in October was marked by an official launch by the Hon. Ryan Smith, Minister for Environment and Climate Change and signified the culmination of 20 years of planning, design and construction. This visionary project has been a massive undertaking and has attracted the support of successive state Governments, individuals and philanthropic trusts, including The Ian Potter Foundation (for Stage Two). It was gratifying to see in the weeks and months immediately following the opening of Stage Two, a marked increase in visitors to RBG Cranbourne and the Australian Garden. Indeed, annual visitation figures across both sites peaked for the first time at just over 2 million.

The blooming of the *Amorphophallus titanum* (Titan Arum) in late December attracted a record number of visitors to the Glasshouse at RBG Melbourne, with more than 20,000 members of the public queuing to see this remarkable tropical specimen, the largest unbranched inflorescence or 'flower' in the world. The first time the Titan Arum is known to have flowered in Victoria, this rare horticultural event was followed up ten days later with the blooming of a second specimen. Both specimens were cultivated from tubers grown from cuttings of original plants donated from the Royal Botanic Gardens and Domain Trust in Sydney and emphasised the importance of co-operation between botanic gardens in cultivating and preserving rare plant species.

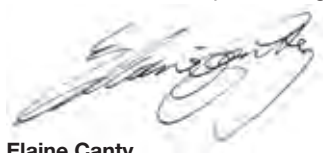
Increased visitors to both sites underscored the importance of maintaining the Gardens infrastructure to support the landscapes, living collections and visitor facilities. While the completion of the Australian Garden included development of new visitor facilities such as a kiosk and a community events space – the Ian Potter Lakeside Precinct – less obvious, but no less important, was completion of the Working Wetlands project at RBG Melbourne, which was officially launched by Minister Smith in August. Designed to reduce RBG Melbourne's reliance on mains water for irrigation by 40 per cent, support for this innovative stormwater harvesting project was provided by the Australian and Victorian Governments, the Myer Foundation and the Sidney Myer Fund's 2009 Commemorative Grants Program, as well as individual donors and the Melbourne Friends.

The completion and official launch of major projects serve as a reminder of the importance of our supporters and this support was extended to funding the future work of our plant scientists, with the Royal Botanic Gardens reaching its funding target of \$1 million as its contribution to the Pauline Ladiges Joint Plant Systematics Fellowship with the School of Botany at The University of Melbourne.

In December the Royal Botanic Gardens' community paused to reflect on the important contribution made by the Late Dame Elisabeth Murdoch AC DBE to the Gardens over many decades. Dame Elisabeth had served as the first Patron of the Royal Botanic Gardens since 1996, but had been a staunch advocate for the Gardens since the 1960s and played an important role in securing support for the establishment of RBG Cranbourne.

On behalf of the Board, I would like to thank all of our supporters – government, philanthropic, voluntary, management and staff – who have contributed to the success of the Royal Botanic Gardens in 2012–13.

In accordance with the *Financial Management Act 1994*, I am pleased to present the Annual Report of the Royal Botanic Gardens Board Victoria for the year ending 30 June 2013.



Elaine Canty

Chairman

Royal Botanic Gardens Board Victoria

20 August 2013

ABOUT US

Our Vision

To connect people with our natural world
by advancing knowledge and understanding
of the value of plants.

Our Mission

To advance knowledge, enjoyment and
conservation of plants through excellence in
biodiversity research and management,
horticultural displays and public programs.

Our Values

In all our dealings with Government,
our sponsors, staff, supporters and volunteers,
visitors and clients, we commit to Integrity,
Respect, Innovation, Team Work, Accountability,
Excellence and Leadership.

Our Charter

Under the *Royal Botanic Gardens Act 1991*,
the objectives of the 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 Environment and Climate Change. The Royal Botanic Gardens Board Victoria is responsible for the Royal Botanic Gardens Melbourne, the Royal Botanic Gardens Cranbourne, the National Herbarium of Victoria, the State Botanical Collection and the Australian Research Centre for Urban Ecology. Throughout this document the organisation will be referred to as follows:

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

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

RBG Melbourne – refers to the site at Melbourne

RBG Cranbourne – refers to the site at Cranbourne

Herbarium – refers to the National Herbarium of Victoria and the State Botanical Collection at RBG Melbourne

ARCUE – refers to the Australian Research Centre for Urban Ecology, whose office is located at The University of Melbourne

Australian Garden – refers to the Australian Garden at RBG Cranbourne.

Our Organisation



View of Ian Potter Lake and the Lily Pad Bridge at the completed Australian Garden at RBG Cranbourne, which opened to the public in October 2012.

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

RBG MELBOURNE

RBG Melbourne has been a treasured part of Melbourne's cultural life for over 165 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.

RBG Melbourne extends over 38 hectares and houses a collection of over 10,000 species of plants from around the world, including amazing and 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.

Water management in the face of climate change presents a challenge to managing this heritage-listed site. Working Wetlands, a major stormwater harvesting and recycling project was completed in August 2012. It is anticipated that the scheme will deliver a 40 per cent reduction in the mains (drinking) water required to irrigate the Gardens. Ultimately, RBG Melbourne aims to achieve a sustainable irrigation water source that does not rely on the use of mains water.

As one of Victoria's most popular tourist attractions and just a short walk from the CBD, 1,810,687 visitors enjoyed RBG Melbourne in 2012–13. Visitor services and facilities include guided walks, interpretive signs and displays, a visitor centre, two cafés and a retail outlet – The Gardens Shop. The Ian Potter Foundation Children's Garden remains popular and attracted an estimated 248,180 visitors representing a 33 per cent increase over the previous year; 19,668 students participated in on-site education programs.

RBG CRANBOURNE

RBG Cranbourne is 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 over 25 species listed as endangered, threatened or at risk of extinction. Following representations by the Maud Gibson Trust, RBG Cranbourne was established in 1970 when the Victorian Government acquired the land with a view to developing it into a botanic garden that complemented RBG Melbourne through the display of native plants and ecosystems.

Today, visitors to RBG Cranbourne can enjoy a natural bushland experience and visit the Australian Garden. 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. There is a range of visitor programs, as well as self-guided walks available throughout the year.

The Australian Garden, completed in October 2012, celebrates the beauty and diversity of Australian landscapes and features approximately 170,000 plants from 1,700 plant varieties. Complementing the Garden are a visitor centre, café and kiosk, gift shop, community events space and interpretive displays. The visitor experience is supported by a suite of public and student programs, which are informed by the design themes of the Australian Garden and the natural bushland areas.

In 2012–13, 195,983 people visited RBG Cranbourne, including 155,177 visitors to the Australian Garden; 8,412 students participated in on-site education programs.

NATIONAL HERBARIUM OF VICTORIA

The National Herbarium of Victoria, founded in 1853 and located at RBG Melbourne, is the Victorian Government's major centre for botanical studies in plant identification, collection and classification.

The Herbarium houses the State Botanical Collection, an irreplaceable resource of approximately 1.4 million dried specimens of plants, fungi and algae from Australia and many other countries. It is one of the most historically significant collections in the world and is used by Herbarium staff and visiting botanists for scientific research. 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.

Activities within the Herbarium include 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 Botany at The University of Melbourne (where it is located), and with the research and education programs of RBG Melbourne and RBG Cranbourne.

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

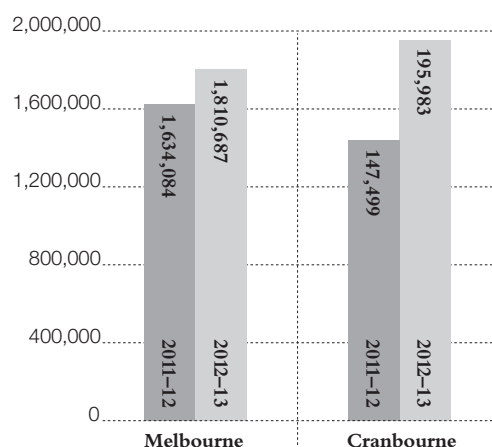
VISITOR NUMBERS

The Royal Botanic Gardens experienced record visitor numbers in 2012–13, with over 2 million visitors across both sites.

Table 1: Visitor numbers

	2012–13
RBG Cranbourne	195,983
Including Australian Garden visitors	155,177
RBG Melbourne	1,810,687
Including The Ian Potter Foundation Children's Garden visitors	248,180
Total RBG visitors (to both sites)	2,006,670

Figure 1: RBG Melbourne & RBG Cranbourne



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 Environment and Climate Change for fulfilling its statutory obligations under the *Royal Botanic Gardens Act 1991* and the Royal Botanic Gardens Regulations 2004. These make provision for the care, protection, management and improvement of RBG Melbourne and RBG Cranbourne, the Herbarium and ARCUE. The responsible Minister for the period from 1 July 2012 to 30 June 2013 was the Hon. Ryan Smith MP, Minister for Environment and Climate Change.

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 communications and marketing, 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.

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 Board oversees the governance of the Royal Botanic Gardens 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. The Director and Chief Executive has responsibility for the day-to-day management and control of the Royal Botanic Gardens.

Board meetings are held at least nine 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 and its activities. The Board may also request external or independent advice on a particular matter.

Royal Botanic Gardens Board Victoria Members (as at 30 June 2013)

Ms Elaine Canty BA, LLB

Chairman – appointed 7 June 2005

Deputy Chairman – 9 April 2002 to 6 June 2005

Appointed to the Board 9 April 2002

Elaine Canty is a qualified lawyer with extensive experience in the media and as a Board member of a range of government and non-government organisations. She is Managing Director of Canty Communications Pty Ltd and is the recently retired Chairman of Queen Victoria Market Pty Ltd and Melbourne Wholesale Fish Market.

Mr Graham Cunningham MBA, BEc

Deputy Chairman – appointed 9 April 2012

Appointed to the Board 9 April 2012

Graham Cunningham has an extensive background in finance and business and has served on a range of private and public sector boards. He is also a trustee of the Royal Botanic Gardens Foundation Victoria.

Mr Kenneth Harrison MBA, FCPA, FAICD

Appointed to the Board 9 April 2012

Ken 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.

Ms Linda White LLB, BCom

Appointed to the Board 9 April 2006

Linda White is Assistant National Secretary of the Australian Services Union, a solicitor, a director of legalsuper, and a Vice-President of the ACTU.

Ms Jennifer Wolcott BForSci (Hons)

Appointed to the Board 15 December 2009

Jennifer Wolcott has held senior executive positions in a number of Victorian government bodies, including the Environment Protection Authority, Department of Natural Resources and Environment, Department of Primary Industries and Parks Victoria.

Ms Sarah Wrigley GAICD, BMS (NZ)

Appointed to the Board 9 April 2012

Sarah 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.

*Table 2: Board attendance figures –
from 1 July 2012 to 30 June 2013*

<i>Board Member</i>	<i>No. of meetings eligible to attend</i>	<i>No. of meetings attended</i>
Elaine Canty	9	8
Graham Cunningham	9	9
Mark Burgman*	4	3
Kenneth Harrison	9	8
Linda White	9	7
Jennifer Wolcott	9	9
Sarah Wrigley	9	9

*Resigned from the Board 30 April 2013

Board committees

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

- ~ Australian Garden Project Control Group
- ~ Australian Research Centre for Urban Ecology Board of Management
- ~ Finance and Audit Committee
- ~ Remuneration Committee
- ~ Risk Committee
- ~ Working Wetlands Project Control Group.

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

Finance and Audit Committee

Independent members of the Finance and Audit Committee in 2012–13 were Mr Graham Cunningham (Committee Chairman 1 July 2012 – 30 June 2013), Ms Elaine Canty (1 July 2012 – 30 June 2013), and Mr Kenneth Harrison (1 July 2012 – 30 June 2013).

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 and is responsible for the Director and Chief Executive's remuneration and performance. Members of the Remuneration Committee in 2012–13 were Mr Graham Cunningham (Committee Chairman 1 July 2012 – 30 June 2013), Ms Elaine Canty (1 July 2012 – 30 June 2013) and Mr Kenneth Harrison (1 July 2012 – 30 June 2013). Refer to the financial statements for further information regarding remuneration.

*Royal Botanic Gardens Executive
(as at 30 June 2013)*

Director and Chief Executive (2013)

Professor Timothy J Entwisle PhD, BSc (Hons)

Leads and promotes the activities of the Royal Botanic Gardens Melbourne and Cranbourne, the National Herbarium of Victoria and the Australian Research Centre for Urban Ecology (ARCUE) 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 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.

He has been a regular contributor to and chair of various Australian national and State committees. In 2011, he was co-chair of the Scientific Program Committee for the XVIII International Botanical Congress held in Melbourne. Professor Entwisle is currently an Adjunct Professor in the School of Biological Sciences at The University of Sydney and a Visiting Professor in the School of Biological and Biomedical Science, Durham University.

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 floras to understanding the origins of patterns of diversity in the southern hemisphere.

He holds an honorary professorship with the School of Botany at The University of Melbourne and is currently chair of the Council of Australian Biological Collections.

Director, ARCUE (1998)

Associate Professor Mark McDonnell PhD, MSc, BA

Responsible for scientific studies of plant biodiversity and ecological processes in Australian cities and towns. Currently, his studies focus on applying ecological science to the management and preservation of biodiversity in urban and suburban environments in Victoria. Dr McDonnell is an Associate Professor with the School of Botany 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. She has over 20 years' experience in botanic gardens management, and previously held senior management positions in consumer affairs and education. Ms Steinicke is also responsible for contract, financial and project management of the Australian Garden Stage 2 project at RBG Cranbourne and the Integrated Water Management projects at RBG Melbourne and RBG Cranbourne.

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 RBG Melbourne. Provides direction for the development and delivery of public programs at RBG Melbourne and is also responsible for managing the development and implementation of Integrated Water Management projects at RBG Melbourne. 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 RBG Cranbourne, 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 Gardens and the 'on-ground' delivery of capital works projects, including the Australian Garden Stage 2 project. Prior to joining the Royal Botanic Gardens, Mr Russell had experience in environmental management and capital projects with Parks Victoria (formerly National Parks Service Victoria), the building industry, and scientific research consultancy.

Organisation Chart

DIRECTOR & CHIEF EXECUTIVE

Professor Timothy J Entwisle

Administration

Development

PLANT SCIENCES & BIODIVERSITY	MELBOURNE GARDENS	CRANBOURNE GARDENS	CORPORATE RESOURCES	ARCUE
Chief Botanist & Director	Director	Director	Director	Director
<i>Professor David Cantrill</i>	<i>Chris Cole</i>	<i>Chris Russell</i>	<i>Jenny Steinicke</i>	<i>Associate Professor Mark McDonnell</i>
Collections	Horticulture	Australian Garden	Australian Garden Project Stage 2	Ecology
Library	Infrastructure	Horticulture	Business & Finance	Research
Plant Sciences	Public Programs	Land Management & Infrastructure	Human Resources	
	Landscape Planning	Planning & Development	Information Services	
		Public Programs	Legal & Policy	
			Marketing & Communications	

Our Employees



Education Co-ordinators, Mick Robertson and Christine Joy in the Children's Garden at RBG Melbourne: education programs at both sites teach students about nature and living sustainably.

*Our staff are integral to meeting the goals, priorities and actions set out in this Plan. We have dedicated, professional staff who are strongly committed to fulfilling the organisation's Vision, Mission and Values.
(Corporate Plan 2011–2015)*

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 the key selection criteria and other accountabilities, without discrimination. During 2012–13, a recruitment training program for line managers was developed. This will be rolled out to relevant line managers during 2013–14.

During 2012–13, 43 appointments were made to Royal Botanic Gardens' positions. The average time taken to fill each vacancy was 20 calendar days.

As at 30 June 2013, employee numbers totalled 246. A table representing the last four years of employee numbers is provided below:

Table 3: Comparative employee profile for the past four years

<i>Employees</i>	<i>As at 30 June 2013</i>	<i>As at 30 June 2012</i>	<i>As at 30 June 2011</i>	<i>As at 30 June 2010</i>
Full-time	133	131	133	124
Part-time	53	48	47	45
Casual	60	63	57	53
Total	246	242	237	222

As at 30 June 2013, the Royal Botanic Gardens' workforce comprised approximately 54 per cent full-time, 21.5 per cent part-time and 24.5 per cent casual employees, the Full Time Equivalent (FTE) number being 185.5.

Tables 4 and 5 provide a more detailed description of employee data as at 30 June 2013, including numbers of full-time, part-time and casual employees by gender and Division.

Table 4: Employee numbers as at 30 June 2013

<i>Division</i>	<i>Full-Time</i>			<i>Part-Time</i>			<i>Casual</i>			<i>Total</i>			<i>FTE</i>		
	<i>Male</i>	<i>Female</i>	<i>S/T</i>	<i>Male</i>	<i>Female</i>	<i>S/T</i>	<i>Male</i>	<i>Female</i>	<i>S/T</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Directorate	3	2	5	0	3	3	0	0	0	3	5	8	3	3.5	6.5
Corporate Resources	11	13	24	3	11	14	1	5	6	15	29	44	13	21	34
Melbourne Gardens	26	16	42	3	8	11	19	29	48	48	53	101	37	34.5	71.5
Plant Sciences and Biodiversity	11	10	21	2	6	8	0	0	0	13	16	29	12	13	25
Cranbourne Gardens	17	16	33	3	11	14	1	5	6	21	32	53	19	24	43
ARCUE	4	4	8	0	3	3	0	0	0	4	7	11	4	5.5	9.5
Total	72	61	133	11	42	53	21	39	60	104	142	246	88	101.5	189.5

Profile includes: employees seconded from other agencies.

Profile excludes: a) employees seconded to other agencies and b) Jobskills trainees.

FTE: Full Time Equivalent – to obtain the full time equivalent data, casual and part-time employees are added together and divided by two.

Apprentices: the Royal Botanic Gardens Board Victoria now employs contract apprentices through APlus at RBG Melbourne; as contractors, they are not included in this table. As at 30 June 2013, there were two female apprentices.

Tables 5 and 6 below represent gender and age profiles respectively of employees for the past four years, expressed as percentages of Royal Botanic Gardens' employees.

Table 5: Comparative gender profile for the past four years

	<i>As at 30 June 2013 (%)</i>	<i>As at 30 June 2012 (%)</i>	<i>As at 30 June 2011 (%)</i>	<i>As at 30 June 2010 (%)</i>
Male	41.8	42	44.7	46.5
Female	58.2	58	55.3	53.5

Table 6: Age profile of employees for the past four years

<i>Age Bracket (years)</i>	<i>As at 30 June 2013 (%)</i>	<i>As at 30 June 2012 (%)</i>	<i>As at 30 June 2011 (%)</i>	<i>As at 30 June 2010 (%)</i>
<25	0.4	1.2	1.6	1.4
25 – 34	11.6	12.1	15.6	20.3
35 – 44	33	31.3	31.4	29.7
45 – 54	28.5	30.4	27.6	27.9
55 – 64	20	20.4	19.1	17.1
>64	6.5	4.6	4.7	3.6

EMPLOYEE SUPPORT AND DEVELOPMENT

The Royal Botanic Gardens Board Victoria is committed to the development of a skilled and professional workforce, and to providing safe and equitable working conditions for all.

HR Strategic Plan 2011–2015

The Human Resources Strategic Plan 2011–2015 aligns with the Royal Botanic Gardens Corporate Plan 2011–2015 commitment that 'Our people are important to our achievements and we will provide them with opportunities to develop their skills and continue contributing to our successes'. The HR Strategy is 'Developing Our People for Continued Success'. During 2012–13, employees, volunteers, apprentices and contractors completed e-learning modules in Occupational Health and Safety, Equal Opportunity and a number of other Government Acts and policies, such as the Victorian Public Sector Code of Conduct.

Professional Development

The 2012–13 Professional Development program included Equal Opportunity, Sunsmart, Occupational Health and Safety and Performance Review System workshops. Employees also attended conferences, seminars, field-trips, technical and statutory training appropriate to their respective roles.

Equal Opportunity

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

In order to meet the Royal Botanic Gardens Board Victoria's obligations under the Victorian *Disability Act 2006*, section 38, progress continued towards implementing the Access Action Plan 2011–2015. Refer page 32 for further information.

Occupational Health and Safety

The Royal Botanic Gardens Occupational Health and Safety Committee continued to oversee the development and implementation of health and safety initiatives in the workplace.

Free influenza vaccinations were offered to all employees, provided with the generous assistance of CSL Limited; 74 employees were vaccinated as part of this program. The annual Sunsmart Program was conducted by the Cancer Council of Victoria. Given the high number of employees who work outdoors, this is an important health program for the Royal Botanic Gardens.

A dedicated Health and Safety Officer was engaged to systematically review and recommend improvements to the Royal Botanic Gardens Safety Management System and to provide subject matter expertise to assist compliance with due diligence requirements. Implementation of prioritised actions commenced.

First Aid incidents reported and WorkCover claims lodged in 2012–13 are reported in Table 7, along with comparable data for the preceding three years. As at 30 June 2013, 27 new WorkCover claims had been received. The Occupational Health and Safety Committee continued to monitor all WorkCover incidents and claims.

Table 7: WorkCover Claims and First Aid Incidents

	2012–13	2011–12	2010–11	2009–10
First Aid Claims and Incidents	40	44	34	41
WorkCover Claims (new)	27	18	18	20

During 2012–13 the Return to Work Co-ordinator reviewed on a quarterly basis the 'Alternate Duties Register' confirming that injured workers returned to work as soon as possible and safe to do so. On commencement, all new employees are provided with 'Return to Work Obligations' information sheets and current Worksafe posters are visible on noticeboards. The RTWC promoted the Workhealth Checks program during the period and 21 employees took up the opportunity to have Workhealth Checks.

Employee Assistance Program

The Royal Botanic Gardens Board Victoria has an agreement with PPC Worldwide to provide an Employee Assistance Program for employees and members of their households. In 2012–13, Royal Botanic Gardens' employees continued to make use of this confidential counselling service that is available seven days a week, 24 hours a day.

During 2012–13 a PPC representative attended a meeting with each Division to promote the Employee Assistance Program.

EMPLOYEE RELATIONS

Royal Botanic Gardens Enterprise Agreement 2010–2013

The Royal Botanic Gardens Board Victoria Enterprise Agreement (EA) 2010–2013 has a nominal expiry date of 20 December 2013. During the latter stages of 2012–13 a Management Log and Funding Strategy were developed. Once approved by relevant Victorian Government departments negotiation for the new Enterprise Agreement will commence.

Our Performance



Retail Sales Team Leader Vikram Kote serves a customer in The Gardens Shop; three retail outlets and an online shop offer a range of botanical and garden-related items for sale.

*The Royal Botanic Gardens is committed to responsible financial management and economic and environmental sustainability, to improving and expanding its fundraising activities, and to the development of Royal Botanic Gardens-related businesses and products.
(Corporate Plan 2011–2015)*

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
- ~ provide for the operational growth of RBG Cranbourne associated with the development of the Australian Garden
- ~ 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 connect people to nature
- ~ complete the implementation of the Integrated Water Management project at both RBG Melbourne and RBG Cranbourne, and
- ~ identify and implement new business opportunities building on the Royal Botanic Gardens' brand, while fostering the expansion of current revenue sources.

Income from Government

During 2012–13, annual funding provided by the Department of Environment and Primary Industries (DEPI) was applied to achieve the Board's main budgetary objects 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, upgrade of electrical switchboards, repairs to water mains and the Herbarium building roof, replacement of office and garden equipment and vehicles, and installation of steel fencing at the Boathouse at RBG Melbourne. Works were undertaken to repair the rock wall and turf surrounding the Nymphaea Lily Lake and works commenced on the installation of bollard lighting between A-Gate and The Terrace (Tearooms).

In relation to major capital works, construction of the Working Wetlands Part B project at RBG Melbourne, which involved pumping of water from the lakes, filtering and treating the lake water and then pumping the water into the existing irrigation system, was completed in December 2012. Remaining project funding received from the Commonwealth Government was used to enable the installation of Photovoltaic Cells on the roofs of various buildings at RBG Melbourne to facilitate the reduction in future energy consumption requirements associated with the operation of the Working Wetlands at RBG Melbourne. The landscape construction works component of the Australian Garden Stage 2 project was completed and opened in October 2012 and works commenced on the Depot Upgrade component of the project, with the Depot expected to be completed by the end of October 2013.

Table 8: Financial results for 2012–13

	2012–13 \$
Government funding	
State Government	
~ Parks and Reserves Trust Account grants	14,289,000
~ Other grants	426,892
Commonwealth Government	120,000
Sponsorship	1,371,924
General Revenue	5,291,490
Total Expenses	(22,033,467)
Operating Surplus/(Deficit)	(534,161)

Comparison of financial performance and position

The Royal Botanic Gardens Board Victoria's operating result for the financial year ended 30 June 2013 was lower than the previous year mainly due to a lower level of sponsorship and grant funding received for a number of large capital projects, including the Australian Garden Stage 2 project and the Working Wetlands project. The corresponding expenditure on these projects is predominantly reflected as an increase in the Royal Botanic Gardens Board Victoria's total assets and not as operating expenses.

Other significant movements in Royal Botanic Gardens Board Victoria's revenue and expenses include:

- ~ a reduction in the level of interest income due to a lower level of funds being available for investment and a lower available interest rate as compared to the previous year
- ~ less grant funding being available for plant sciences projects and a lower level of consultancy income from ARCUE activities
- ~ an increase in Parks and Reserves Trust Account funding mainly due to the annual increase in funding and a one-off additional funding contribution towards the settlement of a legal dispute, and
- ~ a higher depreciation expense in 2012–13 as compared to the previous year due to completion of the landscape construction works component of the Australian Garden Stage 2 project and of the Working Wetlands project, with a corresponding transfer of assets from the capital work in progress account to depreciating buildings and infrastructure assets. In addition, completion of these large capital projects during the year has resulted in an increase in staff, maintenance and utility costs.

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

- ~ a decrease in cash and deposits balances as at 30 June 2013 due mainly to the use of unspent revenue from previous reporting periods for the Australian Garden Stage 2 project, the corresponding costs for which will be further incurred over the 2013–14 financial year
- ~ a decrease in payables resulting from inclusion of a one-off payment relating to settlement of a legal dispute in June 2011, and
- ~ an increase in property, plant and equipment due mainly to the addition of capital works undertaken during the 2012–13 year.

Table 9: Five-year comparison of financial results

	2012–13 \$	2011–12 \$	2010–11 \$	2009–10 \$	2008–09 \$
Government Funding					
State Government					
Parks and Reserves Trust Account grants	14,289,000	12,936,000	11,798,744	11,106,698	10,647,000
Other grants	426,892	831,781	676,537	116,051	177,600
Commonwealth Government	120,000	1,545,000	367,132	187,157	143,697
Sponsorship	1,371,924	1,768,237	4,004,471	3,749,484	4,638,694
General Revenue	5,291,490	5,855,568	6,239,663	6,333,463	5,629,437
Total Expenses	(22,033,467)	(20,437,812)	(19,552,693)	(18,376,834)	(17,553,313)
Operating Surplus/(Deficit)	(534,161)	2,498,774	3,533,854	3,116,019	3,683,115
Net cash flow from operating activities	(1,623,215)	6,926,746	4,541,927	5,094,955	4,294,533
Total assets	422,753,073	426,432,783	425,853,534	273,739,752	260,206,038
Total liabilities	4,851,905	7,837,073	4,733,852	4,065,026	3,649,391

Consultancies

Table 10: Consultancies

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

<i>Consultant</i>	<i>Purpose of Consultancy</i>	<i>Start Date</i>	<i>End Date</i>	<i>Total Approved Fee (excl. GST)</i>	<i>Expenditure 2012–13 (excl. GST)</i>	<i>Future Expenditure (excl. GST)</i>
Hall and Partners Open Mind	Develop and conduct visitor satisfaction research and analysis of findings with recommendations for future visitor engagement.	13/04/2012	31/08/2012	74,741	11,400	0
Surface Consulting Pty Ltd	Initiate Observatory Gate Stage 2 Project, determining feasibility of a funding submission for the project.	14/01/2011	30/06/2013	14,843	6,545	0
Midnightsky Pty Ltd	Provide expert analysis of current communications strategy and recommendations for future engagement.	7/02/2012	30/06/2014	121,439	39,399	65,000
Water Conservation Group Pty Ltd	Technical analysis of Royal Botanic Gardens' lake system and ability of existing outlet to manage high intensity rainfall events.	1/10/2012	24/01/2012	22,060	22,060	0
Permeate Partners Pty Ltd	Review viability of available options and provide recommendations on alternative water sources for RBG Cranbourne.	1/09/2012	31/01/2013	17,629	17,629	0
				250,712	97,033	65,000

In 2012–13, the Royal Botanic Gardens Board Victoria engaged three consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$11,750 (excluding GST).

ENVIRONMENTAL PERFORMANCE

The Royal Botanic Gardens is committed to making environmental sustainability a priority in all of its operations including planning, budgeting, decisions, projects and programs. It also recognises this will lead to benefits such as: reduced operating costs; reduced risk and liability; an improved working environment; increased productivity; and an enhanced reputation for environmental leadership. To this end, the Royal Botanic Gardens' Environmental Stewardship Policy identifies three core areas where the organisation can contribute most to environmental stewardship: Biodiversity and Ecology; Community Engagement; and its Landscapes.

Principles guiding Sustainability Victoria's ResourceSmart strategy, adopted by the Royal Botanic Gardens in 2011–12, continued to inform operations, although the formal reporting framework was suspended following cessation of the program by Government. The Royal Botanic Gardens recorded data on domestic water and irrigation use, waste recycling and reuse, organic green waste processing and energy consumption, and remains committed to responsible resource use to minimise its carbon footprint.

Water and irrigation

The Strategic Water Plan 2012–2016 continued to guide water management practices at both sites.

The Royal Botanic Gardens remains committed to reducing its use of mains water, and the completion and launch of the Working Wetlands project in August brought the Royal Botanic Gardens closer to achieving this long-term aim. Ultimately, RBG Melbourne aims to achieve a sustainable irrigation water source that does not rely on the use of mains water. Effective operation of use of lake water for irrigation began in December, following the launch of Working Wetlands in August, and was limited by the need for wetland establishment and fine-tuning of the water treatment. When fully operational, Working Wetlands is expected to reduce RBG Melbourne's use of mains water for irrigation by 40 per cent on average per year.

While water use targets have been in place at RBG Melbourne for over ten years, there was a 67 per cent increase in domestic water use at RBG Melbourne, with consumption at 15,464 kilolitres compared to 8,885 kilolitres in 2011–12. Some of the increased domestic water use, but not all of it, can be attributed to substantial losses to pipe bursts and leakage, as well as increased visitation. Water use for irrigation was 126,233 kilolitres, an increase in 2012–13 compared to 2011–12 (88,081 kilolitres) because of lower rainfall during high demand summer conditions. Fifteen per cent of the water used for irrigation was provided by stormwater reuse.

The combined aggregate of rainfall/irrigation was 974 mm or 8 per cent above the target of 900 mm combined aggregate of irrigation and rainfall. Reaching this target is partly dependent on successfully transitioning more of the existing landscape over time to one less dependent on irrigation. Annual water use was 78 litres per visitor, still well under target values. The irrigation index was calculated to be 1.07 or 7 per cent over expected requirements. Overall, this showed a high level of irrigation management efficiency.

RBG Cranbourne remained committed to establishment of a water efficient landscape in the Australian Garden and the implementation of weather-based irrigation scheduling. An automated weather station was installed on-site to provide accurate and timely information to the irrigation system.

Water consumption at RBG Cranbourne was recorded at 40,711 kilolitres, representing a 22.3 per cent increase in water consumption over 2011–12. The increase in consumption resulted from lower rainfall during high-demand summer conditions and the opening of the second stage of the Australian Garden, increasing the area of landscaped garden to 15 hectares. The majority of the water consumption for RBG Cranbourne (36,355 kilolitres) was associated with the establishment of plants in the Australian Garden and Nursery irrigation. The remainder of water consumption (4,356 kilolitres) was domestic water use. Annual water use was 205 litres per visitor.

Waste management

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

At RBG Cranbourne, 44.58 tonnes of green waste and 3.06 tonnes of co-mingled waste, paper and cardboard were recycled. Approximately 650 kilograms of organic waste from the staff lunchroom was processed and converted to compost.

At RBG Melbourne, 100 tonnes of co-mingled waste and five tonnes of cardboard and paper were recycled, and 1,364 cubic metres of green waste were processed. A further 335 tonnes (of public and gardens waste) went to landfill.

Energy management

Data on energy use at both sites was formally recorded for the first time, with RBG Cranbourne using 375,057.09 kilowatt hours for the whole site. RBG Melbourne recorded usage of 759,126.509 kilowatt hours and 18,115.3242 kilowatt hours in green power. The Royal Botanic Gardens is committed to monitoring and minimising its energy use in the future and the installation of the first banks of photovoltaic cells in three locations (seven buildings) at RBG Melbourne will offset this use. The solar power generated from these cells is expected to offset about 60 per cent of the Working Wetlands project's energy needs.

RISK MANAGEMENT

Risk Management Attestation

Attestation for compliance with the Australian/New Zealand Risk Management Standard

I, Elaine Canty, certify that the Royal Botanic Gardens Board has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Risk Committee verifies this assurance and that the risk profile of the Royal Botanic Gardens Board has been critically reviewed within the last 12 months.



Elaine Canty
Chairman
Royal Botanic Gardens Board

18 June 2013

**Attestation for compliance with the Ministerial Standing Direction
4.5.5.1 – Insurance**

I, Elaine Canty, certify that the Royal Botanic Gardens Board has complied with Ministerial Direction 4.5.5.1 – Insurance.

A handwritten signature in black ink, appearing to read 'Elaine Canty', written in a cursive style.

**Elaine Canty
Chairman
Royal Botanic Gardens Board Victoria**

18 June 2013

Risk Management Plan

The Royal Botanic Gardens' Risk Management Plan adopts and applies a systematic process to identify, analyse, assess, treat and monitor risk in the activities and functions of the Royal Botanic Gardens so that the risk inherent in those activities and functions is reduced. The Risk Management Plan is in accordance with the requirements of ISO 31000:2009 Risk management – Principles and guidelines. Risks are assessed at strategic and operational levels. Risks are examined in the context of the existing organisational strategy, 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 Plan and several other planning mechanisms to identify, understand and manage possible positive and negative outcomes.

There has been no material change in the overall risk profile of the Royal Botanic Gardens. There has been a decrease in the organisation's project risk profile associated with the completion of several major projects.

Management of tree risk, ageing firefighting systems and vandalism at RBG Melbourne were a focus for 2012–13. 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.

Critical Incident Planning Group

The Royal Botanic Gardens' Critical Incident Planning Group co-ordinates the whole-of-organisation planning for responses to and recovery from critical incidents, reviewing the organisation's critical incident response documents for consistency, effectiveness and alignment with relevant legislation and policies. The Group meets at least quarterly, integrating Risk Management, Emergency Procedures, Occupational Health and Safety, Business Continuity Planning and Communications.

During 2012–13, Business Continuity Plans were updated for both RBG Melbourne and RBG Cranbourne. Throughout the year the plans were tested in a number of ways:

- ~ Actual Critical Incidents, which were reviewed post-event for any lessons learnt
- ~ Training or test activities, such as walk-through exercises where key stakeholders are in the one room and respond to an example Critical Incident
- ~ Scenario exercise activities, where normal business is interrupted to test the response of key stakeholders to the example Critical Incident.

In accordance with AS3745-2010, Planning for Emergencies in Facilities, a program of site-specific emergency response exercises and scenario training exercises was developed to determine the effectiveness of the emergency response procedures.

The Royal Botanic Gardens Emergency Planning Committee undertook required training and provided training to members of the Emergency Control Organisation, to competently execute their obligations in accordance with the Standard. The Committee also provided training to facility occupants in accordance with the emergency response procedures.

Emergency Response Procedures folders and Emergency Evacuation diagrams, both of which included revised information in accordance with AS3745-2010, Planning for Emergencies in Facilities, were developed and rolled out at RBG Cranbourne.

In July 2012, the Online Emergency Awareness Training program was rolled out to all Royal Botanic Gardens' staff, volunteers and tenants to improve their emergency management and response skills.

At RBG Cranbourne, the Fire Management Policy and Fire Management Procedures documents were reviewed and updated then approved by the Executive Team. An updated Site Map for use during an emergency was also produced.

A number of critical incidents occurred and were managed effectively, with Business Continuity Plans implemented as required, returning the Royal Botanic Gardens to normal operations as quickly as possible and minimising disruption to business operations.

At RBG Melbourne incidents included a minor flood on the first floor of Observatory House, a fire on the Observatory site involving a shipping container and equipment stored by the Australian Shakespeare Company, and vandalism of the Arid Garden and part of the Guilfoyle's Volcano Collection. Relevant emergency services were called in the latter two cases.

At RBG Cranbourne, the Business Continuity Plan was activated effectively to deal with two power outages, one scheduled and one unscheduled.

Our Achievements



Amorphophallus titanum (Titan Arum) in full bloom at the Tropical Glasshouse, RBG Melbourne; more than 20,000 visitors viewed this rare tropical plant in full bloom.

STRATEGIC GOAL 1

Advancing scientific knowledge and understanding through excellence in our research and by engaging with scientific partners and our community

STRATEGIC GOAL 2

Engaging with our diverse community to enhance their knowledge and appreciation of nature and our Gardens through high-quality on-site and online experiences

STRATEGIC GOAL 3

Delivering effective and environmentally sustainable management of our landscapes, plant collections, built assets and resources to protect our gardens for future generations

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 2011–2015 – Conservation, Collections, Community Connections* – sets out the Board's strategic goals and associated priorities for the four-year planning cycle, and the actions to be undertaken during this period to achieve the objectives of the Act.

The Corporate Plan is a strategic planning document from which the Royal Botanic Gardens Board Victoria Business Plan 2012–13 stems, adopting its structure of three strategic goals and detailed strategic priorities for the reporting period.

The following section – Our Achievements – reports against the Specific Outcomes identified in the 2012–13 Business Plan and further reports against ongoing work that relates to the Corporate Plan Strategic Priorities, including future initiatives. This financial year was the second year of the four-year corporate planning cycle.

STRATEGIC GOAL 1

Advancing scientific knowledge and understanding

*Advancing scientific knowledge and understanding
through excellence in our research and by engaging
with scientific partners and our community.*



The Royal Botanic Gardens plays a vital role in documenting plant biodiversity across Australia, and especially in Victoria, and provides valuable support to Government in conserving threatened species and ecosystems and in the identification of plants. Working closely with Government, universities, industry bodies and other national and international botanical and environmental institutions, our scientific research programs focus on taxonomy and systematics and how this information can be applied to new and innovative conservation methodologies. Our areas of expertise range from taxonomy (the naming and classification of plants) and systematics (the study of relationships between groups of plants) to plant conservation, urban ecology and horticulture. We will deliver excellence in our scientific results and increase scientific knowledge, public awareness and understanding of our research through publications, scientific partnerships and collaboration, lectures, online information, interpretive signage, educational and visitor programs and engagement with the community. (Corporate Plan 2011–2015)

The total budget allocated to achieving Strategic Goal 1 in 2012–13 was more than \$5.9 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

The development of strategic partnerships with key national and international scientific and academic institutions maximises the research capacity of the Royal Botanic Gardens. Through these partnerships and the continued support of a range of external funding mechanisms (for example, Australian Research Council linkage and discovery grants) a diversity of research projects contribute to building a body of knowledge and the achievement of our research goals.

Above: Gleichenia microphylla Scrambling Coral-fern – 2002 Watercolour by Laurie Andrews; exhibited at the Australian Garden in 2013 and reproduced from the Cranbourne Collection of botanical art, part of the State Botanical Collection. Prints and cards were produced for sale in The Gardens Shop to celebrate this exhibition.

AT A GLANCE

57 peer-reviewed papers were accepted for publication from Plant Sciences and Biodiversity Division and ARCUE staff collectively, of which 33 were published in Institute for Scientific Information (ISI) listed journals.

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4,000 species descriptions were assembled from the hard-copy volumes of *Flora of Victoria* in preparation for the implementation of the online resource *eFlora*; a gap analysis showed that c.1,000 additional descriptions will be needed, representing species discovered or recognised since publication of the hard copy *Flora of Victoria*.

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\$542,267 or 64 per cent of ARCUE's total budget was received from income from commercial and collaborative projects resulting in profit of \$159,200 (commercial projects \$73,669 and non-commercial \$85,531).

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6,598 Australian vascular Type specimens were scanned as high resolution digital images for the JSTOR project; of these, 5,491 images with associated metadata were delivered to JSTOR.

~

300 people attended *Biodiversity and the City*, a free public forum presented by ARCUE and the City of Melbourne.

~

72 talks and lectures (to students, the public, experts and academics) were given by science staff and students, and 25 presentations made at national and international conferences.

~

\$1 million funding target was reached for the Royal Botanic Gardens' contribution to the joint Pauline Ladiges Plant Systematics Fellowship (with the School of Botany at The University of Melbourne); funding sources included a bequest, donations from a direct mail campaign and a contribution from the Cybec Foundation.

~

YEAR IN REVIEW

RESEARCH AND PUBLICATIONS

Plant sciences

Research conducted by Plant Sciences and Biodiversity Division scientists plays a key role in discovering and naming plants and fungi (taxonomy) and in elucidating their relationships and evolutionary history (systematics). Much of this research underpins a range of conservation and sustainability initiatives.

Research collaborations

The Royal Botanic Gardens 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 2012–13 research on *Pimelea spinescens*, and *Mimosa* and Baobab neared completion.

Pimelea spinescens

Research projects included an integrated conservation program for *Pimelea spinescens* subsp. *spinescens* (Spiny Rice-Flower) and *P. spinescens* subsp. *pubiflora* (Wimmera Rice-Flower) – both listed as critically endangered under the *Federal Environment Protection Biodiversity Conservation Act 1999* (EPBC) and also listed under the *Victorian Flora and Fauna Guarantee Act 1988*. The work included genetic studies, translocation and reintroduction of plants, and investigation of root structure, with researchers from the Royal Botanic Gardens, Department of Sustainability and Environment (now DEPI), and Melbourne and Victoria universities collaborating. Genetic markers (microsatellites) for the two subspecies were developed and published in the journal *Conservation Genetic Resources* (December 2012) in collaboration with the Centre for Stress Adaptation Research and the Royal Botanic Gardens and Domain Trust in Sydney. These markers provide a powerful tool to investigate the population genetic structure of populations of these critically endangered subspecies, thereby informing their future management.

Mimosa and Baobab

Work on the ARC Discovery project *Enigma of Arrival: Movements of the mimosa bush and baobab across the Indian Ocean into pre-British Australia* neared completion. This joint project aimed to determine the timing and pathway of arrival of *Vachellia farnesiana* (formerly *Acacia farnesiana*, Mimosa Bush) and *Adansonia gregorii* (Australian Baobab, or Boab) into Australia. The collaborative project involved molecular research in population genetics and systematics conducted at the Royal Botanic Gardens Melbourne, and reference to archival and archaeological records, collected by researchers at Monash University's Department of Geography and Environmental Science. Now in its final stages, the project has had significant research outputs, including conference talks and a workshop on plant movements, four published papers to date, another paper accepted for publication, and four further papers to be submitted in mid-2013.

Publications

Research findings by Plant Sciences staff culminated in the publication of 28 peer-reviewed papers, nine of which were in ISI-listed journals, and covered papers on DNA barcoding of invasive grasses taxonomic treatments of orchids, green algae, fungi, daisies and grasses, description of weedy alien species new to Australia, and phylogenetic and biogeographic studies of major plant groups such as wattles and baobabs.

The publication of *The vegetation of Antarctica through geological time* marked a research and publication milestone for the Royal Botanic Gardens' Chief Botanist and Director Plant Sciences and Biodiversity, Professor David Cantrill and his co-author Dr Imogen Poole from the University of Utrecht. The book, which was published by Cambridge University Press in November 2012, brought together over 15 years of research by Professor Cantrill and provides a detailed account of Antarctic vegetation from the Devonian period to the present day.

Urban ecology

ARCUE staff and students participated in nine working groups and workshops to further the conservation of plants and ecosystems. This included running workshops on: Sunshine Diuris (*Diuris fragrantissima*), an endangered orchid; Community Values for Public Land (with the Department of Sustainability and Environment, now DEPI); and Structured Decision Making in relation to weed management and evaluation of offset proposals in relation to black cockatoo management.

Research projects included the effects of roads on the Green and Golden Bell Frog, the Growling Grass Frog, Squirrel Gliders and Leadbeater's Possum, the influence of Royal Botanic Gardens Cranbourne on private gardens (current research), urban waterbodies' management and microbats (current PhD research), and a report (for Linking Melbourne Authority and the Department of Sustainability and Environment, now DEPI) to ensure recovery programs for the Southern Brown Bandicoot in south-east Melbourne align with objectives of certain State plans. Twenty-nine peer-reviewed research papers by ARCUE staff and students resulted, of which 24 were published in ISI-listed journals.

Development of new research partnerships progressed and included collaborations with the National University of Singapore, and the Institute for Urban Ecology and Sustainability, East China Normal University, Shanghai, China. Local collaborations were expanded to include the Moreland City Council, City of Moonee Valley and the Office of Environment and Heritage.

In line with the *ARCUE Strategic Plan 2012–16*, ARCUE undertook eight commercial projects and commenced discussions on a further three projects. Of the eight projects, six came under the Strategic Program for delivering 'Anthropogenic effects on biodiversity and ecosystem services', one under the program 'The structure and function of socio-ecological systems in cities and towns' and another to 'Develop best practice ecological design and management practices'.

Horticultural research

RBG Melbourne continued to lead the way in water management research for large landscapes with long-term collaborations with Monash University (School of Geographic and Environmental Sciences), and Sentek Pty Ltd and The University of Melbourne.

Four more soil moisture sensing probes were installed (at Oak Lawn, Eastern Lawn, and the Separation Tree bed), bringing the number to over 80 sampling locations measuring soil moisture at depths of one, two and four metres. Data gathered from these sites informs irrigation management and contributes to the future management and planning of the living collections in relation to climate change. In addition, the installation of three vegetation throughfall measuring systems at the Conifer, Eastern Lodge and Queensland beds will enable data to be gathered to quantify the relationship between effective rainfall amounts and soil moisture penetration.

A peer-reviewed paper (that included addressing the optimisation of stormwater) was published in the May edition of the *Journal of Arboriculture and Urban Forestry* (co-authored by the Royal Botanic Gardens' Peter Symes with Geoff Connellan from The University of Melbourne): 'Water Management Strategies for Urban Trees in Dry Environments: Lessons for the future from Royal Botanic Gardens Melbourne'. Contributions were also made to co-authored presentations with Geoff Connellan for the Stormwater 2012 (included a paper) and Stormwater 2013 Conferences regarding the optimisation of stormwater for sustainable irrigated landscapes.

RBG Cranbourne Ecological Research Plan

RBG Cranbourne bushland is a designated Conservation Zone and a protected site of State significance for biodiversity conservation. A review of the five-year research plan confirmed that 10 of 11 targets had been achieved. These projects included surveys of 53 permanent fauna monitoring plots, partially aimed at determining the distribution and abundance of the endangered Southern Brown Bandicoot; monthly monitoring and analysis of black wallaby and rabbit populations; and research into the effectiveness of wombat gates in controlling wildlife movements through a predator fence, which was published in *Australian Mammalogy*.

CONFERENCES AND FORUMS

The Royal Botanic Gardens is committed to increasing awareness of its contributions to plant biodiversity research and plant conservation by increasing its national and international partnerships with the scientific community. Complementing this is a commitment to increasing community awareness of the role the Royal Botanic Gardens has as a scientific institution vested with protecting our scientific heritage and promoting an understanding and awareness of the importance of plants to life.

Plant Sciences and Biodiversity and ARCUE staff presented their research findings at national and international conferences and meetings during 2012–13 including the International Organisation of Palaeobotany Conference and International Palynological Congress (Japan); Society for Conservation Biology Asia Section Meeting – Biodiversity Asia 2012: Science, Policy and Governance (India); the 6th Annual Global Plants Initiative (Panama); and, the Ecological Society of America annual meeting.

Frontiers in Urban Ecology and Planning

An international urban ecology conference – *Frontiers in Urban Ecology and Planning: Linking East and West Scholars to Advance Ecological Knowledge, Planning and Management of Urban Ecosystems* – was organised by ARCUE Director Associate Professor Mark McDonnell and Dr Wei-Ning Xiang, the Director of the Shanghai Key Laboratory for Urban Ecology and Sustainability (SHUES), the East China Normal University, Shanghai, China, in October. While in China, Associate Professor McDonnell participated in a writing workshop for young scholars across China at the East China Normal University.

ARCUE staff and students maintained an active talks and lecture program (to students, the public, experts and academics) and participated in a number of workshops including the Carlton Precinct community engagement workshop (for the City of Melbourne's Urban Forest Strategy), Australian Native Grasslands (funded by The Myer Foundation), Biodiversity and the City (organised in conjunction with the City of Melbourne), and Urban Ecology in Victoria (Department of Sustainability and Environment, now DEPI, and the South-West Integrated Flora and Fauna Team).

Biodiversity and the City forum

A free public forum organised by ARCUE and the City of Melbourne was held in December. This forum examined the opportunities and challenges faced in conserving and enhancing urban biodiversity as cities contend with the impacts of climate change, population growth and increasing density, and looked at the role biodiversity plays in improving human health and wellbeing.

RARE AND THREATENED SPECIES

Royal Botanic Gardens' 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 staff contributed to the work of recovery teams and working groups for the following species: the Helmeted Honeyeater, *Borya mirabilis*, *Pimelea spinescens*, *Grevillea infecunda*, *Diuris fragrantissima* and other threatened orchid species.

Western Grasslands Reserve

RBG Melbourne was contracted to grow perennial herbs for the 15,000 hectare grassland reserve to be created out of a mix of remnant and degraded vegetation near Werribee. In the second year of a three-year project, work involved scouring the volcanic plains for source seed, and the germination and orcharding of this seed by RBG Melbourne's Nursery staff for further seed and plant production. Seven of the ten target species are rare or threatened, with the aim to grow approximately 180 of each species and harvest seed annually for three years.

Victorian Conservation Seedbank

The Victorian Conservation Seedbank continued to build on the store of seed from rare or threatened species or those species found only in Victoria (endemics) and lodged for long-term storage at RBG Melbourne and the Royal Botanic Gardens, Kew's Millennium Seed Bank Project headquartered at Wakehurst Place in the United Kingdom. Collections were made from 56 new populations, including seed of 48 new taxa. Two seed shipments of 60 and 63 seed lots were sent to Wakehurst Place. Of these, a total of 48 collections were of species new to the Millennium Seed Bank, almost reaching the target for the year of 50 new species. Most of the other 75 collections were of species new to the Victorian Conservation Seedbank.

Funding is currently being sought to secure the ongoing operation of the Victorian Conservation Seedbank, which was established in 2005 under a three-way partnership with the Millennium Seed Bank Project and the then Department of Sustainability and Environment (now DEPI).

Australian Garden research plots

A research project into the Australian alpine *Brachyscome* species was established in the Research Garden at the Australian Garden. The project is exploring the potential adaptability of the species to climate change in varying environmental conditions. Equipment to change and monitor soil moisture and temperature was installed in the research plots and is assisting in the trials on temperature tolerance of *Brachyscome* species. In addition, new experiments involving stress-testing of a range of alpine plant families commenced and are being conducted by a Research Fellow from The University of Melbourne, Burnley.

HERBARIUM COLLECTIONS

Collections development

The Royal Botanic Gardens remains committed to developing the collections and curating and databasing the 1.4 million existing plant specimens held at the National Herbarium of Victoria (MEL). Development opportunities in 2012–13 included a continuing involvement with the national Bush Blitz program, which provides opportunities for plant scientists to participate in national collecting trips. A trip to the Northern Territory resulted in the collection of about 150 cryptogams, predominantly lichens. As well, participation in the Museum of Victoria Bioblitz program in the Grampians resulted in the collection of a similar number of cryptogams. The importance of curating and databasing the remaining 300,000 Foreign specimens was underlined when staff discovered that MEL held three sheets of the 'Type collection' of *Amorphophallus titanum* made by Odoardo Beccari in 1878 in Sumatra. The securing of further funds to support this work has been identified as a priority in 2013–14.

Collections access

Access to collections continued to be provided to visiting researchers and institutions: 64 visiting researchers were given access to the herbarium specimen collection, and 1,094 specimens were sent on loan to 31 institutions, 14 of which were overseas scientific institutions. Loan material was also sent to the National Museum of Australia for their 'Landmarks: People and Places Across Australia' gallery. Twenty-six herbarium specimens (all 19th century Australian collections) were featured in the Landmarks exhibition gallery and included specimens collected at Cooper Creek as part of the Victorian Exploring Expedition led by Burke and Wills, and collections made by Hermann Beckler

as part of the same expedition; collections made by William Landsborough at Bowen Downs; and collections made by Julian Tenison-Woods at Robe. These specimens have now been returned, with new loans soon to be sent for inclusion in the Landmarks gallery.

Global Plants Initiative

Work continued at the National Herbarium of Victoria to create digital images of Australian vascular Type specimens to be added to JSTOR, a worldwide scientific database (plants.jstor.org), as part of the Global Plants Initiative. In its second year, 6,598 Australian vascular Type specimens were imaged, and of these ten batches of images with associated metadata (totalling 5,491 images) were delivered to JSTOR.

Professor David Cantrill joined an interim steering committee to prepare a proposal that identified items critical to the future of the Global Plants Initiative when the final round of funding from the Andrew Mellon Foundation for the project ceases at the end of 2013. He was subsequently appointed Chair of the International Steering Committee to oversee future funding arrangements for the Global Plants Initiative.

LOOKING AHEAD

- ~ Following the development of a prototype, the Census of Vascular Plants of Victoria is expected to go live online by December 2013, joined soon after by the first iteration of an online *Flora of Victoria*
- ~ The Pauline Ladiges Plant Systematics Fellow is due to commence in August; the joint Fellowship, which is for three years, was established between the Royal Botanic Gardens and the School of Botany at The University of Melbourne to train the next generation of botanists.

OVERVIEW OF SPECIFIC OUTCOMES AND PERFORMANCE MEASURES

Strategic Priority 1a: To be a leader in advancing knowledge in the fields of conservation, taxonomy, systematics, horticulture and urban ecology nationally and internationally

<i>Specific Outcomes</i>		<i>Progress against deliverables and measures</i>
1	Develop and implement the <i>Plant Sciences and Biodiversity Division Master Plan 2012–2016</i> , to provide direction for the Royal Botanic Gardens' research programs	~ Divisional and stakeholder workshops were completed and a draft plan prepared; finalisation of the Master Plan was delayed to align with new Chief Executive and Board vision for the Royal Botanic Gardens currently being developed
2	Take on commercial research projects that fit within the <i>ARCUE Strategic Plan 2012–2016</i>	~ ARCUE undertook eight commercial projects; discussions on a further three projects commenced ~ \$542,267 in income was received from commercial and collaborative projects, amounting to 64 per cent of ARCUE's total budget; \$159,200 in profit was generated from commercial projects and \$85,531 from non-commercial projects
3	Develop horticultural research projects [at RBG Melbourne] with industry partners	~ Three vegetation through-fall rainfall measuring systems and four deep soil moisture sensing probes were installed ~ PhD research study into the effectiveness of the floating treatment wetlands commenced
4	Review the five-year RBG Cranbourne Ecological Research Plan	~ RBG Cranbourne research plan reviewed with ten out of 11 targets achieved ~ New targets were set and likely personnel resources forecast for implementation

Strategic Priority 1b: To increase awareness of the Royal Botanic Gardens' contributions to plant biodiversity research and plant conservation by increasing our national and international partnerships with the scientific community

<i>Specific Outcomes</i>		<i>Progress against deliverables and measures</i>
5	Expand our collaborations and presentation of results to raise awareness of the Royal Botanic Gardens' scientific and conservation expertise	<ul style="list-style-type: none"> ~ 57 peer-reviewed papers were published, 33 were in ISI-listed journals ~ ARCUE expanded new local collaborations and consolidated international collaborations (in Singapore and China) ~ Nine ARCUE projects with external partners were completed ~ Local, national and international conference presentations, public talks and lectures were delivered
6	Implement <i>Online Flora of Victoria</i> Phase 1	<ul style="list-style-type: none"> ~ Prototype of <i>Census of Vascular Plants of Australia</i> reached final stages of testing; now expected to be live online by December 2013 ~ Descriptions for 4,000 species were assembled from the hard-copy <i>Flora of Victoria</i>; a gap analysis conducted ~ Inventory of Library image assets prepared and testing for digitisation under way
7	Contribute to the implementation of State, Territory and Federal Government management plans and projects to further conservation of plants and ecosystems	<ul style="list-style-type: none"> ~ Plant Sciences staff participated in six Threatened Species Recovery Teams and working groups ~ ARCUE staff and students participated in nine relevant working groups and workshops
8	Ensure the long-term preservation of seed from Victoria's rare and threatened plant species	<ul style="list-style-type: none"> ~ Seed was collected for 56 new populations in 2012–13, including seed from 48 new taxa, which compared favourably with 61 new species in 2011–12 ~ Funding levels remained the same as 2011–12, at 30 per cent that of fully-funded years when collection levels ranged from 118 to 203, depending on favourability of seasons, and effects of bushfires and drought
9	Complete the fundraising and make the first appointment for the Joint Research Fellowship in Plant Systematics with the School of Botany at The University of Melbourne	<ul style="list-style-type: none"> ~ Fundraising completed via Bequest, Cybec Foundation and Direct Mail ~ Inaugural Plant Systematics Research Fellow recruited and is due to commence in August 2013

Strategic Priority 1c: To raise awareness of the Royal Botanic Gardens' role as a scientific institution by making community connections to our scientific heritage past, present and future

<i>Specific Outcomes</i>		<i>Progress against deliverables and measures</i>
10	Establish the Research Garden plots in the Australian Garden Stage 2 to demonstrate the Royal Botanic Gardens' role in carrying out and facilitating horticultural research for the benefit of sustainable home gardening	<ul style="list-style-type: none"> ~ <i>Brachyscome</i> research project established in the newly-constructed Research Garden of the Australian Garden ~ Equipment to change and monitor soil moisture and temperature was installed in the research plots to assist with the <i>Brachyscome</i> research ~ Future projects to be identified during 2013–14
11	Implement the Weed Strategic Plan to inform management decisions and industry partners as well as educate the community in relation to the management and eradication of environmental weeds	<ul style="list-style-type: none"> ~ First draft of Weed Action Plan was completed
12	Develop and maintain the Living Plant Collections database and the State Botanical Collection's database (Specify) and make information accessible to the public	<ul style="list-style-type: none"> ~ Integration of RBG Melbourne's and RBG Cranbourne's Living Plant Collections databases was completed ~ Plans to integrate the Flora of Victoria database with the Living Plant Collections database were discontinued; subject to future funding, an e-Flora of Victoria will be created instead ~ Soil Database Module was developed with test version made available to users, pending full integration with the Living Plant Collections database
13	Develop and implement online and mobile content in consultation with key internal stakeholders and identify key target audiences	<ul style="list-style-type: none"> ~ Responsive website launched in June enabling visitors to access information about the Royal Botanic Gardens on a range of mobile devices ~ Information was gathered from specialists across the organisation and a plan is being developed for future projects to enhance the online experience for visitors
14	Deliver digital images and specimen metadata from Herbarium collections to JSTOR	<ul style="list-style-type: none"> ~ Digital images of 6,598 Australian vascular Type specimens were created with ten batches, representing a total of 5,491 images, progressively submitted to JSTOR with associated specimen metadata

STRATEGIC GOAL 2

Engaging our diverse community

*Engaging with our diverse community to enhance
their knowledge and appreciation of nature
and our Gardens through high-quality on-site
and online experiences*



The Royal Botanic Gardens is one of Melbourne's premier leisure and tourist attractions, offering a vibrant and engaging visitor experience through its Melbourne and Cranbourne sites. We will continually enrich and improve the experiences of our diverse on-site and online visitors and remain responsive to their needs. We aim to connect people of all ages, cultures, abilities and backgrounds with nature by developing new gardens and collections, through innovative public programs and by engagement with the media. We will reach a wider audience through our online programs, with an emphasis on educational services. By connecting with a more diverse audience, we will increase community awareness and appreciation of the Royal Botanic Gardens' scientific and horticultural research and of the importance of plant life and conserving biodiversity. (Corporate Plan 2011–2015)

The total budget allocated to achieving Strategic Goal 2 in 2012–13 was \$5.2 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

Above: Hardenbergia violacea Purple Coral-pea – 2003 Watercolour by Kay Craig; exhibited at the Australian Garden in 2013 and reproduced from the Cranbourne Collection of botanical art, part of the State Botanical Collection. Prints and cards were produced for sale in The Gardens Shop to celebrate this exhibition.

AT A GLANCE

A significant increase in visitation accompanied the opening of the completed Australian Garden, with visitation increasing to 20,750 in January compared with 7,500 in September prior to opening.

~

Over 20,000 visitors viewed the *Amorphophallus titanum*, Titan Arum at the Tropical Glasshouse between Christmas and New Year when it bloomed for first time at RBG Melbourne; staff and volunteers assisted visitors with information as they queued to view this rare tropical plant.

~

The Garden Explorer, a 22-seat people mover was launched at the Australian Garden in February; this hop-on hop-off vehicle provides easy access for visitors to explore the 15-hectare Australian Garden.

~

Released a new website on a responsive platform to allow access to RBG information through a variety of mobile devices. The redevelopment also included a new e-commerce site to allow customers from around the world to easily purchase products from The Gardens Shop.

~

Mali, a 630 kilogram, 1.6 metre high fibreglass elephant sculpture was purchased by The Ian Potter Foundation for the Children's Garden; the 'Endangered Asia' Mali was one of 50 elephant sculptures commissioned to celebrate Melbourne Zoo's 150th anniversary.

~

The Royal Botanic Gardens welcomed 28,380 students to on-site programs at both Gardens compared with 30,178 in 2011–12. The students participated in a range of specially-designed programs that explored topics such as climate change, art in the Australian landscape and Indigenous culture.

~

The Gardens Shop released three new product ranges: a set of mugs, plates and serving ware with Maxwell & Williams; a stationery range from Customworks and a range of stationery and soft furnishings to complement the botanical art exhibition the 'Cranbourne Collection'.

~

YEAR IN REVIEW

VISITOR PROGRAMS

Year-round visitor programs were popular at both sites. Almost 5,000 visitors participated in programs at RBG Cranbourne and just over 11,500 at RBG Melbourne. School holiday activities were also popular, with 654 and 512 children taking part in programs at RBG Cranbourne and RBG Melbourne respectively. These programs were complemented by featured public events including Spring Open Day, NAIDOC week celebrations and Open House Melbourne at RBG Melbourne, and the Australian Garden Opening Celebration and the Eucalypt Festival at RBG Cranbourne. A suite of new programs and activities was delivered at RBG Melbourne during autumn and included the children's programs *Mr McGregor's Garden*, *Budding Gardeners*, and *Yoga for Kids* in The Ian Potter Foundation Children's Garden, and free Reconciliation Week walks during the school holidays. Promotional support was offered to the National Gallery of Victoria for its forthcoming Monet's Garden winter exhibition and visitor programs were developed to complement the exhibition. Now in its sixth year, the autumn Eucalypt Festival attracted more than 4,000 visitors to the Australian Garden, compared with 1,665 in 2012.

Australian Garden Opening Celebration

A weekend-long celebration was held in October to mark the completion of the Australian Garden at RBG Cranbourne. This free public event attracted 5,973 visitors and featured activities targeting gardening enthusiasts and families. Highlights included Q&A sessions with garden experts and staff, talks on the Australian Garden's building and design, guided tours, musical entertainment and children's craft activities. The new community events space, the Ian Potter Lakeside Precinct, was used for the official opening event on Friday 19 October and was the focus of specialist exhibitions and the Growing Friends' Plant Sale for the opening weekend celebrations.

Open House Melbourne

RBG Melbourne showcased some of its most historic buildings when it joined the Open House Melbourne scheme for the first time. The former Director's residence Gardens House, Plant Craft Cottage and the Melbourne Observatory buildings were opened to the public during the weekend.

Indigenous programs

In 2012–13 the Royal Botanic Gardens was pleased to host a number of programs and events to allow visitors to explore Aboriginal history, culture and traditions.

The Gardens held public celebrations for days of significance to the Aboriginal community at RBG Melbourne and hosted free programs (tours, craft activities, and storytelling) to encourage indigenous and non-indigenous participation.

On 28 May 2013, an Indigenous Education Day was held at RBG Cranbourne which involved a welcome by Aboriginal Programs Officer Trevor Gallagher with a traditional smoking ceremony; speakers such as Dr Beth Gott, an honorary research associate in Monash University's School of Biological Sciences, presented on Indigenous land management, and Delsie Lillyst, a Gunditjmara Elder shared culture and history, and others led a discovery walk exploring Indigenous uses of plants.

The popular Aboriginal Heritage Walk continued at RBG Melbourne with more than 5,000 visitors participating in the walk.

The Gardens Shop

The Gardens Shop retail outlets at both sites offer visitors a unique botanical shopping experience, complementing visitor programs, and are an important source of income for the Royal Botanic Gardens. In 2012–13, new products were added to existing licensed products. Based on artwork from the State Botanical Collection, Maxwell & Williams launched six new fruit and six new floral designs in mugs and plates and a matching range of serving ware. Customworks added to its range of stationery with a postcard collection, notepads and lens cloths.

Promotional plans were reviewed on a quarterly basis and cross-promotional opportunities to align retail strategy with visitor program and marketing objectives were implemented. A new product range was developed for the Australian Garden and featured in the Frankston Tourism Centre's window for May. Branded products including prints, stationery and soft furnishings were developed in June to complement the 'Cranbourne Collection' botanical art exhibition.

ENVIRONMENTAL EDUCATION

The Royal Botanic Gardens is committed to working with individual schools to support school community, curriculum and pedagogical development to deliver outcomes in biodiversity education and sustainable practice. Emphasis is on programs that teach students of all ages about nature, the science that underlies nature and the importance of living more sustainably.

At RBG Cranbourne, participation in on-site school education programs increased in 2012–13, with 8,412 participants attending programs compared with 6,181 in 2011–12. At RBG Melbourne, participation in on-site school education programs decreased in 2012–13, with 19,668 attending programs compared with 23,597 in 2011–12. Decreased attendance at RBG Melbourne can be attributed to available resources for school excursions in the government school sector, while at RBG Cranbourne increased attendance can be attributed to interest generated from the completion of the Australian Garden. Figures for both sites include programs for early childhood, primary and secondary level students from the government, independent and catholic school sectors.

Schools Partnership Programs

At RBG Melbourne, 18 Grade 3 and Grade 4 children from Coolaroo South Primary School took part in a Kitchen Garden program designed to help them acquire the skills to set up a community garden at their school. Focussing on biodiversity, and water and waste management, the program taught them the skills to water effectively, plant and propagate, manage a worm farm and control pests. In addition to the Kitchen Garden program, the children participated in a week-long workshop held at Domain House by the Australian Tapestry Workshop in partnership with The Prince's School of Traditional Arts in the United Kingdom, one of the charities sponsored by HRH The Prince of Wales. The workshop coincided with the Prince's visit to Melbourne in November, where he met the children.

The RBG Cranbourne Education Services team continued to work with the Peninsula Special Development School to improve science and sustainability learning programs by integrating science programs with outdoor learning spaces around the school.

Carbon Futures

Special programs and support were provided to St Peter's Secondary College and St Agatha's Primary School on climate change and the *Carbon Futures* student program. The delivery of the *Carbon Futures* program, piloted in 2012, is now being fully implemented. Students learn about the carbon cycle, climate change and carbon credits and education staff have facilitated a program of cross-age tutoring between Grade 6 students from St Agatha's and VCAL Year 11 students from St Peter's. This program has been developed in partnership with WithOneSeed, a development agency working closely with communities in Timor Leste to regenerate mahogany forests. The program has been adapted for local Timor Leste students who have undertaken similar programs as well as helped propagate seeds for the co-operatives involved in the revegetation program.

Curriculum development

Educational service products at both sites are being aligned with the National Curriculum. At RBG Melbourne, sustainable gardening and biodiversity education programs were reviewed to assess their relationship with the National Curriculum, with Cranbourne programs to be reviewed in the coming year. This new content will be integrated into programs and professional development will be provided for Royal Botanic Gardens' teachers. In addition, a suite of new programs was developed to coincide with the completion of the Australian Garden at RBG Cranbourne and a new language program was launched at RBG Melbourne.

Future Cities

Future Cities is a problem-solving program looking at urban planning in a growth corridor, and the critical issues of water and open green space. The Cranbourne bushland and the new ponding platform on River Bend in the Australian Garden provided the ideal outdoor locations for undertaking the program's fieldwork activities that study chemical and physical properties of water, bio-indicators and habitat.

You Me and Murrawee

This program uses Kerry Hashmi's story book *You Me and Murrawee* as inspiration and aims to provide early childhood students with a greater understanding of Aboriginal culture. Students explore the uses of indigenous plants and use traditional Aboriginal tools. Other activities include grinding and painting with ochre, dancing and playing with clap sticks.

Art of the Australian Garden

The inspirational contemporary landscape of the Australian Garden is the focus of this new program where students use textural and organic materials and photography to discover and depict their own connection to the environment. Designed for Years 4–10, activities include charcoal sketching, ochre painting and the creation of a sculptural ground mosaic.

Nonno's Garden

Nonno's Garden, a new Italian language program was launched in October at the Children's Garden and joins French and Indonesian in a suite of multicultural programs offered at RBG Melbourne. It was developed as a joint initiative between the Royal Botanic Gardens, the Catholic Education Office and the Italian Assistance Association Melbourne (Co.As.It), with the support from the Modern Language Teachers Association of Victoria. The multicultural program caters for upper primary school and lower secondary age children. *Nonno's Garden* is supported by a teacher's kit, *L'orto del Nonno*, which includes a series of pre- and post-excursion classroom language activities.

Professional Development

Teacher Professional Development programs are delivered at both sites and 796 participants took part in programs on nature play, sustainable gardening and food gardens during the year. In addition, the Education Services team joined with the Victorian Child and Nature Connection network to deliver two specialist seminars. In October, Tim Gill, one of the United Kingdom's leading thinkers on childhood development, presented a seminar on *Children and nature – why they need each other*. The seminar was held at the Australian Garden and was fully booked with 100 participants. At RBG Melbourne, *Connecting country – sharing stories* was the theme of a thought-provoking seminar that featured three acclaimed Indigenous artists – didgeridoo master, William Barton; dreamtime opera diva, Delmae Barton; and sculptor and visual artist, Glenn Romanis – each sharing how they express strong ties to country.

COMMUNITY ENGAGEMENT AND ACCESS

The Royal Botanic Gardens supported a number of groups throughout the year by providing access to venues and program assistance. These groups included the annual School Garden Awards (with an estimated 500 children in attendance) and the Victoria in Bloom awards at RBG Melbourne. Victoria in Bloom is an annual garden award made to people living in public housing; this year the awards marked the 75th anniversary of public housing in Victoria. Domain House was made available for the awards ceremony, which was opened by the Minister for Housing, the Hon. Wendy Lovell, and judging assistance was provided by Horticulture Branch staff. At RBG Cranbourne, Public Programs staff went off-site to support the Mornington Peninsula Environment Week, delivering a seed bomb activity to approximately 1,000 children.

Access Action Plan 2011–2015

The Royal Botanic Gardens is committed to providing equal access for all. The launch of the new website in June 2013 has seen the implementation of an accessibility index page that is available from all pages on the site. Visitors can now easily find out about accessibility at both Cranbourne and Melbourne. This has been augmented by the inclusion of mobility information in maps of the Australian Garden and bushland and seasonal brochures at the Melbourne site. Seating was also improved at RBG Cranbourne and a people mover, the Garden Explorer, introduced to service, providing additional support for people to move around the Australian Garden.

Botanic Gardens Australia and New Zealand Inc. (BGANZ)

The Royal Botanic Gardens continued to support the work of BGANZ, with representation on the BGANZ Council and BGANZ Victoria committee. In March, RBG Melbourne hosted 85 participants for the BGANZ Victoria Plants Forum, the majority of whom were from Victoria, with some delegates attending from interstate and New Zealand.

Royal Botanic Gardens' staff contributed their expertise by visiting regional botanic gardens at Bendigo, Melton, Williamstown, Halls Gap and the Mt Dandenong and R.J. Hamer Arboretums in the Dandenongs, and providing input to training workshops and professional development programs. These included delivering a workshop and presentation on Biosecurity and Management of Invasive Species as part of the Professional Development program at the BGANZ NSW regional conference, facilitating a collections planning workshop at the Maroochy Botanic Gardens, providing input to the Wilson Botanic Park Collections Plan, and facilitating a workshop at the Wildlife Art Museum of Australia (botanic garden) at Halls Gap.

Online access and social media

The Royal Botanic Gardens' online presence was improved with the redevelopment of the website and a new online shop. Launched in June, the new site is built on a responsive platform, which automatically reformats information so that it is easy to read and navigate on a range of mobile devices. Redevelopment of the website followed an analysis of user needs and included a review of all pages on the site. The online retail presence was significantly improved with a new online shop launched in June as part of the website redevelopment project. The new retail site featured almost 200 products when launched.

Social media participation was led through a new monthly eNewsletter, relaunched in September. The newsletter reached a subscriber base of almost 3,000 subscribers (as of 30 June), and subscribers can like or share events or news items directly through the eNews. Prompts for people to join the social media conversation were added to all printed maps and guides produced for both sites. Facebook and Twitter interactions and followers continued to rise. The provision of information on plants in the Australian Garden was tested with the use of QR codes on plant labels. Visitors were able to scan the 'hortycodes' and gain online access to information about 70 plants featured in the Australian Garden.

Public relations and media coverage

Royal Botanic Gardens' achievements were highlighted in mainstream media and included the RBG Melbourne volunteer recruitment program, opening of Australian Garden Stage 2 and the Titan Arum flowering. Specialist publications covered the Working Wetlands project and several radio interviews were conducted to mark the retirement of (former Director and Chief Executive) Dr Philip Moors and the appointment of his successor, Professor Tim Entwisle. All interviews directly or indirectly reinforced the role of the Royal Botanic Gardens and highlighted the life sustaining importance of plants. Articles prepared by staff appeared in several print and online publications including *The Age* (Arid Garden coverage), BGANZ (education feature), and *The Weekly Review* (profile of Professor Tim Entwisle). Arrangements were also made for regular contributions to the popular gardening blog *Gardendrum*, to commence in late 2013.

Market research

A series of focus groups was held in May to canvass the support and ideas of one of the Royal Botanic Gardens' key stakeholder groups, the Director's Circle. Regular feedback was also sought from visitors on various topics including feedback about programs and events, facilities and customer service at both sites. The results have been used by the Royal Botanic Gardens to make improvements and enhancements to programs and facilities.

Support and volunteer groups

The Royal Botanic Gardens enjoys the support of Friends' groups at both sites, as well as special interest groups including the Garden Plants Conservation Association of Australia. In turn, the Royal Botanic Gardens works closely with these groups, assisting them with their activities and providing infrastructure and operational support.

Active volunteer programs operate at both sites and include Garden Ambassadors, Herbarium Volunteers, Voluntary Guides and Children's Garden volunteers. New volunteers were recruited and comprehensive training programs offered. At RBG Melbourne, 40 new volunteers graduated in September from a comprehensive training program which included presentations from staff across the organisation. A further 32 Garden Ambassadors were recruited for the Australian Garden, adding to the visitor experience by answering questions on native plants, hosting guided tours and holding 'how-to' workshops. In October, the Herbarium Volunteers celebrated 30 years of service – and the curation, databasing and mounting of 368,045 specimens in that time – with a special morning tea hosted by the Royal Botanic Gardens.

Friends groups

RBG Cranbourne continued to consult closely with the Cranbourne Friends to redevelop facilities on-site as part of the Depot Upgrade project. Planning permissions delayed the relocation of the Growing Friends' Nursery and the introduction of the Bushfire Management Overlay planning provisions in late 2012 drove revision of the Depot Masterplan, resulting in the planned relocation of the Friends Hub to the current Administration building. The Friends will renovate this space in late 2013, once it has been vacated by staff on completion of the new administration building. Funds raised from Cranbourne Friends' activities in 2012–13, including several successful plant sales and the annual bookfest, were held over to support the redevelopment of the Friends' Hub.

RBG Melbourne provided support for a range of activities with the Melbourne Friends including the bi-annual *Art of Botanical Illustration* exhibition (last held in October 2012) and two annual plant sales (in spring and autumn). In addition, seasonal promotional support for the Friends' lecture series is provided through Royal Botanic Gardens' publications and public relations programs. The Melbourne Friends made generous grants to the Royal Botanic Gardens supporting the Working Wetlands and Fern Gully Boardwalk infrastructure projects, and funding staff development and research programs through the annual Helen McLellan Research Grant and staff scholarship programs.

LOOKING AHEAD

Punting

Punting will commence at RBG Melbourne in October, adding to the visitor experiences available at the Gardens. Tours will run year round and are being delivered by Punt Tours Melbourne. The beautifully crafted wooden punts will operate on the Ornamental Lake and are expected to generate increased visitation to the lakeside precinct, as well as provide an important source of revenue.

ClimateWatch education App.

A self-guided education program about plants sensitive to climate change will be available in early 2013–14 through the ClimateWatch App. It has been developed in partnership with the Earthwatch Institute, Australia. Royal Botanic Gardens Education staff contributed to the project by providing expert information on plants and assisting with the development of a map showing the location of featured plants at RBG Melbourne.

Melbourne Observatory 150th anniversary

RBG Melbourne will celebrate the 150th anniversary of the Melbourne Observatory later this year. Organised in conjunction with the Astronomical Society of Victoria, the commemoration is expected to be marked with a weekend celebration on 23–24 November 2013.

OVERVIEW OF SPECIFIC OUTCOMES AND PERFORMANCE MEASURES

Strategic Priority 2a: To engage with our diverse community by delivering stimulating and innovative community engagement programs that enable connection with our natural world

Specific outcomes	Progress against deliverables and measures
15 Develop Gardens Shops' merchandise and promotions and strategically align them with community engagement programs to support environmental education, nature-based tourism, and enhanced customer satisfaction	<ul style="list-style-type: none"> ~ The Gardens Shops' promotional plans were reviewed quarterly to determine the effectiveness of the themes displayed and updated in line with the results of the reviews ~ New product ranges were developed for the Australian Garden and the Cranbourne Collection Botanical Art Exhibition ~ Medium-term recommendations of the Royal Botanic Gardens' retail strategy were implemented, including improvements to the Observatory shop gallery display wall and main display window, and the addition of wooden cladding on shelving display units and interior signage at the Cranbourne shop
16 Support development and maintenance of the Royal Botanic Gardens' website and its content, and ensure adherence to accessibility standards	<ul style="list-style-type: none"> ~ The Website Redevelopment Project incorporated accessibility guidelines with the aim of achieving Level A accessibility; the website was redeveloped, and relaunched in June 2013 ~ All content was reviewed as part of the redevelopment, with changes made and recommendations noted for future content ~ The Gardens Shop online – shop.rbg.vic.gov.au – was redeveloped and relaunched ~ The latest edition of the Royal Botanic Gardens' scientific journal <i>Muelleria</i> was published online for the first time in accessible format
17 Develop, and make available, a new self-guided education program to better engage with secondary students	<ul style="list-style-type: none"> ~ Contributed content about plants and developed a map for a self-guided walk as part of the Earthwatch Institute ClimateWatch App.
18 Integrate social media into different levels of interpretation, and identify digital marketing opportunities, with the aim of increasing the use of online marketing	<ul style="list-style-type: none"> ~ Digital marketing plan developed to support the opening of the Australian Garden Stage 2, with a strong focus on social media as a tool for community engagement ~ The Royal Botanic Gardens' monthly eNewsletter – <i>in the Gardens</i> – was relaunched in September and incorporated social media interaction; current subscriber base is about 2,500 ~ Development of an RBG App for mobile devices was put on hold pending the development of the new Royal Botanic Gardens' Website ~ Hortycodes pilot program tested the use of QR codes on plant labels at the Australian Garden

Strategic Priority 2b: To foster appreciation of the essential role that plants play in sustaining all life on Earth and the pressing need to conserve biodiversity

Specific outcomes	Progress against deliverables and measures
19 Write a suite of feature stories, focussing on the life-sustaining importance of plants, for placement in Royal Botanic Gardens' publications [and mainstream media]	<ul style="list-style-type: none"> ~ News and feature articles featured in mainstream media including major local, daily and national newspapers, national radio and television programs ~ <i>Floreo</i>, the Royal Botanic Gardens' biannual newsletter was produced with special features on the Australian Garden, the Titan Arum blooming and Royal Botanic Gardens' education programs
20 Hold two large-scale community events at RBG Melbourne	<ul style="list-style-type: none"> ~ Spring Open Day held with 5,998 visitors; attendance was 47 per cent down on the previous year due to poor weather conditions; 91 per cent of feedback received rated the event as 'very good' or 'higher' ~ 225 visitors participated in a suite of new autumn programs and 80 per cent of feedback received rated the programs 'very good' or 'higher'

Strategic Priority 2c: To foster community connections by promoting strategic community relationships, involvement and participation in the Royal Botanic Gardens' activities

<i>Specific outcomes</i>	<i>Progress against deliverables and measures</i>
<p>21 Support BGANZ through active membership of the BGANZ Council, BGANZ Victoria and the Botanic Gardens Education Network</p>	<ul style="list-style-type: none"> ~ Active membership continued with representation on the BGANZ Council and BGANZ Victoria committee, and at a membership level ~ Input was provided to training programs and workshops at a state and national level ~ Six Victorian regional botanic gardens were visited and collections planning assistance was provided ~ RBG Cranbourne BGANZ Horticulture Branch representative provided input to the review of the Diploma of Ornamental Horticulture ~ BGANZ Victoria Plants Forum was hosted at RBG Melbourne in March 2013
<p>22 Develop and deliver Indigenous events and interpretation at RBG Melbourne, and Indigenous cultural programs in the Australian Garden</p>	<ul style="list-style-type: none"> ~ Annual NAIDOC celebrations were held at RBG Melbourne on 3 July 2012 with an estimated 120 people, marking a five per cent increase in participation from 2011 ~ Long Island interpretation at RBG Melbourne was revised; new signage will be installed in 2013–14 ~ The Aboriginal Heritage Walk at RBG Melbourne attracted 5,661 participants ~ RBG Cranbourne Indigenous cultural programs included plans made for a NAIDOC celebration to be held for the first time in 2013; availability of a Tanderrum – Welcome to Country – program; and strategy revised for further establishment of Indigenous programs, with support from Tourism Victoria
<p>23 Support the relocation of Friends of RBG Cranbourne's facilities and activities as part of the Depot Upgrade Project</p>	<ul style="list-style-type: none"> ~ Delays in receiving planning permissions postponed the timing of the Friends' Nursery relocation; however, the Nursery shed is nearing completion and is now expected to be in operation during spring 2013 ~ Depot Masterplan was revised in regard to Bushfire Management Overlay provisions in late 2012, with the Friends now expected to relocate to the current administration building in late 2013
<p>24 Improve access for visitors to the Royal Botanic Gardens by implementing the Access Action Plan (AAP) 2011–2015</p>	<ul style="list-style-type: none"> ~ Implementation of approved recommendations completed at RBG Cranbourne ~ External vendors and contractors advised of requirements under the Disability Discrimination Act and the Royal Botanic Gardens' Access Action Plan through 'Notice to Contractors' issued at RBG Melbourne

STRATEGIC GOAL 3

Delivering sustainable management

Delivering effective and environmentally sustainable management of our landscapes, plant collections, built assets and resources to protect our gardens for future generations



As custodians of lands and collections that are rich in plant and animal life and renowned for their visual beauty and heritage, we have the capability to deliver innovative resource management programs. As we face the accelerating impacts of global climate change, we will maintain our landscapes sustainably and ensure that excellent environmental practices inform everything we do. We will continue to focus on strategic and effective fundraising and revenue generation to ensure that, combined with Victorian Government support, we have sufficient capital to maintain and improve our assets for future generations. Our people are important to our achievements and we will provide them with opportunities to develop their skills and continue contributing to our successes. (Corporate Plan 2011–2015)

The total budget allocated to achieving Strategic Goal 3 in 2012–13 was more than \$13.9 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

Above: Solanum laciniatum Large Kangaroo Apple – 2004 Watercolour by Joan Fatechand; exhibited at the Australian Garden in 2013 and reproduced from the Cranbourne Collection of botanical art, part of the State Botanical Collection. Prints and cards were produced for sale in The Gardens Shop to celebrate this exhibition.

AT A GLANCE

The final stage of the Australian Garden – a visionary contemporary 15-hectare native garden – was officially opened by the Hon. Ryan Smith, Minister for Environment and Climate Change on 19 October 2012.

~

Working Wetlands, a four year stormwater and recycling project at RBG Melbourne, was completed and officially opened in August 2012.

~

12,568 vascular specimens, including Australian and Foreign material, were mounted or remounted, and 3,369 cryptogamic specimens (algae, bryophytes, fungi and lichens) were curated as part of ongoing work on the State Botanical Collection.

~

The blooming of two *Amorphophallus titanum* specimens in the RBG Melbourne Glasshouse, marked the holy grail of horticulture for the Nursery team; the first specimen bloomed on Christmas Day and was welcomed by overwhelming public interest.

~

300 photovoltaic cells were installed on seven buildings at RBG Melbourne, offsetting the additional power required by the operation of Working Wetlands.

~

80 commemorative tree labels were installed at RBG Melbourne to mark the location of trees planted in the Gardens by significant public figures over the last 166 years since the establishment of the Royal Botanic Gardens; the signs were produced thanks to a donation from a generous individual donor.

~

6,000 daffodil bulbs from 20 cultivars were planted on Oak Lawn at RBG Melbourne following a generous donation from former Director and Chief Executive, Dr Philip Moors; the selection included varieties such as Bettina, Fair wind, Filigree, Glad days, Golden Dawn, Orange Crush, Sun White and Welcome.

~

YEAR IN REVIEW

LIVING COLLECTIONS MANAGEMENT

The Royal Botanic Gardens maintains its sites and living collections to the highest curatorial standards, conserving biodiversity, landscape, horticultural and heritage values. Collection Management and Action Plans set out the guiding principles and annual management of the living collections.

At RBG Melbourne, 31 Collection Action Plans were developed and reviewed, informing the annual work program for each of the collections. Work commenced on transforming the Magnolia Bed with a design that provided a stronger connection between the Magnolia Bed and the surrounding sub-tropical landscapes. The renovation will include the addition of more than 900 new plants, many of which will be grown in the Nursery. The work has been made possible with the contribution of a generous donor and is expected to be completed by the end of October 2013. Several new species were added to the Palm Collection as a result of a Melbourne Friends' study scholarship enabling the curator to travel to Queensland on a collection trip. There are currently over 40 Palm species in the RBG Melbourne landscape.

Planning for the long-term management of RBG Melbourne's heritage landscape and living collections in the face of predicted hotter and drier temperatures caused by climate change was also undertaken. Work proceeded on a Landscape Succession Plan, with the aim of guiding the managed transition of the existing planting at RBG Melbourne to a composition more suited to the projected climate of 2070, while still retaining the Gardens' heritage character and landscape qualities. The draft plan is expected to be finalised in the first quarter of 2013–14.

Arid Garden

Around 80 per cent of the columnar cacti and succulents in the Arid Garden Collection at RBG Melbourne were destroyed in early June in an overnight attack on the plants. The collection contains rare and unusual species from all over the world, and in some cases specimens more than 30 years old were destroyed. The incident was reported to police and the Arid Garden was temporarily closed to the public to assess the damage and clean up the area. Segments of damaged plants were excised for propagation by Nursery staff. Planning for the design and creation of a new Arid Garden, connecting the collection with Guilfoyle's Volcano, will begin later in 2013.

At RBG Cranbourne, the official opening of the Australian Garden and completion of Stage 2 in October 2012 marked the addition of 11 new garden precincts, with 70,000 individual plants, representing 850 different varieties in the 15-hectare garden. Work continued on establishing systems to aid the ongoing curation and maintenance of the living collections. Over 1,400 plant labels were produced for the plantings in Stage 2. The 1995 RBG Cranbourne Master Plan was reviewed, and will be replaced by an RBG Cranbourne Management Plan. The Management Plan will overarch a series of more prescriptive Precinct Plans; the latter will be developed over a longer timeframe, and be guided by the key principles as articulated in the Management Plan.

The strategic tree management program continued at both sites, with risk assessments undertaken. Succession planning continued to be implemented at RBG Melbourne, with prioritised removal of some trees and replacement plantings in order to establish a mixed-age canopy.

LANDSCAPE MANAGEMENT AND DEVELOPMENT

Australian Garden

The completion of the final stage Australian Garden landscape works, interpretation and planting was marked by an official function at the Garden on 19 October. The Hon. Ryan Smith, Minister for Environment and Climate Change, opened the Garden at the launch attended by major donors, sponsors, designers, staff, contractors and horticulturists who had worked on the Australian Garden project. A foundation stone acknowledging the government, organisations and individual donors who contributed to the project, including the major supporters of Stage 2, the Victorian Government and The Ian Potter Foundation was unveiled. A public celebration was held on the weekend that followed with a range of free family and gardening activities and tours.

A strategic communications plan was put in place to support the opening and the ongoing promotion of the Australian Garden and overwhelmingly positive coverage and sustained media interest was generated for four to six weeks surrounding the launch date. Updated tourism materials and on-site visitor guides were released to coincide with the opening and these continued to encourage new and repeat visitation, particularly in the South East region. Public interest in the Australian Garden was confirmed by a progressive increase in visitation in the weeks and months following the opening: 20,750 visitors were recorded in January compared with 7,500 in September, just prior to opening, and building with 16,500, 13,250 and 12,250 respectively in October, November and December. Visitor numbers continued to be well above those recorded in 2011–12.

RBG Cranbourne depot upgrade

The Depot Upgrade project, part of the Australian Garden project, was delayed due to the implementation of the Bushfire Management Overlay requirements by the City of Casey. As at 30 June 2013, building had progressed to the revised schedule, with completion of the depot now expected in October. Minor ancillary elements such as shedding and landscaping will follow the completion of the depot, with expected completion of the project in autumn 2014.

Botanic Ridge Precinct Structure Plan (PSP)

RBG Cranbourne is a 363-hectare site and contains some of Victoria's most precious areas of remnant native bushland. Located as it is on Melbourne's south-east urban fringe, the Royal Botanic Gardens has worked closely with key stakeholders for the past five years to provide input to the Botanic Ridge PSP. The PSP was approved by the Minister for Planning in February 2013 through Amendment C133 to the Casey Planning Scheme. The PSP no longer has the two biolinks (corridors connecting RBG Cranbourne land to land beyond the development precinct) that were included in the November 2010 draft for consultation. This land is now subject to EPBC Act (Commonwealth) determination and a letter was sent to the Federal Environment Minister supporting the inclusion of these biolinks.

Observatory Gate Stage 2

An investment logic map was developed to support the building of a business case for the completion of Stage 2 of the Observatory Gate redevelopment at RBG Melbourne; Stage 1 was completed in 1999. Options were identified and developed for resolving Herbarium storage issues for the State Botanical Collection and the integration, if any, of this element with the Observatory Gate Stage 2 project. Completion of this work and resolution of these issues will be required prior to the preparation of a business case.

INFRASTRUCTURE AND ASSET MANAGEMENT

The Royal Botanic Gardens maintains and improves its assets for current and future generations. Building and infrastructure assets recorded on the Asset Register were valued at an estimated \$77.4 million, and include historically significant buildings at RBG Melbourne as well as elements of the recently-completed contemporary Australian Garden at RBG Cranbourne. This marks a significant increase in value from 2011–12 due to the completion of the Australian Garden Stage 2 landscape (\$26.8 million) at RBG Cranbourne and Working Wetlands (\$3.7 million) at RBG Melbourne during 2012–13. Implementation of the Asset Management and Maintenance System proceeded. Originally due to be completed in September 2012, some software familiarisation issues delayed the full roll out of the system. These issues were subsequently resolved and the system went 'live' at RBG Cranbourne in June. It is now expected to be fully operational at RBG Melbourne in late 2013.

SUSTAINABLE RESOURCE MANAGEMENT

Environmental sustainability underscores the Royal Botanic Gardens operations. To this end, the Royal Botanic Gardens 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.

Working Wetlands

The four-year \$6.5 million Working Wetlands project at RBG Melbourne was completed with practical completion of Part B including four water storage tanks, a water treatment building to house a UV filtration system and pump, and upgrades to the irrigation control system. The project was launched by the Hon. Ryan Smith, Minister for Environment and Climate Change at a function in August for 100 guests. Donor signs were erected to acknowledge the contribution of the Australian government, Victorian Government, private and non-government donors.

Part B of the project, funded by the Department of Sustainability, Environment, Water, Population and Communities, was met on time and under budget. Subsequent discussion with the Department reached agreement to meet part of the requirement to source green power to address the project's increased power requirements by retaining the remaining funds to enable installation of photovoltaic cells on buildings at RBG Melbourne.

Photovoltaic cells

Photovoltaic cells were installed on the top of seven buildings at RBG Melbourne in the Works Yard, Visitor Centre and on the Herbarium building. The energy generated from the cells is expected to offset 60 per cent of the energy use from the Working Wetlands project and was funded from part of the Australian Government's contribution to Working Wetlands. A review of Working Wetlands energy use in late 2012 confirmed that while the project reduced the Royal Botanic Gardens' reliance on mains water for irrigation, a slightly higher energy use had been incurred.

Water management

The Royal Botanic Gardens remained committed to sustainable irrigation water management at both sites. Reduction in use of mains water for irrigation at RBG Melbourne became closer to being achieved with the completion of Working Wetlands, a four-year stormwater harvesting and recycling project.

Other water management issues at RBG Melbourne included the removal of *Azolla filiculoides*, a native fern that had covered the entire Ornamental Lake causing oxygen depletion in the water column and the considerable loss of submerged water plants, which promote the health of the lake. The *Azolla* was successfully removed in July and did not return with any significance the following summer. Improvements in the water quality of the Ornamental Lake were recorded and can be attributed to increased wetlands planting around the margins of the lake and in some of the constructed wetland zones.

Further data on water management is available in the Environmental Performance section of this report on page 18.

Biosecurity management

Biosecurity practices are governed by the Royal Botanic Gardens Biosecurity Policy and Procedures, which outline the 'the methods and practices for protection of living plant assets, natural habitat and industry from pests that may cause damage or disease'. Measures are routinely implemented to protect the Royal Botanic Gardens' living assets from exotic pest threats and manage biosecurity to prevent risks to other land managers.

The Royal Botanic Gardens continued to monitor host species for Myrtle Rust, an exotic plant disease with no known cure affecting plants of the Myrtaceae family, and incoming plant material underwent treatment before being planted in the landscapes. Despite these efforts, two incursions were detected at RBG Melbourne in April and May on single plants of *Lophomyrtus obcordata* and *Myrtus communis*. Both areas were barricaded and containment spraying undertaken. Containment measures put in place at the Australian Garden in April 2012, following the detection of the rust on a single specimen, have proved effective and no further incursions were detected at RBG Cranbourne.

DEVELOPMENT

The Royal Botanic Gardens continued to focus on its own fundraising and revenue generation to supplement Victorian Government support, providing a sustainable capital base to maintain and improve its assets, and to deliver a wide range of programs and projects. An active fundraising program in 2012–13 incorporated direct mail campaigns (for individual donations), and targeted fundraising for specific projects, including submissions to philanthropic trusts and foundations.

Efforts were directed to identifying and securing alternative funding partnerships or funding models for the delivery of schools education. Funding proposals were submitted to 'Organisation Mondiale pour l'éducation Prescolaire' (OMEP), the world organisation for early childhood education, BGCI (Botanic Gardens Conservation International) and the Federal Minister for Education under a partnership called 'WithOneSeed'. The OMEP proposal was successful and \$8,000 funding was secured for the Rain Dance program, an early years initiative in 2013–14.

Director's Circle relaunch

Director's Circle, a key Royal Botanic Gardens stakeholder fundraising group, was relaunched in June. This marked the change to Professor Tim Entwisle as the group's Patron when he took over as Director and Chief Executive in March. A successful recruitment evening was held at a supporter's home to introduce the Director's Circle to 75 people who were previously not associated with the Royal Botanic Gardens. A second event was held at Domain House for existing and lapsed members to relaunch the program to them. The target is to enlist the support of 100 members in the next twelve months; to date the relaunch has proved successful with 70 confirmed members.

Pauline Ladiges Plant Systematics Fellowship

Fundraising for the joint Pauline Ladiges Plant Systematics Fellowship with the School of Botany at The University of Melbourne was successfully concluded with the Royal Botanic Gardens' target of \$1 million reached. Funding sources included a bequest, donations from a direct mail campaign and a contribution from the Cybec Foundation. The inaugural Research Fellow was recruited and is due to commence in August 2013.

HUMAN RESOURCE MANAGEMENT

During 2012–13, the Royal Botanic Gardens established a new leadership group to foster a culture of greater collaboration between divisions, with an emphasis on the pursuit of strategic priorities. A broader group of people leaders was also established to provide a forum for knowledge sharing and development of management approaches for those in line management positions across the organisation.

LOOKING AHEAD

Children's Garden 10th anniversary

Two new additions are planned to mark the 10th anniversary of The Ian Potter Foundation Children's Garden in October 2014: an art installation on the island and a gathering lawn development with seating will add to the amenability of this popular garden.

Fern Gully precinct

Further planning for the development of Fern Gully precinct into a space for relaxation and reflection as well as providing education on rainforests will feature new boardwalks, the redevelopment of the Fern Gully Rest House and new spaces created where people can stop, sit and enjoy the tranquillity of Fern Gully.

Sustainable irrigation water

RBG Melbourne and RBG Cranbourne are working towards securing alternative sustainable water for both sites to completely remove the need for potable water for irrigation. RBG Melbourne is currently working in partnership with Melbourne Water, South East Water and the City of Melbourne.

OVERVIEW OF SPECIFIC OUTCOMES AND PERFORMANCE MEASURES

Strategic Priority 3a: To manage our assets, collections and resources efficiently and effectively so that they are protected and enhanced for future generations

<i>Specific outcomes</i>		<i>Progress against deliverables and measures</i>
25	Manage RBG Melbourne landscape to conserve biodiversity, horticultural and heritage values in the face of climate change and other challenges	~ Second year action plans were developed and reviewed
26	Investigate replacing the automatic weather station (AWS) at RBG Melbourne to maintain asset integrity, improve data accuracy and assist horticultural management	~ New AWS installed in March, following completion of planning and design phase; budget identified from within Working Wetlands project ~ Progressive testing of AWS radio link to Royal Botanic Gardens' server was due to commence July 2013, with information from AWS to be linked to Royal Botanic Gardens' website and Visitor Centre display panels
27	Develop and implement an annual Action Plan for the Strategic Water Plan 2012–2016	~ Revised Strategic Water Plan implemented and kept current by updating the actions and performance measures as required; it was determined that no Annual Action Plan was required
28	Commence requirements stemming from the Botanic Ridge Precinct Structure Plan	~ Letter sent to the Federal Environment Minister seeking a determination and inclusion of biolinks in the Botanic Ridge Precinct Structure Plan (PSP) following approval of the PSP by the Minister for Planning in February 2013 through Amendment C133 to the Casey Planning Scheme ~ RBG Cranbourne planning requirements remain unclear, pending Commonwealth determination and inclusion of biolinks
29	Implement specific outcomes from the Strategic Tree Plan, with an emphasis on risk management and the Tree Management Database	~ Risk assessments for RBG Cranbourne were undertaken in February and March ~ Risk assessments for RBG Melbourne commenced, but did not reach 50 per cent of the annual target due to limited staff resources ~ Tree maintenance program implemented for RBG Melbourne ~ Tree Management Module of the Living Plant Collections database was developed and training provided to users

<i>Specific outcomes</i>		<i>Progress against deliverables and measures</i>
30	Commence development of the RBG Cranbourne Master Plan	<ul style="list-style-type: none"> ~ Master Plan scoping commenced but not completed due to priorities arising from completion of Australian Garden Stage 2 project ~ Needs analysis resulted in a revision of Master Plan scope to development of a Management Plan, which will overarch a series of more prescriptive Precinct Plans; the latter will be developed over a longer timeframe, and be guided by the key principles as articulated in the Management Plan ~ Timeframe for development of the Management Plan reviewed and extended due to budget unavailable for engaging a consultant in 2013–14
31	Complete the Australian Garden Stage 2	<ul style="list-style-type: none"> ~ Australian Garden Stage 2 landscape works, interpretation and planting substantively completed prior to official opening on 19 October 2012 ~ Strategic Communications Plan for opening and ongoing promotion developed ~ Depot Upgrade project delayed due to implementation of the Bushfire Management Overlay requirements by the City of Casey; completion date now end October 2013, with ancillary elements in autumn 2014 ~ Impact of increased visitation following opening proved manageable; on two occasions main carpark reached capacity and had to be temporarily closed ~ Garden Ambassador volunteer program expanded to better serve more visitors ~ Garden Explorer people mover introduced from February 2013 to increase visitor accessibility to the completed Australian Garden
32	Implement the Asset Management and Maintenance Management System (AMMMS)	<ul style="list-style-type: none"> ~ Major PRONTO upgrade was completed and went live on 3 May 2013 ~ Implementation of AMMMS completed for RBG Cranbourne, with system going live on 3 June 2013 ~ RBG Cranbourne high level asset-related data entered; minor equipment and components to be entered as the need arises and ongoing ~ Implementation of AMMMS delayed at RBG Melbourne due to some software familiarisation and resourcing issues
33	Implement the strategic management plans for the drainage and path systems at RBG Melbourne	<ul style="list-style-type: none"> ~ Partial completion only achieved (approximately 20 per cent) due to funding limitations
34	Develop concept plans and a business case for Observatory Gate Stage 2, including a strategic communications plan to support the project	<ul style="list-style-type: none"> ~ Investment Logic Map developed as at 31 December 2012 ~ Development of business case put on hold pending resolution of Herbarium storage issues linked to the project
35	Secure funding and progress curation and databasing of Foreign collection	<ul style="list-style-type: none"> ~ 7,439 vascular specimens from the Foreign collection were mounted ~ Funding for curation and databasing of Foreign collection listed as a priority project, with funding plan to be developed by December 2013 ~ Mentions of the State Botanical Collection included on products developed for The Gardens Shop, including a vast range of tableware produced by Maxwell & Williams, and prints, cards and soft furnishings developed for the Cranbourne Collection; funds raised from licensed and branded merchandise support the work of the Royal Botanic Gardens

Strategic Priority 3b: To lead the community in sustainable environmental policies and practices for the management and conservation of natural resources

<i>Specific Outcomes</i>	<i>Progress against deliverables and measures</i>
36 Develop strategic initiatives to progress the implementation of the Environmental Stewardship policy	~ Awareness of the Royal Botanic Gardens' role in conservation work, research and programs explored as part of Visitor Market Research; no further initiatives were identified at this time
37 Complete implementation of the Working Wetlands Project Part B	~ Practical completion of Working Wetlands achieved; successful launch was held on 23 August 2012 ~ Donor signs for the project were erected acknowledging the contribution of government and private donors ~ Terms of the funding agreement with the Department of Sustainability, Environment, Water, Population and Communities met on time and under budget ~ Additional works post-practical completion were agreed and included the installation of photovoltaic cells and a pump outlet from Ornamental Lake [see specific outcome 38]
38 Design and implement enhancements to the Lake Wetlands infrastructure and plantscape	~ New weir system at Central Lake installed ~ Upgrade of pipe from Fern Gully to Central Lake determined as no longer a priority; efforts were re-directed to higher priority, energy and water management projects ~ Plans completed for a pump outlet from Ornamental Lake to Yarra River; work is due to commence late 2013
39 Implement priority actions from the Landscape Succession and Climate Change Adaptation Plan (LSCCAP)	~ LSCCAP Concept Plan framework established and methodology developed to enable audit of RBG Melbourne landscape to determine the suitability of specific existing plant taxa for Melbourne's climate as projected in 2070 ~ 70 per cent of working draft completed
40 Undertake the scoping, design and costing of a new wash bay in the RBG Melbourne works yard	~ Initial scoping work completed; design and tender specifications delayed and budget submission deferred due to other priorities

Strategic Priority 3c: To effectively manage our financial and people resources to support the activities of the Royal Botanic Gardens

<i>Specific outcomes</i>	<i>Progress against deliverables and measures</i>
41 Identify and secure alternative funding partnerships or funding models for the delivery of schools education	~ Funding proposals submitted to 'Organisation Mondiale pour l'éducation Prescolaire' (OMEP) (world organisation for early childhood education), BGCI (Botanic Gardens Conservation International), and Federal Minister for Education (under a partnership called 'WithOneSeed') ~ New proposal for Marginalised Schools program at Melbourne put to R.E.Ross Trust for multi-year funding ~ OMEP funding submission was successful with a new early years program funded for the 2013–14 year; BGCI and Federal proposals were unsuccessful. ~ Waiting on funding approval for an education program from BK Dahl Trust
42 Develop a commercialisation strategy for the Royal Botanic Gardens	~ Commercialisation Strategy was not developed due to other organisational commitments ~ Development has been reprioritised, with a revised completion date of 30 June 2014
43 Complete recruitment of new Director and Chief Executive	~ Recruitment completed with the appointment of Professor Tim Entwisle, who commenced on 4 March 2013

Our Supporters



Children's Garden volunteer Margaret Smith with a little visitor on Spring Open Day, 2012. Volunteers at both sites assist with the delivery of a range of programs and works.

The support and investment of the Victorian Government, our stakeholder organisations, Friends and volunteers, and the generosity of our valued donors and sponsors are fundamental to the ability of the Royal Botanic Gardens to achieve its goals and to remain one of the Victoria's most treasured natural assets. (Corporate Plan 2011–2015)

GENEROUS FINANCIAL SUPPORT

The Royal Botanic Gardens sincerely thanks the individuals, businesses, community groups, government entities and philanthropic trusts and foundations that generously supported its work in 2012–13.

The financial support received by the Royal Botanic Gardens 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, water sustainability and scientific projects that have been in progress during 2012–13.

Donations received during the year went to projects including Australian Garden Stage 2, Working Wetlands, and various smaller science, horticulture and education projects.

Further to this, organisations that provided research grants are acknowledged on page 47 of this report.

This list records contributions of \$1,000 and over in the 2012–13 financial year.

Anonymous (1)

Ms Laurie Bebbington

Ms Meg Bentley

Bosisto's Eucalyptus

Calvert-Jones Foundation

Camellias Victoria Inc.

Commonwealth Department of Sustainability,
Environment, Water, Population and Communities

CSL Limited

Cybec Foundation

Department of Education and Early Childhood Development

The Estate of The Late Grace Ella Fraser

Friends of Royal Botanic Gardens Cranbourne Inc.

Friends of Royal Botanic Gardens, Melbourne Inc.

Mr Charles Goode AC and Mrs Cornelia Goode

Mr Rob Grant

The Ian Potter Foundation

Mr Peter Jopling QC

Mr Brian Little

Maud Gibson Trust

Melbourne's Child

Mr Noel Minifie

OMEP Victorian Chapter

Reece Australia Limited

Mrs Margaret Ross AM and Dr Ian Ross

Schapper Family Foundation

The Estate of The Late Mrs Barbara Shearer

Mrs Merrill Shulkes and Dr Arthur Shulkes

The Estate of The Late Ms Evelyn Siracusa

NS & JS Turnbull

Victorian Government

Royal Botanic Gardens Foundation Victoria

The Royal Botanic Gardens Foundation was established in May 2001, with the goal of providing the Royal Botanic Gardens with a secure source of future income from the investment of bequests, seat sponsorships, Director's Circle donations and general donations.

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

During the year, the Royal Botanic Gardens Foundation continued to manage its capital base and enhance its capacity to provide long-term financial support to the Royal Botanic Gardens. A sub-fund established to support the Pauline Ladiges Plant Systematics Fellowship, a senior academic position to be jointly funded by the Foundation and the School of Botany at The University of Melbourne, was fully funded.

While continuing to build its capacity, the Foundation was also able to disburse an additional major funding grant towards the restoration of the Fern Gully Rest House.

The Foundation greatly values and appreciates the commitment and contributions of all of its supporters. In addition to all those listed under Generous Financial Support, the Foundation wishes to acknowledge the following people and their significant contributions during 2012–13:

Anonymous (4)

Dr Philippa Currie and Mr Peter Currie

Ms Jean Dieters

Mr Robert Drew

Mr Ian Endersby and Mrs Margaret Endersby

Mrs Jean Hadges

Mrs Barbara Haynes

Mr Norman Lees

Mr Brian Little

Melbourne Girls Grammar School

Mr Dennis Nassau

Mr Kenneth Nelson

Ms Elizabeth Sevier

Mrs Diana Sher

Mr A G Taylor

Mr Adrian Turley

Mr Frank Van Straten OAM

Dr Elizabeth Xipell

Seat Sponsorship (RBG Melbourne)

Mrs Susan Chandler

Mrs Yvonne Deutsher

Mr Branko Drazenovic

Miss Margaret Ford

Mr Derrick Friedman

Mr John Godfrey

Dr John Hughes

Friends and Colleagues of the Late Warwick Keating

Mr Neil Malone

Mr Derek Malone

Ms Wendy Mead

Ms Joanne Reubenicht

Mr Mark Reubenicht

Ms Julie Roberts

Ms Michele Sharples

Mr Richard Williams

Director's Circle

The Director's Circle Program is a vehicle for some of the Royal Botanic Gardens' closest supporters to pledge their annual, unrestricted contributions to help protect the Gardens for future generations, by developing 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 sincerely thanks the following Director's Circle supporters for their vision and continuing generosity.

Patron

Professor Tim Entwisle (March 2013–June 2013)

Dr Philip Moors (July 2012–November 2012)

Acacia

Anonymous (1)

Mr Clive Blazey and Mrs Penny Blazey

Mr John Calvert-Jones AM and Mrs Janet Calvert-Jones AO

Mr Graham Cunningham and Mrs Ann Cunningham

Dunmoore Foundation

Mr Michael Hamson and Mrs Susie Hamson

Mr Ken Harrison and Mrs Jill Harrison

Mr Graeme Holt and Mrs Judy Holt

Mr Pieter Los and Mrs Maryclare Los

Mrs Susan Morgan

Mr Richard Oliver AM

Mr John Patrick and Mrs Bridget Patrick

Mrs Margaret Ross AM and Dr Ian Ross

Mr Greg Shalit and Ms Miriam Faine

Mr Paul Wheelton OAM

Dr Elizabeth Xipell

Banksia

Anonymous (3)

Mr David Adam and Mrs Judy Adam

Sir David Akers-Jones GBM KBE CMG

Mrs Jan Anderson and Mr Robert Anderson

Mr Duncan Andrews and Ms Jan Andrews

Mr Graeme Baker and Mrs Lee Baker

Mr Michael Begg and Mrs Judy Begg

Mr Lionel Berkowitz and Mrs Elaine Berkowitz

Mr Marc Besen AO and Mrs Eva Besen AO

Mr Ian Beynon and Mrs Beth Beynon

Mr Russell Board and Ms Narelle Ivers

Mr Philip Brass and Mrs Vivien Brass

Ms Sally Browne

Mr Peter Canet and Mrs Ivanka Canet

The Honourable Alex Chernov AO, QC
and Mrs Elizabeth Chernov

Mr Sandy Clark and Ms Marie McDonald

Mr Richard Clarke and Mrs Margaret Clarke

Dr Robin Collier and Professor Neil Collier

Mr John Collingwood and Mrs Chris Collingwood

Mr Bruce Echberg and Mrs Kerry Echberg

Mr Rodger Elliot AM and Mrs Gwen Elliot AM

Mr Ian Endersby and Mrs Margaret Endersby

Ms Jane Fenton and Mr David Miles

Dr Helen Ferguson

Mrs Robin Ferry OAM

Mr Mike Fogarty and Mrs Deb Fogarty

Mr Geoffrey Freeman and Mrs Lesley Freeman

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

Mr Andrew Grummet AM and Mrs Margaret Grummet

Mrs Sarah Guest

Mr Andrew Guild and Mrs Ai-gul Guild

Mrs Sally-Anne Hains

Mr Brian Hamersfeld and Mrs Natalie Hamersfeld

Ms Marianne Hay

Mrs Barbara Haynes

Mrs Maria Jo Herpe

Mr Jim Higgins and Mrs Barbara Higgins

Mr Douglas Hocking and Mrs Patricia Hocking

Mr Frank Hook and Mrs Sheryl Hook

Mrs Gillian Hund and Mr Michael Hund

Mr William Jones

Mr Michael Kantor and Ms Silvia Kantor

Mr Peter Kelly and Mrs Liz Kelly

Ms Zara Kimpton OAM

Mrs Millie Laphorne

Mr Tom Latham and Mrs Marianne Latham

Mrs Diana Lempriere

Mrs Alison Leslie

Mr Bill Leslie

Mr Mark Lewis and Mrs Bronwyn Lewis

Mrs Janet Limb

Mr George Littlewood and Mrs Ann Littlewood

Mr Peter Lovell and Mr Michael Jan

Mr Phil Lukies and Ms Janet Whiting

Mr Frank Mahlab and Mrs Eve Mahlab AO

Mr Ian McNaughton and Mrs Libby McNaughton

Mr Ross Milne-Pott and Mrs Judy Milne-Pott

Dr Philip Moors AO and Dr Debbie Moors

Mr Hugh Morgan AC and Mrs Libby Morgan

The Late Dame Elisabeth Murdoch AC DBE

Mr Baillieu Myer AC and Mrs Sarah Myer

Mr Stephen Newton AO

Ms Wendy Olenick

Mr George Pappas and Mrs Jillian Pappas

Mr Tom Park and Mrs Cathy Park

Mr Bruce Parncutt and Ms Robin Campbell

Mr Ron Pearce and Mrs Lorna Pearce

Lady Potter AC

Mr John Prescott AC and Mrs Jennifer Prescott

Mrs Carolyn Rayner and Mr Mark Rayner

Dr Max Richards AM and Mrs Maggie Richards

Mr Damian Robertson and Mrs Lisa Robertson

Mr Ken Roche and Mrs Gail Roche
Ms Jennifer Shaw
Professor Richard Smallwood and Mrs Carol Smallwood
Mr Geoff Steinicke and Mrs Judy Steinicke
Mr Colin Trumble
Mr Ralph Ward-Ambler AM and Mrs Barbara Ward-Ambler
Mr Peter Wetenhall and Ms Jo Horgan
Mr Philip Williams and Mrs Elizabeth Williams
Mr John Wyld and Mrs Anne Wyld
Mr Harrison Young

Research grants

We gratefully acknowledge the following organisations for providing research grants in 2012–13:

Andrew W. Mellon Foundation (Global Plants Initiative)
ANZ Trustees Holsworth Wildlife Research Endowment
Atlas of Living Australia
Australian Alps Liaison Committee
Australian Biological Resources Study
Australian Research Council –
Linkage Grants and Discovery Grants
Cybec Foundation
Department of Sustainability and Environment
Friends of the Royal Botanic Gardens, Melbourne Inc.
Hanson
Hermon Slade Foundation
M.A. Ingram Trust
Norman Wettenhall Foundation (joint grant with Earthwatch)
NSW Roads and Maritime Service
Parks Victoria
Pimelea spinescens Conservation Trust
Systematics Association (UK)
The Myer Foundation
The University of Melbourne – School of Botany
Wildlife Preservation Society of Australia

Friends of the Royal Botanic Gardens Cranbourne Inc.

A number of significant events involving the Friends occurred during the course of this year. These included the opening of Stage 2 and completion of the Australian Garden, and along with Friends of the Royal Botanic Gardens Melbourne recognising the retirement of Dr Philip Moors and the subsequent appointment of Professor Tim Entwisle as the new Royal Botanic Garden's Director and Chief Executive. Work is under way on the new Friends Nursery and conceptual planning has begun for a Friends' centre, following a generous offer to both the Friends and Press Gang of premises that will become vacant when the Cranbourne Gardens staff move to their new building, currently under construction.

Included in a varied program of activities were the very successful Bookfest and Fabric and Quilting Exhibition, both of which attracted many new visitors to the Gardens. Regular events included well-attended educational workshops, practical presentations such as planning and planting for fire and a range of garden visits. Many Friends attended the biennial conference of the Association of Friends of the Botanic Gardens in Port Augusta, after which we conducted a tour of the spectacular Flinders Ranges.

A luncheon, held in the Tarnuk Room, replaced the customary annual dinner. At this very enjoyable event, Dr Graham Worboys spoke of his international experiences in evaluating natural World Heritage areas and an Honorary Life Membership certificate was presented to Dr Philip Moors.

Activity groups continue to flourish. The Botanical Illustrators provide instruction and pleasure for participants. The Botanical Fabricators staged the Quilting Exhibition and sold many of their own works. The Growing Friends organised several very successful plant sales, two at the Ian Potter Lakeside Precinct in the Australian Garden. The Press Gang continued to collect and prepare specimens for the Cranbourne Herbarium Collection with the Seed Collectors gathering and processing seed for the Nurseries.

It was a most successful year, bringing Friends together socially, raising funds and importantly, helping to maintain and stimulate public interest in the Gardens. The purchase of frames for the Cranbourne Collection of botanic art was funded by the Friends; additional moneys are being held pending the redevelopment of the depot area when the new Friends' centre will be established, the Growing Friends Nursery completed and the Press Gang re-housed.

Friends of the Royal Botanic Gardens, Melbourne Inc.

The Friends were pleased to be able to make grants in excess of \$114,000 to the Royal Botanic Gardens Melbourne during the year. These included \$40,000 towards the Working Wetlands project; \$36,560 to the Fern Gully Boardwalk project; \$16,370 for the Friends' Helen McLellan Research Grant awarded to Sharon Willoughby and Dr David Kendal for their project *Gardening beyond our boundary*; a total of \$9,860 for staff scholarships awarded to Catherine Gallagher, Pina Milne and Millie Wee; and \$5,000 for the purchase of artworks for the State Botanical Collection from *The Art of Botanical Illustration 2012* exhibition.

Classes in botanical illustration continued to maintain popularity with ten classes a week during eight-week terms. Beginners' workshops were also held during each school holiday break and special interest botanical workshops proved popular throughout the year. The Friends' exhibition, *The Art of Botanical Illustration 2012*, was held in November 2012 and raised around \$29,000.

The Growing Friends group held two successful public plant sales, with the spring sale coinciding with Spring Open Day in the Royal Botanic Gardens. A total in excess of \$47,200 was raised.

Membership numbers increased slightly over the financial year; a good result considering the current economic climate.

The Friends' seasonal program of events, including illustrated lectures, walks and excursions, was well attended.

The Friends are looking forward to welcoming members of the Plant Craft Cottage with a merger due to take effect on 1 July 2013, a move which will benefit and strengthen both groups.

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 RBG Cranbourne 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 RBG Melbourne.

On 9 August 2012, the Trust agreed to provide \$72,250 over a three-year period for the installation of six laser-cut screens and associated hand railing in the Northern Display Garden at RBG Cranbourne. The installation brings to a close the public areas of the Australian Garden project.

Dr Philip Moors retired from the Royal Botanic Gardens effective November 2012, creating a vacancy on the Maud Gibson Trust Advisory Committee. The Royal Botanic Gardens Board appointed Professor Tim Entwisle who commenced as Director and Chief Executive of the Royal Botanic Gardens on 4 March 2013.

Plant Craft Cottage Group Inc.

Plant Craft Cottage (PCC) activities during the year included participation in Open House Melbourne in July, which saw 200 people come through the historic cottage to look at the architecture; members were on duty to demonstrate their crafts on the day and introduce people to PCC activities.

At the AGM in November and again at an EGM in March members were asked if they agreed to an amalgamation of PCC with the Friends of the Royal Botanic Gardens, Melbourne. The proposal was confirmed with a unanimous 'yes' vote at both meetings. PCC members farewelled Dr Philip Moors, RBG's retiring Director and Chief Executive, at a morning tea in October and similarly welcomed his successor, Professor Tim Entwisle, in March.

Workshops continued to be well received with the Dye group workshop held over two weekends and attracting 15 participants, the Basketry workshop had 14 people, with sufficient interest expressed to run a second workshop had there been a tutor available. PCC children's workshops this year were helped by Gardens staff collecting seed pods for use in the Fantastic Friends program, where children make a creature by gluing pods and seeds together. A teen workshop for 12–15 year olds was held, teaching participants how to make a small bag.

PCC activities will continue in the coming year and it is hoped that the amalgamation with the Melbourne Friends will result in less administrative work allowing members to concentrate on the creative crafts.

OUR VOLUNTEERS

Herbarium Volunteers

Herbarium Volunteers continued to assist in curating and documenting the Herbarium and Library collections and in conservation research, and celebrated their 30th anniversary of the Herbarium Volunteer Program in August.

During the year, 53 volunteers added 15,607 mounted and/or curated specimens to the State Botanical Collection, and 770 specimens to the MELISR database. They also contributed more than 4,660 hours of work to the Collections Branch, more than 990 hours to the Library, and over 500 hours to the Fungimap Project.

Their contributions to current projects include:

- ~ Entering fungi records into the National Australian Fungimap Database, and bookkeeping and general administration in the Fungimap office
- ~ Collecting, cleaning, counting and photographing seeds and assisting with germination trials and data entry for the Victorian Conservation Seedbank
- ~ Curation and incorporation of the extensive Ratkovsky fungi collections

- ~ Mounting the extremely fragile Characeae Type and other specimens with badly burned labels and plant material for the Algae Project
- ~ Continuing to remount or repair Australian Type specimens, prior to scanning for the Global Plants Initiative (GPI) Project
- ~ *Ex situ* propagation and cultivation of terrestrial orchids for the Victorian Orchid Conservation Program
- ~ Preparing and digitising photographic slides in preparation for the web-based *Horticultural flora for south-eastern Australia*
- ~ Continuing work on the listing of uncatalogued maps and plans in the Library
- ~ Progressing work on Library databases and catalogues, including work on the Ron Jeffs slide collection, the Bill Woelkerling collection of algal reprints, and the biographical collection
- ~ Databasing and digitising the Historic Photograph collection and the Portrait collection.

Marina Albert
 Rosemary Anderson
 Neil Anderton
 Caroline Barrett
 Olga Bartak
 Jenefer Beudel
 Sally Bufe
 John Carpenter
 Wendy Cook
 Clement Daw
 Heather Eather
 Alwynne Fairweather
 Eric Fanet
 Francis Faul
 Katherine Flynn
 Paul George
 Margaret Gordon
 Christine Graunas
 Mary Gregory
 Robert Hare
 Mary Hills
 Elizabeth Howcroft
 Vicki Jaeger
 Tom Jeavons
 Meran Jennings
 Geoffrey Lay
 Jannie Lay
 Geoffrey Le Page
 Anna Long
 Jennifer Lund
 Anne McLachlan
 Angela Mitchell
 Rita Macheda
 Brian Monger
 Pauline Morrison
 Tom Morton
 Margaret Murfett

Gillian Newnham
 Graham Patterson
 Diana Plant
 Laraine Proctor
 Dianne Randall
 Jennifer Ross
 David Sambrooks
 Johanna Slijkerman
 Catherine Taylor
 Joan Thomas
 Ian Thompson
 Elizabeth Turnbull
 Jennie Vaughan
 Renuka Vidyaratne
 Ann Walsham
 Betty Whitehead

RBG Cranbourne volunteers

At RBG Cranbourne, 97 volunteers contributed over 7,266 hours during the past year, in some instances volunteering their time and skills in more than one capacity. The Royal Botanic Gardens gratefully acknowledges and values the work of volunteers and looks forward to their continuing support.

Garden Ambassadors

Anne Adams
 Amy Akers
 Robin Allison
 Malcolm Anderson
 John Armstrong
 Margaret Barnes
 Pamela Binks
 Trevor Blake
 Annette Blazé
 Margaret Brookes
 Matthew Callaghan
 Ruth Caple
 Jennifer Chamberlin
 Margaret Clarke
 Brian Cole
 Erin Cosgriff
 Elaine Cuthbertson
 Johan de Bree
 Derek de Korte
 Ron Deane
 Peter Edwards
 David Elias
 Mack Fenwick
 Carol Ferguson
 Chloe Foster
 Barrie Gallacher
 Mary Garry
 Halina Gwizdzil
 Ralph Henger
 Debbie Heuvel

Faye Hobby
 Eleanor Hodges
 Martin Holzapfel
 Lynette Hosking
 Katherine Ingram
 Elspeth Jacobs
 Alex Jolly
 Amanda Keely
 Marie Kehoe
 Helen Kennedy
 Sue Keon-Cohen
 Christine Kenyon
 Eva Kowal
 Linda Lee
 Nancy Leonard
 Jennifer Lewis
 Mary Macdermid
 Susan MacIntosh
 Judy Mallinson
 Don Matthews
 Peter McGrath
 Lauris McNerney
 Pamela Meier
 Siobhan Morris
 Mark Nelson
 Paula Nicholas
 Marcelle Ostermeyer
 Faye Peake
 Sue Phillips
 Natasha Prewett
 Carol Price
 Sally Randall
 David Redfern
 Verena Reich
 Charles Saffroy
 Marj Seaton
 Alex Smart
 Sue Spicer
 Laurie Stephens
 John Steward
 Bernadette Swanson
 Sue Tatton
 Georgie Till
 Gaye Townsend
 Ray Turner
 Clare Vivian
 Jean Wallis
 Kate Walsh
 Roger Watts
 Amy Wells
 Kathy White
 Gail Williams
 Jan Wishart
 Charles Young

Land Management volunteers

Matthew Callaghan
Dave Cundall
Ash Martin
Matthew Moore
Dawn Naylan
Pana Pateras
Bronwyn Schoer
Claire Taylor
Pauline Wilkinson
Angela Worland
Sherry Vogrig
Lauren Vowles
Brett Watts

Horticulture volunteers

Andrew Dilley
Mary Garry
Halina Gwizdzil
Pamela Meier
Marcelle Ostermeyer
Laurie Stephens

RBG Melbourne volunteers

At RBG Melbourne, 107 volunteers contributed 9,020 hours during the past year, in some instances volunteering their time and skills in more than one capacity. The Royal Botanic Gardens gratefully acknowledges and values the work of all volunteers and looks forward to their continuing support.

E Gate Lodge Helping Hands

Sam Amo
Rosemary Cotter
Sue Hoare
Geoffrey Kneebone
Carolyn Nette
Irwin Newman

Eastern Lodge Helping Hands

Annie Carter
Elizabeth Crowther
Lucinda Grace
Janet Moritz

Gate Lodge Helping Hands

Geoffrey Kneebone

Garden Ambassadors

Anne Aston
Ann Beasley
Penny Bell
Jeanine Browne
Frances Coffey
Dianne Costelloe

Rosemary Cotter
Helen Creedon
Berys Dixon
Caroline Durre
Veronica Harrison
Wendy Hopkins
Julie Jones
Susan Langley
Gail Latchford
Leanora Levy
Alasdair Macdonald
Jan Mc Avoy
Marian McLean
Josephine Mifsud
Noriko Miltenburg
Gloria Minter
Eddie Natt
Angela O'Shaughnessy
Jadzia Rae
Ann Scott
Julian Simpson
Libby Tronson
Max Watson
Mali Wilson

The Ian Potter Foundation Children's Garden volunteers

Anne Ada
Moiria Bainbridge
Mary Becker
Angela Bentley
Lorraine Brock
Jan Brown
Stephanie Campbell Gabb
Billie De Bondi
Jenni Eaton
Leanora Levy
Anna Priester
Elia Schulz
Margaret Smith
Sue Smith
Helen Smyth
Margaret Spicer
Maggie Troup
Max Watson
Kate Welsh

Voluntary Guides

Jill Bartlett
Noel Bennett
Susan Broadbent
Jasmine Brunner
Sheila Butler
Pamela Carder

Susan Chandler
 Rosemary Cotter
 Anna Denton
 Caroline Durre
 Kate Grinter
 Kay Hall
 Jenny Happell
 Ross Harris
 Ruth Harris
 Virginia Heywood
 Margaret Hilditch
 Nora Hunt
 John Johnson
 Marlies Johnson
 David Johnston
 Suzanne Katz
 Scott Kerr
 Jenny Lang
 Terence Lennon
 Julianne Lewis
 Margaret Mann
 Christine Mitchell
 Georgina Mountford
 Gary Nelson
 Jenny Nicholas
 John Nicholas
 Rosemary O'Brien
 Brian O'Halloran
 Donna Osbourne
 David Plant
 Ian Polmear
 Margaret Polmear
 Lynsey Poore
 Faye Retchford
 Jayne Salmon
 Fiona Savio
 Francesca Shelton
 Helen Smyth
 Carole Spillane
 Lucia Suarez
 Janet Thompson
 Mary Ward
 Marge Watson
 Max Watson
 Linda Wilkins
 Jill Williams
 Mail Wilson
 Judy Woodfull

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 employees. They contribute greatly to the achievements of the Royal Botanic Gardens through their research on various angiosperm plant families and bryophytes, fungi, lichens and algae, through studies in urban ecology, or by curating the Herbarium collections. Others add to the value of the Herbarium's collections 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, School of Botany, The University of Melbourne

Ms Barbara Archer, Esperance, Western Australia

Mr Ian Clarke, Bentleigh, Victoria

Ms Helen Cohn, Thornbury, Victoria

Dr Tom Darragh, Williamstown, Victoria

Professor Rod Home, Department of History and Philosophy of Science, The University of Melbourne

Professor Pauline Ladiges, School of Botany, The University of Melbourne

Dr Sheryl Lawson, School of Botany, The University of Melbourne

Mr Graeme Lorimer, Biosphere Pty Ltd

Dr Sara Maroske, Department of History and Philosophy of Science, The University of Melbourne

Mrs Enid Mayfield, Geelong, Victoria

Dr Michael McCarthy, School of Botany, The University of Melbourne

Ms Mali Moir, Mt Evelyn, Victoria

Dr John Morgan, Department of Botany, Latrobe University

Dr Kirstin Parris, School of Botany, The University of Melbourne

Mr Kevin Rule, Nunawading, Victoria

Mr Neville Scarlett, Brunswick East, Victoria

Ms Katrina Syme, Denmark, Western Australia

Ms Anneke Veenstra, Deakin University, Melbourne Campus

Dr Nicholas Williams, Burnley Campus, The University of Melbourne

Financial Statements

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ACCOUNTABLE OFFICER'S, CHIEF FINANCE OFFICER'S AND BOARD'S DECLARATION

The attached financial statements for the Royal Botanic Gardens Board (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 2013 and financial position of the Board at 30 June 2013.

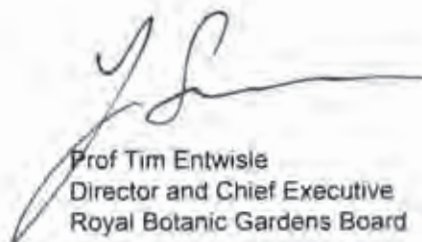
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 20 August 2013.



Elaine Canty
Chairman
Royal Botanic Gardens Board

Melbourne
20 August 2013



Prof Tim Entwisle
Director and Chief Executive
Royal Botanic Gardens Board

Melbourne
20 August 2013



Lola Makdissi
Chief Finance Officer
Royal Botanic Gardens Board

Melbourne
20 August 2013

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2013

	Note	2013 \$	2012 \$
Income from transactions			
Grants	2(a)	14,835,892	15,312,781
Sponsorships and donations	2(b)	1,371,924	1,768,237
Sales of goods and services	2(c)	2,879,065	3,370,669
Fair value of assets and services received free of charge or for nominal consideration	2(d)	919,425	718,907
Interest	2(e)	316,168	710,008
Other income	2(f)	1,176,832	1,055,984
Total income from transactions		21,499,306	22,936,586
Expenses from transactions			
Employee expenses	3(a)	(13,503,200)	(12,644,152)
Depreciation	3(b)	(1,702,427)	(1,189,984)
Interest expense	3(c)	(30,236)	(23,996)
Other operating expenses ⁽ⁱ⁾	3(d)	(6,937,023)	(6,181,004)
Total expenses from transactions		(22,172,886)	(20,039,136)
Net result from transactions (net operating balance)		(673,580)	2,897,450
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾	4(a)	4,266	(64,681)
Net gain/(loss) on financial instruments ⁽ⁱⁱⁱ⁾	4(b)	1,095	2,860
Other gains/(losses) from economic flows	4(c)	134,058	(336,855)
Total other economic flows included in net result		139,419	(398,676)
Net result		(534,161)	2,498,774
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	17(a)	(160,381)	(5,042,346)
Items that may be reclassified subsequently to net result			
Changes to financial assets available-for-sale revaluation deficit ^(iv)	17(b)	-	19,600
Total other economic flows - other comprehensive income		(160,381)	(5,022,746)
Comprehensive result		(694,542)	(2,523,972)

This comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 58 to 92.

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 unrealised and realised gains/(losses) from revaluations, 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, impairments and reversals of impairments and disposals of financial instruments, except when these are taken through the financial assets available-for-sale deficit.
- (iv) Changes to financial assets available-for-sale include changes in the value of unrealised losses resulting from the revaluation of available-for-sale financial assets to their market value at reporting date.

BALANCE SHEET

as at 30 June 2013

	Notes	2013 \$	2012 \$
Assets			
Financial assets			
Cash and deposits	15, 16	6,697,528	12,913,218
Receivables	5, 15	687,145	1,018,722
Total financial assets		7,384,673	13,931,940
Non-financial assets			
Inventories	6	277,035	264,426
Non financial physical assets classified as held for sale	7	22,039	12,431
Prepayments		16,612	16,394
Property, plant and equipment	8	415,052,714	412,207,592
Total non-financial assets		415,368,400	412,500,843
Total assets		422,753,073	426,432,783
Liabilities			
Payables	9, 15	671,581	3,906,572
Borrowings	10, 15	603,318	498,456
Provisions	11	3,555,699	3,411,807
Liabilities directly associated with assets held for sale	7	21,307	20,238
Total liabilities		4,851,905	7,837,073
Net assets		417,901,168	418,595,710
Equity			
Accumulated surplus		25,479,256	26,013,417
Physical asset revaluation surplus	17	307,062,183	307,222,564
Financial assets available-for-sale revaluation deficit	17	-	-
Contributed capital		85,359,729	85,359,729
Net worth		417,901,168	418,595,710

Commitments for expenditure

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This balance sheet should be read in conjunction with the accompanying notes included on pages 58 to 92.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2013

	Physical Asset Revaluation Surplus	Available-For- Sale Financial Asset Revaluation Deficit	Accumulated Surplus	Contributions By Owner	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	312,264,910	(19,600)	23,514,643	85,359,729	421,119,682
Net result for the year	-	-	2,498,774	-	2,498,774
Other comprehensive income for the year	(5,042,346)	19,600	-	-	(5,022,746)
Balance at 30 June 2012	307,222,564	-	26,013,417	85,359,729	418,595,710
Net result for the year	-	-	(534,161)	-	(534,161)
Other comprehensive income for the year	(160,381)	-	-	-	(160,381)
Balance at 30 June 2013	307,062,183	-	25,479,256	85,359,729	417,901,168

This statement of changes in equity should be read in conjunction with the accompanying notes included on pages 58 to 92.

CASH FLOW STATEMENT
for the financial year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts			
Receipts from Government		16,191,474	16,842,958
Receipts from other entities		6,318,075	6,599,746
Interest received		374,273	704,857
Total receipts		22,883,822	24,147,561
Payments			
Payments to suppliers and employees		(23,917,794)	(17,012,920)
Goods and Services Tax paid to the ATO ⁽ⁱ⁾		(559,007)	(183,899)
Interest and other costs of finance paid		(30,236)	(23,996)
Total payments		(24,507,037)	(17,220,815)
Net cash flows from/(used in) operating activities	16(b)	(1,623,215)	6,926,746
Cash flows from investing activities			
Proceeds from sale of non-financial assets		17,608	24,223
Proceeds from sale of investments		-	1,000,000
Payments for non-financial assets		(4,485,419)	(11,030,826)
Net cash flows from/(used in) investing activities		(4,467,811)	(10,006,603)
Cash flows from financing activities			
Repayment of finance leases		(125,759)	(123,791)
Net cash flows from/(used in) financing activities		(125,759)	(123,791)
Net increase/(decrease) in cash and cash equivalents		(6,216,785)	(3,203,648)
Cash and cash equivalents at the beginning of financial year		12,913,218	16,114,006
Effect of exchange rate fluctuations on cash held in foreign currency		1,095	2,860
Cash and cash equivalents at the end of financial year	16(a)	6,697,528	12,913,218

This cash flow statement should be read in conjunction with the accompanying notes included on pages 58 to 92.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 1. Summary of accounting policies

These annual financial statements represent the audited general purpose financial statements for the Royal Botanic Gardens Board (the Board) for the period ending 30 June 2013. 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 20 August 2013.

(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; and
- available-for-sale investments which are measured at fair value with movements reflected in 'Other economic flows-other comprehensive income'.

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

(c) **Reporting entity**

The Board is established under the *Royal Botanic Gardens Act 1991*. Its principal address is:

Royal Botanic Gardens
Birdwood Avenue
Melbourne VIC 3004.

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

The Royal Botanic Gardens Foundation Victoria (the Foundation) is a separate legal entity and, accordingly, its activities are not reflected in the Board's financial statements. Under the terms of the Foundation's Trust Deed, the Trustee may provide funding as deemed appropriate for specific projects undertaken by the Royal Botanic Gardens Melbourne or the Royal Botanic Gardens Cranbourne, both of which are Named Institutions under the Foundation's Trust Deed.

(d) **Scope and presentation of financial statements**

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to the Australian System of Government Finance Statistics, 2005* (ABS Catalogue No. 5514.0) (the GFS manual) (see Note 21).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions 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 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.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals and revaluations and impairments of non-financial physical assets.

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

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'.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

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 resulting 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).

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.

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

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.

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	5 to 100 years
Infrastructure	5 to 100 years
Plant, equipment and vehicles	1 to 10 years

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

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 expenses are recognised in the period in which they are incurred and relate to finance lease charges. 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. Recoverable amounts for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset 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.

Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset.

Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'other economic flows – other comprehensive income' until the investments are disposed.

Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result.

Fair value is determined in the manner described in Note 15 *Financial instruments*.

The available-for-sale category includes debt securities that are designated as available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

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.

Reclassification of financial instruments

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(i) Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, 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 which are readily convertible to known amounts of cash and are subject to 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.

Investments

Investments are classified in the following categories:

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

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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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 cultural assets and collections, heritage assets and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, 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. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

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 South Yarra 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*.

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.

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

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.

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 recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values. Those liabilities that are not expected to be settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

(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:

- nominal value – the component that the Board expects to settle within 12 months; and
- present value – the component that the Board does not expect to 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)).

Employee benefits on-costs

Employee benefits 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.

(I) 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.

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

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 14) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 1. Summary of accounting policies (continued)

(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 2013 reporting period. The DTF assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable.

As at 30 June 2013, the following AAS have been issued by the AASB but were not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative date as follows:

Standard/Interpretation	Summary	Application for annual reporting periods:	Impact on Board's Financial Statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other Australian accounting standards. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2015	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.

Note 2. Income from transactions

	2013 \$	2012 \$
(a) Grants		
Parks and Reserves Trust Account grants	14,289,000	12,936,000
Other grants	546,892	2,376,781
	14,835,892	15,312,781
(b) Sponsorships and donations		
Cash donations and gifts	1,371,924	1,768,237
	1,371,924	1,768,237
(c) Sales of goods and services		
Sale of goods	1,282,480	1,161,361
Rendering of services	1,596,585	2,209,308
	2,879,065	3,370,669
(d) Fair value of assets and services received free of charge or for nominal consideration		
Services and donated supplies	919,425	718,907
	919,425	718,907
(e) Interest		
On bank deposits	76,353	99,447
Other miscellaneous interest income	239,815	610,561
	316,168	710,008
(f) Other income		
Rental	1,038,467	986,945
Royalties	32,482	29,889
Other	105,883	39,150
	1,176,832	1,055,984

Note 3. Expenses from transactions

	2013 \$	2012 \$
(a) Employee expenses		
Salary and wages	10,361,791	9,689,724
Superannuation	1,008,954	963,464
Annual and long service leave	1,285,876	1,090,174
Other on-costs	846,579	900,790
	13,503,200	12,644,152
(b) Depreciation		
Buildings	354,043	324,374
Infrastructure	895,646	499,707
Plant, equipment and vehicles	452,738	365,903
	1,702,427	1,189,984

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 3. Expenses from transactions (continued)

	2013 \$	2012 \$
(c) Interest expense		
Interest on finance leases	30,236	23,996
	30,236	23,996
(d) Other operating expenses		
<u>Supplies and services</u>		
Contract costs	1,814,416	1,470,144
Garden and office equipment and supplies	707,815	638,419
Non-financial assets hire, maintenance and operation costs	785,359	633,645
Consultancies and professional services	411,225	462,610
Cleaning and waste disposal costs	497,553	439,382
Water charges	311,190	308,016
Advertising and promotion	290,960	290,029
Motor vehicle expenses	210,987	195,329
Computer expenses	183,062	179,612
Travel expenses	169,681	164,653
Staff training and development	157,484	126,313
Insurance costs	123,751	107,598
Postage and communication expenses	104,677	101,442
Books, periodicals and subscriptions	89,179	94,110
Legal costs	80,808	68,561
Security	78,950	58,665
Catering costs	61,392	34,943
Other	208,063	201,824
	6,286,552	5,575,295
<u>Other</u>		
Cost of goods sold	627,667	571,193
Minimum lease payments	22,804	34,516
	650,471	605,709
Total other operating expenses	6,937,023	6,181,004

Note 4. Other economic flows included in net result

	2013 \$	2012 \$
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	18,039	(59,079)
Write down of inventory	(13,773)	(5,602)
	4,266	(64,681)
(b) Net gain/(loss) on financial instruments		
Net FX gain/(loss) arising from foreign cash held	1,095	2,860
	1,095	2,860
(c) Other gains/(losses) from economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	134,058	(336,855)
	134,058	(336,855)

Note 5. Receivables

	2013 \$	2012 \$
Contractual		
Sales of goods and services ⁽ⁱ⁾	570,433	669,918
Accrued interest income	2,666	60,771
	573,099	730,689
Statutory		
Net GST input tax credit recoverable	114,046	288,033
	114,046	288,033
Total receivables ⁽ⁱⁱ⁾	687,145	1,018,722

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

	2013 \$	2012 \$
Inventories held for sale at cost	277,035	264,426
Total inventories ⁽ⁱ⁾	277,035	264,426

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

	2013 \$	2012 \$
Non-current assets		
Leased motor vehicles held for sale ⁽ⁱ⁾	22,039	12,431
	22,039	12,431
Liabilities		
Finance lease liabilities	21,307	20,238
	21,307	20,238

Note:

(i) The Board holds a leased motor vehicle which it intends to sell in the next 12 months. No impairment loss was recognised on re-classification of motor vehicles held for sale or at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 8. Property, plant and equipment

(a) Carrying amounts

	2013 \$	2012 \$
Land		
At fair value - 2011 valuation ⁽ⁱ⁾	166,080,000	166,080,000
	166,080,000	166,080,000
Buildings		
At fair value - 2011 valuation ⁽ⁱ⁾	25,192,000	25,192,000
At fair value - cost	2,026,622	84,420
Less accumulated depreciation	(678,417)	(324,374)
	26,540,205	24,952,046
Infrastructure		
At fair value - 2011 valuation ⁽ⁱ⁾	23,236,000	23,236,000
At fair value - cost	29,039,897	79,834
Less accumulated depreciation	(1,397,260)	(501,614)
	50,878,637	22,814,220
Plant, equipment and vehicles		
At fair value - cost	5,812,264	4,389,678
Less accumulated depreciation	(2,951,982)	(2,936,886)
	2,860,282	1,452,792
Cultural assets		
At fair value - 2011 valuation ⁽ⁱ⁾	167,115,090	167,115,090
At fair value - cost	57,780	4,773
	167,172,870	167,119,863
Capital works under construction		
At cost	1,520,720	29,788,671
	1,520,720	29,788,671
Total property, plant and equipment	415,052,714	412,207,592

Note:

(i) Independent valuations of the following assets were undertaken by the Valuer-General Victoria to determine their fair value at 30 June 2011:

- Land and buildings fair value determined by reference to recent market transactions on arms length terms for land and buildings of comparable size and location.
- Infrastructure assets fair value determined by reference to the costs expected to be incurred to replace the asset's remaining future service potential.
- Cultural assets (excluding State Botanical Collection) fair value was based on original commission prices, current values available and market transactions on arms length terms.
- The State Botanical Collection fair value was based on the costs expected to be incurred to replace the asset's remaining future service potential.

All independent valuations were conducted in accordance with Australian Valuation Standards.

Note 8. Property, plant and equipment (*continued*)

Restricted assets

The Board holds \$12.4 million worth of properties and infrastructure assets (2012 - \$12.5 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.

(b) Movements in carrying amounts

2013	Land	Buildings	Infra-structure	Plant, equipment and vehicles	Cultural assets	Capital works	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	166,080,000	24,952,046	22,814,220	1,452,792	167,119,863	29,788,671	412,207,592
Additions	-	-	40,675	533,061	22,472	4,248,245	4,844,453
Disposals	-	-	-	(114,484)	-	-	(114,484)
Revaluations	-	-	-	-	-	-	-
Transfers ⁽ⁱ⁾	-	1,942,202	29,079,769	1,441,651	30,535	(32,516,196)	(22,039)
Impairments	-	-	(160,381)	-	-	-	(160,381)
Depreciation	-	(354,043)	(895,646)	(452,738)	-	-	(1,702,427)
Closing balance	166,080,000	26,540,205	50,878,637	2,860,282	167,172,870	1,520,720	415,052,714

2012	Land	Buildings	Infra-structure	Plant, equipment and vehicles	Cultural assets	Capital works	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	166,080,000	25,192,000	23,341,985	1,406,189	167,115,090	24,141,378	407,276,642
Additions	-	-	-	407,792	4,773	10,933,542	11,346,107
Disposals	-	-	(28,058)	(142,338)	-	-	(170,396)
Revaluations	-	-	-	-	-	-	-
Transfers ⁽ⁱ⁾	-	2,589,401	2,537,365	147,052	-	(5,286,249)	(12,431)
Impairments	-	(2,504,981)	(2,537,365)	-	-	-	(5,042,346)
Depreciation	-	(324,374)	(499,707)	(365,903)	-	-	(1,189,984)
Closing balance	166,080,000	24,952,046	22,814,220	1,452,792	167,119,863	29,788,671	412,207,592

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 9. Payables

	2013 \$	2012 \$
Contractual		
Supplies and Services ⁽ⁱ⁾	614,470	3,786,610
Other payables ⁽ⁱⁱ⁾	30,251	12,026
	644,721	3,798,636
Statutory		
Taxes payable	26,860	107,936
	26,860	107,936
Total Payables ⁽ⁱⁱⁱ⁾	671,581	3,906,572

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

	2013 \$	2012 \$
Current		
Lease liabilities ⁽ⁱ⁾	136,781	207,064
	136,781	207,064
Non-Current		
Lease liabilities ⁽ⁱ⁾	466,537	291,392
	466,537	291,392
Total borrowings	603,318	498,456

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

	2013 \$	2012 \$
Current		
Employee benefits ⁽ⁱ⁾ (Note 11(a) - annual leave)		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	901,876	828,260
	901,876	828,260
Employee benefits ⁽ⁱ⁾ (Note 11(a) - long service leave)		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	149,619	117,065
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	1,782,344	1,683,369
	1,931,963	1,800,434
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	152,653	133,857
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	300,782	270,770
	453,435	404,627
Total current provisions	3,287,274	3,033,321
Non-current		
Employee benefits	229,667	326,042
Provisions related to employee benefit on-costs	38,758	52,444
Total non-current provisions	268,425	378,486
Total provisions	3,555,699	3,411,807

Note:

- (i) Provisions for employee benefits consists of annual leave and long service leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present value.

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

	2013 \$	2012 \$
Current employee benefits		
Annual leave entitlements	901,876	828,260
Unconditional long service leave entitlements	1,931,963	1,800,434
	2,833,839	2,628,694
Non-current employee benefits		
Conditional long service leave entitlements	229,667	326,042
	229,667	326,042
Total employee benefits	3,063,506	2,954,736
Current on-costs	453,435	404,627
Non-current on-costs	38,758	52,444
Total on-costs	492,193	457,071
Total employee benefits and related on-costs	3,555,699	3,411,807

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 11. Provisions (continued)

(b) Movement in provisions

	2013 \$	2012 \$
Opening balance	457,071	379,380
Additional provision recognised	185,781	150,417
Reductions arising from payments	(124,947)	(120,919)
Reductions resulting from settlement without cost	(6,355)	(5,991)
Effect of changes in discount rate	(19,357)	54,184
Closing balance	492,193	457,071

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.

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⁾	
	2013	2012	2013	2012	2013	2012
Defined benefit plans						
State Superannuation Fund						
Revised Scheme	1	1	17.6	17.6	15,236	14,604
New Scheme	19	19	7.4 - 10.3	7.4 - 10.3	105,307	104,423
Defined contribution plans						
VicSuper P/L	163	163	9	9	594,953	593,240
MLC Superannuation Fund	32	26	9	9	124,313	136,523
Self Managed Super Funds	5	5	9	9	36,015	56,681
UniSuper Management P/L	6	7	9	9	28,516	25,217
Australian Super	7	8	9	9	18,391	17,036
Host Plus Super	5	3	9	9	9,205	9,612
Vision Super	5	6	9	9	24,064	13,789
Australian Ethical Retail Super	6	5	9	9	16,114	15,889
Other	14	20	9	9	50,100	26,202
Total paid contributions for the year					1,022,214	1,013,216
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, they relate to the years ended 30 June.

Note 13. Leases

(a) Finance leases

Leasing arrangements

Finance leases relate to motor vehicles with lease terms of between 1 and 3 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	
	2013 \$	2012 \$	2013 \$	2012 \$
Not longer than 1 year	172,859	232,973	136,781	207,064
Longer than 1 year and not longer than 5 years	512,090	326,821	466,537	291,392
Minimum lease payments	684,949	559,794	603,318	498,456
Less: future finance charges	(81,631)	(61,338)	-	-
Present value of minimum lease payments	603,318	498,456	603,318	498,456
Included in the financial statements as:				
Current borrowings lease liabilities (Note 10)			136,781	207,064
Non-current borrowings lease liabilities (Note 10)			466,537	291,392
			603,318	498,456

Note:

(i) 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.

(b) Operating leases

Leasing arrangements - Board as Lessee

Operating leases mainly relate to gardening equipment with a lease term of 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.

	2013 \$	2012 \$
Not longer than 1 year	58,197	50,549
Longer than 1 year and not longer than 5 years	112,509	123,309
	170,706	173,858

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 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.

	2013 \$	2012 \$
Not longer than 1 year	808,646	767,488
Longer than 1 year and not longer than 5 years	1,166,399	1,574,014
	1,975,045	2,341,502

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 14. Commitments for expenditure

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

	2013 \$	2012 \$
(a) Capital expenditure commitments		
Within 1 year	1,655,978	1,504,591
Later than 1 year but not later than 5 years	-	40,866
Total	1,655,978	1,545,457
(b) Other commitments - outsourcing ⁽ⁱ⁾		
Within 1 year	105,815	135,821
Later than 1 year but not later than 5 years	86,006	157,501
Total	191,821	293,322

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.

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.

Note 15. Financial instruments (continued)

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

	Carrying Amount	
	2013 \$	2012 \$
Contractual financial assets		
<u>Loans and receivables</u>		
Cash and deposits	6,697,528	12,913,218
Sales of goods and services	570,433	669,918
Accrued interest income	2,666	60,771
Total ⁽ⁱ⁾	7,270,627	13,643,907
Contractual financial liabilities		
<u>At amortised cost</u>		
Supplies and services payables	614,470	3,786,610
Other payables	30,251	12,026
Lease liabilities	603,318	498,456
Total ⁽ⁱ⁾	1,248,039	4,297,092

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:

	2013 \$	2012 \$
Contractual financial assets		
Financial assets - loans and receivables	316,168	710,008
Total	316,168	710,008
Contractual financial liabilities		
Financial liabilities at amortised cost	(30,236)	(23,996)
Total	(30,236)	(23,996)

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.
- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 15. Financial instruments (continued)

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:

2013	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⁾	570,433	385,490	165,848	14,646	4,449	-
Accrued interest income	2,666	2,666	-	-	-	-
Total	573,099	388,156	165,848	14,646	4,449	-

2012	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⁾	669,918	597,148	44,604	4,512	23,654	-
Accrued interest income	60,771	60,771	-	-	-	-
Total	730,689	657,919	44,604	4,512	23,654	-

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 (2012 - \$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.

Note 15. Financial instruments (continued)

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

2013	Carrying amount ⁽ⁱ⁾	Nominal amount ⁽ⁱⁱ⁾	Maturity dates			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Supplies and services payables	614,470	614,470	611,060	2,693	717	-
Other payables	30,251	30,251	30,251	-	-	-
Lease liabilities	603,318	684,949	32,202	25,574	115,083	512,090
	1,248,039	1,329,670	673,513	28,267	115,800	512,090

2012	Carrying amount ⁽ⁱ⁾	Nominal amount ⁽ⁱⁱ⁾	Maturity dates			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Supplies and services payables	3,786,610	3,786,610	3,762,184	15,149	9,277	-
Other payables	12,026	12,026	12,026	-	-	-
Lease liabilities	498,456	559,794	25,553	35,103	172,317	326,821
	4,297,092	4,358,430	3,799,763	50,252	181,594	326,821

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, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

Note 15. Financial instruments (continued)

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

2013	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	2.74	6,697,528	5,000,000	1,623,111	74,417
Sales of goods and services	-	570,433	-	-	570,433
Accrued interest income	-	2,666	-	-	2,666
		7,270,627	5,000,000	1,623,111	647,516
Financial liabilities					
Supplies and services payables	-	614,470	-	-	614,470
Other payables	-	30,251	-	-	30,251
Lease liabilities	6.76	603,318	603,318	-	-
		1,248,039	603,318	-	644,721

2012	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	3.74	12,913,218	7,691,992	5,195,093	26,133
Sales of goods and services	-	669,918	-	-	669,918
Accrued interest income	-	60,771	-	-	60,771
		13,643,907	7,691,992	5,195,093	756,822
Financial liabilities					
Supplies and services payables	-	3,786,610	-	-	3,786,610
Other payables	-	12,026	-	-	12,026
Lease liabilities	6.64	498,456	498,456	-	-
		4,297,092	498,456	-	3,798,636

Note:

(i) 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.

Note 15. Financial instruments (continued)

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	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Contractual financial assets						
Cash and deposits ⁽ⁱ⁾	6,697,528	12,913,218	66,231	128,871	(66,231)	(128,871)
	6,697,528	12,913,218	66,231	128,871	(66,231)	(128,871)
Contractual financial liabilities						
Borrowings ⁽ⁱⁱ⁾	603,318	498,456	6,033	4,985	(6,033)	(4,985)
	603,318	498,456	6,033	4,985	(6,033)	(4,985)

Note:

- (i) Cash and deposits includes deposits of \$6,623,111 (2012 - \$12,889,133) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:
- 2013 - \$6,623,111 x 0.01 = \$66,231 and \$6,623,111 x -0.01 = -\$66,231; and
 - 2012 - \$12,887,085 x 0.01 = \$128,871; and \$12,887,05 x -0.01 = -\$128,871.
- (ii) Borrowings include lease liabilities to the value of \$603,381 (2012 - \$498,456) that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:
- 2013 - \$603,381 x 0.01 = \$6,033; and \$603,381 x -0.01 = -\$6,033; and
 - 2012 - \$498,456 x 0.01 = \$4,985; and \$498,456 x -0.01 = -\$4,985.

	Carrying amount		Foreign exchange			
			Net result +5%		Net result -10%	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Contractual financial assets						
Cash and deposits ⁽ⁱ⁾	6,697,528	12,913,218	2,875	768	(5,751)	(1,537)
	6,697,528	12,913,218	2,875	768	(5,751)	(1,537)
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾	614,470	3,786,610	-	-	-	-
	614,470	3,786,610	-	-	-	-

Note:

- (i) Cash and deposits includes a deposit of \$57,508 (2012 - \$15,367) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:
- 2013 - \$57,508 x 0.05 = \$2,875; and \$57,508 x -0.10 = -\$5,751; and
 - 2012 - \$15,367 x 0.05 = \$768; and \$15,367 x -0.10 = -\$1,537.
- (ii) Payables includes a balance of \$0 (2012 - \$0) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:
- 2013 - \$0
 - 2012 - \$0

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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 considers the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts:

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2013 \$	2013 \$	2012 \$	2012 \$
Contractual financial assets				
Cash and deposits	6,697,528	6,697,528	12,913,218	12,913,218
Sales of goods and services ⁽ⁱ⁾	570,433	570,433	669,918	669,918
Accrued interest income ⁽ⁱ⁾	2,666	2,666	60,771	60,771
Total contractual financial assets	7,270,627	7,270,627	13,643,907	13,643,907
Contractual financial liabilities				
Supplies and services payables ⁽ⁱ⁾	614,470	614,470	3,786,610	3,786,610
Other payables	30,251	30,251	12,026	12,026
Lease liabilities	603,318	603,318	498,456	498,456
Total contractual financial liabilities	1,248,039	1,248,039	4,297,092	4,297,092

Note:

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

Note 16. Cash flow information

(a) Reconciliation of cash and deposits

	2013 \$	2012 \$
Cash at bank and on hand	1,697,528	5,221,226
Term deposits	5,000,000	7,691,992
	6,697,528	12,913,218

Note 16. Cash flow information (*continued*)

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

	2013 \$	2012 \$
Net result for the period	(534,161)	2,498,774
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(18,039)	59,079
Net (gain)/loss on financial instruments	(1,095)	(2,860)
Depreciation of non-financial physical assets	1,702,427	1,189,984
Movements in assets and liabilities		
(Increase)/decrease in receivables	331,577	186,472
(Increase)/decrease in inventories	(12,609)	(2,866)
(Increase)/decrease in other non-financial assets	(216)	(654)
Increase/(decrease) in payables	(3,234,991)	2,494,911
Increase/(decrease) in provisions	143,892	503,906
Net cash from/(used in) operating activities	(1,623,215)	6,926,746

Note 17. Reserves

	2013 \$	2012 \$
(a) Physical asset revaluation surplus ⁽ⁱ⁾		
Balance at beginning of financial year	307,222,564	312,264,910
Revaluation increments/(decrements)	-	-
Impairment losses	(160,381)	(5,042,346)
Balance at end of financial year	307,062,183	307,222,564
(b) Financial assets available-for-sale revaluation deficit ⁽ⁱⁱ⁾		
Balance at beginning of financial year	-	(19,600)
Valuation gain/(loss) recognised	-	19,600
Balance at end of financial year	-	-
Net change in reserves	307,062,183	307,222,564

Note:

- (i) The physical assets revaluation surplus arises on the revaluation of land by \$124.3 million (2012 - \$124.3 million), buildings by \$10.7 million (2012 - \$10.7 million), infrastructure assets by \$5.1 million (2012 - \$5.3 million) and cultural assets by \$167.0 million (2012 - \$167.0 million).
- (ii) The financial assets available-for-sale revaluation deficit arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the net result. Where a revalued financial asset is impaired, that proportion of the reserve which relates to that financial asset is recognised in the net result.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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 Officers in the Royal Botanic Gardens Board are as follows:

Minister

Minister for Environment and Climate Change	Hon Ryan Smith MP	1 July 2012 to 30 June 2013
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Governing Board

Chairman	Ms Elaine Canty	1 July 2012 to 30 June 2013
Deputy Chairman	Mr Graham Cunningham	1 July 2012 to 30 June 2013
Member	Prof Mark Burgman	1 July 2012 to 30 April 2013
Member	Mr Ken Harrison	1 July 2012 to 30 June 2013
Member	Ms Linda White	1 July 2012 to 30 June 2013
Member	Ms Jennifer Wolcott	1 July 2012 to 30 June 2013
Member	Ms Sarah Wrigley	1 July 2012 to 30 June 2013

Accountable Officers

Director and Chief Executive	Dr Philip Moors	1 July 2012 to 4 November 2012
Acting Director and Chief Executive	Ms Jenny Steinicke	5 November 2012 to 3 March 2013
Director and Chief Executive	Prof Tim Entwisle	4 March 2013 to 30 June 2013

Remuneration

The number of responsible persons, other than the Minister, and their total remuneration in connection with the management of the Royal Botanic Gardens 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	
	2013 No.	2012 No.	2013 No.	2012 No.
\$0 – 9,999	8	8	8	8
\$70,000 – 79,999	1	0	1	0
\$110,000 – 119,999	0	0	1	0
\$140,000 – 149,999	1	0	0	0
\$240,000 – 249,999	0	0	0	1
\$270,000 – 279,999	0	1	0	0
Total numbers	10	9	10	9
Total amount	\$271,742	\$301,878	\$242,155	\$273,013

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 completed during the year and 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	
	2013 No.	2012 No.	2013 No.	2012 No.
\$120,000 – 129,999	0	0	0	1
\$130,000 – 139,999	0	1	0	1
\$140,000 – 149,999	0	0	1	1
\$150,000 – 159,999	0	2	2	0
\$160,000 – 169,999	3	0	2	1
\$170,000 – 179,999	0	1	0	1
\$180,000 – 189,999	2	0	0	0
\$190,000 – 199,999	0	1	0	0
Total number of executives	5	5	5	5
Total annualised employee equivalents (AEE) ⁽ⁱ⁾	4.7	5	4.7	5
Total amount	\$862,385	\$813,293	\$789,590	\$745,188

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 2013.

Note 20. Remuneration of auditors

	2013 \$	2012 \$
Victorian Auditor-General's Office		
Audit of the financial statements	18,400	17,900
	18,400	17,900

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

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.

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.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2013

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

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 government.

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 period
201x-1x	year period

The financial statements and notes are presented based on the illustration in the *2013-14 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.



Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Royal Botanic Gardens Board

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the Royal Botanic Gardens Board 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 has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Royal Botanic Gardens Board 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.

Auditing in the Public Interest

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, the Auditor-General, his 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 as at 30 June 2013 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Royal Botanic Gardens Board for the year ended 30 June 2013 included both in the Royal Botanic Gardens Board's annual report and on the website. The Board Members of the Royal Botanic Gardens Board are responsible for the integrity of the Royal Botanic Gardens Board's website. I have not been engaged to report on the integrity of the Royal Botanic Gardens Board's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
21 August 2013


Per John Doyle
Auditor-General

Appendix One: Other Disclosures

STATEMENTS OF COMPLIANCE WITH GOVERNMENT POLICY

National Competition Policy

The Royal Botanic Gardens Board Victoria has a commitment to implementing National Competition Policy initiatives as they apply to this organisation. 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.

The Victorian Government's Competitive Neutrality Policy Victoria 2000 sets out three measures that can be taken by Government businesses to achieve competitive neutrality. These are corporatisation, commercialisation and full-cost-reflective pricing. The Royal Botanic Gardens Board Victoria adopts full-cost-reflective pricing for its business activities.

In addition, in accordance with National Competition Policy, the Royal Botanic Gardens Board Victoria ensures that the pricing policies of all its business activities are consistent with compliance with Part IV of the *Competition and Consumer Act 2010*.

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 RBG Melbourne and RBG Cranbourne 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's 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 2012–13, no tenders for projects at the Royal Botanic Gardens were of sufficient value to require the inclusion of a Victorian Government's Industry Participation Policy statement in the tender documentation.

Advertising expenditure

Government policy requires the disclosure of advertising for each government advertising campaign with total media buy of \$150 000 or greater (exclusive of GST). In 2012–13, the Royal Botanic Gardens Board Victoria did not incur expenditure for advertising campaigns of \$150 000 or greater.

Statement of Availability of Other Information

During 2012–13:

- ~ 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
- ~ no major external review was carried out on the Royal Botanic Gardens.

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:

- ~ details of publications produced by the Royal Botanic Gardens about itself, and how these can be obtained
- ~ details of changes in prices, fees, charges, rates and levies charged by the Royal Botanic Gardens
- ~ details of major research and development activities undertaken by the Royal Botanic Gardens
- ~ 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 to develop community awareness of the Royal Botanic Gardens 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, and details of time lost through industrial accidents and disputes
- ~ a list of the Royal Botanic Gardens' 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.

Gifts, Benefits and Hospitality Attestation

**ROYAL BOTANIC GARDENS BOARD
GIFTS, BENEFITS AND HOSPITALITY COMPLIANCE ATTESTATION**

I, Professor Tim Entwisle, Director and Chief Executive,
of the

Royal Botanic Gardens Board

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 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: 25 July 2013

LEGISLATION

No amendments were made to the *Royal Botanic Gardens Act 1991* in 2012–13.

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 100.

Freedom of Information Act 1982

Principal Officer

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

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.

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 2013, no requests were received.

Freedom of Information (FOI) requests are made in writing describing all documents requested and including payment of the \$25.70 application fee. FOI fees and charges are not subject to GST.

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

Information Privacy Act 2000 and Health Records Act 2001

The *Information Privacy Act 2000* aims to increase public confidence in the Government's ability to protect and manage the personal information that it collects and stores.

The *Health Records Act 2001* aims to protect the privacy of health information and regulates the collection, handling and disposal of health information.

The Royal Botanic Gardens Board Victoria and its service providers are committed to maintaining the privacy of personal information and health records. The Royal Botanic Gardens has a Privacy Policy, viewable on the Royal Botanic Gardens' website, www.rbg.vic.gov.au/privacy. A hard copy of the policy can be obtained by contacting the Privacy Officer on 9252 2300, or by writing to the Privacy Officer, Royal Botanic Gardens, 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, and buildings managed by the Royal Botanic Gardens Victoria comply with standards for publicly-owned buildings.

Building work

At RBG Cranbourne, three buildings were constructed during 2012–13 and are located in the second stage of the Australian Garden: the Kiosk, Gondwana Shelter and Eucalypt Walk Shelter. The relevant permits and approvals were obtained prior to the works. The buildings were constructed by a commercial builder registered with the Building Practitioners Board. The design and construction work was overseen by a registered Building Surveyor and a Certificate of Occupancy was issued as required by the *Building Act 1993*. In early 2013 construction work began for the staff building and a garden shed. A registered Building Surveyor provided approval of the designs. Prior to commencement of construction, the relevant planning and other permissions and approvals were gained.

At RBG Melbourne, a building to house the water treatment plant for Working Wetlands was completed. Construction drawings were certified by a registered Building Surveyor, and heritage and building permits were obtained. All inspections were conducted as required.

Maintenance

At RBG Cranbourne minor maintenance works including re-insulating and lining of the Nursery walls, re-installation of the holding tank at the Woodland Picnic Area and the installation of a designated shed for storing LPG gas cylinders were undertaken. All relevant compliance certificates were obtained for these works.

Annual maintenance and improvement works, including painting, replacement and repairs to fixtures and fittings were undertaken on the Visitor Centre, the Dame Elisabeth Murdoch Pavilion and the Rock Pool Pavilion amenities block. Damaged bistro blinds at the Visitor Centre were replaced. Roof repairs were undertaken by a registered plumber on the Visitor Centre, Chemical Store and Depot buildings. Quarterly essential safety measures audits were carried out by a registered Building Surveyor, with all compliance issues raised being addressed.

RBG Cranbourne commenced live operation of a computer-based 'Maintenance Management System' as a tool to support and improve the management of buildings and infrastructure, and related plant items.

At RBG Melbourne, five electrical switch boards were upgraded in the Nursery and Works Yard to comply with regulations. Five split system air conditioning units failed and were replaced. Quarterly essential safety measures audits were carried out by a registered Building Surveyor and all compliance issues raised were addressed.

Protected Disclosure Act 2012 and Whistleblowers Protection Act 2001

The former *Whistleblowers Protection Act 2001* (Whistleblowers Act) was repealed and replaced with the *Protected Disclosure Act 2012*, which came into force on 10 February 2013. As the change of legislation occurred midway through the 2012–13 financial year, this disclosure complies with the requirements of the Protected Disclosure Act and section 104 of the Whistleblowers Act, for each of the relevant time periods.

The Royal Botanic Gardens Board Victoria committed to the aims and objectives of both Acts as they applied during the reporting period. The Board does not tolerate improper conduct by its employees, executives, officers or members, nor detrimental action against those who come forward to disclose such conduct.

The Royal Botanic Gardens Board Victoria is committed to taking all reasonable steps to protect people who make such disclosures from any detrimental action or reprisal for making a disclosure of improper conduct. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Compliance with the Protected Disclosure Act 2012

The Protected Disclosure Act was part of a package of integrity reforms introduced by the Victorian Government, which also established the Independent Broad-based Anti-corruption Commission (IBAC).

The Protected Disclosure Act enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

Disclosures under the Protected Disclosure Act 2012

During the period commencing on 10 February 2013 and ending on 30 June 2013, there were no disclosures notified to IBAC under the *Protected Disclosure Act 2012*.

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 Protected Disclosure 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 can I access the Royal Botanic Gardens' 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. The Protected Disclosure Procedure is available by contacting the Royal Botanic Gardens Board Victoria on (03) 9252 2300 or from the Royal Botanic Gardens' website at www.rbg.vic.gov.au/Protected_Disclosure_Procedure.

How do I make a 'Protected Disclosure'?

Procedures for reporting disclosures of improper conduct or detrimental action by the Royal Botanic Gardens Board Victoria or its employees are available by contacting the Royal Botanic Gardens Board Victoria on (03) 9252 2300 or from the Royal Botanic Gardens' website at www.rbg.vic.gov.au/Protected_Disclosure_Procedure.

You can make a protected disclosure about the Royal Botanic Gardens Board Victoria or its board members, officers or employees by contacting the Royal Botanic Gardens Board Victoria's Protected Disclosure Officers or IBAC on the contact details provided below:

Protected Disclosure Officer:

Catherine Gallagher
Royal Botanic Gardens Melbourne
Private Bag 2000
SOUTH YARRA VIC 3141
Ph: (03) 9252 2300

Protected Disclosure Officer:

Lynn Klavins
Royal Botanic Gardens Cranbourne
1000 Ballarto Road
CRANBOURNE VIC 3977
Ph: (03) 5990 2200

Protected Disclosure Co-ordinator:

Professor Timothy Entwisle
Director and Chief Executive
Royal Botanic Gardens
Private Bag 2000
SOUTH YARRA VIC 3141
Ph: (03) 9252 2304

A disclosure about improper conduct or detrimental action by the Royal Botanic Gardens Board Victoria or its board members, officers or employees may also be made directly to the Independent Broad-based Anti-corruption Commission:

IBAC
GPO Box 24234
MELBOURNE VIC 3000
Ph: (03) 1300 735 135
Fax: (03) 8635 6444
Website: www.ibac.vic.gov.au

Disclosures under the *Whistleblowers Protection Act 2001 (repealed)*

The archived procedures established under the *Whistleblowers Protection Act 2001* are available upon request.

There were no disclosures made under the *Whistleblowers Protection Act 2001* during the period commencing on 1 July 2012 and ending on 9 February 2013, nor were there any disclosures made during the previous reporting period of 2011–12. During the period 1 July 2012 to 9 February 2013:

- ~ there were no public interest disclosures made to the Royal Botanic Gardens Board Victoria
- ~ there were no protected disclosures made to the Royal Botanic Gardens Board Victoria
- ~ there were no disclosures referred by the Royal Botanic Gardens Board Victoria to the Ombudsman for determination as to whether they were public interest disclosures
- ~ there were no disclosures referred to the Royal Botanic Gardens Board Victoria by the Ombudsman for investigation
- ~ there were no disclosures referred by the Royal Botanic Gardens Board Victoria to the Ombudsman for investigation
- ~ there were no investigations taken over from the Royal Botanic Gardens Board Victoria by the Ombudsman
- ~ there were no requests made by a whistleblower to the Ombudsman to take over an investigation by the Royal Botanic Gardens Board Victoria
- ~ there were no disclosed matters that the Royal Botanic Gardens Board Victoria had declined to investigate
- ~ there were no disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation
- ~ there were no recommendations made by the Ombudsman that relate to the Royal Botanic Gardens Board Victoria.

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