



Royal Botanic Gardens  
Board Victoria

*Annual Report 2011–12*

The front cover image is a detail  
of herbarium specimen MEL 77797,  
reproduced in full below.

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*The specimen is an Isosyntype of Daviesia buxifolia (Family Fabaceae), collected by Ferdinand von Mueller in the Ranges on the McAllister [Macalister] River, in south-eastern Victoria, most likely in the late 1850s or early 1860s. Mueller was the second Director of the Royal Botanic Gardens and Victoria's first Government Botanist. His legacy forms the core of the 1.2 million specimens now held at the National Herbarium of Victoria (MEL).*

*This is a Type  
specimen and one  
of over 6,000  
Herbarium specimens  
scanned at high  
resolution and made  
available on JSTOR  
as part of the Global  
Plants Initiative –  
[www.plants.jstor.org](http://www.plants.jstor.org)*

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

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

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## DISCLOSURE INDEX

# Introduction

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## CHAIRMAN'S FOREWORD

As two major projects neared completion during the year, bringing the exciting prospect of seeing the culmination of many years of planning and hard work at both sites, the Royal Botanic Gardens has consolidated its positive reputation in botanic gardens management.

At RBG Cranbourne, progressive completion of the Australian Garden Stage 2 landscape construction saw a massive effort going into propagating and planting in readiness for opening the completed Australian Garden in October this year. Similarly, at RBG Melbourne, the vision of achieving self-sufficiency in irrigation water came closer to reality with the near-completion of the Working Wetlands stormwater harvesting project, which is due to be commissioned in August. The achievement of both projects has been supported by significant government and philanthropic funding.

Efforts were also focussed on managing our living collections to the highest horticultural standards. The implementation of biosecurity protocols at both sites minimised the spread of Myrtle Rust, a new plant disease in Victoria. Routine surveillance of susceptible plants resulted in the detection of an infestation at RBG Cranbourne, and the affected plant was removed. Following a review of living plant collections at RBG Melbourne, annual action plans were developed for each of the collections, with an emphasis on managing the impacts of future climate change.

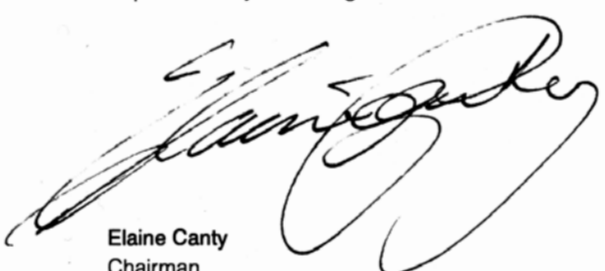
In striving to manage our living collections for conservation and biodiversity, we are mindful that for many people the Gardens is a place of passive recreation. The Royal Botanic Gardens' first Access Action Plan was completed, with the philosophy of 'access for all' underpinning the plan. Progressive implementation of the plan will improve access to both sites for all members of the public. In this regard, the removal of entry fees from the Australian Garden on 1 July 2011 proved popular and eliminated a potential economic barrier for visitors to the Australian Garden. A major market research program – the first in several years – was undertaken to ensure we continue to understand visitor expectations and needs.

Greater access to the Herbarium Collections for scientific research was achieved, with over 100 botanists from across the world visiting the collections during the 2011 International Botanical Congress. This opportunity provided them with rare physical access to the State Botanical Collection, including the 400,000 specimens in the foreign collections. As a result, botanists uncovered important new information about some of the earliest specimens collected by 19<sup>th</sup> century explorers. Additionally, the successful completion of the Global Plants Initiative pilot project at the Herbarium resulted in the scanning of over 6,000 sheets of type specimens. This digitisation project will provide online access to Herbarium specimens through JSTOR, a worldwide scientific database.

The Royal Botanic Gardens remains committed to advancing our knowledge, understanding, conservation and appreciation of plants. Among the staff most dedicated to this important task are our scientists at the Herbarium and at ARCUE. Research continued throughout the year with advances made in the fields of botany, horticulture and urban ecology, much of which was recognised with publication in high-impact international journals.

On behalf of the Board, I would like to take this opportunity to thank the Director and Chief Executive, Dr Philip Moors for his visionary leadership of the Royal Botanic Gardens throughout the past 20 years. Dr Moors announced his retirement in March and will leave the Royal Botanic Gardens in November. Under his leadership, the organisation has been reinvigorated, the evidence of which is apparent at both sites and for those who work behind the scenes at the Gardens in vastly improved resources. He has been supported in his efforts by a management team, staff, volunteers, supporters and donors. I look forward to working with his successor and in continuing this important work on behalf of the Victorian public.

In accordance with the *Financial Management Act 1994*, I am pleased to present the Royal Botanic Gardens Board Victoria's Annual Report for the year ending 30 June 2012.



Elaine Canty  
Chairman

Royal Botanic Gardens Board Victoria

21 August 2012

## ABOUT US

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### *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

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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

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Over 100 visiting botanists were provided with access to the Herbarium collections during the XVIII International Botanical Congress held in Melbourne in July 2011.

*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. Construction of Working Wetlands, a major stormwater harvesting and recycling project, continued and is due to be commissioned in August 2012. 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, 1,634,084 visitors enjoyed RBG Melbourne in 2011–12. 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 177,903 visitors, including over 14,633 students, representing a 12 per cent increase over the previous year.

## 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 celebrates the beauty and diversity of Australian landscapes and features nearly 100,000 plants. Complementing the Garden are a visitor centre, café, gift shop 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. The Australian Garden Stage 2 will be completed and opened to the public from 20 October 2012, and combined with Stage 1 will form 15 hectares of landscaped gardens.

In 2011–12, 147,499 people visited RBG Cranbourne, including 114,328 visitors to the Australian Garden; 6,181 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 1.2 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. Current work at the Herbarium is directed by the Plant Sciences and Biodiversity Division Master Plan 2008–2012, which addresses three main research themes: Victoria's biodiversity, including documenting and conserving our flora; the origin of the Australian biota, including the evolutionary history and relationship of Australian plant groups; and Biodiversity Services, including the provision of an Identification and Information Service.

## 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.

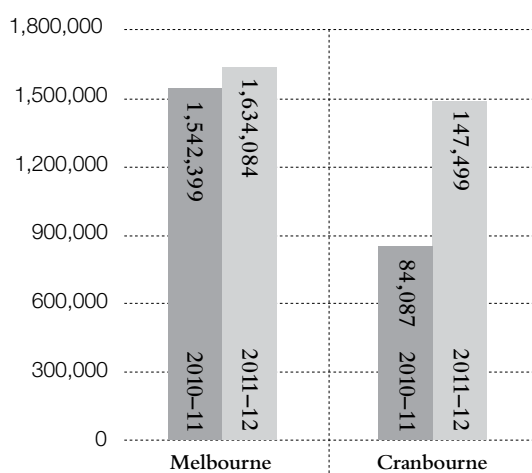
ARCUE continues to increase its environmental business activities in support of its research objectives.

## VISITOR NUMBERS

Table 1: Visitor numbers

	2010–11	2011–12
<b>RBG Cranbourne</b>	84,087	147,499
Including Australian Garden visitors	31,221	114,328
<b>RBG Melbourne</b>	1,542,399	1,634,084

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. Patron of the Royal Botanic Gardens is Dame Elisabeth Murdoch AC DBE. The responsible Minister for the period from 1 July 2011 to 30 June 2012 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 botany, horticulture, 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 (as at 30 June 2012)*

#### **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.



**Prof Mark Burgman** FAA, PhD, MSc (Hons), BSc (Hons)

Appointed to the Board 9 April 2006

Mark Burgman is Director, Australian Centre of Excellence for Risk Analysis, Professor in the School of Botany, The University of Melbourne, and Fellow of the Australian Academy of Science.

**Mr Kenneth Harrison** MBA, BBus, FCPA, FAICD

Appointed to the Board 9 April 2012

Ken Harrison, accountant and investment banker, 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 is currently Executive Officer of the Independent Fiskville Investigation commissioned by the Country Fire Authority. She has held executive positions in a number of Victorian government bodies, including the Environment Protection Authority, 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.

*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 2011–12 were Mr Graham Cunningham (Committee Chairman 1 July 2011 – 30 June 2012), Ms Elaine Canty (1 July 2011 – 30 June 2012), Mr Rodger Elliot (1 July 2011 – 8 April 2012), and Mr Ken Harrison (1 July 2011 – 30 June 2012).

*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 2011–12 were Mr Graham Cunningham (Committee Chairman 1 July 2011 – 30 June 2012), Ms Elaine Canty (1 July 2011 – 30 June 2012), Mr Rodger Elliot (1 July 2011 – 8 April 2012), and Mr Ken Harrison (1 July 2011 – 30 June 2012). Refer to the financial statements for further information regarding remuneration.

*Table 2: Board attendance figures –  
from 1 July 2011 to 30 June 2012*

<i>Board Member</i>	<i>No. of meetings eligible to attend</i>	<i>No. of meetings attended</i>
Elaine Canty	13	13
Graham Cunningham	5	5
Mark Burgman	13	10
Rodger Elliot	8	7
Kenneth Harrison	5	5
Linda White	13	10
Jennifer Wolcott	13	12
Sarah Wrigley	5	5

*Royal Botanic Gardens Executive*  
(as at 30 June 2012)

**Director and Chief Executive (1992)**

Dr Philip Moors PhD, BSc (Hons)

Leads and promotes the activities of RBG Melbourne and RBG Cranbourne, the National Herbarium and ARCUE in order to achieve the highest standards in horticultural, scientific and financial management and in visitor and education programs.

Dr Moors worked as an ecologist in New Zealand for 15 years, becoming Assistant Director (Research) for the Department of Conservation. Between 1989 and 1992 he was Director of the Royal Australasian Ornithologists Union (now BirdLife Australia) in Melbourne. He was awarded a Centenary Medal in 2003 for services to the community through conservation and the environment.

He is a member of the Executive Board of the Committee for Melbourne, was the inaugural national President of Botanic Gardens Australia and New Zealand (BGANZ) between 2005 and 2011, and is a trustee of the Helen Macpherson Smith Trust and a member of the Myer Foundation's Sustainability and the Environment Committee.

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

Prof 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*.

Prof 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 understand 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)**

Assoc Prof 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 also 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. Ms Steinicke is also responsible for contract, financial and project management of the Australian Garden Stage 2 project at RBG Cranbourne and the Working Wetlands project at RBG Melbourne.

**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 the Working Wetlands project.

**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.

# Organisation Chart

## DIRECTOR & CHIEF EXECUTIVE

*Dr Philip Moors*

Administration

Development

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

# Our Employees

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*Managing the Living Plant  
Collections at RBG Melbourne  
– GPS mapping of plants  
in the Southern China Collection.*

*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 2011–12, the Recruitment and Selection Policy was reviewed and updated to ensure continued application of the merit and equity principles.

During 2011–12, 39 appointments were made to Royal Botanic Gardens' positions. The average time taken to fill each vacancy was 27 calendar days.

As at 30 June 2012, employee numbers totalled 242. 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 2012</i>	<i>As at 30 June 2011</i>	<i>As at 30 June 2010</i>	<i>As at 30 June 2009</i>
<b>Full-time</b>	131	133	124	122
<b>Part-time</b>	48	47	45	48
<b>Casual</b>	63	57	53	58
<b>Total</b>	242	237	222	228

As at 30 June 2012, the Royal Botanic Gardens' workforce comprised approximately 54.1 per cent full-time, 19.9 per cent part-time and 26 per cent casual employees, the Full Time Equivalent (FTE) number being 186.5.

Tables 4 and 5 provide a more detailed description of employee data as at 30 June 2012, including numbers of full-time, part-time and casual employees by gender and Division.

*Table 4: Employee numbers as at 30 June 2012*

<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>
<b>Directorate</b>	3	1	4	0	3	3	0	0	0	3	4	7	3	2.5	5.5
<b>Corporate Resources</b>	13	12	25	2	9	11	1	8	9	16	29	45	14.5	20.5	35
<b>Melbourne Gardens</b>	23	17	40	4	7	11	18	27	45	45	51	96	34	34	68
<b>Plant Sciences and Biodiversity</b>	11	12	23	2	8	10	0	1	1	13	21	34	12	16.5	28.5
<b>Cranbourne Gardens</b>	16	15	31	2	9	11	2	6	8	20	30	50	18	22.5	40.5
<b>ARCUE</b>	4	4	8	0	2	2	0	0	0	4	6	10	4	5	9
<b>Total</b>	70	61	131	10	38	48	21	42	63	101	141	242	85.5	101	186.5

*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 at 30 June 2012, this involved two female apprentices. However, as contractors, it is not appropriate to include them in this table.*

Table 5 below represents the gender profile of employees for the last four years, expressed as a percentage of Royal Botanic Gardens' employees.

*Table 5: Comparative gender profile for the past four years*

	<i>As at 30 June 2012 (%)</i>	<i>As at 30 June 2011 (%)</i>	<i>As at 30 June 2010 (%)</i>	<i>As at 30 June 2009 (%)</i>
<b>Male</b>	42	44.7	46.5	46
<b>Female</b>	58	55.3	53.5	54

Table 6 below represents the age profile of employees for the last four years, expressed as a percentage of Royal Botanic Gardens' employees.

*Table 6: Age profile of Royal Botanic Gardens' employees for the past four years*

<i>Age Bracket (years)</i>	<i>As at 30 June 2012 (%)</i>	<i>As at 30 June 2011 (%)</i>	<i>As at 30 June 2010 (%)</i>	<i>As at 30 June 2009 (%)</i>
<25	1.2	1.6	1.4	0.9
25 – 34	12.1	15.6	20.3	25.3
35 – 44	31.3	31.4	29.7	25.7
45 – 54	30.4	27.6	27.9	28.8
55 – 64	20.4	19.1	17.1	16.4
>64	4.6	4.7	3.6	2.9

## 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 (HR) 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 2011–12, there was focus on planning for transition from only face-to-face delivery of learning programs to the option of face-to-face or online learning methods. An e-learning service provider was appointed and new e-learning modules have been developed and are scheduled for implementation from August 2012.

### *Professional development*

The 2011–12 Professional Development program included Equal Employment Opportunity (EEO), SunSmart, Occupational Health and Safety (OHS), and Performance Review System workshops. Employees also attended conferences, seminars, field-trips and technical training appropriate to their respective roles.

A mentoring program, called 'Share and Grow', matches staff participants with a senior member of the organisation as a way of developing learning opportunities. Three mentor pairs completed their program in November 2011 and, in February 2012, two new mentor pairs commenced their program.

In partnership with Zoos Victoria, Deakin Prime (Deakin University's business arm) was contracted to conduct a Diploma of Management program for eligible employees. Two employees completed the 2011–12 program and one employee is currently participating in the 2012–13 program.

### *Equal Employment Opportunity (EEO)*

The Royal Botanic Gardens Board Victoria has an Equal Employment Opportunity Committee that meets on an as needs basis and arranges EEO training sessions, acts as Contact Officers for any EEO issues and monitors compliance with the Victorian *Equal Opportunity Act 2010*. During 2011–12 the Royal Botanic Gardens' EEO Policy and Procedures were reviewed and updated.

EEO training sessions are compulsory for all new employees and optional for existing employees who want to attend a refresher program. Attendance for existing employees occurs on a rotating system to ensure that all employees attend a refresher session every 2.5 years. During 2011–12, there was one new Contact Officer who attended the appropriate training.

In order to meet the Royal Botanic Gardens Board Victoria's obligations under the Victorian *Disability Act 2006*, Section 38, an Access Action Plan 2011–2015 was developed and approved by the Board. Refer page 30 for further information.

### *Occupational Health and Safety (OHS)*

As an initiative to improve health and productivity, the Royal Botanic Gardens Board Victoria again offered all employees the opportunity to receive free influenza vaccinations, which were provided with the generous assistance of CSL Limited; 41 employees were vaccinated as part of this program.

The annual SunSmart program was conducted by the Cancer Council Victoria. Given the high number of employees who work outdoors, this is an important OHS program for the Royal Botanic Gardens.

An OHS training calendar covering a five-year period, and incorporating manual handling, OHS awareness, Health and Safety Representatives' training and refresher training, Manager OHS training, Sunsmart training and First Aid training was developed.

The OHS Committee conducted a number of 'hazard hunts' across the organisation to identify potential OHS risks. Refresher training was provided for relevant First Aid Officers. First Aid incidents reported and WorkCover claims lodged in 2011–12 are reported in Table 7, along with comparable data for the preceding three years. As at 30 June 2012, 18 new WorkCover claims had been received. The OHS Committee continued to monitor all WorkCover incidents and claims.

Table 7: WorkCover claims and first aid incidents

	2011–12	2010–11	2009–10	2008–09
First Aid Claims and Incidents	44	34	41	32
WorkCover Claims (new)	18	18	20	13

During 2011–12, the Return to Work Co-ordinator (RTWC) reviewed the 'Alternate Duties Register' to ensure that the Royal Botanic Gardens Board Victoria had current work to offer injured workers and to support their return to work. On commencement, all new employees are provided with 'Return to Work Obligations' information sheets and current Worksafe posters are visible on notice boards. The RTWC also attended employee Divisional meetings to provide information to employees on Return to Work matters. The RTWC promoted the Workhealth Checks program during the period and 48 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 2011–12, Royal Botanic Gardens' employees continued to make use of this confidential counselling service that is available seven days a week, 24 hours a day. The transition to the new provider and consequent updating of brochures and information was promoted to Royal Botanic Gardens' employees via employee bulletins and by PPC Worldwide attending awareness-raising sessions.

## EMPLOYEE RELATIONS

### *Royal Botanic Gardens Enterprise Agreement 2010–2013*

The Royal Botanic Gardens Board Victoria Enterprise Agreement (EA) 2010–2013 was approved by Fair Work Australia and authorised to become operational from 10 August 2011. This followed in principle agreement on the EA between the Royal Botanic Gardens Board Victoria and Community and Public Sector Union representatives on 21 December 2010, and endorsement of the EA by an employee ballot on 27 June 2011, with a convincing majority of those who voted (approximately 95.5 per cent) agreeing to the EA being sent to Fair Work Australia for approval.

Implementation of the agreement included salary adjustments, lump sum back-payments to 21 December 2010, and the introduction of a 'Sick Leave Bank' process which enables employees, under certain circumstances, to donate their sick leave for use by other employees. The Agreement's nominal expiry date is 20 December 2013.

## EMPLOYEE RECOGNITION

### *Guilfoyle Awards*

The Guilfoyle Awards, named after William Guilfoyle, the second Director of the Royal Botanic Gardens who took up his position in 1873, recognise excellence and achievement of both individual employees and teams of employees in contributing to the activities of the Royal Botanic Gardens. In 2011–12, awards were presented to the following employees:

#### *Individual Awards*

##### **Steven Liu**

Outstanding performance in research work on climate-matching methodology for plant selection in RBG Melbourne and the broader botanic gardens community

##### **James Robinson**

Outstanding performance in project management of the Australian Garden Project – Stage 2 landscape construction works

##### **Warren Worboys**

Outstanding performance in reviewing the contractor's progress to enhance quality control of the Australian Garden Stage 2 landscape completion site works

#### *Team Awards*

##### **Access Action Plan 2011–2015 Reference Group**

Outstanding team performance in planning, developing and achieving the Access Action Plan 2011–2015

##### **Herbarium Visitor Team (International Botanical Congress)**

Outstanding team performance in planning and delivering the Herbarium Visitor Program during the 2011 International Botanical Congress

##### **Point of Origin/Postcode Data Project Team**

Outstanding team performance in planning, developing and successfully implementing the Point of Origin/Postcode Data Project

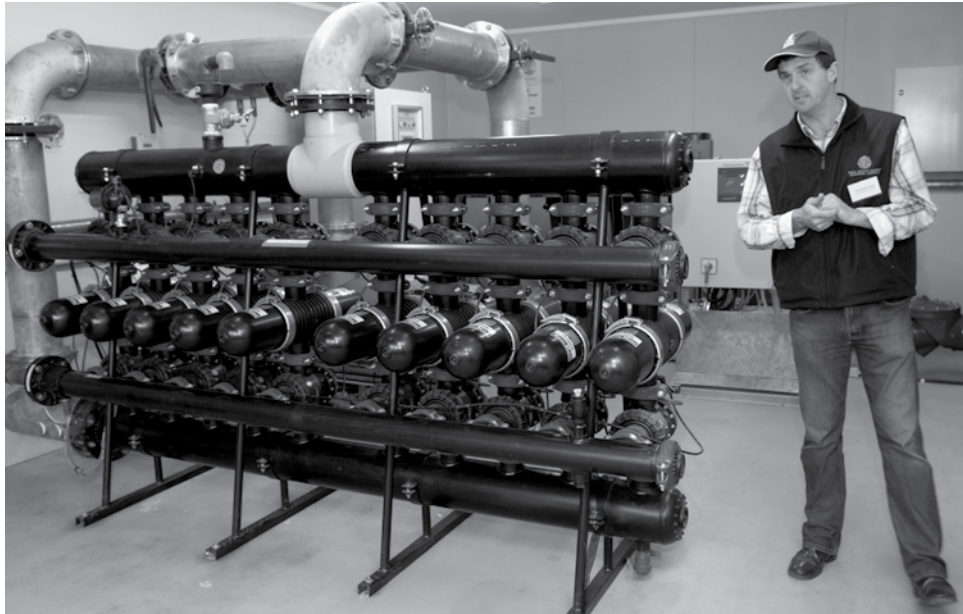
#### *Green Guilfoyle Award*

##### **Jill Burness**

Outstanding performance in the co-ordination of RBG's involvement in the Botanic Ridge planning process

# Our Performance

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*The Working Wetlands pumping station at RBG Melbourne has a capacity to pump 80 litres per second of treated water into the irrigation system.*

*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:

- ~ provide for the operational growth of RBG Cranbourne associated with the development of the Australian Garden
- ~ improve the curation of the State Botanical Collection
- ~ complete the implementation of Working Wetlands 2 (Parts A and B), 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 2011–12, annual funding provided by the Department of Sustainability and Environment (DSE) enabled the repair or replacement of the most urgent of those assets requiring attention, including restoration of the William Tell Rest House, replacement of paths and kerbs, repair of the Guilfoyle's Volcano boardwalk, replacement of information technology and garden equipment, and repairs to the roof of the Herbarium building. Work also continued on the replacement of part of the RBG Melbourne perimeter fence, restoration of the Nymphaea Lily Lake bluestone wall, and automation of the Nursery and Works Yard entry gates, which resulted from the City of Melbourne's activities relating to the upgrade of the Tan Track.

In relation to major capital works, construction of the Working Wetlands Part A project in RBG Melbourne was completed in December 2011. Further funding was received from the Commonwealth Government during the year to enable work to commence on the Working Wetlands Part B project, which involves pumping of water from the lakes, filtering and treating the Lake water and then pumping the water into the existing irrigation system. The landscape construction works component of the Australian Garden Stage 2 project achieved Practical Completion on 31 May 2012. Planning works were also undertaken during the year for the Depot Upgrade component of the Australian Garden Stage 2 project, with the Depot expected to be completed by the end of 2012–13.

*Table 8: Financial results for 2011–12*

	2011–12 \$
<b>Government funding</b>	
State Government	
~ Parks and Reserves Trust Account grants	12,936,000
~ Other grants	831,781
Commonwealth Government	1,545,000
<b>Sponsorship</b>	1,768,237
<b>General Revenue</b>	5,855,568
<b>Total Expenses</b>	(20,437,812)
<b>Operating Surplus/(Deficit)</b>	2,498,774

### *Comparison of financial performance and position*

The Royal Botanic Gardens Board Victoria's operating result for the financial year ended 30 June 2012 was lower than the previous year mainly due to sponsorship funding already being received in previous years 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 included:

- ~ A higher depreciation expense in 2011–12 as compared with the previous year as a result of the revaluation of land, building and infrastructure assets as at 30 June 2011.
- ~ An increase in Parks and Reserves Trust Account funding mainly from the additional funds received to compensate for the removal of entry fees to the Australian Garden at RBG Cranbourne and to meet the funding gap caused by the expansion of operations at RBG Cranbourne. This increase in Government revenue is mostly offset by additional expenditure incurred in managing the Gardens. Revenue and expenditure in the prior financial year included one-off costs associated with participation in the Royal Horticultural Society Chelsea Flower Show in May 2011.

In relation to the Royal Botanic Gardens Board Victoria's financial position:

- ~ The decrease in cash and deposits balances as at 30 June 2012 was mainly due 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 2012–13 financial year.
- ~ The increase in property, plant and equipment was mainly due to the addition of capital works undertaken during the 2011–12 year, which was partially offset by an impairment and subsequent write-back of non-financial assets that is also reflected in a decrease in the Asset Revaluation Reserve Balance.

Table 9: Five-year comparison of financial results

	2011–12 \$	2010–11 \$	2009–10 \$	2008–09 \$	2007–08 \$
Government Funding					
State Government					
Parks and Reserves Trust Account grants	12,936,000	11,798,744	11,106,698	10,647,000	10,219,000
Other grants	831,781	676,537	116,051	177,600	155,299
Commonwealth Government	1,545,000	367,132	187,157	143,697	356,753
Sponsorship	1,768,237	4,004,471	3,749,484	4,638,694	3,976,510
General Revenue	5,855,568	6,239,663	6,333,463	5,629,437	5,102,561
Total Expenses	(20,437,812)	(19,552,693)	(18,376,834)	(17,553,313)	(17,856,205)
Operating Surplus	2,498,774	3,533,854	3,116,019	3,683,115	1,953,918
Net cash flow from operating activities	6,926,746	4,541,927	5,094,955	4,294,533	3,011,652
Total assets	426,432,783	425,853,534	273,739,752	260,206,038	225,999,403
Total liabilities	7,837,073	4,733,852	4,065,026	3,649,391	3,493,337

## 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 2011–12 (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	30/06/2012	63,341	63,341	0
Hirst Projects	Undertake a concept study to identify, understand and test the options for future use and visitor experiences arising from the restoration and re-installation of the Great Melbourne Telescope at the Old Melbourne Observatory. This project has been equally co-funded by Museums Victoria and the Astronomical Society of Victoria.	1/06/2010	1/08/2011	32,500	7,500	0
Bekier Consulting	Develop a Workforce Plan 2011–2030 to manage the Royal Botanic Gardens' staffing and skill requirements.	1/03/2011	13/07/2011	20,777	409	0
Media Wise Pty Ltd	Review current tourism strategy and recommendations for future engagement.	21/11/2011	25/01/2012	19,970	19,970	0
Midnight Sky Pty Ltd	Provide expert analysis of current communications strategy and recommendations for future engagement.	7/02/2012	21/08/2012	19,040	17,040	2,000
Institute of Access Training Australia	Prepare consultation report for the Royal Botanic Gardens Access Action Plan.	2/06/2011	22/09/2011	18,000	12,000	0
Construction Planning	Undertake cost planning to determine feasibility of implementation of tender process for Australian Garden Shelters as part of Australian Garden Stage 2 Project.	1/08/2010	1/10/2011	16,360	1,660	0
Surface Consulting Pty Ltd	Initiate Observatory Gate Stage 2 Project, undertaking research and business case preparation to determine the feasibility of a funding submission for the project.	14/01/2011	unknown, expect 30/06/2014	13,299	7,664	5,000
Bekier Consulting	Prepare Human Resources Strategic Plan 2011–2015	1/03/2011	22/12/2011	13,094	13,008	0
				216,381	142,592	7,000

In 2011–12, the Royal Botanic Gardens Board engaged 11 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$30,473 (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.

Further to this, the Royal Botanic Gardens adopted a ResourceSmart strategy and framework for its environmental reporting in 2011–12, with the objectives of:

- ~ contributing to environmental stewardship through the delivery of our core business, and
- ~ minimising environmental impacts in the delivery of our core business.

Fifteen Environmental Targets were identified in the strategy covering a range of themes including waste management, energy use, water management, green procurement, and environmental impacts; these targets reinforce environmental management practices that have been in place at the Royal Botanic Gardens for a number of years.

### *Water and irrigation*

The Strategic Water Plan Management Plan was reviewed during the year and a new plan developed for the period 2012–2016. The plan commits the Royal Botanic Gardens to implementing an integrated approach to water management that maintains biodiversity, minimises consumption, evaluates and utilises alternative water sources and demonstrates leadership in efficient water use.

The Royal Botanic Gardens remains committed to reducing its use of mains water. The Working Wetlands project at RBG Melbourne has continued with completion of Working Wetlands Part A and commencement of construction for Working Wetlands Part B, which is funded by the Commonwealth Department of Sustainability, Environment, Water, Population and Communities and South East Water Limited. Ultimately, RBG Melbourne aims to achieve a sustainable irrigation water source that does not rely on the use of mains water. Working Wetlands will be commissioned in August 2012 and when fully operational is expected to reduce RBG Melbourne's use of mains water for irrigation by 40 per cent.

Water use targets have been in place at RBG Melbourne for over ten years now, and there was a 4 per cent decrease in domestic water use at RBG Melbourne, with consumption at 8,885 kilolitres. Water use for irrigation was 88,081 kilolitres, an increase in 2011–12 compared to 2010–11 (40,428 kilolitres) because of lower annual rainfall. Irrigation volumes for both 2010–11 and 2011–12 were significantly less than the decadal average due to consecutive La Niña events, which usually bring above-average rainfall to south-east Australia.

The combined aggregate of rainfall/irrigation was 1,063 millimetres or 18 per cent above target. 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 57 litres/visitor, 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.

At RBG Cranbourne, development of a water-efficient landscape continued in the Australian Garden with work on developing weather-based irrigation scheduling, including the installation and commissioning of an automated weather station on-site. Water consumption at RBG Cranbourne was recorded at 31,694 kilolitres, including irrigation (for plant establishment in the Australian Garden) and domestic water use, but excluding tenants' usage.

### *Waste management*

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

At RBG Cranbourne, 276 cubic metres (55.1 tonnes) of green waste, 2.0 cubic metres of co-mingled waste, and 14.7 cubic metres of paper and cardboard were recycled. These figures reflect a significant reduction on previous years as they do not include waste management figures from on-site tenants. At RBG Melbourne, 286 litres of co-mingled waste was recycled, 3,600 cubic metres of green waste processed, and over 4.9 tonnes of cardboard and paper recycled.

A review of indoor waste management and recycling practices was conducted during the year with a new bin system to be implemented across the organisation in 2012–13, designed to encourage greater recycling by individuals at their work stations. Work commenced on establishing administrative processes for the capture and reporting of Office Based Environmental Data.

### *Energy management*

Alternative energy options were identified at both sites and a program of replacing incandescent downlights with LED fittings at the Herbarium commenced. Four old 300-watt servers were retired and replaced with two new 600-watt servers, continuing a process to improve energy efficiency in information management. Other initiatives included the investigation of ESD building options such as geothermal heating and cooling systems at RBG Cranbourne and the feasibility of introducing photovoltaics as an alternative energy source.



## 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.

A large, stylized handwritten signature in black ink, appearing to read 'Elaine Canty'.

**Elaine Canty**  
Chairman  
Royal Botanic Gardens Board Victoria  
21 August 2012

## *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 examined in the context of the existing organisational controls, and the degree to which those controls are effective in managing the risk is assessed and related to the level and degree of oversight required. Results are reviewed quarterly by the Risk Committee.

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

There has been no material change in the risk profile of the Royal Botanic Gardens.

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 (CIPG) co-ordinates the whole-of-organisation planning for responses to and recovery from critical incidents, and ensures that the organisation's critical incident response documents are consistent, effective and meet the requirements of relevant legislation and policies. The framework for CIPG integrates Risk Management, Emergency Procedures, OHS, Business Continuity Planning and Communications. The committee meets every two months.

During 2011–12, 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.

A new Online Emergency Awareness Training program was developed, to be rolled out in 2012–13. This program will be available to all Royal Botanic Gardens' staff, volunteers and tenants with the intention of enhancing their emergency management and response skills.

In accordance with AS3745-2010, Planning for Emergencies in Facilities, the individual Emergency Planning Committees (EPC) for RBG Cranbourne and RBG Melbourne developed a new charter and merged to form a single EPC to cover both sites. The combined EPC has resulted in a more efficient and cohesive approach to emergency management and provides a consistent response and reporting hierarchy across both sites. The new EPC comprises the Chief Warden from each site, Business Continuity Manager from each site and the Co-ordinator Leasing. Under AS3745-2010, there is a requirement that all Emergency Control Organisation (ECO) apparel be consistent throughout a facility or facilities; new Warden packs were purchased for all ECO members to ensure consistency across both sites.

The following 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:

- ~ On 16 October 2011, there was a small fire at the RBG Melbourne Visitor Centre confined to a downlight fitting. The fire lasted only moments, however, the building was evacuated in accordance with the Emergency Procedures and the Fire Brigade attended. All light fittings on the circuit were isolated and all lights in the building were checked by an electrician. Subsequently all light fittings of the type that caught fire were replaced.
- ~ On 11 January 2012, there was a severe storm across Melbourne which impacted the RBG Melbourne site, with strong winds, heavy rain and some hail. This resulted in power outages to some buildings as well as some damage to trees and plants, leaving a considerable amount of debris across the Gardens.
- ~ On 26 March 2012, RBG Cranbourne suffered a 'brown out' resulting in damage to some air conditioning units, automatic gates and doors, sewer pumps and the Rockpool Waterway pump.

# Our Achievements

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Planting progressed at the Australian Garden: the *Brachychiton rupestris* – Sterculiaceae (Queensland Bottle Tree) was relocated to the Weird and Wonderful Garden.

## 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 newly-adopted 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 2011–12 stems, adopting its structure of three strategic goals and detailed strategic priorities for the reporting period.

This section – Our achievements – reports against the Specific Outcomes identified in the 2011–12 Business Plan and further reports against ongoing work that relates to the Corporate Plan Strategic Priorities, including future initiatives. This financial year was the first year of the four-year corporate planning cycle.

## STRATEGIC GOAL 1

# Advancing scientific knowledge and understanding

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*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 2011–2015 was more than \$6.3 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. These partnerships and the continued support of a range of external funding mechanisms (for example, Australian Research Council [ARC] linkage grants) ensure a diversity of research projects contribute to building a body of knowledge that assists us in achieving our research goals.

*Above: Acacia pycnantha, Golden Wattle from J.E. Brown's The Forest Flora of South Australia, 1883 – State Botanical Collection, Royal Botanic Gardens Melbourne, as reproduced on The Gardens Studio licensed products released in May 2012.*



## AT A GLANCE

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56 peer-reviewed papers were accepted for publication from Plant Sciences and Biodiversity Division and ARCUE staff collectively, of which 25 were published in ISI-listed journals.

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467 new specimens, 726 duplicate specimens (for MEL's exchange and donation program), and 306 silica gel samples (for DNA analysis) were collected by staff on the Collections Development Trip.

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200 Type specimens previously unidentified in the Herbarium collections were identified by researchers who were given access to the collections during the XVIII International Botanical Congress.

~

6,468 Australian vascular Type specimens were scanned as high resolution digital images for the JSTOR project; of these, 5,407 digital images were delivered to JSTOR compared with the original target of 4,600 images required by May, and 3,816 are currently accessible at [www.plants.jstor.org](http://www.plants.jstor.org)

~

'*Amphibian ecology and conservation in the urbanising world*', a review by ARCUE's Mark McDonnell and Andrew Hamer published in *Biological Conservation*, Volume 141: 2432-2449, was one of the most cited articles published in *Biological Conservation* between 2008 and 2011.

~

A milestone was marked during the year when seed from the thousandth species – *Austrostipa macalpinei* – was added to the Victorian Conservation Seedbank.

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Implementation of the *Caladenia robinsonii* (Frankston Spider Orchid) translocation project continued at RBG Cranbourne, with the next round of monitoring due to commence in July 2012.

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## YEAR IN REVIEW

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### *Research and publication*

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 conducted during the year focussed on systematics, biogeography, chemistry, molecular divergence dating, DNA barcoding, and conservation botany of *Acacia*, Myrtaceae, Solanaceae, Rhamnaceae, Fabaceae, grasses, orchids, daisies, *Lobelia*, Proteaceae, macrofungi, truffles and mycorrhizal fungi, fossil floras, alien floras of mountain regions, and rare and threatened Victorian plants. This work culminated in the publication of 32 peer-reviewed papers, 18 of which were in Institute of Scientific Information (ISI)-listed journals.

ARCUE research and conservation projects were completed on time and within budget, and included monitoring wildlife crossings for VicRoads, preparation of talks and papers for the 'Greening our Future' symposium held by Frankston City Council, Earthwatch-funded microbat surveys at RBG Melbourne, facilitation of a workshop for the Galilee Basin Coal Mine Development Project for the Commonwealth Department of Sustainability, Environment, Water, Population and Communities, South West Slopes NSW-Squirrel Glider surveys for the New South Wales' Department of Environment, Climate Change and Water, and wildlife trapping training for the Snowy Mountain Engineering Company. Twenty-four peer-reviewed papers were published, with seven being in ISI-listed journals.

### *National Species List project*

Plant Sciences and Biodiversity Division staff completed the compilation of nearly 6,000 fungi and moss names for the National Species List project. In addition, staff participated in the working group that developed the Australian Plant Census (APC). The APC working group assessed nearly 100,000 names and identified around 23,000 species' concepts that those names sit under. For the first time, Australia has a nationally-agreed list of vascular plant species that occur in the country.

The National Species Lists forms critical infrastructure that underpins how the Atlas of Living Australia aggregates species information because it maps all known names to species' concepts.

## CONFERENCES AND FORUMS

### *XVIII International Botanical Congress*

Royal Botanic Gardens' staff joined their Australian colleagues in welcoming delegates from across the world when they gathered in Melbourne for the XVIII International Botanical Congress (IBC) in July 2011. The Congress is held every six years and planning for the Congress commenced in 2005.

Staff contributed significant time and effort in the lead up to (and during) the Congress through membership of the scientific organising committee, which oversaw development of the congress program, the preparation of nine talks and three posters, planning and leadership of a post-congress field trip, and extensive planning and support to provide visiting researchers with the rare opportunity to gain on-site access to our historically-significant Herbarium (MEL<sup>1</sup>) collections. The Melbourne IBC attracted over 2,000 scientists from 73 nations.

### *15th Australasian Bat Society Conference*

ARCUE staff assisted with the organisation of the 15th Australasian Bat Society Conference and Forum, held at The University of Melbourne in April. There were approximately 140 attendees at the Conference from all over Australia, 350 at the public Forum, and 90 at the field trip. Four ARCUE researchers and students gave presentations on their recent research.

### *5th Global Plants Initiative Meeting, Madrid*

Plant Sciences and Biodiversity Division staff attended the 5th Global Plants Initiative meeting held in Madrid, presenting two posters. The meeting provided an opportunity to learn about the latest developments in imaging herbarium specimens from around the world. Staff also had tours of the Herbarium in Madrid and travelled to Paris and London to learn about the latest herbarium management protocols and storage systems. This trip will assist staff in assessing storage options at the National Herbarium of Victoria, which is close to capacity and will require expanded storage in the medium term.

### *ARCUE presentations*

ARCUE staff presented their expert perspectives on the future of Frankston's biodiversity at a public seminar called Greening our Future in November 2011. The seminar was organised by Frankston City Council and featured leading thinkers from across Australia presenting a range of ideas to the community and council leaders for discussion to develop a biodiversity strategy for the municipality.

Other presentations by ARCUE staff during the year included those for the Institute of Australian Geographers' annual conference, Parks and Leisure Australia, the XVIII International Botanical Congress, the International Conference on Ecology and Transportation (USA), the Ecological Society of Australia's Annual Conference, the 5th State of Australian Cities Conference, the ARC Centre of Excellence for Environmental Decisions, The Economics of Ecosystems and Biodiversity (TEEB) Conference (Germany), and the Junior Field Naturalists Club of Victoria.

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<sup>1</sup> MEL is the internationally-recognised Index Herbariorum designation for the National Herbarium of Victoria.

## URBAN ECOLOGY

ARCUE staff continued to work with VicRoads on its successful wildlife crossings project, first developed and trialed by ARCUE in 2007.

Wildlife crossing structures (for example culverts, bridge underpasses and rope bridges) that link habitat and allow wildlife to safely cross busy roads, were inspected along the recently completed Calder Freeway upgrade between Kyneton and Ravenswood. Of the sixteen crossings monitored, it was found that a wide range of native species used the crossings. This information will be used to manage and improve the operation of the Calder Freeway crossings, as well as to ensure structures along future roads are better designed and built. ARCUE Senior Ecologist, Rodney van der Ree, contributed to a journal article in *Ecology & Society* 16(1): 1–9 that examined this research.

### *Western Grasslands Reserves Research Strategy*

ARCUE staff collaborated with colleagues from Latrobe and Charles Sturt universities in the preparation of a research strategy for the Department of Sustainability and Environment on the Western Grasslands Reserves (WGR), an area of 15,000 hectares to be set aside by the Victorian Government as part of the expanded Urban Growth Boundary.

The strategy outlined proposals for conservation, management and education activities crucial to the successful establishment and ongoing viability of the WGR. Recommended research priorities included the identification of ecological and cultural assets, analysis of risks and threats to WGR assets, and an examination of interactions between the WGR and the urban community. The strategy also discussed the need to communicate research and management findings to relevant stakeholders through the use of websites, scientific publications and public forums, seminars and workshops.

## HERBARIUM COLLECTIONS

### *Collections development*

The Royal Botanic Gardens is committed to expanding its Herbarium collections, a commitment which is informed by the *Plant Sciences and Biodiversity Division Master Plan 2008–2012* and the Collections Development Policy.

As part of this commitment, a major Collections Development Trip to north-west Victoria was held in conjunction with the national Bush Blitz program. Among the 467 new specimens collected by Royal Botanic Gardens' staff were the first Victorian collections of *Brachyscome melanocarpa* and a new weedy *Mesembryanthemum*. The trip also resulted in the discovery of a new truffle species, named *Agaricus colpeteus*.

### *Collections access*

One hundred and seven visiting researchers from across the globe were provided with access to the MEL Collections while in Melbourne for the XVIII International Botanical Congress. This co-ordinated effort by Royal Botanic Gardens' Collections staff to open the collections during the Congress ensured visiting researchers, many of whom are world experts in their fields, were able to take the opportunity to research the MEL collections on-site, which resulted in the discovery of important new information.

MEL is the repository for 1.2 million dried plant specimens, a third of which are foreign-collected specimens, many historically significant.

At the end of the Congress, 2,500 specimen sheets had been annotated, with over 2,000 of them being from the foreign collections. In addition, Collections staff serviced 30 data requests, two image requests, seven loans and 15 destructive sampling requests.

### *Global Plants Initiative and JSTOR pilot project*

Work commenced in July 2011 on a pilot project at the National Herbarium of Victoria to create digital images of 20,000 Australian Type specimens, earmarked to be added to JSTOR, a world-wide scientific database ([www.plants.jstor.org](http://www.plants.jstor.org)), as part of the Global Plants Initiative. The digitisation project is being instituted across Australasian Herbaria and MEL was selected to pilot the project to determine the digitisation rate for processing specimens.

Funding was secured for the project by the Council of Heads of Australasian Herbaria from the Andrew W. Mellon Foundation, a US-based philanthropic organisation, and covered the cost of a high resolution digital scanner (Herbscan) and associated training; the supply of a Leaf-Aptus camera was funded by the Atlas of Living Australia and CSIRO.

The availability of high-quality images on JSTOR will enable scientists from around the world to easily view and compare specimens without requiring physical access to the specimens. The pilot project was completed successfully with the scanning of 6,468 Australian vascular Type specimens.

## 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: *Grevillea infecunda*, *Borya mirabilis*, *Pimelea spinescens*, *Asterolasia asteriscophora* subsp. *albiflora*, *Swainsona recta*, and *Nematolepis wilsonii*, as well as Southern Wimmera Threatened Species, Grampians Region Threatened Species and the Helmeted Honeyeater.

Further to this, Melbourne Gardens Nursery staff secured contracts to cultivate over 1,000 indigenous plants for use in conservation management programs by a number of government agencies.

### *Snowy River Westringia (Westringia cremnophila)*

A joint expedition between staff from the Plant Sciences Branch and the Department of Sustainability and Environment to the Snowy River Gorge in far East Gippsland located the Snowy River *Westringia* (*Westringia cremnophila*), which is listed as Vulnerable under the Commonwealth *Environment Protection Act 1999*. Five hundred specimens were identified on this trip, compared with 14 located on a previous field trip in 2002. Cuttings were taken for propagating in the Royal Botanic Gardens' Nursery.

### *Victorian Conservation Seedbank*

Seed was collected from 61 new species during the year for addition to the Victorian Conservation Seedbank (VCS). Although lower than previous years – 181 new species in 2010–11 and 144 in 2009–10 – this collection rate was achieved during a period when funding levels for the VCS were 30 per cent that of previous years. Genetic representation was also increased for 13 species this year, compared with 21 species in the previous year and 18 species in 2009–10.

The VCS is part of a global project and was established in 2005 under a three-way partnership with the Millennium Seed Bank Project (MSBP) – based at the Royal Botanic Gardens, Kew (United Kingdom) – and the Department of Sustainability and Environment.

In its first phase, the MSBP aimed to collect and store seed from 10 per cent of the world's approximately 240,000 species of seed-bearing plants. To date, the VCS has contributed over 1,000 species to the Millennium Seed Bank. The MSBP global target was reached in 2010, with a new target of 15 per cent set for phase two of the project. Funding is currently being sought to secure the ongoing operation of the VCS.

### *Southern Brown Bandicoot (SBB) Project*

Work continued on the Southern Brown Bandicoot (*Isodon obesulus*) recovery project at RBG Cranbourne. SBB is a Department of Sustainability and Environment program, which commenced in 2008. The Royal Botanic Gardens has successfully tendered for the contract each year since its inception. From camera presence/absence data, SBB numbers appear to be increasing outside RBG Cranbourne's boundaries. Further funding was secured in 2012 enabling another phase of fox and cat control on land adjoining RBG Cranbourne. Seventeen 'free feeding' fox-baiting stations were established and feral cat control management undertaken. Camera monitoring has revealed the presence of bandicoots on four of seven neighbouring properties.

### *Australian Garden research plots*

The Research Garden, part of the Australian Garden Stage 2, was completed and research trials identified. Research projects conducted in the Garden are intended to bring robust plant science research into a public setting.

The first of the research projects commenced, testing the potential of a native grass *Hemarthria uncinata* (Mat Grass) as turf. It was sourced from the Cranbourne bushland, treated with four different levels of a common lawn fertiliser and its performance measured against a non-native grass. Preliminary results are very promising.

A further project was identified with the aim of predicting climate change adaptability in the key Australian plant genus *Brachyscome*, more commonly known as daisies. There are over eighty species of *Brachyscome*, the majority of which are restricted to Australia.

## LOOKING AHEAD

### *e-Flora*

The development of an e-Flora specification is expected to be finalised, following the development of a test e-Flora website. When fully implemented, the e-Flora will combine the content of the printed volumes of the *Flora of Victoria* and the *Census of Vascular Plants of Victoria*.

### *Plant Sciences and Biodiversity master planning*

Development of the 2013–2019 Plant Sciences and Biodiversity Division Master Plan will commence following the completion of a review of the 2008–2012 master plan and the identification of a development path.

### *ARCUE strategic planning*

Following a review of ARCUE's strategic plan, opportunities for joint University appointments will be explored and the recruitment of a senior scientist is proposed to direct the future development of ARCUE's commercial research activities.

### *RBG Cranbourne five-year research plan*

Development of a revised RBG Cranbourne Five-Year Research Plan is expected to be completed by December 2012, following a review of the existing plan. This work is being facilitated by the formation of the Natural Area Research Group.

## 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	Review Plant Sciences and Biodiversity Division Master Plan 2008–2012 and identify development path	~ Master plan reviewed, divisional presentations completed and development path identified for 2013–2019
2	Update ARCUE Strategic Plan 2011–2013	~ Future directions assessed and progress made in developing new ARCUE strategic plan
3	Ensure that outcomes of our research into conservation, taxonomy, systematics, horticulture and urban ecology are widely disseminated	~ 56 peer-reviewed papers were published, of which 25 were published in ISI-listed journals ~ ARCUE completed six commercial and non-commercial research projects ~ Work progressed on a number of ongoing Plant Sciences and Biodiversity Division research projects
4	Deliver research projects on the ecology and conservation of plant and animals in urban and natural landscapes, and on the lands managed by the Royal Botanic Gardens	~ Strategic planning discussions with Natural Resources Conservation League of Victoria were held ~ RBG Cranbourne five-year research plan commenced ~ Southern Brown Bandicoot Project completed and report submitted to the Department of Sustainability and Environment (DSE) ~ Research Garden established in Australian Garden and projects identified

*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 national and international partnerships	~ Contributed to XVIII International Botanical Congress ~ Maintained research collaborations with national and international colleagues
6	Develop the business specification for an electronic Flora of Victoria and commence implementation	~ e-Flora specification near completion and test version of e-Flora website developed
7	Contribute to the implementation of State, Territory and Federal Government management plans to further conservation of plants and ecosystems	~ Plant Sciences staff contributed to nine Threatened Species Recovery Teams and working groups ~ <i>Caladenia robinsonii</i> translocation project continued in partnership with DSE and Australian Native Orchid Society; report delivered to DSE in January ~ Contracts established for the supply of research (ARCUE) and horticultural expertise (Melbourne Gardens) to external bodies to support conservation projects
8	Ensure the long-term preservation of seed from Victoria's rare and threatened species and support the re-establishment of ecosystems through the Victorian Conservation Seedbank	~ Seed was collected for 61 new species in 2011–2012, compared with 181 in 2010–11 and 144 in 2009–10, notwithstanding funding levels being 30 per cent of that in previous years

*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>
9	Enhance and develop online and mobile information and education experiences to raise awareness of the Royal Botanic Gardens' scientific history, research and achievements	~ Website content reviewed and replaced ~ Living Plant Collections Database was expanded and a portable version provided to assist with fieldwork ~ Development of the Information, Interpretation, Art and Education Plan for the Australian Garden Stage 2 continued
10	Increase accessibility to and awareness of the State Botanical Collection by the national and international scientific community and the public	~ Digital images of 6,468 Australian vascular Type specimens were created for the JSTOR pilot project ~ A major update of SPECIFY (the MEL database) was installed and a data quality control system was put in place ~ A new 20 Terabyte system was established for image storage



## STRATEGIC GOAL 2

# Engaging our diverse community

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*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 was more than \$4.4 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

*Above: Eucalyptus leucoxylon subsp. megalocarpa, Red Flowering Gum from J.E. Brown's The Forest Flora of South Australia, 1883 – State Botanical Collection, Royal Botanic Gardens Melbourne, as reproduced on The Gardens Studio licensed products released in May 2012.*

## AT A GLANCE

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Attendance at RBG Melbourne education programs increased in 2011–12. Government schools' participation increased by 12 per cent, with 14,663 participants attending programs in 2011–12 compared with 13,142 in 2010–11;

Early Childhood attendance increased by 22 per cent from 2,490 to 3,032; and participation in teacher professional development and adult education programs increased by 52 per cent, with 399 teachers and adults attending workshops compared with 262 the previous year.

~

At RBG Cranbourne, participation in on-site school education programs (pre-school, primary and secondary levels) increased in 2011–12, with 6,181 participants attending programs, compared with 5,421 in 2010–11. The increase is attributed to strong growth in secondary school participation, with 1,669 secondary students participating in programs in 2011–12, compared with 1,281 in 2010–11 and 837 in 2009–10.

~

An evaluation report was prepared in July 2011 for the Victorian Government and corporate supporters on the gold-medal-winning Australian Garden exhibit at the RHS Chelsea Flower Show, London. The report detailed the extensive media coverage achieved in both Australia and Britain.

An analysis of the media and public relations campaign placed the value of coverage generated at an estimated \$3.4 million, from an initial investment of \$50,000.

~

NAIDOC week was celebrated at RBG Melbourne with a free public event which included gum leaf whistling and didgeridoo playing, and a display of Indigenous artefacts.

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An estimated 1,000 people viewed the Transit of Venus on 6 June 2011 when the Melbourne Observatory at RBG Melbourne was opened for public viewings. The day was organised in partnership with the Astronomical Society of Victoria.

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## YEAR IN REVIEW

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Work continued during 2011–12 on developing new visitor and environmental education programs and interpretive material at both sites, as well as reviewing existing interpretive signs and delivering a range of regular programs and events. As well, the Royal Botanic Gardens' online presence increased through more active engagement with social media.

### VISITOR PROGRAMS

#### *Spring Open Day*

Spring Open Day is the premier public event celebrated annually at RBG Melbourne. Held in September 2011, there was a 7 per cent increase in attendance compared with the previous year, with an estimated 12,580 people enjoying a program of free tours and activities, roving entertainers, and demonstrations. The day featured behind-the-scenes tours of the Nursery and the Herbarium, children's activities including Bug Blitz and Art Play, a drop-in horticultural advisory tent – the Green Room – and the Spirit of the Land indigenous program. Spring Open Day was sponsored by the City of Melbourne.

#### *Family Fun Day*

Sustainable water-use and water-wise gardening were promoted at a free Family Fun Day held at RBG Cranbourne in January. Children's activities, live music and performances, guided tours and home gardening workshops featured on the day. Workshops were presented by staff and focussed on sustainable garden design and water saving gardens. The day was sponsored by South East Water Corporation and the City of Casey, and promoted to local residents. An estimated 600 people attended the day.

### ENVIRONMENTAL EDUCATION

#### *Schools Partnership Program*

The Royal Botanic Gardens has a long-standing commitment to working with individual schools to support school community, curriculum and pedagogical development to actively deliver outcomes in biodiversity education and sustainable practice.

At RBG Melbourne, a partnership program with Melbourne Girls Grammar focussed on two distinct programs. Year 4 students worked with one of the Voluntary Guides to examine the Gardens' wetland environment as part of the Lower Yarra riparian habitat, by identifying the presence of birds in urban environments as an indicator of ecological health. Year 3 students visited the Gardens weekly to explore sustainable gardening practices in use in their own garden plots in The Ian Potter Foundation Children's Garden. This program provided support to Melbourne Girls Grammar in delivering place-based learning opportunities in ecology and resource management.

### *Peninsula Special Development School*

The RBG Cranbourne Education Services team has been working closely with the Peninsula Special Development School since February 2011 to develop skills in working with students with disabilities. This work has involved teaching a science-based curriculum to students with a diverse range of abilities. The partnership received a boost in 2011–12 when it was awarded NAB Schools First Seed Funding of \$25,000. The funding will enable the extension of the Individual Education Program and assist Royal Botanic Gardens' education staff in working with the school to implement a new nature-based approach to learning.

### *Curriculum development*

Preparatory work was undertaken to ensure educational service products available at both sites are aligned with the National Curriculum. Indigenous education programs at RBG Melbourne were evaluated and mapped against the National Curriculum. Education Services staff collaborated with other cultural organisations across Melbourne to map available Indigenous programs so that teachers can easily plan Indigenous education programs. Sustainable gardening and biodiversity programs will be reviewed in 2012–13 to assess their relationship with the National Curriculum. New programs developed in 2011–12 include a Carbon Pilot Program and program development in relation to Working Wetlands at RBG Melbourne.

## COMMUNITY ENGAGEMENT AND ACCESS

### *Australian Garden*

The permanent removal of entry fees to the Australian Garden became effective on 1 July 2011 and was made possible through increased annual funding from the Victorian Government. This initiative has allowed more people than ever to experience the sights and sounds of the Australian Garden.

One of the key goals of the Australian Garden is to be a community hub providing inspiration for, and education about, the use of Australian plants to create sustainable home gardens. This is a vital role in the context of creating sustainable and liveable communities within the south-east growth corridor. There has been a marked increase in members of the surrounding community visiting the Australian Garden since fees were removed.

### *Access Action Plan 2011–2015*

The Royal Botanic Gardens reinforced its commitment to improving access for visitors to both sites with the development of an accessibility action plan in 2011–12. The Access Action Plan 2011–2015 was approved by the Royal Botanic Gardens Board on 20 March 2012 and then registered with the Australian Human Rights Commission.

Work began on progressively implementing a number of actions identified in the plan. These included the installation of an adult change hoist at RBG Cranbourne, provision of advice to all tenants on the objectives of the Plan, development of Site Guidelines for Contractors at RBG Cranbourne, and promotion of access issues as part of the RBG Melbourne Volunteer Recruitment Campaign (Melbourne Gardens).

### *Public relations and media coverage*

Media coverage secured in 2011–12 included stories on landscape features, water management and horticultural developments at both sites, as well as advancements in biodiversity and conservation research and collections management. Stories appeared in major metropolitan papers and included features on Guilfoyle's Volcano and The Ian Potter Foundation Children's Garden at RBG Melbourne, and the Australian Garden at RBG Cranbourne. Science stories covered the identifications service for poison fungi at the Herbarium and Herbarium Collections management, and research programs into urban ecology. The Royal Botanic Gardens also facilitated media access to the Gardens for filming a range of television programs.

### *School Garden Awards*

RBG Melbourne once again hosted the School Garden Awards in December. The awards were well attended, with over 800 students and teachers as well as the Minister for Education, the Hon. Martin Dixon MP. The awards program included a traditional Aboriginal smoking ceremony, education activities and tours of The Ian Potter Foundation Children's Garden. As well as hosting the event, the Royal Botanic Gardens assists with judging the awards and is represented on the organising committee by its Catholic Placed Teacher.

## *Botanic Gardens Australia and New Zealand Inc. (BGANZ)*

The Royal Botanic Gardens continued to support the work of BGANZ, with staff actively involved in the botanic gardens network. The Royal Botanic Gardens was represented on the BGANZ Victoria executive (in the position of Deputy Chair BGANZ Vic) and as the BGANZ Victoria representative to the BGANZ Council.

Public Programs staff were instrumental in the development of the Botanic Gardens Education Network, which was launched at the November 2011 BGANZ Congress in Albury. A contingent of twelve staff from both sites attended the Congress and Melbourne Gardens Division staff delivered workshops on managing invasive weeds, and presented papers on climate change and biosecurity.

Eight regional botanic gardens were visited in 2011–12 by Melbourne Gardens Division staff as part of a program designed to provide support to curators and managers, and RBG Cranbourne Public Programs staff delivered a Signage Writing Workshop for volunteers at Melton Botanic Gardens. In addition, the Royal Botanic Gardens supported development of a new partnership between BGANZ Vic, and Parks and Leisure Australia for the delivery of horticultural training.

## *Support groups*

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

During the year, the Royal Botanic Gardens consulted closely with the Cranbourne Friends in developing plans for Friends' facilities as part of the RBG Cranbourne Depot upgrade project. At RBG Melbourne, ongoing support was provided to the Melbourne Friends, the Plant Craft Cottage and GPCAA in managing their websites and in assisting them in meeting accessibility guidelines for their websites.

Further to this, groups at both sites were fully briefed on biosecurity protocols for managing the threat of Myrtle Rust on-site. Staff liaised closely with the Friends' groups, including botanical illustrators, Growing Friends and Plant Craft Cottage to ensure they were aware of the potential impacts of this fungal disease. All groups co-operated in observing the protocols that were in place to mitigate the threat of Myrtle Rust.

Friends' groups continued to support projects in 2011–12, with Melbourne Friends' grant funding for Working Wetlands Part A continuing, and Cranbourne Friends contributing funds towards the construction of the Garden Ambassadors' Garden Shed in the 'How to Garden' of the Australian Garden Stage 2. Further information on Friends' funding support is provided on page 69.

## *Volunteer support and training*

Volunteer programs were expanded at both sites with the recruitment of 37 new volunteers (Garden Ambassadors and Land Management and conservation volunteers) at RBG Cranbourne and 40 new volunteers (Garden Ambassadors, Voluntary Guides and Children's Garden volunteers) at RBG Melbourne.

RBG Melbourne volunteers began a twelve-week induction program in June and are expected to commence activities in September. Training for Garden Ambassadors at RBG Cranbourne was completed in June and covered the Australian Garden Stage 2. Other training in 2011–12 at RBG Cranbourne included access for all abilities and audio-description tours for people with low or no vision.

## *Market research*

During May 2012 the Royal Botanic Gardens conducted a market research project to assess visitor needs and expectations. The project involved quantitative and qualitative research components being conducted at RBG Melbourne and RBG Cranbourne. The results will assist with planning, development and refinement of Royal Botanic Gardens' programs.

## LOOKING AHEAD

### *Online communications*

The Royal Botanic Gardens is reviewing its online presence to identify avenues for delivery of current, relevant and accessible information to visitors about programs and projects. This work involves the development of a new-look e-Newsletter.

### *Carbon Futures education program*

The newly-developed Carbon Futures education program will be showcased at the Botanic Gardens Conservation International (BGCI) Congress in Mexico in November 2012. The program was developed by education services staff and is currently being piloted. While on-site, students are provided with background on the carbon cycle, climate change and carbon credits and measure the quantity of carbon in trees and various soils. Back at school they undertake a range of exercises to explore the impact of legislation and the global carbon market.

## 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

<i>Specific outcomes</i>		<i>Progress against deliverables and measures</i>
11	Meet growing market needs in environmental education and nature-based tourism	<ul style="list-style-type: none"> <li>~ Promotional plans for The Gardens Shop developed with emphasis on sustainability</li> <li>~ Business plan for people mover at the Australian Garden completed; associated program development postponed until Stage 2 is opened</li> <li>~ Brief for an Expression of Interest for Indigenous Tourism Product at the Australian Garden completed</li> </ul>
12	Review RBG Melbourne Public Programs' tours and programs	<ul style="list-style-type: none"> <li>~ Audit of all visitor programs was completed, with data still to be analysed</li> <li>~ Project was expanded to include education programs, with this component still to be finalised</li> </ul>
13	Critically evaluate curriculum-based educational services and environmental education products	<ul style="list-style-type: none"> <li>~ Education programs at both sites were evaluated and preparatory work commenced to align programs with National Curriculum</li> </ul>
14	Deliver Spring Open Day at RBG Melbourne	<ul style="list-style-type: none"> <li>~ Spring Open Day held with 7 per cent increased participation</li> <li>~ Planning commenced for Spring Open Day 2012</li> </ul>
15	Enhance online services by implementing social media initiatives	<ul style="list-style-type: none"> <li>~ Social Media Policy approved in July</li> <li>~ Social media presence increased on Facebook and Twitter</li> <li>~ Website review commenced, to be completed late 2012</li> <li>~ Preliminary work undertaken to investigate the development of mobile apps for both sites</li> <li>~ No security, privacy or copyright breaches during the reporting period</li> </ul>

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

<i>Specific outcomes</i>		<i>Progress against deliverables and measures</i>
16	Highlight the life sustaining importance of plants and the role of the Royal Botanic Gardens in advancing knowledge about plant conservation	<ul style="list-style-type: none"> <li>~ RBG Melbourne Interpretation Strategy postponed pending completion of positioning and branding, and market research work</li> </ul>
17	Develop and deliver programs with an emphasis on climate change, low-water use plants and efficient resource management	<ul style="list-style-type: none"> <li>~ Interpretive planning for Australian Garden Stage 2 focussed on carbon management, climate change and sustainable gardening</li> <li>~ Interpretive planning and development at RBG Melbourne focussed on sustainable water management in relation to Working Wetlands</li> <li>~ Retail Strategy continued to be implemented with emphasis on products that encourage sustainable gardening practices</li> </ul>



*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>
18 Foster and enhance existing relationships with Government, community organisations, philanthropic organisations, educational organisations, other botanic gardens, and industry bodies	~ RBG Melbourne hosted School Garden Awards; 95 per cent of respondents rated the day as good to excellent ~ Donor acquisition campaign secured 66 new donors out of a target of 100
19 Continue to provide mentoring support to regional botanic gardens and play a leading role in the activities of Botanic Gardens Australia and New Zealand Inc. (BGANZ)	~ Royal Botanic Gardens staff actively involved in BGANZ at an executive and membership level ~ Botanic Gardens Education Network launched in October ~ Support provided to eight regional botanic gardens, and one suburban botanic garden
20 Strengthen collaborative relationships with Indigenous communities	~ Annual NAIDOC event held at RBG Melbourne in July 2011 and well attended
21 Foster our relationships with, and assist the activities of, our Friends, Plant Craft Cottage and GPCAA	~ Consulted with Cranbourne Friends on Depot Upgrade project ~ Provided website assistance to Melbourne Friends and GPCAA ~ Provided horticultural assistance, public programs and marketing support to Plant Craft Cottage ~ All groups briefed on Myrtle Rust control measures
22 Maintain, and where practical expand, volunteer programs that are closely aligned with the Royal Botanic Gardens' mission	~ 40 volunteers recruited and commenced training at RBG Melbourne ~ 37 volunteers (Land Management and Garden Ambassadors) commenced at RBG Cranbourne; training delivered
23 Improve access for visitors to the Royal Botanic Gardens by developing and implementing the Disability Action Plan (DAP) 2011–2015	~ Access Action Plan 2011–2015 approved by the Royal Botanic Gardens Board on 20 March 2012 and registered with the Australian Human Rights Commission in May. ~ Implementation of the Plan commenced

### STRATEGIC GOAL 3

# Delivering sustainable management

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*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 2011–12 was more than \$20.3 million, which included funding for the core activities of the Royal Botanic Gardens that were related to this Goal.

*Above: Callistemon rugulosus, Scarlett Bottlebrush from J.E. Brown's The Forest Flora of South Australia, 1883 – State Botanical Collection, Royal Botanic Gardens Melbourne, as reproduced on The Gardens Studio licensed products released in May 2012.*

## AT A GLANCE

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13,406 Herbarium specimens were mounted in 2011–12 including specimens from five families in the foreign collection, 19th century fungi material, Australian and foreign contemporary vascular and cryptogamic material (algae, bryophytes, lichen and fungi), and the remounting of Australian ‘flimsies’. In addition, Type material in the Family Fabaceae and Mimosaceae was remounted and/or repaired in preparation for the Global Plants Initiative Project.

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The framework for the Royal Botanic Gardens’ ResourceSmart Strategy was reviewed and clarified, aligning it with the Royal Botanic Gardens’ Corporate Plan and Annual Business Plan, and updating it to the latest ResourceSmart format. Actions for the 2011–12 Action Plan were implemented, and the 2012–13 Strategy was prepared.

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11,760 individual records were migrated from the Hummingbird Records Management System to the new e-Docs software.

~

\$175,000 was secured from five individual donors for children’s learning and development programs in the Australian Garden; a pledge of \$50,000 over three years has also been received.

~

Over 50,000 plants were planted in the Australian Garden Stage 2 as work progressed during the year towards completion in October 2012 of this contemporary Australian native garden at RBG Cranbourne.

~

The Working Wetlands project neared completion. When fully operational it will reduce RBG Melbourne’s reliance on potable water for irrigation by 40 per cent.

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## YEAR IN REVIEW

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### LIVING COLLECTIONS MANAGEMENT

The Royal Botanic Gardens maintains its sites – the Royal Botanic Gardens Cranbourne, including the Australian Garden, and the Royal Botanic Gardens Melbourne – to the highest curatorial standards with the aim of conserving biodiversity, landscape, horticultural and heritage values in the face of climate change and other challenges.

#### *Living plant collections*

Collection Management Plans set out the guiding principles and objectives for the maintenance and development of specific areas in the Gardens. During 2011–12, RBG Melbourne’s Horticulture Branch completed a review of the Living Plant Collections, resulting in a further five distinct collections and increasing the number from 26 to 31 living collections, defined by five categories: geographical zones, ecological communities, taxonomic and evolutionary attributes, research and conservation, and major display areas. Action Plans were developed and implementation commenced for each of the 31 living plant collections.

At RBG Cranbourne, the majority of the Australian Garden Stage 2 landscape was planted, as key areas of the project entered into an establishment phase following completion of the landscape construction. Approximately 75 per cent of new plantings in the Australian Garden were completed and are being entered into the plant database to aid future plant maintenance programs. Production commenced on 1,400 plant labels to be placed in the landscape prior to opening.

#### *Strategic tree management*

Tree management at both sites continued to be a priority, with more than 1,200 large trees at RBG Melbourne (of which 38 are listed on the National Trust Register of Significant Trees) and an emerging tree landscape at the Australian Garden at RBG Cranbourne.

Progress was made on reviewing and implementing a number of important tree management strategies following the successful recruitment of an Arboriculture Curator in July to fill a long-term vacancy. These strategies included the development and implementation of a formalised tree inspection and assessment program defined on a nine month cycle for RBG Melbourne, the annual assessment of all medium and large trees at RBG Cranbourne, the use of life expectancy assessments for 1,195 medium and large trees at RBG Melbourne to better inform landscape succession planning and ensure new trees are established, and the development of a Tree Management Database.

### *Study tours*

Two Melbourne Gardens staff were awarded Friends' Scholarships enabling them each to undertake a study tour to further their knowledge about the management of living plant collections at RBG Melbourne. One study tour at the Royal Botanic Gardens Sydney covered Asian taxa threatened by climate change. Exchanges of plant material were agreed for protection of wild-collected plants and with the intention of building species diversity at RBG Melbourne. The second tour, to California, covered the cultivation of native Californian flora, and an opportunity for the staff member to develop international relationships with other botanic gardens.

## LANDSCAPE MANAGEMENT AND DEVELOPMENT

### *Australian Garden*

Significant progress was made toward completing the Australian Garden Stage 2, with the completed Garden due to be opened to the public from 20 October 2012. Finalisation of Stage 2 will mark the completion of the Australian Garden and development of this world-class contemporary botanic garden – an undertaking that commenced with the landscape masterplan development in 1994.

Site works for the Australian Garden Stage 2 landscape were completed by 31 May 2012. Planting continued throughout the year as components of the Australian Garden landscape construction were completed and handed over to the Royal Botanic Gardens. When completed, an estimated 70,000 plants will have been planted in the Australian Garden Stage 2, 75 per cent of which were planted in 2011–12. Construction of architectural elements of the Australian Garden Stage 2 continued, with work commencing on the Kiosk, the Gondwana Shelter and the Forest Garden Shelter.

## INFRASTRUCTURE AND ASSET MANAGEMENT

The Royal Botanic Gardens endeavours to maintain and improve its assets for future generations. Building and infrastructure assets recorded on the Asset Register are currently valued at an estimated \$48.5 million, and among these assets are culturally and historically significant buildings at RBG Melbourne and contemporary buildings and features constructed as part of the award-winning Australian Garden Stage 1 development at RBG Cranbourne. When current major projects reach completion, they will be added to the register, further increasing the value of assets managed by the Royal Botanic Gardens on behalf of the public.

### *Asset Management and Maintenance System*

Work progressed on the development and implementation of an Asset Management and Maintenance System to streamline management of these assets at both sites and included a review of the Asset Register and completion of a Plant Item Hierarchy to improve data on all buildings and infrastructure, plant and equipment. Identification of assets and data gathering commenced, and all deliverables were completed according to the project timelines. The project is expected to be completed at the end of September 2012.

### *William Tell Rest House*

Remedial restoration work was completed in September on the William Tell Rest House at RBG Melbourne as part of a five-year plan to address building defects across the site. Work included the replacement of the entire roof and repairs to the fleche (spire), part replacement of the weatherboards and repairs to the windowsills. The Rest House is a replica of the original building constructed in 1901 and restoration work was funded from the capital works budget.

### *Working Wetlands*

Working Wetlands, a major stormwater harvesting project at RBG Melbourne costing \$6.5 million, progressed during the year with the practical completion of Part A in December and the commencement of Part B. Part A included the construction of stormwater diversion drains, bio-filtration wetlands at either end of the lake system, installation of floating wetlands and pump wells to circulate water through the system. Part B commenced in January and included the construction of four water storage tanks, a water treatment building to house a UV filtration system and pump, and upgrades to the irrigation control system.

### *Australia's Virtual Herbarium*

The National Herbarium of Victoria is the repository for 1.2 million dried plant specimens. Data on these specimens have been made publicly available through Australia's Virtual Herbarium (AVH), an online plant database providing access to plant information from State, Territory and Commonwealth herbaria. Staff from the Royal Botanic Gardens' Collections and Information Services branches contributed to the development, documentation and testing of a new version of AVH that was released in May 2012. AVH is managed by the Council of Heads of Australasian Herbaria, of which the Royal Botanic Gardens is a member. There are now 827,379 records available on AVH from the National Herbarium of Victoria.

The new AVH forms part of the Atlas of Living Australia, and features improved query functionality, taxon name resolution and mapping capabilities. This latest version of AVH represents an important step in unlocking the wealth of botanical information held by Australian herbaria and making it more easily available to the public.

## SUSTAINABLE RESOURCE MANAGEMENT

Environmental sustainability is a key priority for the Royal Botanic Gardens in all of its operations and in developing its reputation in this area. 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 seeks to implement practices that support and progress the sustainable management and conservation of its resources.

### *Water management*

The Royal Botanic Gardens is an industry leader in water management for large landscapes. This work is supported by long-standing research partnerships and industry collaborations.

At RBG Melbourne, Horticulture staff continued to work closely with researchers from The University of Melbourne and Sentek Pty Ltd on landscape water use research. This long-standing research project commenced in 2007, with the placement of five (continuous-logging) soil moisture sensing systems in the landscape. There are now six sensing systems and 82 sensing locations to one metre depth measured by a portable soil moisture sensing device. These are regularly monitored by staff to record data on plant water use, soil hydrology and root system behaviour.

Project team members presented research findings at two conferences. Topics covered were 'RBG Melbourne: from integrated water management to heritage landscape succession under climate change – what about the trees?' at the International Society of Arboriculture conference (Sydney, July 2011), and 'Lessons from the soil in the water management of urban landscapes' at the Irrigation Australia National Conference (Adelaide, June 2012).

The 2012–2015 Strategic Water Plan was finalised, setting priorities, goals and targets for water management across both sites. At RBG Cranbourne, work continued on developing weather-based irrigation scheduling, including the installation and commissioning of an automated weather station, and staff training. A number of soil moisture sensors were installed in the Australian Garden with the data captured aiding the fine tuning of irrigation scheduling. A number of established precincts and discrete areas of the Australian Garden Stage 1 have been converted from irrigated to non-irrigated landscapes.

### *Ecologically sustainable development*

Ecologically sustainable development (ESD) principles continued to be applied to the planning and development of major infrastructure projects, including plans for the new staff building as a part of the RBG Cranbourne Depot Upgrade project.

Proposed ESD features to be incorporated in the Depot include: construction of the staff building with an east-west orientation to facilitate natural cross-flow ventilation; insulation and double glazing; rainwater harvesting, with harvested water held in holding tanks for use in Depot bathrooms; and recycled rubber flooring. Construction of the staff building is now expected to commence in October/November 2012, following the consideration and resolution of requirements associated with the new Bushfire Management Overlay planning provisions.

### *Biosecurity management*

Biosecurity practices are routinely implemented at both sites to ensure protection of the Royal Botanic Gardens' living assets from exotic pest threats and manage biosecurity to prevent risks to other land managers.

Extensive risk management practices were implemented to manage the emerging threat of Myrtle Rust (MR) – an exotic plant disease with no known cure – entering both sites. A working group was established which oversaw the development and implementation of an MR protocol. Despite the implementation of rigorous biosecurity measures, a single incursion of Myrtle Rust was detected within the Australian Garden in April. Control protocols were immediately and successfully implemented. Ongoing control measures included the monitoring of host species, treatment of incoming plant materials, and quarantining of plants before being planted in the landscape.

The MR protocol was communicated to key stakeholder groups and Melbourne Gardens staff were active members of the State Myrtle Rust Co-ordinating Committee (Chaired by Department of Primary Industries Victoria) and provided technical assistance to regional and interstate botanic gardens.

## DEVELOPMENT

The Royal Botanic Gardens supplements recurrent Government funding with an active fundraising program that incorporates opportunities for individual donations as well as targeted fundraising for specific projects, including submissions to philanthropic trusts and foundations.

### *Joint Plant Systematics Fellowship*

The Royal Botanic Gardens has joined with the School of Botany at The University of Melbourne to raise funds for a Joint Plant Systematics Fellowship, which will provide work opportunities for young scientists at the National Herbarium of Victoria and the School of Botany. A three-part campaign was launched, which included direct mailing to a general database; \$29,795 in donations had been received by 30 June, with more expected.

## HUMAN RESOURCE MANAGEMENT

Work was undertaken during the year to align Human Resources planning with the Royal Botanic Gardens Board Corporate Plan 2011–2015. Following the approval of a Workforce Report in June last year, recommendations were referred for inclusion in the Human Resources Strategic Plan 2011–2015, which was completed and implementation of actions and recommendations arising out of the plan commenced. In January, an updated Recruitment and Selection Policy was approved and work commenced on the implementation of a new e-recruitment system 'Springboard'.

### *People Matter Survey*

Results from the State Services Authority People Matter Survey, held in May 2011, were analysed and presented to the Corporate Management Group in November. Divisional presentations were held to discuss the results of the survey with staff and to identify any Division-specific actions required. The survey attracted an increased participation rate, with 55 per cent of staff responding compared with 51 per cent for the survey in 2009; the full results of the survey were made available for staff on the intranet.



## LOOKING AHEAD

### *Australian Garden project completion*

The second and final stage of the Australian Garden will open to the public from 20 October 2012, after six years in planning, development, construction and planting, and more than \$33 million in funding from the Victorian Government, private donors, and philanthropic trusts and foundations. The RBG Cranbourne Depot Upgrade, undertaken as part of this project, is expected to be completed by June 2013.

### *Observatory Gate Stage 2*

Preparation of a business case for a formal funding bid for the development of Observatory Gate Stage 2 is planned to commence in 2012–13, following the investigation of issues associated with the project in 2011–12. These included the assessment of storage requirements for the State Botanical Collection to meet Australian and international collection management standards and address a critical shortage of space.

### *Landscape Succession Plan*

Work will proceed on development of an RBG Melbourne Landscape Succession Plan following the establishment of a working group. The plan will provide direction for living landscape transition and plant selection to protect RBG Melbourne's landscapes from the environmental challenges caused by climate change.

## 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>
24	Strive to continue managing RBG Melbourne and RBG Cranbourne to the highest curatorial standards, so as to conserve their biodiversity, landscape, horticultural and heritage values in the face of climate change and other challenges	<ul style="list-style-type: none"> <li>~ RBG Melbourne Living Collections reviewed and management plans implemented for 31 distinct collections</li> <li>~ Documentation of Australian Garden plantings continued</li> <li>~ RBG Melbourne stormwater system mapped in readiness for uploading to CAD, and condition reports prepared for stormwater and path systems</li> </ul>
25	Continue to implement the Royal Botanic Gardens' Strategic Tree Plan to improve arboriculture management	<ul style="list-style-type: none"> <li>~ Curator, Arboriculture commenced July 2011</li> <li>~ Tree assessments conducted for both sites</li> <li>~ Tree management database developed</li> </ul>
26	Substantially complete Australian Garden Stage 2 landscape works	~ Landscape construction completed and handed over to Royal Botanic Gardens on 31 May 2012; planting continued
27	Develop and implement an Asset Management and Maintenance System	~ Specifications for Asset Management and Maintenance System completed; project completion expected in September 2012
28	Commence preparation of the Observatory Gate Stage 2 business case	<ul style="list-style-type: none"> <li>~ Pre-planning activity undertaken</li> <li>~ Preparation of a business case proposal put on hold in the short term given other priorities of Government</li> </ul>
29	Further develop Australia's Virtual Herbarium (AVH) project	~ Staff contributed to the development, documentation and testing of the new version of AVH, launched in May 2012
30	Continue to employ the highest standards of curatorial practice in maintaining the State Botanical Collection	<ul style="list-style-type: none"> <li>~ 13,406 specimens were mounted in 2011–12, compared with 13,813 in 2010–11</li> <li>~ Integrated Pest Management continued: two outbreaks of psocids were detected and dealt with in the specimen collections and none in the Library</li> </ul>
31	Manage the upgrade of the e-docs (formerly Hummingbird) system	~ The Hummingbird Records Management System was migrated to the new e-Docs software

*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>
32	Demonstrate sustainable horticultural and home gardening practices, to enable the community to make adaptations to climate change	<ul style="list-style-type: none"> <li>~ Costing prepared for the development of the Climate Future Garden and redevelopment of Fern Gully rockeries at RBG Melbourne</li> <li>~ Research collaborations continued with The University of Melbourne and Sentek Pty Ltd; findings presented at two conferences</li> </ul>
33	Implement Royal Botanic Gardens' Environmental Stewardship Policy	<ul style="list-style-type: none"> <li>~ ResourceSmart Action Plan submitted to Sustainability Victoria; further review completed to align plan with Corporate Plan and Annual Business Plan</li> <li>~ RBG Cranbourne Strategic Water Plan completed</li> <li>~ 2010–11 Environment Resource and Efficiency Plan submitted to EPA</li> <li>~ Measurement of potable water use deferred, pending commissioning of Working Wetlands in August 2012</li> </ul>
34	Continue strong representation and input into the planning process for land development in the vicinity of RBG Cranbourne	<ul style="list-style-type: none"> <li>~ Formal submissions lodged with Growth Areas Authority (GAA) on 20 and 23 December 2011</li> <li>~ Awaiting formal response from GAA to submission</li> </ul>
35	Follow sustainable guidelines by applying Ecologically Sustainable Development (ESD) principles in planning the RBG Cranbourne Depot upgrade	<ul style="list-style-type: none"> <li>~ ESD principles were applied in the planning phase of the Depot development</li> </ul>
36	Commence development of the living landscape transition and plant selection plan to protect the Royal Botanic Gardens' landscapes from the environmental challenges caused by climate change	<ul style="list-style-type: none"> <li>~ Working group established and planning commenced for development of a Landscape Succession Plan</li> </ul>
37	Continue to implement biosecurity (pests, pest plants and animal management) programs	<ul style="list-style-type: none"> <li>~ Biosecurity programs implemented at both sites with emphasis on managing emerging threat of Myrtle Rust</li> <li>~ Royal Botanic Gardens represented on Victorian Myrtle Rust Co-ordinating Committee</li> <li>~ Design of RBG Melbourne wash-down bay deferred until 2012–13</li> </ul>

*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>
38	Continue to implement the Royal Botanic Gardens' retail strategy and undertake a post-implementation review of the strategy	~ Implementation continued with a focus on ensuring products and layout enhanced the Royal Botanic Gardens' unique selling proposition (USP) and visual merchandising enhanced individual locations
39	Strategically align our community engagement programs to maximise their commercial benefits	~ Cross-branch integration group established to identify and implement opportunities
40	Improve the Royal Botanic Gardens' buildings and capital infrastructure, in accordance with Government standards and visitor expectation by identifying, scoping and prioritising new projects and undertaking strategic fundraising	~ Fern Gully Rest House project scoped and costed; estimates supplied to Development Branch for funding proposals ~ Fundraising campaign for Plant Systematics Joint Fellowship proceeded ~ Individual donors secured for development of children's learning programs in the Australian Garden; previous proposal to OMEP, an Australian-based world organisation for early childhood development, was unsuccessful ~ ThankQ donor database training session conducted at Royal Botanic Gardens; relevant fundraising seminars attended
41	Develop a commercialisation strategy to increase revenue and develop new revenue streams to improve non-government recurrent income	~ Development of the commercialisation strategy was deferred until 2012–13 financial year
42	Develop a Workforce Report that aligns with the Royal Botanic Gardens Board Corporate Plan 2011–2015 and implement its recommendations	~ Workforce Report completed and approved by Corporate Management Group
43	Develop the Human Resources Strategic Plan 2011–2015 that aligns with both the Corporate Plan 2011–2015 and the Workforce Report	~ Human Resources Strategic Plan 2011–2015 completed and approved by Corporate Management Group on 29 November 2011 ~ Implementation of e-recruitment system 'Springboard' commenced
44	Conduct the People Matter Survey 2011 and implement recommendations based on the survey outcomes	~ Final report presented to CMG on 29 November 2011 and recommendations approved
45	Continue OHS Committee oversight of OHS management and compliance with OHS legislation	~ Planning for transition to new OHS legislation by 1 January 2013 commenced

# Our Supporters

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Garden Ambassador volunteers at both sites contribute expertise and experience to visitor programs.

*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 2011–12. 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 horticultural developments, water sustainability and scientific projects that have been in progress during 2011–12.

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 44 of this report.

This list records contributions of \$1,000 and over in the 2011–12 financial year.

Anonymous (3)  
Annamila Fund  
Bosisto's Eucalyptus  
City of Casey  
City of Melbourne  
Mrs Joan Clemenger  
Joan and Peter Clemenger Trust  
Commonwealth Department of Sustainability,  
Environment, Water, Population and Communities  
CSL Limited  
Department of Education and Early Childhood Development  
Friends of Royal Botanic Gardens Cranbourne Inc.  
Friends of Royal Botanic Gardens, Melbourne Inc.  
Hugh DT Williamson Foundation  
Mr Peter Jopling QC  
Mr Brian Little  
Lord Mayor's Charitable Foundation  
Maud Gibson Trust  
Nell & Hermon Slade Trust  
RSPCA Australia Inc.  
South East Water Corporation  
NS & JC 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) (DGR) 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. Continued growth occurred within the sub-fund established to support the Joint Plant Systematics Fellowship, a senior academic position to be jointly funded by the Foundation and the School of Botany Foundation at The University of Melbourne.

While continuing to build its capacity, the Foundation was also able to disburse a major funding grant for the Australian Garden Stage 2, providing important financial support towards completing this major contemporary botanic garden.

The Foundation greatly values and appreciates the commitment and contributions of all of its supporters. The Foundation wishes to acknowledge the following people and their significant contributions during 2011–12:

Anonymous (1)  
Ms Liz Balogh  
Ms Laurie Bebbington  
Mr Peter Canet and Mrs Ivanka Canet  
Dr Philippa Currie  
Ms Jean Dieters  
Mr J G Donaldson AO  
Mr Ian Endersby and Mrs Margaret Endersby  
Mr Rob Grant  
Ms Barbara Haynes  
Mr Norman Lees  
Maud Gibson Trust  
Mrs Margaret Ross AM and Dr Ian Ross  
Ms Elizabeth Sevier  
Mr Frank Van Straten OAM  
Mr Adrian Turley  
The Estate of The Late Ms Caroline Walford  
Dr John Wilkinson  
Dr Elizabeth Xipell

### *Seat sponsorship*

Mr Tim Cartwright  
Dr Alan Colman  
Mrs Jane Gribble  
Mrs Belinda Kendall-White  
Mrs Sohrab Kordbache  
Mr David Merrett  
Mr Kenneth Nelson  
Mrs Samantha Reynolds  
Mrs Jackie Silcock  
Miss Jean Stewart  
Mr John Woodman



### *Director's Circle*

The Director's Circle Program enables close supporters of the Royal Botanic Gardens to pledge annual, unrestricted contributions to help protect the Gardens for future generations by developing the Royal Botanic Gardens Foundation. Director's Circle gifts also 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**

Dr Philip Moors

### *Acacia*

Anonymous (1)

Mr Tony Berger and Ms Marita Quinn

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

Mr Graham Cunningham and Mrs Ann Cunningham

Dunmoore Foundation Pty Ltd

Mr Michael Hamson and Mrs Susie Hamson

Mr Ken Harrison and Mrs Jill Harrison

Mr Graeme Holt and Mrs Judy Holt

Mr Craig Kimberley and Mrs Connie Kimberley

Mr Pieter Los and Mrs Maryclare Los

Mr Lynton Morgan and Mrs Susan Morgan

Dame Elisabeth Murdoch AC DBE

Mr Richard Oliver AM

Mrs Margaret Ross AM and Dr Ian Ross

Mr Greg Shalit and Ms Miriam Faine

Dr Elizabeth Xipell

### *Banksia*

Anonymous (3)

Mr David Adam and Mrs Judy Adam

Sir David Akers-Jones GBM KBE CMG

Mr Duncan Andrews and Mrs Jan Andrews

Mr Antony Baillieu and Mrs Sybil Baillieu

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 Brian Blythe and Mrs Helen Blythe

Mr Russell Board and Ms Narelle Ivers

Mr Philip Brass and Mrs Vivien Brass

Ms Sally Browne

Mr Peter Canet and Mrs Ivanka Canet

Ms Elaine Canty and Mr Roy Masters

The Honourable Alex Chernov AO QC  
and Mrs Elizabeth Chernov

Mr Sandy Clark and Ms Marie McDonald

Mr Leigh Clifford and Mrs Sue Clifford

Dr Robin Collier and Prof Neil Collier

Mr Bruce Echberg and Mrs Kerry Echberg

Mrs Jan Egan

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

Mrs Sally-Anne Hains

Ms Marianne Hay

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 Darvell Hutchinson AM and Mrs Barbara Hutchinson

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 Jennifer Lempriere

Mr Jim Leslie and Mrs Alison Leslie

Mr Mark Lewis and Mrs Bronwyn Lewis

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 Robert McKay and Mrs Sarah McKay

Mr Ian McNaughton and Mrs Libby McNaughton

Mrs Anne Miller

Mr Ross Milne-Pott and Mrs Judy Milne-Pott

Dr Philip Moors and Dr Debbie Moors

Mrs Diana Morgan

Mr Hugh Morgan AC and Mrs Libby Morgan

Mr Baillieu Myer AC and Mrs Sarah Myer

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

Mrs Lee Pinkus

Lady Potter AC

Mr John Prescott AC and Mrs Jennifer Prescott

Mr John Ralph AC and Mrs Barbara Ralph

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

Mr Brian Snape AM and Mrs Diana Snape

Mr Geoff Steinicke and Mrs Judy Steinicke

Mrs Judy Ann Stewart

Mr Colin Trumble and Mrs Joanne Trumble

Mr Ralph Ward-Ambler AM and Mrs Barbara Ward-Ambler

Mr Peter Wetenhall and Ms Jo Horgan

Mr John Wyld and Mrs Anne Wyld

Mr Harrison Young

### *Research grants*

We gratefully acknowledge the following organisations for providing research grants in 2011–12:

Andrew W. Mellon Foundation (Global Plants Initiative)

ANZ Holsworth Wildlife Research

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 Construction Materials

Hermon Slade Foundation

M.A. Ingram Trust

NSW Roads and Maritime Service

*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.*

Cranbourne Friends' membership increased to 676 in 2011–12, representing a 30 per cent increase in membership since 2006, when the Australian Garden Stage 1 opened. The increased interest was accounted for by publicity generated for the Australian Garden from the Royal Botanic Gardens' Gold Medal winning entry at the RHS Chelsea Flower Show, which was based on the Australian Garden design. Further to this, it is believed the removal of entry fees at the Australian Garden also contributed to increased interest in the Garden and a subsequent rise in membership.

This year's activities included a week-long tour to Kangaroo Island, a long weekend away searching for ferns, fungi and lichens at Mt Erica, and a number of well attended Discovery Days to various locations. Two very successful lectures were jointly held with the Melbourne Friends at Ross Hall, Melbourne Girls Grammar School. Topics covered included a presentation on the RHS Chelsea Flower Show exhibit by Jim Fogarty and the Royal Botanic Gardens flower show team and a lecture by Prof Stephen Hopper, Director, Royal Botanic Gardens, Kew. Workshops were well attended in topics such as photography and plant genera and were held in the RBG Cranbourne Auditorium. All activities are intended to raise funds at the same time as providing opportunities for members to increase their knowledge of topics relating to Australian flora and fauna and to meet like-minded people, and this year was no exception. The Annual Dinner was a very successful evening with Perry Lethlean of Taylor Cullity Lethlean speaking about the design process for the Australian Garden.

Groups such as the Botanical Illustrators and Botanical Fabricators raise funds in addition to learning from each other. The classes run by the Botanical Illustrators are becoming a regular source of income. The Growing Friends have produced and sold thousands of plants despite some interruption in sales due to the arrival of Myrtle Rust fungus into Victoria. They continued to supply plants used in the education programs at RBG Cranbourne and for City of Casey revegetation projects. The Press Gang continued to provide support to the Gardens in the collection and preparation of specimens for the Cranbourne Herbarium Collection. The Seed Collectors gathered and processed seed for both the Growing Friends and the Gardens Nursery.

A contribution of \$40,000 was passed to the Royal Botanic Gardens to cover the levelling and surfacing of the site planned for the relocation of the Friends Nursery. Further to this, \$7,000 was provided for the Garden Ambassadors' Shed, which will form part of the Australian Garden Stage 2. The balance of funds is being held in order to contribute towards the redevelopment of the Depot, which will include a new location for the Maud Gibson Room and associated structures.

### *Friends of the Royal Botanic Gardens, Melbourne Inc.*

This year marked 30 years since the establishment of the Friends of the Royal Botanic Gardens, Melbourne Inc. The occasion was celebrated on 12 May 2012 with an afternoon tea at Gardens House attended by the Friends' Patron, the Honourable Alex Chernov AC QC, Governor of Victoria, and Mrs Chernov.

Grants in excess of \$120,000 were made to support projects at RBG Melbourne during the year. These included \$80,000 towards the Working Wetlands project; \$20,000 for the inaugural Friends' Helen McLellan Research Grant awarded to Dr Anna Syme for her project *Unravelling the DNA of Australian Grasses*; and a total of \$13,536 for staff scholarships awarded to Greg Li Rosi, Terry Smyth, Alison Vaughan and Timothy Wall.

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 *Eucalypts of the Royal Botanic Gardens and Nature's Small Wonders* was held in October 2011.

The Growing Friends group held two successful public plant sales, with the spring sale coinciding with Spring Open Day at RBG Melbourne. The plant sales raised in excess of \$50,000.

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.

### *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 Australian Garden. It has also encouraged and financially supported botanical research and educational programs for many years at RBG Melbourne.

The Trust agreed to provide \$39,000 over the three years 2011–2013 to support RBG Melbourne as the Industry Partner in an ARC Linkage project investigating the evolution of salt-tolerant plants in Australia, including grasses and Acacias. The results of this research will underpin the selection of species for remediating salt-damaged environments and the identification of plant characteristics which will be profitable targets for future breeding programs.

During the year the Trust published a report for the period July 2006 to June 2011 describing the history and objectives of the Trust and the projects and activities it has supported during those five years. The document was also used to promote donations to the Trust, and approximately \$21,000 was received from generous supporters.

Information about the Maud Gibson Trust and a pdf copy of the five-year report are accessible via the website [www.trust.com.au](http://www.trust.com.au) of the Trust Company Limited, which acts as the trustee for Miss Gibson's Settlement.

### *Plant Craft Cottage Group Inc.*

In October 2011 the Plant Craft Cottage (PCC) Group celebrated 30 years of exploring the use of plants in crafts and sharing their skills in workshops with PCC members and the public. A small group of members, who have been with the PCC since its inception, are still active at the cottage.

A wonderful exhibition called *Forest Fantasy* was held to mark the anniversary, with work from the Fibre, Basketry, Pot Pourri, Paper, Plant card, Dye, Garden and Counterpart craft groups all represented in the exhibition. The exhibition was well received and, originally planned to run from September to November, it was extended to December.

In addition to the exhibition, PCC members celebrated the anniversary with an afternoon tea attended by Royal Botanic Gardens Board Chairman, Elaine Canty, Royal Botanic Gardens Director and Chief Executive, Dr Philip Moors, and Melbourne Gardens Director, Mr Chris Cole and staff representatives. Melbourne Friends' President, Cathy Trinca also attended, along with many past presidents, current and new members. Dr Moors planted a *Cercis siliquastrum* tree to commemorate the occasion.

PCC is grateful for the assistance received during the year; the top garden was renovated with the help of Royal Botanic Gardens' staff and students from NMIT. Double gates were installed in the fence to provide staff with access in order to mow the lawn.

The work of craft groups was limited due to the biosecurity measures in place at RBG Melbourne because of Myrtle Rust. When restrictions were eased, successful Dye Group and Basketry workshops were held using non-myrtaceous material. Children's workshops in the school holidays were also very successful, but unfortunately the Fibre group had to cancel their crochet workshop for lack of interest.

Planning commenced for PCC participation in the Open House Melbourne program, including efforts to make the Cottage wheelchair accessible. It is hoped that the program will bring many more people to the Cottage at H Gate.

Other notable events during the year included the donation of a copy of Ellis Rowan's botanical paintings to the Cottage by Lady Anne Cowan; it is now available in PCC's Library. PCC is run entirely by volunteers and with the help of the Friends' volunteers and Royal Botanic Gardens' staff, we continue to go forward.

## VOLUNTEERS

### *Herbarium Volunteers*

Herbarium Volunteers continued their work to directly contribute to conservation research, and to curate and document Herbarium and Library collections. During the year they added 13,406 mounted and/or curated specimens to the State Botanical Collection, and 475 specimens to the Collections database, and contributed more than 4,290 hours of work to the Collections Branch and over 2,140 hours to the Library.

Their contributions to current projects included:

- ~ Germination trials, data entry and collection, and cleaning, counting and photographing seeds, for the Victorian Conservation Seedbank
- ~ Mounting four complete families from the Foreign Collection and beginning the mounting of foreign specimens of various families which were determined by visiting International Botanical Congress delegates
- ~ Finishing curation of Ascomycete specimens for the Foreign Fungi Project; a total of 4,240 specimens was curated from July 2009 – October 2011
- ~ Completing work on the records of the JAL Preiss Lichen Collections, supplementing these with additional information from the *Plantae Preiss* volumes
- ~ Remounting or repairing Australian Type specimens to bring them up to present curatorial standards, prior to scanning for the Global Plants Initiative Project
- ~ *Ex-situ* propagation and cultivation of terrestrial orchids for the Victorian Orchid Conservation Program
- ~ Digitising photographic slides in preparation for the web-based *Horticultural flora for south-eastern Australia*
- ~ Sorting and creating a bibliography of the David Christophell Collection of Scientific Reprints
- ~ Preliminary listing of uncatalogued maps in the Library map collection and listing the contents of the Ambrose Neale Notebooks and the RBG newspaper cuttings in the Manuscripts Collection

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.

Marina Albert  
Rosemary Anderson  
Neil Anderton  
Caroline Barrett  
Olga Bartak  
Margaret Berlin  
Jenepher Beudel  
Sally Bufe  
John Carpenter  
Wendy Cook  
Clement Daw  
Heather Eather  
Alwynne Fairweather  
Eric Fanet  
Radinka Faranov  
Francis Faul  
Katherine Flynn  
Paul George  
Margaret Gordon  
Christine Graunas  
Mary Gregory  
Robert Hare

Mary Hills  
Elizabeth Howcroft  
Vicki Jaeger  
Meran Jennings  
Geoffrey Lay  
Jannie Lay  
Gary Leete  
Geoffrey Le Page  
Anna Long  
Jennifer Lund  
Anne McLachlan  
Angela Mitchell  
Brian Monger  
Pauline Morrison  
Tom Morton  
Margaret Murfett  
Gillian Newnham  
Graham Patterson  
Diana Plant  
Laraine Proctor  
Dianne Randall  
Jennifer Ross

### *RBG Cranbourne volunteers*

Volunteers at RBG Cranbourne contributed over 4,141 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*

Robin Allison  
John Armstrong  
Margaret Barnes  
Trevor Blake  
Margaret Brookes  
Ruth Caple  
Jennifer Chamberlin  
Margaret Clarke  
Brian Cole  
Elaine Cuthbertson  
Johan de Bree  
Derek de Korte  
David Elias  
Carol Ferguson  
Chloe Foster  
Mary Garry  
Halina Gwizdzil  
Faye Hobby  
Eleanor Hodges  
Martin Holzapfel

Katherine Ingram  
 Elspeth Jacobs  
 Dorothy Kay  
 Amanda Keely  
 Marie Kehoe  
 Helen Kennedy  
 Sue Keon-Cohen  
 Christine Kenyon  
 Eva Kowal  
 Linda Lee  
 Mary Macdermid  
 Susan MacIntosh  
 Judy Mallinson  
 Don Matthews  
 Lauris McInerney  
 Pamela Meier  
 Siobhan Morris  
 Mark Nelson  
 Marcell Ostermeyer  
 Sue Phillips  
 Carol Price  
 Verena Reich  
 Charles Saffroy  
 Marj Seaton  
 Alex Smart  
 Cheryl Smith  
 Laurie Stephens  
 John Steward  
 Sue Tatton  
 Georgie Till  
 Ray Turner  
 Clare Vivian  
 Roger Watts  
 Kathy White

#### *Land Management volunteers*

Dawn Naylan  
 Bronwyn Schoer  
 Claire Taylor  
 Pauline Wilkinson  
 Angela Worland

#### *Horticulture volunteers*

Andrew Dilley  
 Stan Harper  
 Laurie Stephens

#### *RBG Melbourne volunteers*

Volunteers at RBG Melbourne contributed over 5,875 hours during the past year, in some instances contributing 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*

Rosemary Cotter  
 Sue Hoare  
 Geoffrey Kneebone  
 Carolyn Nette  
 Irwin Newman

#### *Eastern Lodge Helping Hands*

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 Costello  
 Rosemary Cotter  
 Elizabeth Crawford  
 Helen Creedon  
 Caroline Durre  
 Veronica Harrison  
 Julie Jones  
 Leanora Levy  
 Alasdair MacDonald  
 Marian McLean  
 Josephine Mifsud  
 Gloria Minter  
 Sarah Moody  
 Jadzia Rae  
 Ann Scott  
 Julian Simpson  
 Libby Tronson  
 Max Watson  
 Susan Wilcox  
 Mali Wilson



### *Litter Collection volunteers*

Beverly McCulloch

Matthew McCulloch

### *The Ian Potter Foundation Children's Garden volunteers*

Moir Bainbridge

Mary Becker

Pamm Brittain

Lorraine Brock

Elizabeth Crawford

Billie De Bondi

Leanora Levy

Anna Priester

Margaret Smith

Helen Smyth

Margaret Spicer

Maggie Troup

Max Watson

### *Voluntary Guides*

Jill Bartlett

Noel Bennett

Lorraine Brock

Jasmine Brunner

Sheila Butler

Pamela Carder

Susan Chandler

Anna Denton

Robert Gower

Kate Grinter

Kay Hall

Jenny Happell

Ruth Harris

Virginia Heywood

Margaret Hilditch

John Johnson

Marlies Johnson

Suzanne Katz

Scott Kerr

Jenny Lang

Margaret Mann

Christine Mitchell

Gary Nelson

Jenny Nicholas

John Nicholas

Brian O'Halloran

Donna Osbourne

David Plant

Ian Polmear

Margaret Polmear

Lynsey Poore

Faye Retchford

Jayne Salmon

Francesca Shelton

Helen Smyth

Mary Ward

Marge Watson

Jill Williams

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 those of Royal Botanic Gardens' employees. They contribute greatly to the achievement of the Royal Botanic Gardens' goals by conducting 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

Ms Helen Aston, retired, RBG Melbourne

Mr Ian Clarke, Bentleigh, Victoria

Ms Helen Cohn, Thornbury, Victoria

Dr Tom Darragh, Williamstown, Victoria

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

Prof. Pauline Ladiges AO FAA, School of Botany, The University of Melbourne

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

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, Vic.

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

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 2012 and financial position of the Board at 30 June 2012.

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 21 August 2012.



Elaine Canty  
Chairman  
Royal Botanic Gardens Board

Melbourne  
21 August 2012



Dr Philip Moors  
Director and Chief Executive  
Royal Botanic Gardens Board

Melbourne  
21 August 2012



Lola Makdissi  
Chief Finance Officer  
Royal Botanic Gardens Board

Melbourne  
21 August 2012

# COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Income from transactions</b>			
Grants	2(a)	15,312,781	12,842,413
Sponsorships and donations	2(b)	1,768,237	4,004,471
Sales of goods and services	2(c)	3,370,669	3,449,856
Fair value of assets and services received free of charge or for nominal consideration	2(d)	718,907	784,453
Interest	2(e)	710,008	1,041,255
Other income	2(f)	1,055,984	964,099
<b>Total income from transactions</b>		<b>22,936,586</b>	<b>23,086,547</b>
<b>Expenses from transactions</b>			
Employee expenses	3(a)	(12,644,152)	(11,700,744)
Depreciation	3(b)	(1,189,984)	(858,908)
Interest expense	3(c)	(23,996)	(26,816)
Other operating expenses <sup>(i)</sup>	3(d)	(6,181,004)	(6,944,174)
<b>Total expenses from transactions</b>		<b>(20,039,136)</b>	<b>(19,530,642)</b>
<b>Net result from transactions (net operating balance)</b>		<b>2,897,450</b>	<b>3,555,905</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets <sup>(ii)</sup>	4(a)	(64,681)	3,274
Net gain/(loss) on financial instruments <sup>(iii)</sup>	4(b)	2,860	(5,521)
Other gains/(losses) from economic flows	4(c)	(336,855)	(19,804)
<b>Total other economic flows included in net result</b>		<b>(398,676)</b>	<b>(22,051)</b>
<b>Net result</b>		<b>2,498,774</b>	<b>3,533,854</b>
<b>Other economic flows - other non-owner changes in equity</b>			
Changes in physical asset revaluation surplus	18(a)	(5,042,346)	145,920,812
Changes to financial assets available-for-sale revaluation deficit <sup>(iv)</sup>	18(b)	19,600	50,290
<b>Total other economic flows - other non-owner changes in equity</b>		<b>(5,022,746)</b>	<b>145,971,102</b>
<b>Comprehensive result</b>		<b>(2,523,972)</b>	<b>149,504,956</b>

***This comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 55 to 91.***

**Notes:**

- (i) 'Other operating expenses' include bad debts from transactions that are mutually agreed - refer to definition of 'transactions' in Note 22.
- (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 2012

	Notes	2012 \$	2011 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	16, 17	12,913,218	16,114,006
Receivables	5, 16	1,018,722	1,205,194
Investments	6	-	980,400
<b>Total financial assets</b>		<b>13,931,940</b>	<b>18,299,600</b>
<b>Non-financial assets</b>			
Inventories	7	264,426	261,560
Non financial physical assets classified as held for sale	8	12,431	-
Prepayments		16,394	15,732
Property, plant and equipment	9	412,207,592	407,276,642
<b>Total non-financial assets</b>		<b>412,500,843</b>	<b>407,553,934</b>
<b>Total assets</b>		<b>426,432,783</b>	<b>425,853,534</b>
<b>Liabilities</b>			
Payables	10, 16	3,906,572	1,411,661
Borrowings	11, 16	498,456	414,290
Provisions	12	3,411,807	2,907,901
Liabilities directly associated with assets held for sale	8	20,238	-
<b>Total liabilities</b>		<b>7,837,073</b>	<b>4,733,852</b>
<b>Net assets</b>		<b>418,595,710</b>	<b>421,119,682</b>
<b>Equity</b>			
Accumulated surplus		26,013,417	23,514,643
Physical asset revaluation surplus	18	307,222,564	312,264,910
Financial assets available-for-sale revaluation deficit	18	-	(19,600)
Contributed capital		85,359,729	85,359,729
<b>Net worth</b>		<b>418,595,710</b>	<b>421,119,682</b>

Commitments for expenditure

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***This balance sheet should be read in conjunction with the accompanying notes included on pages 55 to 91.***



# STATEMENT OF CHANGES IN EQUITY

*for the financial year ended 30 June 2012*

	Physical Asset Revaluation Surplus	Available-For- Sale Financial Asset Revaluation Deficit	Accumulated Surplus	Contributions By Owner	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	<b>166,344,098</b>	<b>(69,890)</b>	<b>19,980,789</b>	<b>83,419,729</b>	<b>269,674,726</b>
Net result for the year	-	-	3,533,854	-	3,533,854
Other comprehensive income for the year	145,920,812	50,290	-	-	145,971,102
Capital grants	-	-	-	1,940,000	1,940,000
<b>Balance at 30 June 2011</b>	<b>312,264,910</b>	<b>(19,600)</b>	<b>23,514,643</b>	<b>85,359,729</b>	<b>421,119,682</b>
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)
Capital grants	-	-	-	-	-
<b>Balance at 30 June 2012</b>	<b>307,222,564</b>	<b>-</b>	<b>26,013,417</b>	<b>85,359,729</b>	<b>418,595,710</b>

*This statement of changes in equity should be read in conjunction with the accompanying notes included on pages 55 to 91.*

**CASH FLOW STATEMENT**  
*for the financial year ended 30 June 2012*

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		16,842,958	12,841,113
Receipts from other entities		6,599,746	10,509,600
Interest received		704,857	1,008,984
<b>Total receipts</b>		<b>24,147,561</b>	<b>24,359,697</b>
<b>Payments</b>			
Payments to suppliers and employees		(17,012,920)	(19,191,023)
Goods and Services Tax paid to the ATO <sup>(i)</sup>		(183,899)	(599,931)
Interest and other costs of finance paid		(23,996)	(26,816)
<b>Total payments</b>		<b>(17,220,815)</b>	<b>(19,817,770)</b>
<b>Net cash flows from/(used in) operating activities</b>	17(b)	<b>6,926,746</b>	<b>4,541,927</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-financial assets		24,223	5,201
Proceeds from sale of investments		1,000,000	-
Payments for non-financial assets		(11,030,826)	(9,576,234)
<b>Net cash flows from/(used in) investing activities</b>		<b>(10,006,603)</b>	<b>(9,571,033)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		-	1,940,000
Repayment of finance leases		(123,791)	(123,620)
<b>Net cash flows from/(used in) financing activities</b>		<b>(123,791)</b>	<b>1,816,380</b>
Net increase/(decrease) in cash and cash equivalents		(3,203,648)	(3,212,726)
Cash and cash equivalents at the beginning of financial year		16,114,006	19,332,253
Effect of exchange rate fluctuations on cash held in foreign currency		2,860	(5,521)
<b>Cash and cash equivalents at the end of financial year</b>	17(a)	<b>12,913,218</b>	<b>16,114,006</b>

***This cash flow statement should be read in conjunction with the accompanying notes included on pages 55 to 91.***

*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 2012*

### **Note 1. Summary of accounting policies**

The annual financial statements represent the audited general purpose financial statements for the Royal Botanic Gardens Board (the Board) for the period ending 30 June 2012. 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 22.

These annual financial statements were authorised for issue by the Chairman of the Board on 21 August 2012.

#### **(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 non-owner changes in equity'.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### 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* Cat. No.5514.0 published by the Australian Bureau of Statistics (see Note 22).

'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. 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 beyond 12 months) 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'.

## 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. Please refer to the end of Note 22 for a style convention explaining that minor discrepancies in totals of tables are due to 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.

### **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.



## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

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

#### **Interest**

Interest income includes interest received on deposits and other investments 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 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 their Annual Financial Statements, disclose 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 -100 years
Infrastructure	5 -100 years
Plant, equipment and vehicles	1 - 10 years

## 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 mainly relate to finance lease charges. Refer to *Glossary of terms and style conventions* in Note 22 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 balances/transactions*.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

### **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 non-owner changes in equity' 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 non-owner changes in equity' is transferred to other economic flows in the net result.

Fair value is determined in the manner described in Note 16 *Financial instruments*.

## **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 22).

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 include mainly debtors in relation to goods and services and accrued investment income; and
- statutory receivables, which predominately include GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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.

## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

### **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.



## 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.

## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

### **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.

## **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.

## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

### **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 15) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

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

#### **(o) Contingent assets and contingent liabilities**

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

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

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

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

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

#### **(q) Foreign currency balances/transactions**

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.

## 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 2012 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 2012, the following applicable standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2012. The Board has not, and does not intend to, adopt these standards early.

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Application for annual reporting periods:</b>	<b>Impact on Board's Financial Statements</b>
AASB 9 <i>Financial instruments</i>	This Standard simplifies requirements for the classification and measurement of financial assets.	1 Jan 2013	Detail of impact is still being assessed.
AASB13 <i>Fair Value Measurement</i> and	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 AASs. It 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 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures of assets measured using depreciated replacement cost.
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

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

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Application for annual reporting periods:</b>	<b>Impact on Board's Financial Statements</b>
AASB 119 <i>Employee Benefits</i>	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector.
AASB 2011-11 <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to AASB 119 <i>Employee Benefits</i> (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 1053 <i>Application of Different Tiers of Australian Accounting Standards</i>	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.
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	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

	2012 \$	2011 \$
<b>(a) Grants</b>		
Parks and Reserves Trust Account grants	12,936,000	11,798,744
Other grants	2,376,781	1,043,669
	<b>15,312,781</b>	<b>12,842,413</b>
<b>(b) Sponsorships and donations</b>		
Cash donations and gifts	1,768,237	4,004,471
	<b>1,768,237</b>	<b>4,004,471</b>
<b>(c) Sales of goods and services</b>		
Sale of goods	1,161,361	1,087,969
Rendering of services	2,209,308	2,361,887
	<b>3,370,669</b>	<b>3,449,856</b>
<b>(d) Fair value of assets and services received free of charge or for nominal consideration</b>		
Services and donated supplies	718,907	784,453
	<b>718,907</b>	<b>784,453</b>
<b>(e) Interest</b>		
On bank deposits	99,447	89,376
Other miscellaneous interest income	610,561	951,879
	<b>710,008</b>	<b>1,041,255</b>
<b>(f) Other income</b>		
Rental	986,945	901,733
Royalties	29,889	41,952
Other	39,150	20,414
	<b>1,055,984</b>	<b>964,099</b>

## Note 3. Expenses from transactions

	2012 \$	2011 \$
<b>(a) Employee expenses</b>		
Salary and wages	9,689,724	9,021,551
Superannuation	963,464	918,647
Annual and long service leave	1,090,174	1,093,547
Other on-costs	900,790	666,999
	<b>12,644,152</b>	<b>11,700,744</b>
<b>(b) Depreciation</b>		
Buildings	324,374	187,389
Infrastructure	499,707	327,436
Plant, equipment and vehicles	365,903	344,083
	<b>1,189,984</b>	<b>858,908</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

## Note 3. Expenses from transactions (continued)

	2012 \$	2011 \$
<b>(c) Interest expense</b>		
Interest on finance leases	23,996	26,816
	<b>23,996</b>	<b>26,816</b>
<b>(d) Other operating expenses</b>		
<u>Supplies and services</u>		
Contract costs	1,470,144	1,570,028
Garden and office equipment and supplies	638,419	703,991
Non-financial assets hire, maintenance and operation costs	633,645	624,398
Consultancies and professional services	462,610	753,087
Cleaning and waste disposal costs	439,382	444,130
Water charges	308,016	123,481
Advertising and promotion	290,029	544,843
Motor vehicle expenses	195,329	229,241
Computer expenses	179,612	206,584
Travel expenses	164,653	256,457
Staff training and development	126,313	121,585
Insurance costs	107,598	102,084
Postage and communication expenses	101,442	62,557
Books, periodicals and subscriptions	94,110	108,704
Legal costs	68,561	65,866
Security	58,665	72,425
Catering costs	34,943	101,160
Other	201,824	249,763
	<b>5,575,295</b>	<b>6,340,384</b>
<u>Other</u>		
Cost of goods sold	571,193	556,292
Minimum lease payments	34,516	47,498
	<b>605,709</b>	<b>603,790</b>
<b>Total other operating expenses</b>	<b>6,181,004</b>	<b>6,944,174</b>

## Note 4. Other economic flows included in net result

	2012 \$	2011 \$
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of property, plant and equipment	(59,079)	(6,938)
Write down of inventory	(5,602)	10,212
	<b>(64,681)</b>	<b>3,274</b>
<b>(b) Net gain/(loss) on financial instruments</b>		
Impairment of loans and receivables	-	-
Net FX gain/(loss) arising from foreign cash held	2,860	(5,521)
Net gain/(loss) on disposal of financial instruments	-	-
	<b>2,860</b>	<b>(5,521)</b>
<b>(c) Other gains/(losses) from economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	(336,855)	(19,804)
	<b>(336,855)</b>	<b>(19,804)</b>

## Note 5. Receivables

	2012 \$	2011 \$
<b>Contractual</b>		
Trade receivables <sup>(i)</sup>	669,918	726,132
Financial receivables	60,771	55,620
	<b>730,689</b>	<b>781,752</b>
<b>Statutory</b>		
Net GST input tax credit recoverable	288,033	423,442
	<b>288,033</b>	<b>423,442</b>
<b>Total receivables <sup>(ii)</sup></b>	<b>1,018,722</b>	<b>1,205,194</b>

Notes:

(i) The average credit period on sales of goods is 30 days. No interest has been charged on trade receivables. 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 16.

## Note 6. Investments

	2012 \$	2011 \$
Floating rate notes <sup>(i)</sup>	-	980,400
<b>Total investments <sup>(ii)</sup></b>	<b>-</b>	<b>980,400</b>

Notes:

(i) A floating rate note investment was purchased in February 2007 at a nominal value of \$1,000,000. Interest had not been payable on the note since September 2008 due to the occurrence of a credit event. At maturity in November 2011, the note was repaid at its nominal value.

(ii) Investment balances held at reporting date are classified as current.

For details of the nature and extent of risk arising from investments, please refer to Note 16.

## Note 7. Inventories

	2012 \$	2011 \$
Inventories held for sale at cost	264,426	261,560
<b>Total inventories <sup>(i)</sup></b>	<b>264,426</b>	<b>261,560</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### Note 8. Non-financial physical assets classified as held for sale and directly associated liabilities

	2012 \$	2011 \$
<b>Non-current assets</b>		
Leased motor vehicles held for sale <sup>(i)</sup>	12,431	-
	<b>12,431</b>	<b>-</b>
<b>Liabilities</b>		
Finance lease liabilities	20,238	-
	<b>20,238</b>	<b>-</b>

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.

### Note 9. Property, plant and equipment

#### (a) Carrying amounts

	2012 \$	2011 \$
<b>Land</b>		
At fair value - 2011 valuation <sup>(i)</sup>	166,080,000	166,080,000
	<b>166,080,000</b>	<b>166,080,000</b>
<b>Buildings</b>		
At fair value - 2011 valuation <sup>(i)</sup>	25,192,000	25,192,000
At fair value - cost	84,420	-
Less accumulated depreciation	(324,374)	-
	<b>24,952,046</b>	<b>25,192,000</b>
<b>Infrastructure</b>		
At fair value - 2011 valuation <sup>(i)</sup>	23,236,000	23,295,000
At fair value - cost	79,834	50,079
Less accumulated depreciation	(501,614)	(3,094)
	<b>22,814,220</b>	<b>23,341,985</b>
<b>Plant, equipment and vehicles</b>		
At fair value - cost	4,389,678	4,831,565
Less accumulated depreciation	(2,936,886)	(3,425,376)
	<b>1,452,792</b>	<b>1,406,189</b>
<b>Cultural assets</b>		
At fair value - 2011 valuation <sup>(i)</sup>	167,115,090	167,115,090
At fair value - cost	4,773	-
	<b>167,119,863</b>	<b>167,115,090</b>
<b>Capital works under construction</b>		
At cost	29,788,671	24,141,378
	<b>29,788,671</b>	<b>24,141,378</b>
<b>Total property, plant and equipment</b>	<b>412,207,592</b>	<b>407,276,642</b>

## Note 9. Property, plant and equipment (*continued*)

Notes:

(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.

### Restricted assets

The Board holds \$12.5 million worth of properties and infrastructure assets (2011 - \$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

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 <sup>(i)</sup>	-	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)
<b>Closing balance</b>	<b>166,080,000</b>	<b>24,952,046</b>	<b>22,814,220</b>	<b>1,452,792</b>	<b>167,119,863</b>	<b>29,788,671</b>	<b>412,207,592</b>

2011	Land	Buildings	Infra-structure	Plant, equipment and vehicles	Cultural assets	Capital works	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	129,285,601	16,720,473	15,575,852	1,334,843	74,698,540	14,907,102	252,522,411
Additions	-	-	14,805	300,701	-	9,509,941	9,825,447
Disposals	-	-	-	(133,120)	-	-	(133,120)
Revaluations	36,794,399	8,658,916	8,052,067	-	92,415,430	-	145,920,812
Transfers <sup>(i)</sup>	-	-	26,697	247,848	1,120	(275,665)	-
Impairments	-	-	-	-	-	-	-
Depreciation	-	(187,389)	(327,436)	(344,083)	-	-	(858,908)
<b>Closing balance</b>	<b>166,080,000</b>	<b>25,192,000</b>	<b>23,341,985</b>	<b>1,406,189</b>	<b>167,115,090</b>	<b>24,141,378</b>	<b>407,276,642</b>

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 2012

### Note 10. Payables

	2012 \$	2011 \$
<b>Contractual</b>		
Supplies and Services <sup>(i)</sup>	3,786,610	1,332,239
Other payables <sup>(ii)</sup>	23,708	17,555
	<b>3,810,318</b>	<b>1,349,794</b>
<b>Statutory</b>		
Taxes payable	96,254	61,867
	<b>96,254</b>	<b>61,867</b>
<b>Total Payables <sup>(iii)</sup></b>	<b>3,906,572</b>	<b>1,411,661</b>

Notes:

- (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 16.

### Note 11. Borrowings

	2012 \$	2011 \$
<b>Current</b>		
Lease liabilities <sup>(i)</sup>	207,064	186,081
	<b>207,064</b>	<b>186,081</b>
<b>Non-Current</b>		
Lease liabilities <sup>(i)</sup>	291,392	228,209
	<b>291,392</b>	<b>228,209</b>
<b>Total borrowings</b>	<b>498,456</b>	<b>414,290</b>

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 16.



## Note 12. Provisions

	2012 \$	2011 \$
<b>Current</b>		
<u>Employee benefits <sup>(i)</sup> (Note 12(a) - annual leave)</u>		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	828,260	815,396
	<b>828,260</b>	<b>815,396</b>
<u>Employee benefits <sup>(i)</sup> (Note 12(a) - long service leave)</u>		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	117,065	94,080
Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	1,683,369	1,363,976
	<b>1,800,434</b>	<b>1,458,056</b>
<u>Provisions related to employee benefit on-costs</u>		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	133,857	123,368
Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	270,770	215,679
	<b>404,627</b>	<b>339,047</b>
<b>Total current provisions</b>	<b>3,033,321</b>	<b>2,612,499</b>
<b>Non-current</b>		
Employee benefits	326,042	255,069
Provisions related to employee benefit on-costs	52,444	40,333
<b>Total non-current provisions</b>	<b>378,486</b>	<b>295,402</b>
<b>Total provisions</b>	<b>3,411,807</b>	<b>2,907,901</b>

Notes:

- (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 <sup>(i)</sup>

	2012 \$	2011 \$
<b>Current employee benefits</b>		
Annual leave entitlements	828,260	815,396
Unconditional long service leave entitlements	1,800,434	1,458,056
	<b>2,628,694</b>	<b>2,273,452</b>
<b>Non-current employee benefits</b>		
Conditional long service leave entitlements	326,042	255,069
	<b>326,042</b>	<b>255,069</b>
<b>Total employee benefits</b>	<b>2,954,736</b>	<b>2,528,521</b>
Current on-costs	404,627	339,047
Non-current on-costs	52,444	40,333
<b>Total on-costs</b>	<b>457,071</b>	<b>379,380</b>
<b>Total employee benefits and related on-costs</b>	<b>3,411,807</b>	<b>2,907,901</b>

Note (i): Provisions for employee benefits consists of annual leave and long service leave accrued by employees, not including on-costs.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### Note 12. Provisions (continued)

#### (b) Movement in provisions

	2012 \$	2011 \$
Opening balance	379,380	353,743
Additional provision recognised	150,417	160,129
Reductions arising from payments	(120,919)	(131,360)
Reductions resulting from settlement without cost	(5,991)	(6,323)
Effect of changes in discount rate	54,184	3,191
<b>Closing balance</b>	<b>457,071</b>	<b>379,380</b>

### Note 13. 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 % <sup>(i)</sup>		Contribution amount \$ <sup>(ii)</sup>	
	2012	2011	2012	2011	2012	2011
<b>Defined benefit plans</b>						
State Superannuation Fund						
Revised Scheme	1	2	17	17	14,604	15,585
New Scheme	19	19	7.4 - 10.3	7.3 - 10.2	104,423	108,018
<b>Defined contribution plans</b>						
VicSuper P/L	163	152	9	9	593,240	516,417
MLC Superannuation Fund	32	36	9	9	136,523	165,405
Self Managed Super Funds	5	3	9	9	56,681	57,179
UniSuper Management P/L	6	5	9	9	25,217	29,026
Australian Super	7	5	9	9	17,036	19,548
Host Plus Super	5	3	9	9	9,612	12,764
Vision Super	5	4	9	9	13,789	12,106
Australian Ethical Retail Super	6	5	9	9	15,889	11,814
Other	14	10	9	9	26,202	15,118
<b>Total paid contributions for the year</b>					<b>1,013,216</b>	<b>962,980</b>
<b>Contributions outstanding at year end</b>					<b>-</b>	<b>-</b>

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 14. 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 <sup>(i)</sup>		Present value of minimum future lease payments	
	2012 \$	2011 \$	2012 \$	2011 \$
Not longer than 1 year	232,973	206,366	207,064	186,082
Longer than 1 year and not longer than 5 years	326,821	241,578	291,392	228,208
<b>Minimum lease payments</b>	<b>559,794</b>	<b>447,944</b>	<b>498,456</b>	<b>414,290</b>
Less: future finance charges	(61,338)	(33,654)	-	-
<b>Present value of minimum lease payments</b>	<b>498,456</b>	<b>414,290</b>	<b>498,456</b>	<b>414,290</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities (Note 11)			207,064	186,081
Non-current borrowings lease liabilities (Note 11)			291,392	228,209
			<b>498,456</b>	<b>414,290</b>

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 16.

### (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.

	2012 \$	2011 \$
Not longer than 1 year	50,549	50,549
Longer than 1 year and not longer than 5 years	123,309	155,635
	<b>173,858</b>	<b>206,184</b>

#### 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.

	2012 \$	2011 \$
Not longer than 1 year	767,488	861,991
Longer than 1 year and not longer than 5 years	1,574,014	2,282,181
Longer than 5 years	-	277,156
	<b>2,341,502</b>	<b>3,421,328</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### Note 15. Commitments for expenditure

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

	2012 \$	2011 \$
<b>(a) Capital expenditure commitments</b>		
Within 1 year	1,504,591	4,388,899
Later than 1 year but not later than 5 years	40,866	153,560
<b>Total</b>	<b>1,545,457</b>	<b>4,542,459</b>
<b>(b) Other commitments - outsourcing <sup>(i)</sup></b>		
Within 1 year	135,821	318,250
Later than 1 year but not later than 5 years	157,501	293,322
<b>Total</b>	<b>293,322</b>	<b>611,572</b>

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 14.

### Note 16. Financial instruments

#### (a) Financial risk management objectives and policies

The Board's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- debt securities;
- 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 16. Financial instruments (*continued*)

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

	Carrying Amount	
	2012 \$	2011 \$
<b>Contractual financial assets</b>		
<u>Loans and receivables</u>		
Cash and deposits	12,913,218	16,114,006
Trade receivables	669,918	726,132
Financial receivables	60,771	55,620
<u>Available-for-sale</u>		
Investments - debt securities	-	980,400
<b>Total <sup>(i)</sup></b>	<b>13,643,907</b>	<b>17,876,158</b>
<b>Contractual financial liabilities</b>		
<u>At amortised cost</u>		
Supplies and services payables	3,786,610	1,332,239
Other payables	23,708	17,555
Lease liabilities	498,456	414,290
<b>Total <sup>(i)</sup></b>	<b>4,308,774</b>	<b>1,764,084</b>

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:

	Revaluation increment/ (decrement) \$	Interest Income/ (expense) \$	Impairment loss \$	Net holding gain/ (loss) \$
<b>2012</b>				
<b>Contractual financial assets</b>				
Financial assets - loans and receivables	-	710,008	-	710,008
<b>Total</b>	<b>-</b>	<b>710,008</b>	<b>-</b>	<b>710,008</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost	-	(23,996)	-	(23,996)
<b>Total</b>	<b>-</b>	<b>(23,996)</b>	<b>-</b>	<b>(23,996)</b>

	Revaluation increment/ (decrement) \$	Interest Income/ (expense) \$	Impairment loss \$	Net holding gain/ (loss) \$
<b>2011</b>				
<b>Contractual financial assets</b>				
Financial assets - loans and receivables	-	1,041,255	-	1,041,255
Financial assets available-for-sale	50,290	-	-	50,290
<b>Total</b>	<b>50,290</b>	<b>1,041,255</b>	<b>-</b>	<b>1,091,545</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost	-	(26,816)	-	(26,816)
<b>Total</b>	<b>-</b>	<b>(26,816)</b>	<b>-</b>	<b>(26,816)</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

## Note 16. Financial instruments (continued)

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

- for cash and cash equivalents, receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result; and
- for financial liabilities measured at amortised cost, the net gain or loss is equal to the interest expense incurred during the reporting period.

### (b) Credit Risk

Credit risk arises from the contractual financial assets of the Board, which comprise cash and cash equivalents, non-statutory receivables and available-for-sale 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 trade receivables due to the adoption of stringent credit establishment and collection policies and procedures. In addition, the Board does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Board's policy is to only deal with banks with high credit ratings.

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

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

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

	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
2012	\$	\$	\$	\$	\$	\$
Trade receivables <sup>(i)</sup>	669,918	597,148	44,604	4,512	23,654	-
Financial receivables	60,771	60,771	-	-	-	-
<b>Total</b>	<b>730,689</b>	<b>657,919</b>	<b>44,604</b>	<b>4,512</b>	<b>23,654</b>	<b>-</b>

	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
2011	\$	\$	\$	\$	\$	\$
Trade receivables <sup>(i)</sup>	726,132	434,647	276,267	450	14,768	-
Financial receivables	55,620	55,620	-	-	-	-
Investments - debt securities	980,400	980,400	-	-	-	-
<b>Total</b>	<b>1,762,152</b>	<b>1,470,667</b>	<b>276,267</b>	<b>450</b>	<b>14,768</b>	<b>-</b>

Note (i): The carrying amounts disclosed here exclude statutory amounts (eg GST input taxes recoverable).



## Note 16. Financial instruments (*continued*)

### 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 (2011 - \$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 trade receivables.

### (c) Liquidity risk

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

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

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

2012	Carrying amount <sup>(i)</sup>	Nominal amount <sup>(ii)</sup>	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	23,708	23,708	23,708	-	-	-
Lease liabilities	498,456	559,794	25,553	35,103	172,317	326,821
	<b>4,308,774</b>	<b>4,370,112</b>	<b>3,811,445</b>	<b>50,252</b>	<b>181,594</b>	<b>326,821</b>

2011	Carrying amount <sup>(i)</sup>	Nominal amount <sup>(ii)</sup>	Maturity dates			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Supplies and services payables	1,332,239	1,332,239	1,269,042	63,197	-	-
Other payables	17,555	17,555	17,555	-	-	-
Lease liabilities	414,290	447,944	27,103	23,324	155,939	241,578
	<b>1,764,084</b>	<b>1,797,738</b>	<b>1,313,700</b>	<b>86,521</b>	<b>155,939</b>	<b>241,578</b>

Notes:

(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).

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

## Note 16. Financial instruments (continued)

### (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.

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

2012	Weighted average effective interest rate %	Carrying amount <sup>(i)</sup> \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
<b>Financial assets</b>					
Cash and deposits	3.74	12,913,218	7,691,992	5,195,093	26,133
Trade receivables	-	669,918	-	-	669,918
Financial receivables	-	60,771	-	-	60,771
		<b>13,643,907</b>	<b>7,691,992</b>	<b>5,195,093</b>	<b>756,822</b>
<b>Financial liabilities</b>					
Supplies and services payables	-	3,786,610	-	-	3,786,610
Other payables	-	23,708	-	-	23,708
Lease liabilities	6.64	498,456	498,456	-	-
		<b>4,308,774</b>	<b>498,456</b>	<b>-</b>	<b>3,810,318</b>

## Note 16. Financial instruments (continued)

2011	Weighted average effective interest rate %	Carrying amount <sup>(i)</sup> \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
<b>Financial assets</b>					
Cash and deposits	4.94	16,114,006	13,861,984	2,172,468	79,554
Trade receivables	-	726,132	-	-	726,132
Financial receivables	-	55,620	-	-	55,620
Investments - debt securities	-	980,400	-	980,400	-
		<b>17,876,158</b>	<b>13,861,984</b>	<b>3,152,868</b>	<b>861,306</b>
<b>Financial liabilities</b>					
Supplies and services payables	-	1,332,239	-	-	1,332,239
Other payables	-	17,555	-	-	17,555
Lease liabilities	6.64	414,290	414,290	-	-
		<b>1,764,084</b>	<b>414,290</b>	<b>-</b>	<b>1,349,794</b>

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

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

2012	Carrying amount \$	Interest rate			
		+ 100 basis points		-100 basis points	
		Net result \$	Available-for-sale reserve \$	Net result \$	Available-for-sale reserve \$
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	12,913,218	128,871	-	(128,871)	-
	<b>12,913,218</b>	<b>128,871</b>	<b>-</b>	<b>(128,871)</b>	<b>-</b>
<b>Contractual financial liabilities</b>					
Borrowings <sup>(ii)</sup>	498,456	4,985	-	(4,985)	-
	<b>498,456</b>	<b>4,985</b>	<b>-</b>	<b>(4,985)</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

## Note 16. Financial instruments (continued)

2011	Carrying amount \$	Interest rate			
		+ 100 basis points		-100 basis points	
		Net result \$	Available-for-sale reserve \$	Net result \$	Available-for-sale reserve \$
<b>Contractual financial assets</b>					
Cash and deposits <sup>(i)</sup>	16,114,006	160,305	-	(160,305)	-
Investments <sup>(iii)</sup>	980,400	-	9,804	-	(9,804)
	<b>17,094,406</b>	<b>160,305</b>	<b>9,804</b>	<b>(160,305)</b>	<b>(9,804)</b>
<b>Contractual financial liabilities</b>					
Borrowings <sup>(ii)</sup>	414,290	4,143	-	(4,143)	-
	<b>414,290</b>	<b>4,143</b>	<b>-</b>	<b>(4,143)</b>	<b>-</b>

Notes:

- (i) Cash and deposits includes deposits of \$12,889,133 (2011 - \$16,030,452) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:
- 2012 -  $\$12,887,085 \times -0.01 = -\$128,871$ ; and  $\$12,887,05 \times 0.01 = \$128,871$ ; and
  - 2011 -  $\$16,030,452 \times -0.01 = -\$160,305$ ; and  $\$16,030,452 \times 0.01 = \$160,305$ .
- (ii) Borrowings include lease liabilities to the value of \$498,456 (2011 - \$414,291) that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:
- 2012 -  $\$498,456 \times -0.01 = -\$4,985$ ; and  $\$498,456 \times 0.01 = \$4,985$ ; and
  - 2011 -  $\$414,291 \times -0.01 = -\$4,143$ ; and  $\$414,291 \times 0.01 = \$4,143$ .
- (iii) Investments includes debt securities to the value of \$980,400 that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:  $\$980,400 \times -0.01 = -\$9,804$ ; and  $\$980,400 \times 0.01 = \$9,804$ .

	Carrying amount		Foreign exchange			
			Net result +5%		Net result -10%	
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
<b>Contractual financial assets</b>						
Cash and deposits <sup>(i)</sup>	12,913,218	16,114,006	768	3,447	(1,537)	(6,893)
	<b>12,913,218</b>	<b>16,114,006</b>	<b>768</b>	<b>3,447</b>	<b>(1,537)</b>	<b>-</b>
<b>Contractual financial liabilities</b>						
Payables <sup>(ii)</sup>	3,786,610	1,332,239	-	4,738	-	(9,476)
	<b>3,786,610</b>	<b>1,332,239</b>	<b>-</b>	<b>4,738</b>	<b>-</b>	<b>(9,476)</b>

Notes:

- (i) Cash and deposits includes a deposit of \$15,367 (2011 - \$68,932) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:
- 2012 -  $\$15,367 \times -0.10 = -\$1,537$ ; and  $\$15,367 \times 0.05 = \$768$ ; and
  - 2011 -  $\$68,932 \times -0.10 = -\$6,893$ ; and  $\$68,932 \times 0.05 = \$3,447$ .
- (ii) Payables includes a balance of \$0 (2011 - \$94,764) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:
- 2012 - \$0
  - 2011 -  $\$94,764 \times -0.10 = -\$9,476$ ; and  $\$94,764 \times 0.05 = \$4,738$ .

## Note 16. 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
	2012 \$	2012 \$	2011 \$	2011 \$
<b>Contractual financial assets</b>				
Cash and deposits	12,913,218	12,913,218	16,114,006	16,114,006
Trade receivables <sup>(i)</sup>	669,918	669,918	726,132	726,132
Financial receivables <sup>(i)</sup>	60,771	60,771	55,620	55,620
Investments - debt securities <sup>(ii)</sup>	-	-	980,400	980,400
<b>Total contractual financial assets</b>	<b>13,643,907</b>	<b>13,643,907</b>	<b>17,876,158</b>	<b>17,876,158</b>
<b>Contractual financial liabilities</b>				
Supplies and services payables <sup>(i)</sup>	3,786,610	3,786,610	1,332,239	1,332,239
Other payables	23,708	23,708	17,555	17,555
Lease liabilities	498,456	498,456	414,290	414,290
<b>Total contractual financial liabilities</b>	<b>4,308,774</b>	<b>4,308,774</b>	<b>1,764,084</b>	<b>1,764,084</b>

Notes:

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

(ii) Fair value of investments held at the end of the reporting period is measured using Level 2.

## Note 17. Cash flow information

### (a) Reconciliation of cash and deposits

	2012 \$	2011 \$
Cash at bank and on hand	5,221,226	2,252,022
Term deposits	7,691,992	13,861,984
	<b>12,913,218</b>	<b>16,114,006</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### Note 17. Cash flow information (continued)

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

	2012 \$	2011 \$
Net result for the period	2,498,774	3,533,854
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	59,079	6,938
Net (gain)/loss on financial instruments	(2,860)	5,521
Depreciation of non-financial physical assets	1,189,984	858,908
Movements in assets and liabilities		
(Increase)/decrease in receivables	186,472	(588,797)
(Increase)/decrease in inventories	(2,866)	29,927
(Increase)/decrease in other non-financial assets	(654)	19,628
Increase/(decrease) in payables	2,494,911	480,269
Increase/(decrease) in provisions	503,906	195,679
<b>Net cash from/(used in) operating activities</b>	<b>6,926,746</b>	<b>4,541,927</b>

### Note 18. Reserves

	2012 \$	2011 \$
<b>(a) Physical asset revaluation surplus <sup>(i)</sup></b>		
Balance at beginning of financial year	312,264,910	166,344,098
Revaluation increments/(decrements)	-	145,920,812
Impairment losses	(5,042,346)	-
Balance at end of financial year	<b>307,222,564</b>	<b>312,264,910</b>
<b>(b) Financial assets available-for-sale revaluation deficit <sup>(ii)</sup></b>		
Balance at beginning of financial year	(19,600)	(69,890)
Valuation gain/(loss) recognised	-	50,290
Disposal or transferred out	19,600	-
Balance at end of financial year	<b>-</b>	<b>(19,600)</b>
<b>Net change in reserves</b>	<b>307,222,564</b>	<b>312,245,310</b>

#### Notes:

- (i) The physical assets revaluation surplus arises on the revaluation of land (\$124.3 million), buildings (\$13.2 million), infrastructure (\$7.8 million) and cultural assets (\$167.0 million) as at 30 June 2011.
- (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.



## Note 19. 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 2011 to 30 June 2012
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#### Governing Board

Chairman	Ms Elaine Canty	1 July 2011 to 30 June 2012
Deputy Chairman	Mr Graham Cunningham	9 April 2012 to 30 June 2012
Member	Prof Mark Burgman	1 July 2011 to 30 June 2012
Member	Mr Rodger Elliot	1 July 2011 to 8 April 2012
Member	Mr Ken Harrison	9 April 2012 to 30 June 2012
Member	Ms Linda White	1 July 2011 to 30 June 2012
Member	Ms Jennifer Wolcott	1 July 2011 to 30 June 2012
Member	Ms Sarah Wrigley	9 April 2012 to 30 June 2012

#### Accountable Officer

Director and Chief Executive	Dr Philip Moors	1 July 2011 to 30 June 2012
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### 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	
	2012 No.	2011 No.	2012 No.	2011 No.
\$0 – 9,999	8	7	8	7
\$230,000 – 239,999	0	0	0	1
\$240,000 – 249,999	0	0	1	0
\$250,000 – 259,999	0	0	0	0
\$260,000 – 269,999	0	1	0	0
\$270,000 – 279,999	1	0	0	0
<b>Total numbers</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>8</b>
<b>Total amount</b>	<b>\$301,878</b>	<b>\$307,871</b>	<b>\$273,013</b>	<b>\$279,847</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2012

### Note 20. 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.

Factors affecting total remuneration payable to executive officers over the year include a number of executives receiving 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	
	2012 No.	2011 No.	2012 No.	2011 No.
\$120,000 – 129,999	0	1	1	1
\$130,000 – 139,999	1	0	1	1
\$140,000 – 149,999	0	1	1	1
\$150,000 – 159,999	2	1	0	1
\$160,000 – 169,999	0	0	1	1
\$170,000 – 179,999	1	1	1	0
\$180,000 – 189,999	0	1	0	0
\$190,000 – 199,999	1	0	0	0
<b>Total numbers</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total amount</b>	<b>\$813,293</b>	<b>\$779,613</b>	<b>\$745,188</b>	<b>\$726,293</b>

### Note 21. Remuneration of auditors

	2012 \$	2011 \$
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	17,900	17,300
	<b>17,900</b>	<b>17,300</b>

### Note 22. Glossary of terms and style conventions

#### Glossary

##### Borrowings

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

##### Commitments

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

##### Comprehensive result

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

## **Note 22. Glossary of terms and style conventions (*continued*)**

### 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

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

*for the financial year ended 30 June 2012*

### **Note 22. Glossary of terms and style conventions (*continued*)**

#### 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.

#### 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,

## **Note 22. Glossary of terms and style conventions (*continued*)**

### **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
- 200x year period
- 200x-0x year period

The financial statements and notes are presented based on the illustration in the *2011-12 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board's annual reports.

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Royal Botanic Gardens Board

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2012 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.

## **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 2012 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 2012 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  
23 August 2012

for   
D D R Pearson  
Auditor-General



# Appendix One: Other Disclosures

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## STATEMENTS OF COMPLIANCE WITH GOVERNMENT POLICY

### *National competition policy*

The Royal Botanic Gardens Board Victoria has a commitment to implementing National Competition Policy reform initiatives as they apply to this organisation. Competitive neutrality policy seeks to ensure that where the Government's business activities involve it in competition with private sector business activities, the net competitive advantages that accrue to a government business are offset.

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.

During 2011–12, the Royal Botanic Gardens Board Victoria has continued to adjust the full-cost base of each Royal Botanic Gardens' business activity to include the net costs that the business would face were it privately owned.

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 (VIPP) 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 VIPP 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 VIPP statement as part of the tendering and evaluation process. Where there are two or more tenders that offer similar value for money, the VIPP 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 2011–12, no tenders for projects at the Royal Botanic Gardens were of sufficient value to require the inclusion of a VIPP statement in the tender documentation.

### *Statement of availability of other information*

During 2011–12:

- ~ 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.

## LEGISLATION

No amendments were made to the *Royal Botanic Gardens Act 1991* in 2011–12.

## 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 statements' and in the Disclosure Index on page 97.

## *Freedom of Information Act 1982*

### **Principal Officer**

Dr Philip Moors, 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 2012, one request was received.

Freedom of Information (FOI) requests are made in writing describing all documents requested and including payment of the \$25.10 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](http://www.rbg.vic.gov.au). 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*, the Royal Botanic Gardens Board Victoria ensures that all works requiring building approval have plans certified, works in progress inspected and Occupancy Permits issued by independent Building Surveyors engaged on a local job-by-job basis. It also ensures that 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.

Buildings are maintained in a safe and serviceable condition through routine and responsive maintenance.

### **Building work**

At RBG Cranbourne, construction commenced for a kiosk and public facilities and two shelters in Stage 2 of the Australian Garden. The structures will be completed by October 2012. At RBG Melbourne, construction work began for a building to house water treatment plant for Working Wetlands. The building is expected to be completed in August 2012. All construction drawings were certified by a registered building surveyor, and heritage and building permits were obtained where required. All inspections were conducted as required.

### **Maintenance**

At RBG Cranbourne annual maintenance and improvement works were undertaken including painting and replacement of faulty fixtures and fittings. An annual essential safety measures audit was undertaken by a registered building surveyor, including quarterly access and egress inspections.

At RBG Melbourne, extensive work was carried out on the William Tell Rest House to replace rotting timbers and restore the roof and fleche, protecting this structure from further deterioration. All work was undertaken by a registered builder and a permit exemption was issued by Heritage Victoria for the work.

Roof works have also been undertaken on the National Herbarium building by a registered plumber to reduce the risk of water ingress to the State Botanical Collection. Quarterly essential safety measures audits were carried out by a registered building surveyor and all compliance issues raised have been addressed.

The Royal Botanic Gardens is currently in the process of introducing an online Asset Management and Maintenance System to support and improve the management of building- and infrastructure-related maintenance.

### **Conformity**

The Royal Botanic Gardens Board Victoria ensures that all essential safety measures are in place, with regular inspections and maintenance, and that its buildings comply with standards for publicly owned buildings.

## *Whistleblowers Protection Act 2001*

The *Whistleblowers Protection Act 2001* (Vic) commenced operation on 1 January 2002. Its objective is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection for whistleblowers that make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken.

The Royal Botanic Gardens Board Victoria is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. The Royal Botanic Gardens Board Victoria will not tolerate improper conduct by its employees, executives, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The Royal Botanic Gardens Board Victoria recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

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.

The Royal Botanic Gardens Board Victoria will thoroughly investigate any disclosure of improper conduct and take appropriate remedial action should the allegation be found proven.

#### *Disclosures under the Whistleblowers Protection Act 2001*

During 2011–12, there were no disclosures made under the *Whistleblowers Protection Act 2001*. During the year:

- ~ there were no 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 disclosed matters referred to the Royal Botanic Gardens Board Victoria by the Ombudsman for investigation
- ~ there were no disclosed matters referred by the Royal Botanic Gardens Board Victoria to the Ombudsman for investigation
- ~ there were no investigations of disclosed matters taken over by the Ombudsman from the Royal Botanic Gardens Board Victoria
- ~ there were no requests made under section 74 to the Ombudsman to investigate disclosed matters
- ~ there were no disclosed matters that the Royal Botanic Gardens Board Victoria declined to investigate
- ~ there were no recommendations made by the Ombudsman under the Act that related to the Royal Botanic Gardens Board Victoria.

#### *Reporting a disclosure*

Disclosures of improper conduct or detrimental action by the Royal Botanic Gardens Board Victoria or its employees may be made to the following officers:

##### **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:**

Dr Philip Moors  
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 employees may also be made directly to the Ombudsman:

The Ombudsman Victoria  
North Tower, Level 9  
459 Collins Street  
MELBOURNE VIC 3000  
(DX 210174)  
Tel: (03) 9613 6222  
Toll Free (regional only): 1800 806 314  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

#### *Further information*

Written guidelines outlining the system 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](http://www.rbg.vic.gov.au).

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**Royal Botanic Gardens Melbourne**

Birdwood Avenue  
South Yarra Victoria  
Australia 3141

Tel: (03) 9252 2300  
Fax: (03) 9252 2442  
E-mail: [rbg@rbg.vic.gov.au](mailto:rbg@rbg.vic.gov.au)  
[www.rbg.vic.gov.au](http://www.rbg.vic.gov.au)

