



Royal Botanic Gardens
Board Victoria
Annual Report 2013–14

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

The specimen is *Bauhinia* sp. (Family Caesalpiniaceae), collected by J.H. Willis in Kimbe, Papua New Guinea, in August 1975. It is one of an estimated 400,000 Foreign-collected specimens held at the National Herbarium of Victoria (MEL), the majority of which are still to be curated. The Royal Botanic Gardens Foundation Victoria provided funding to begin databasing the Foreign Collection Project however, further funding is still required to complete the curation of this collection.

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

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



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

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Introduction

CHAIRMAN'S FOREWORD

I am pleased to introduce the Royal Botanic Gardens Board Victoria's *Annual Report 2013–14*. This report provides us with an opportunity to reflect on significant events that have occurred during the last year as well as our achievements and the commitments fulfilled.

Scientists at the Gardens have again made considerable contributions to the conservation of plants and their habitats by discovering and sharing scientific knowledge with their counterparts around the world. Urban ecology, in particular, is becoming increasingly important as urban boundaries impact on our biodiversity and natural environment. This year, the Gardens through its Australian Research Centre for Urban Ecology took a lead role in establishing the Australasian Network for Ecology and Transportation, a professional network committed to the 'research, design and implementation of environmentally-sensitive linear infrastructure' like roads and rail across Australasia. Our involvement in these networks, and our lead role in the conservation of Victorian grassland species, allows us to make a valuable contribution to minimising the impact of urbanisation.

Our education and visitor programs reach deep into the community to increase understanding and appreciation of plants. This year 38,000 students participated in specially-designed programs that explored topics such as climate change, art in the Australian landscape and Indigenous culture. Educating the next generation about the importance of plants and providing high-quality on-site and online experiences is a rapidly growing area for the Gardens.

A major success, and strong endorsement of the skills of our staff and partners, was the announcement in October 2013 that the Australian Garden was awarded 'Landscape of the Year' at the World Architecture Festival in Singapore. The success of the Australian Garden on the world stage and its ability to attract visitors, demonstrated by the strong growth in visitor numbers, confirms that this bold contemporary garden is destined only to grow in strength and appeal as it matures.

During 2013–14 Professor Tim Entwisle, our new Director and Chief Executive, led an extensive period of consultation, consolidation and planning to reinvigorate the Vision, Mission and Values and to unite the organisation behind a common goal to demonstrate that life is sustained and enriched by plants. This new direction has created a sense of excitement and enthusiasm for the future, and opened up new opportunities for our 168-year-old organisation. This new vision came into effect on 1 July 2014 with the release of the Corporate Plan 2014-2019 - the first to be led by Professor Entwisle.

During the year we were incredibly fortunate to gain three highly-skilled new Board members: Martyn Myer AO, Penny Fowler and Professor Tony Bacic, who all bring extensive specialist knowledge to the Board. We also farewelled long-standing Chairman, Elaine Canty and Board member of eight years, Linda White, who both retired from the Board during the year. I thank them both for their considerable efforts and commitment to the Gardens.

None of our achievements of the past year would have been possible without the dedication, passion and commitment of our staff, volunteers, donors, family of supporters, Executive Team and my fellow Board members. I warmly thank you for your contributions.

We have a big year ahead and I am confident we have laid the ground work this year to achieve great things and to make a real difference.

In accordance with the *Financial Management Act 1994*, I present the Royal Botanic Gardens Board Victoria's Annual Report for the year ended 30 June 2014.

Ken Harrison
Chairman
Royal Botanic Gardens Board Victoria
28 August 2014

ABOUT US

Our Vision

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

Our Mission

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

Our Values

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

Our Charter

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

To conserve, protect and improve the Botanic Gardens and managed land and their collections of living plants

~

To conserve and enhance the State Botanical Collection and National Herbarium of Victoria

~

To provide for the use of the State Botanical Collection or plants or plant specimens at the botanic gardens or managed land for scientific or reference purposes, consistent with accepted international practice

~

To increase public knowledge and awareness of plants and plant communities

~

To provide for the use of the Botanic Gardens for education, public enjoyment and tourism

~

To provide for the carrying out of and contribution to research into biodiversity and the conservation of biodiversity.

~

Definitions

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

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

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

RBG Melbourne – refers to the site at Melbourne

RBG Cranbourne – refers to the site at Cranbourne

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

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

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

Our Organisation



*Melbourne Observatory 150th
Anniversary Celebrations,
November 2013, RBG Melbourne.*

*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 168 years – much loved by generations of Victorians, as well as 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 diverse plant collections such as camellias, rainforest flora, cacti and succulents, roses, Californian species, herbs, perennials, cycads, plants from Southern China and, in the Rare and Threatened Species Collection, plants from south-eastern Australia.

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

RBG CRANBOURNE

RBG Cranbourne includes one of Victoria's most precious areas of remnant native bushland and offers visitors the chance to explore heathlands, wetlands and woodlands on the 363-hectare site. It is recognised as a site of State significance for flora and fauna conservation, with more than 25 species listed as endangered, threatened or at risk of extinction.

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 approximately 170,000 plants from 1,700 plant varieties. Complementing the Australian Garden are a visitor centre, café and kiosk, gift shop, community events space and interpretive displays.

NATIONAL HERBARIUM OF VICTORIA

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

The Herbarium houses the State Botanical Collection, an irreplaceable resource of approximately 1.4 million dried specimens of plants, fungi and algae from Australia and many other countries. It is one of the most historically significant collections in the world and is used by Herbarium staff and visiting botanists for scientific research. Research areas include biodiversity, classification, evolution, biogeography, molecular systematics, conservation and horticulture. In addition, the State Botanical Collection contains the oldest and most comprehensive botanical library in Australia as well as the Victorian Conservation Seedbank, an insurance policy against extinction for some of Victoria's rarest and most threatened plant species.

ARCUE

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

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

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

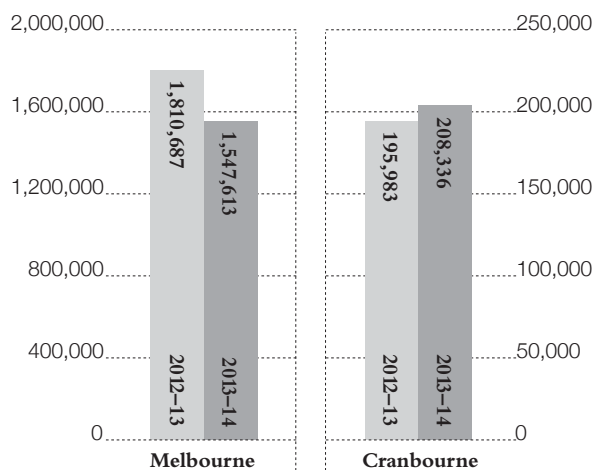
VISITOR NUMBERS

Across both sites the Royal Botanic Gardens welcomed more than 1.7 million visitors. This is a decrease from 2012–13 where the Gardens achieved visitation of more than two million. This peak in 2012–13 was the result of consistently good weather with a higher number of days over 20 degrees than 2013–14, higher attendance at RBG Melbourne due to the flowering of the Titan Arum in December 2012, and the opening of the Australian Garden Stage 2 at RBG Cranbourne. The figures for 2013–14 are consistent with visitation prior to 2012–13.

Table 1: Visitor numbers

	2013–14
RBG Cranbourne	208,336
Including Australian Garden visitors	170,096
RBG Melbourne	1,547,613
Including The Ian Potter Foundation Children's Garden visitors	199,508
Total RBG visitors (to both sites)	1,755,949

Figure 1: RBG Melbourne & RBG Cranbourne



GOVERNANCE

The Royal Botanic Gardens Board Victoria is a statutory authority established under the *Royal Botanic Gardens Act 1991*. The Board is responsible to the Minister for Environment and Climate Change for fulfilling its statutory obligations under the *Royal Botanic Gardens Act 1991* and the Royal Botanic Gardens Regulations 2004. These make provision for the care, protection, management and improvement of RBG Melbourne and RBG Cranbourne, the Herbarium and ARCUE. The responsible Minister for the period from 1 July 2013 to 30 June 2014 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, financial management, business management, public administration and nature conservation. The members are appointed for a term not exceeding four years, but are eligible for re-appointment. A quorum of the Board is four members.

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

*Royal Botanic Gardens Board Victoria Members
(as at 30 June 2014)*

Mr Kenneth Harrison MBA, BBus, FCPA, FAICD

Chairman – appointed 10 December 2013
Appointed to the Board 9 April 2012

Mr Harrison is an accountant and investment banker, specialising 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.

Mr Graham Cunningham MBA, BEc

Deputy Chairman – appointed 9 April 2012
Appointed to the Board 9 April 2012

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

Professor Tony Bacic FAA

Appointed to the Board 17 December 2013

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

Mrs Penny Fowler GAICD, BBus

Appointed to the Board 8 April 2014

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

Mr Martyn Myer AO

Appointed to the Board 20 May 2014

Mr Myer has an engineering background and has been chairman of Cogstate Ltd, a health software services company, since 1999. In recent years he has been a Director of Coles Myer and President of the Howard Florey Institute and is currently a Member of the Council of The University of Melbourne and the Board of the Melbourne Theatre Company, President of the Myer Foundation, and Chairman of The Myer Family Company Holdings Pty Ltd.

Ms Jennifer Wolcott BForSci, GAICD

Appointed to the Board 15 December 2009

Ms Wolcott has extensive experience in public policy and strategy. She has held executive positions in a number of Victorian government bodies including the Environment Protection Authority, Department of Natural Resources and Environment, Department of Primary Industries and Parks Victoria. She is a former member of the Victorian Coastal Council and currently sits on the National Parks and Reference Area Advisory Committees.

Ms Sarah Wrigley GAICD, BMS (NZ)

Appointed to the Board 9 April 2012

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

*Table 2: Board attendance figures –
from 1 July 2013 to 30 June 2014*

<i>Board Member</i>	<i>No. of meetings eligible to attend</i>	<i>No. of meetings attended</i>
Kenneth Harrison	7	7
Graham Cunningham	7	7
Tony Bacic	3	2
Elaine Canty*	1	1
Penny Fowler	2	1
Martyn Myer	1	0
Linda White**	6	6
Jennifer Wolcott	7	5
Sarah Wrigley	7	6

* Retired from the Board 25 August 2013

** Retired from the Board 8 April 2014

Board committees

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

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

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

Finance and Audit Committee

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

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

Independent members of the Finance and Audit Committee in 2013–14 were Mr Graham Cunningham (Committee Chairman 1 July 2013 – 30 June 2014), Ms Elaine Canty (1 July – 25 August 2013), Mr Ken Harrison (1 July 2013 – 30 June 2014) and Ms Sarah Wrigley (17 September 2013 – 30 June 2014).

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 2013–14 were Mr Graham Cunningham (Committee Chairman 1 July 2013 – 30 June 2014), Ms Elaine Canty (1 July – 25 August 2013), Mr Ken Harrison (1 July 2013 – 30 June 2014) and Ms Sarah Wrigley (17 December 2013 – 30 June 2014). Refer to the financial statements for further information regarding remuneration.

Risk Committee

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

- ~ the operation and implementation of the risk management framework, and
- ~ the development and maintenance of the Royal Botanic Gardens Risk Management Plan.

Members of the Risk Committee in 2013–14 were Ms Jennifer Wolcott (Committee Chairman 1 July 2013 – 30 June 2014), Ms Linda White (1 July 2013 – 8 April 2014) and Mr Ken Harrison (13 March – 30 June 2014).

Executive Team (as at 30 June 2014)

Director and Chief Executive (2013)

Professor Timothy J Entwisle PhD, BSc (Hons)

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

Professor Entwisle is a highly respected scientist, scientific communicator and botanic gardens director. He took up the role of Director and Chief Executive of the Royal Botanic Gardens in March 2013, following two years in a senior role at Royal Botanic Gardens, Kew, and eight years as Executive Director of the Royal Botanic Gardens and Domain Trust in Sydney.

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

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

Professor David Cantrill PhD, BSc (Hons)

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

Professor Cantrill worked as a senior research scientist in Europe for 15 years, first for the British Antarctic Survey in Cambridge and later at the Swedish Museum of Natural History in Stockholm. He has published over 100 scientific articles; is an editor of *Grana*, an international journal for pollen studies; and sits on a number of international editorial and scientific advisory boards. His research interests focus on integrating information from fossil and living floras to 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 Treasurer for the Council of Heads of Australasian Herbaria and Chair of the international Steering Committee for the Global Plant Initiative.

Director, Australian Research Centre for Urban Ecology (1998)

Associate Professor Mark McDonnell PhD, MSc, BA

Responsible for scientific studies of plant biodiversity and ecological processes in Australian cities and towns. Currently, his studies focus on applying ecological science to the management and preservation of biodiversity in urban and suburban environments in Victoria. Dr McDonnell is an Associate Professor with the School of Botany at The University of Melbourne.

Director, Corporate Resources (1992)

Jenny Steinicke BA, Grad Dip Bus

Responsible for initiating and co-ordinating projects to improve corporate governance and management, including financial management and planning, human resources, marketing and communications, information services, business development and implementation, and legal, legislative and contractual issues. Ms Steinicke is also responsible for financial and project management of the Observatory Stage 2 project at RBG Melbourne and the Integrated Water Management projects at RBG Melbourne and RBG Cranbourne. She has over 20 years' experience in botanic gardens management, and previously held senior management positions in consumer affairs and education.

Director, Melbourne Gardens (2010)

Chris Cole Dip Hort (Kew)

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

Director, Cranbourne Gardens (2001)

Chris Russell BSc (Hons), Grad Dip Land Rehab

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

Organisation Chart

DIRECTOR & CHIEF EXECUTIVE

Professor Timothy J Entwisle

Administration

Development

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

Our Employees



Sandra Hodge, Horticultural Technician and Curator of the Lower Yarra River Habitat Collection, RBG Melbourne.

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 key selection criteria and other accountabilities, without discrimination.

Our dedicated, professional employees have been correctly classified in workforce data collections.

Table 3: Summary of Employment levels as at June 2014 and June 2013

	Ongoing Employees					Fixed term, Fixed task and Casual	
	Total Headcount (includes Ongoing, Fixed term, Fixed task & Casual)	Number (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE	Headcount	FTE
June 2014	226	146	110	36	130.89	80	34.03
June 2013	218	153	118	35	138.29	65	31.02

Notes:

- ~ All figures reflect employment levels during the last full pay period of June 2014.
- ~ Excluded are those employees on leave without pay or absent on secondment and casuals who were not paid in the final pay period. If these employees were to be included, in June 2014 there would be 252 employees compared to 249 employees in June 2013.
- ~ Ongoing employees include people engaged on an open-ended contract of employment.
- ~ FTE means Full-time staff equivalent.

Table 4: Details of Employment levels – Gender, Age and Classification

	June 2014			June 2013		
	Total Headcount (includes Ongoing, Fixed term, Fixed task & Casual)	Ongoing (Headcount)	Fixed term, Fixed task & Casual (Headcount)	Total Headcount (includes Ongoing, Fixed term, Fixed task & Casual)	Ongoing (Headcount)	Fixed term, Fixed task & Casual (Headcount)
	226			218		
Gender						
Male	100	72	28	92	71	21
Female	126	74	52	126	82	44
Age						
Under 25	3	1	2	0	0	0
25-34	20	9	11	22	12	10
35-44	69	50	19	73	54	19
45-54	74	54	20	64	53	11
55-64	46	29	17	48	31	17
Over 64	14	3	11	11	3	8
Classification						
Staff	177	105	72	169	111	58
Line Manager	29	27	2	30	29	1
Branch Manager	14	14	0	13	13	0
Executives	6	0	6	6	0	6

EMPLOYEE SUPPORT AND DEVELOPMENT

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

Professional Development

The 2013–14 Professional Development program included Equal Opportunity, Sunsmart, OHS and Performance Review System workshops. Employees also attended conferences, seminars, field-trips and technical training appropriate to their respective roles. During 2013–14 an e-learning module for Records Management training was introduced and rolled out to all employees, volunteers, apprentices and contractors. All new employees complete the suite of existing e-learning modules within three months of commencement.

Equal Opportunity (EO)

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

Occupational Health and Safety (OHS)

The Royal Botanic Gardens' OHS Committee continued to oversee development and implementation of OHS initiatives to ensure a healthy and safe workplace. On commencement, all new employees are provided with 'Return to Work Obligations' information sheets and current posters from the Victorian WorkCover Authority are visible on all notice boards. During the year, a dedicated Health and Safety Officer worked on the development of an OHS Action Plan for the organisation and created a range of templates for Safe Work Method Statements and Safe Work Principles and Procedures that are now in use across RBG Cranbourne and RBG Melbourne. An OHS Working Group has been formed to provide advice on and oversee the continued implementation of the OHS Action Plan.

WorkCover claims lodged in 2013–14 and in the previous year are reported in Table 5. As at 30 June 2014, 19 new WorkCover claims had been received. The OHS Committee continues to monitor all WorkCover claims and incidents.

Table 5: WorkCover claims for the past two years

	2013–14	2012–13
Minor Claims ¹	10	15
Standard Claims ²	9	4
Total all Claims	19	19

¹ Minor Claims – Less than 10 days' time lost and/or under \$642 (non-recoverable).

² Standard Claims – Greater than 10 days' time lost and/or greater than \$642. Some salary costs may be recoverable from insurers.

EMPLOYEE RELATIONS

Royal Botanic Gardens Enterprise Agreement 2010

The Royal Botanic Gardens Board Victoria Enterprise Agreement (EA) 2010 nominally expired on 20 December 2013. Negotiations for the new EA commenced but had not been finalised by 30 June 2014.

Our Performance



The Royal Botanic Runway, January 2014, was a major fundraising event for the Integrated Water Management Project.

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

FINANCIAL OVERVIEW

Revenue Generation and Budgetary Objectives

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

The main budgetary objectives of the organisation are to:

- ~ maintain and improve the two botanic gardens and curate their living collections;
- ~ pursue scientific research on the Australian flora and improve the curation and storage of the State Botanical Collection;
- ~ interpret and use the living collections and State Botanical Collection to connect people to nature;
- ~ complete the implementation of the Integrated Water Management Project at both RBG Melbourne and RBG Cranbourne; and
- ~ identify and implement new business opportunities which build on the Royal Botanic Gardens' brand, while fostering expansion of current revenue sources.

Income from Government

During 2013–14, annual funding provided by the Department of Environment and Primary Industries (DEPI) was applied to achieve the Board's main budgetary objectives and also used to enable repair or replacement of the most urgent of those assets requiring attention, including:

- ~ maintenance of garden paths and kerbs;
- ~ installation of additional path lighting and interpretive signs on Long Island at RBG Melbourne;
- ~ upgrade works on Philip Moors Drive at RBG Cranbourne;
- ~ programmed maintenance painting; and
- ~ replacement of a split-system air conditioner for the server room and the Network Attached Storage (NAS) for GPI data.

In relation to major capital works, construction of the Depot building at RBG Cranbourne was completed in November 2013. Funding was received for the Fire Protection Upgrade at RBG Melbourne, which will commence construction in 2014–15.

Table 6: Financial results for 2013–14

	2013–14 \$
Government funding	
State Government	
- Parks and Reserves Trust Account grants	14,292,000
- Other grants	378,450
Commonwealth Government	0
Sponsorship	1,882,990
General Revenue	5,308,180
Total Expenses	(22,733,521)
Operating Surplus/(Deficit)	(871,901)

Comparison of financial performance and position

The Royal Botanic Gardens Board Victoria's operating result for the financial year ended 30 June 2014 was lower than the previous year, mainly due to the impairment of assets which were destroyed by fire during 2013–14.

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

- ~ a reduction in the level of interest income resulting from a lower level of funds being available for investment, due mainly to a higher level of unspent capital funding being included in the prior year bank balance
- ~ an increase in Parks and Reserves Trust Account funding, mainly due to receipt of one-off funds for Herbarium Fire Protection System works at RBG Melbourne and an annual increase in funding, partially offset by the inclusion of a one-off additional funding contribution towards the settlement of a legal dispute in the previous year's balance
- ~ an increase in sponsorship and donation income relating to the Fern Gully Restoration Project and The Ian Potter Foundation Children's Garden Refurbishment Project, and
- ~ a higher depreciation expense in 2013–14 as compared to the previous year, due to completion of the Depot construction component of the Australian Garden Stage 2 Project, with a corresponding transfer of assets from the capital work in progress account to depreciating buildings and infrastructure assets.

With respect to the Royal Botanic Gardens Board Victoria's financial position, significant movements included a decrease in cash and deposits balances as at 30 June 2014, due mainly to use of unspent revenue from previous reporting periods for the Australian Garden Stage 2 Project.

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

Table 7: Five-year comparison of financial results

	2013–14 \$	2012–13 \$	2011–12 \$	2010–11 \$	2009–10 \$
Government Funding					
State Government					
Parks and Reserves Trust Account grants	14,292,000	14,289,000	12,936,000	11,798,744	11,106,698
Other grants	378,450	426,892	831,781	676,537	116,051
Commonwealth Government	0	120,000	1,545,000	367,132	187,157
Sponsorship	1,882,990	1,371,924	1,768,237	4,004,471	3,749,484
General Revenue	5,308,180	5,292,853	5,855,568	6,239,663	6,333,463
Total Expenses	(22,733,521)	(22,034,830)	(20,437,812)	(19,552,693)	(18,376,834)
Operating Surplus/(Deficit)	(871,901)	(534,161)	2,498,774	3,533,854	3,116,019
Net cash flow from operating activities	847,928	(1,623,215)	6,926,746	4,541,927	5,094,955
Total assets	421,799,557	422,753,073	426,432,783	425,853,534	273,739,752
Total liabilities	4,683,640	4,842,404	7,837,073	4,733,852	4,065,026

Consultancies

Table 8: 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 2013–14 (excl. GST)</i>	<i>Future Expenditure (excl. GST)</i>
Midnightsky Pty Ltd	To develop and facilitate the acceptance of new vision, mission and values for the RBG.	7/02/2012	31/03/2014	160,839	55,900	0
				160,839	55,900	0

In 2013–14, the Royal Botanic Gardens Board engaged two consultancies where the total fees payable to the consultants was less than \$10,000, with a total expenditure of \$11,865 (excluding GST).

The Royal Botanic Gardens did not award any major contracts (valued at \$10 million or more) during 2013–14.

RISK MANAGEMENT

Risk Management Attestation

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

I, Kenneth Harrison certify that the Royal Botanic Gardens Board has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) 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.



Kenneth Harrison
Chairman
Royal Botanic Gardens Board

26 June 2014

Insurance Attestation

Attestation for compliance with Ministerial Standing Direction 4.5.5.1 – Insurance

I, Professor Tim Entwisle, attest that the Royal Botanic Gardens Board has complied with Ministerial Direction 4.5.5.1 – Insurance.



**Professor Tim Entwisle
Director and Chief Executive
Accountable Officer for the Royal Botanic Gardens Board**

26 June 2014

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 meets the requirements of ISO 31000:2009 Risk management – Principles and guidelines. Risks are examined in the context of existing organisational controls, and the degree to which those controls are effective in managing the risk is assessed and related to the level and degree of oversight required. Results are reviewed quarterly by the Risk Committee.

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

While there has been no material change in the overall risk profile of the Royal Botanic Gardens, the organisation's project risk profile has decreased in association with completion of several major projects. During 2013–14 funding was secured for an extensive upgrade to the Fire Protection System at RBG Melbourne which will commence in 2014–15.

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

Critical Incident Planning Group

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

During 2013–14, Business Continuity Plans were updated for both RBG Melbourne and RBG Cranbourne. In accordance with AS3745-2010, Planning for Emergencies in Facilities, a program of site-specific emergency response exercises and scenario training exercises remained in place and an online Emergency Awareness Training program continued to be used to train Royal Botanic Gardens staff, volunteers and tenants to improve their emergency management and response skills.

Our Achievements



Night Sky Guide and President of the Astronomical Society of Victoria, Barry Adcock, at Melbourne Observatory.

STRATEGIC GOAL 1

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

STRATEGIC GOAL 2

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

STRATEGIC GOAL 3

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

The *Royal Botanic Gardens Act 1991* requires that the Royal Botanic Gardens Board Victoria prepares a Corporate Plan outlining the strategies the Board intends to adopt to achieve the objectives of the Act and the priorities and targets of the Board. The *Royal Botanic Gardens Board Victoria Corporate Plan 2011–2015 – Conservation, Collections, Community Connections* – sets out the Board's strategic goals and associated priorities for the four-year planning cycle, and the actions to be undertaken during this period to achieve the objectives of the Act.

The Corporate Plan is a strategic planning document from which the Royal Botanic Gardens Board Victoria Business Plan 2013–14 stems, adopting its structure of three strategic goals and detailed strategic priorities for the reporting period.

The following section – Our Achievements – reports against the Specific Outcomes identified in the 2013–14 Business Plan and further reports against ongoing work that relates to the Corporate Plan Strategic Priorities, including future initiatives. This financial year was the final year of the current corporate planning cycle.

STRATEGIC GOAL 1

Advancing scientific knowledge and understanding

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



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

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

The total budget allocated to achieving Strategic Goal 1 in 2013–14 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: An artwork by Euphemia Henderson (1822–1908) titled *No. 14*. The artwork is part of the State Botanical Collection housed in the National Herbarium of Victoria and is featured in the *Euphemia Collection*, a product range developed for The Gardens Shop in 2013–14.

AT A GLANCE

61 papers, book chapters, and theses were published by staff, of which 39 were published in Institute for Scientific Information (ISI)-listed or SCOPUS- listed journals.

~

The first stage of the new electronic Flora of Victoria, VicFlora, is online and provides the most up-to-date and authoritative listing of plant species and their conservation status. More than 10,000 names are listed, including synonyms, for 4,974 vascular plant species.

~

63 per cent of ARCUE's total income came from its commercial and non-commercial projects, with the remaining 37 per cent a grant from The Baker Foundation.

~

3,174 Australian vascular Type specimens were scanned as high resolution digital images for the GPI project; 2,821 of these images with associated metadata were delivered to JSTOR.

~

In February 2014, more than 500 people attended Urban Ecology and Biodiversity, a free public forum presented by ARCUE and the City of Melbourne.

~

50 talks and lectures (to students, the public, experts and academics) were given by science staff and students, and 42 presentations made at national and international conferences.

~

YEAR IN REVIEW

RESEARCH AND PUBLICATIONS

Plant sciences

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

Research collaborations

The Royal Botanic Gardens is committed to attracting high-quality research staff and students and to working collaboratively with other key national and international scientific and academic institutions to maximise its research capacity. Research projects often extend over a number of years; in 2013–14 research on grassland species and fungal phylogenetics received particular prominence.

Conservation genetics of four grassland species

Research into four Victorian grassland species continued in a project supported by Hanson Construction. Grasslands now cover only a tiny percentage of the area around Melbourne occupied prior to European settlement. Population genetics techniques are being used to understand the genetic health of four different types of grassland plants in an effort to inform management and restoration efforts of grassland species. A rare species of daisy, *Senecio macrocarpus*, is likely to be polyploid (possess multiple copies of its genetic material) and appears to produce seeds clonally. If confirmed, it will be the first record of apomixis in the genus. Microsatellite markers for the orchid *Diuris basaltica*, and Small Milkwort *Comesperma polygaloides*, respectively, have been published and accepted for publication. Next-Generation-Sequencing methods provide vast amounts of new data and are being used to help resolve the classification of the taxonomically difficult *Diuris* group.

Fungal phylogenetics

Royal Botanic Gardens mycologists led a successful trip to the tropical part of the Northern Territory early this year to collect fleshy fungi. These fungi are very poorly known and rarely collected, but often form a major component of the diet of native fauna. The trip was extremely successful and resulted in 428 collections. The fungi, accompanying collecting notes and photographs have been deposited in the Herbarium. Staff generated DNA barcodes for 90 per cent of these 'TopEnd' fungal collections, so they can serve as a reference library of barcodes for later comparison and identification of unknown samples. Staff have also worked on the evolutionary relationships of the genera *Austroboletus* and *Austropaxillus*. In addition to collecting fresh material from these taxa in Australia and New Zealand, the team used the treasure-trove of samples in the Herbarium and extracted DNA from over 300 herbarium collections.

Publications

Research findings by Plant Sciences and Biodiversity staff culminated in publication of 47 papers, book chapters, and theses, 26 of which were published in ISI-listed journals, and included papers on chloroplast genome analysis of Australian eucalypts, fossil evidence of palaeoclimates, taxonomic treatments of orchids, green algae, fungi and daisies, description of weedy alien species new to Australia, conservation genetics of *Phragmites*, and phylogenetic and biogeographic studies of major plant groups such as wattles, Rutaceae (citrus family), *Astelia*, boabs and saltbushes.

In 2013–14, 14 peer-reviewed research papers by ARCUE staff and students resulted, of which 13 were published in ISI- or SCOPUS-listed journals. There were also seven non-peer-reviewed publications. The *Handbook of Road Ecology* was accepted by Wiley Publishers (to be published in late 2014); Dr Rodney van der Ree authored 18 chapters and was the lead editor of this 60-chapter book with 100 authors from 25 countries.

Two book chapters were published. In *The Cambridge History of Australia. Vol. 1. Indigenous and Colonial Australia*, J. Gascoigne and Royal Botanic Gardens Honorary Associate Sara Maroske wrote on 'Colonial science and technology'. Royal Botanic Gardens Mycologist Gregory Bonito and his co-authors, T. Payen and C. Murat published a review chapter, 'Truffle phylogenomics', in Volume 70 of the *Advances in Botanical Research series, Genomics of plant-related fungi*.

Urban ecology

ARCUE staff and students participated in eleven working groups and workshops within Australia and internationally to further the conservation of biodiversity and ecosystems. This included running workshops on Australian Native Grasslands, road ecology (co-organised with the Washington State Department of Transportation and the Swedish Road Administration), and microbats in Melbourne (with Earthwatch and industry partners).

Research projects included the effects of roads on the Green and Golden Bell Frog, Squirrel Gliders and Leadbeater's Possum; management of urban wetlands and microbats (current PhD research); management of Grey-headed Flying Foxes in Victoria and NSW; a local area management plan for Squirrel Gliders (NSW); and development of best-practice techniques for the management and restoration of native grasslands.

Development of new research partnerships included collaborations with Albury Botanic Gardens, Albury Conservation Company, City of Boroondara and the Department of Defence.

In line with the ARCUE Strategic Plan 2012–16, ARCUE benefited from five major commercial projects and commenced discussions on at least five more. Of the five projects undertaken, two came under the Strategic Program for delivering 'Anthropogenic effects on biodiversity and ecosystem services', one under the program 'The structure and function of socio-ecological systems in cities and towns' and two under the program to 'Develop best practice ecological design and management practices'.

Horticultural research

RBG Melbourne continued to lead the way in water management research for large landscapes with long-term collaborators Monash University, Sentek Pty Ltd and The University of Melbourne.

During 2013–14, a PhD student from the Water Studies Centre at Monash University evaluated the efficiency of floating treatment wetlands in reducing the concentration of excess nutrients in the RBG Melbourne lake system during plant growing seasons. The preliminary results indicate the wetland systems are working effectively, and the long-term study will be continuing in 2014–15.

CONFERENCES AND FORUMS

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

Plant Sciences and Biodiversity and ARCUE staff presented their research findings at national and international conferences and meetings during 2013–14 including Monocots V: 5th International conference on the Comparative Biology of Monocotyledons (USA); Systematics Without Borders (Australasian Systematic Botany Society) conference (Sydney); 5th Global Botanic Garden Congress (New Zealand); 3rd International Congress on Fungal Conservation (Turkey); Flora Malesiana (Indonesia); Atlas of Living Australia Symposium (Canberra); the Evolution 2014 (USA) conference; 17th European Congress of Herpetology (Hungary); 11th International Association for Ecology (INTECOL) Congress (UK); 5th International Congress of the Society for Ecological Restorations (USA); 5th joint conference of the Ecological Society of Australia and the New Zealand Ecological Society (New Zealand); and PIARC's (World Road Association) international seminar on Road Sustainability and Green Technology (Bali).

ARCUE has taken a lead role in establishment of the Australasian Network for Ecology and Transportation (ANET), which has a membership of over 350 people from more than 25 countries.

ARCUE staff arranged the visit of Professor Thomas Elmqvist from the Stockholm Resilience Centre, Sweden and co-organised with the City of Melbourne a large public meeting to launch the book *Urbanization, Biodiversity and Ecosystem Services: Opportunities and Challenges* (T. Elmqvist, lead Editor). The evening involved a public lecture by Professor Elmqvist (hosted by Virginia Trioli), and Associate Professor Mark McDonnell participated in a panel that received questions from the audience of over 500 people.

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 and Biodiversity staff contributed to the work of recovery teams and working groups for the following species: the Helmeted Honeyeater, *Borya mirabilis*, *Pimelea spinescens*, *Grevillea infecunda*, *Diuris frangrantissima*, and other species in the Threatened Orchid Recovery Project.

Victorian Conservation Seedbank

The Victorian Conservation Seedbank continued to build on the store of seed from rare or threatened species or from species found only in Victoria (endemics) and lodged for long-term storage at RBG Melbourne and the Royal Botanic Gardens, Kew's Millennium Seed Bank Project (MSBP) at Wakehurst Place in the United Kingdom. Collections were made from 90 new populations, including seed of 78 taxa new to the Victorian Conservation Seedbank. A shipment of duplicate seeds is being prepared to be sent to Wakehurst Place. Of these, a total of 34 species are new to the Millennium Seed Bank. Funding is currently being sought to secure the ongoing operation of the Victorian Conservation Seedbank, which was established in 2005 under a three-way partnership with the MSBP and the then Department of Sustainability and Environment (now DEPI).

Australian Garden research plots

A research project into Australian alpine *Brachyscome* species continued in the Research Garden at the Australian Garden. The project is exploring the potential adaptability of the species to climate change in varying environmental conditions. A project involving stress-testing of a range of alpine plant families continues to be conducted by a Research Fellow from The University of Melbourne, Burnley, and is expected to be completed in 2014–15.

HERBARIUM COLLECTIONS

Collections development

The Royal Botanic Gardens remains committed to developing the collections and curating and databasing the 1.4 million existing plant, algae and fungi specimens held at the National Herbarium of Victoria (MEL). Development opportunities in 2013–14 included continuing involvement with the national Bush Blitz program, which provides opportunities for plant scientists to participate in national collecting trips. A trip to Namadgi National Park, Canberra, collected 112 specimens. A Plant Sciences and Biodiversity Divisional fieldtrip in the Kerang area, contributed 624 specimens to the Herbarium collection.

The importance of curating and databasing the remaining 300,000 (Est.) foreign specimens has been acknowledged through funding secured from the Royal Botanic Gardens Foundation for a three-year project to database these specimens. The project began in April 2014.

Ongoing discovery of significant specimens amongst the foreign-collected specimens continues, for example a visiting botanist aware that MEL held Franz Wilhelm Sieber collections (currently c. 1,800 specimens collected in Australia and overseas are known to be in the collection) located a number of moss Type specimens and material of an *Erica pyramidalis* collected in 1824 from South Africa, which is now extinct.

Collections access

During 2013–14: 46 visiting researchers accessed the herbarium specimen collection and spent 124 days working in the collections. 18,457 specimens were processed as part of the loans and exchange program and material was sent on loan to 22 institutions, 10 of which were international scientific institutions.

Loan material was also sent to the National Museum of Australia for their 'Landmarks: People and Places Across Australia' gallery. Twelve herbarium specimens (all 19th century Australian collections) were featured in the Landmarks exhibition gallery and included specimens collected by Hermann Beckler during the Victorian Exploring Expedition led by Burke and Wills, collections made by William Landsborough at Bowen Downs, and collections made by Julian Tenison-Woods at Robe.

Global Plants Initiative

Work continued at the National Herbarium of Victoria to create digital images of Australian vascular Type specimens to be added to JSTOR, a world-wide scientific database (plants.jstor.org), as part of the Global Plants Initiative. In its third year, 3,174 Australian vascular Type specimens were imaged, and a total of 2,821 images and their associated metadata were delivered to JSTOR. This represents 80 per cent of the milestone targets specified by the Council of Heads of Australasian Herbaria and brings the total number of Type images from MEL on JSTOR to 15,856.

LOOKING AHEAD

VicFlora - Following the Plant Census being made available online, the first species descriptions will be made available in the online *Flora of Victoria*, VicFlora, by December 2014.

OVERVIEW OF SPECIFIC OUTCOMES AND PERFORMANCE MEASURES

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

<i>Specific Outcomes</i>		<i>Progress against deliverables and measures</i>
1	Develop research capacity with staff and students from Monash University to maximise urban wetlands research with a focus on water treatment capacity of RBG Melbourne's lakes system.	~ One PhD candidate (Monash University) commenced a study exploring the effectiveness of the Floating Treatment Wetlands.
2	Publish research papers on plant systematics and conservation.	~ 39 peer-reviewed papers published in either SCOPUS-listed or ISI-listed journals.

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>
3	Seek funding and continue the development of VicFlora.	~ Funding submission to the Royal Botanic Gardens Foundation successful, to support preparation of 1,000 new species descriptions and the purchase of a high resolution scanner.
4	Contribute to the implementation of State, Territory, and Federal Government management plans and projects to further conservation of plants and ecosystems.	~ Plant Sciences staff contributed to the work of recovery teams and working groups and collected seed of grassland plant species to be used in habitat restoration in the newly declared Western Grasslands Reserve.

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>
5	Deliver digital images and specimen metadata from Herbarium collections to JSTOR.	~ Images of and associated data for Australian Type specimens were delivered to JSTOR.

STRATEGIC GOAL 2

Engaging our diverse community

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



The Royal Botanic Gardens is one of Victoria'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.

The total budget allocated to achieving Strategic Goal 2 in 2013–14 was \$5.3 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

Above: An artwork by Euphemia Henderson (1822–1908) titled *No. 4*. The artwork is part of the State Botanical Collection housed in the National Herbarium of Victoria and is featured in the *Euphemia Collection*, a product range developed for The Gardens Shop in 2013–14.

AT A GLANCE

Visitation to the Australian Garden continued to rise, with a 9.6 per cent increase in visitation compared to 2012–13, and an impressive 170,096 visitors in 2013–14.

~

A new licencing agreement with Punt Tours Melbourne now allows visitors to take a traditional punt tour on Ornamental Lake at RBG Melbourne. Operating since 24 December 2013, the punts have taken more than 3,500 guests on guided tours.

~

The 150th anniversary of the Melbourne Observatory was celebrated with an afternoon of fun family activities, including an historical re-enactment, free guided tours with the Astronomical Society of Victoria, seminars, music and roving entertainers.

~

In July 2013 two staff members participated in Education Week in Timor Leste. During this week the Carbon Futures program was taught to both teachers and students in the Buguia Sub-District.

~

The Royal Botanic Gardens welcomed more than 38,000 students to on-site programs at both Gardens compared with 28,000 students in 2012–13, an increase of 35.5 per cent.

~

The Gardens Shop released three new product ranges as part of the Euphemia Collection to raise awareness of this unique artwork housed in the State Botanical Collection and generate revenue to support the work of the Gardens.

~

The Gardens took a lead role in promoting the benefits of free and unstructured time in nature for children by hosting a range of activities for Nature Play Week at both RBG Melbourne and RBG Cranbourne.

~

YEAR IN REVIEW

VISITOR PROGRAMS

Year-round visitor and school holiday programs at both sites attracted 13,883 participants. These were complemented by featured public events including the Melbourne Observatory's 150th Anniversary Celebrations, NAIDOC week celebrations and Open House Melbourne at RBG Melbourne, and the Family Fun Day, Bush Tucker Weekend, NAIDOC celebration and Regional World's Longest Lunch at RBG Cranbourne. More than 18,850 visitors enjoyed the new Garden Explorer, including driver commentary, at RBG Cranbourne.

A suite of new programs and activities was delivered at RBG Melbourne during the year, with speciality walks including two successful programs about trees: *Backyard Beauties* and *Trees – Great and Grand*. At RBG Cranbourne a new series of gardening workshops proved popular, with topics such as: *Dream it, design it, do it; Coastal Gardening; and Growing an Australian sensory garden*.

Events

In addition to new seasonal programs, a number of special events were held to attract new audiences to the Gardens.

Regional World's Longest Lunch - Cranbourne

For the first time at Cranbourne, the Gardens partnered with Blakes Feast to host a Regional World's Longest Lunch as part of the Melbourne Food and Wine Festival. Set in the stunning surrounds of the Australian Garden, more than 60 guests enjoyed a three-course lunch, overlooking the Ian Potter Lake and listening to the local birdlife in the shade of the fig trees.

Melbourne Observatory 150th anniversary

In partnership with the Astronomical Society of Victoria, RBG Melbourne celebrated the 150th anniversary of the Melbourne Observatory on 23 and 24 November with a weekend of activities including the unveiling of a plaque to commemorate the occasion by the Governor of Victoria, the Honourable Alex Chernov AC QC. The Governor was joined by figures from 1863, the then Governor Sir Henry Barkly and Government Astronomer Robert Ellery, as part of an historic re-enactment that captured the spirit of Melbourne in the 1860s.

Indigenous programs

In 2013–14 the Royal Botanic Gardens hosted a number of programs and events to allow visitors to explore Aboriginal history, culture and traditions.

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

The popular Aboriginal Heritage Walk at RBG Melbourne attracted more than 4,850 visitors.

On 31 May, RBG Melbourne was proud to be included in the route for the Long Walk as part of its 10th Anniversary celebrations. Participants were welcomed to the Gardens with a traditional smoking ceremony and walked through Long Island, which features Indigenous plants from five plant communities found locally in the lower Yarra region.

At RBG Cranbourne, public programs staff worked with local communities, the City of Casey and the Department of Education and Early Childhood Development to design the Koorie Kids Bush Playgroup. The playgroup will focus on self-directed play in nature punctuated with activities and storytelling and involve children, families, elders and carers in the sharing of play, traditional stories, art, music and dance. It is anticipated that the group will commence in July 2014.

In July the Australian Garden at RBG Cranbourne provided a stunning setting for NAIDOC week celebrations where Gardens staff worked with a range of community support and local government groups to provide visitor activities focussed on the connection between Indigenous culture and Australian plants. The strengthening of relationships as a result of the success of this inaugural RBG Cranbourne celebration augers well for future NAIDOC week activities.

NATURE PLAY AND LEARNING

The Royal Botanic Gardens is committed to supporting schools, teachers, students and the broader school community with pedagogical developments in place-based learning.

Increasingly, research is telling us that children are spending less time in the natural world – green time is rapidly being replaced with 'safe' screen time indoors. This is shown to have negative impacts on childhood well-being and learning outcomes. Self-directed play in the great outdoors, in back yards and gardens develops curiosity, builds skills in assessing risk and supports childhood development. Nature play and learning are important strategies for developing plant and environmental literacy in early childhood. The RBG is leading development in pedagogy around nature play and learning and forging key State and National partnerships in this emerging field.

Schools Partnership Programs

At RBG Melbourne, a partnership program with St Louis de Montfort's Primary School (St Louis) took place throughout second semester 2013. The partnership program involved working with 22 Grade 5 students and their Sustainability Teacher, and included: a mentoring program for the students; a student-led workshop at the Melbourne Water Kids Teaching Kids Conference held at Etihad Stadium; and a Student Sustainability Day leadership forum hosted at the school by the students participating in the program.

At RBG Melbourne, during fourth term 2013, a school partnership program with St Joseph's Primary School, Collingwood was established. This school has a profile of 16 different languages and no green space. Students from grades 3 to 6 visited once a week, working in the Kitchen Garden with Royal Botanic Gardens education staff and The Ian Potter Foundation Children's Garden Volunteers. The school is now looking to install a playground and garden.

Early Childhood

At RBG Cranbourne program development focused on early childhood through the Victorian Early Years Learning and Development Framework and the Department of Education and Early Childhood Development Aboriginal Strategies including *Balart Boorron: the Victorian Plan for Aboriginal Children and Young People* and *Dardee Booria: the Victorian Charter of Safety and Wellbeing for Aboriginal Children and Young People*. This supported work in the development of the Ballee Koolin Bupup Bush Playgroup and work with the Early Childhood Outdoor Learning Network.

In April 2014, Nature Play Week was launched in partnership with the Kids in Nature Network. Nature Play Week promotes self-directed play in nature. Children's author Graeme Base attended the launch and a program of events and workshops for parents and children was held, including two free screenings of the film *Project Wildthing*. In conjunction with Nature Play Week, the brochure '50 things to do' was launched and has proven extremely popular.

New programs

Landscapes for Learning

Landscapes for Learning is a program adapted for a range of learning levels from Early Childhood through to Tertiary students of landscape design, education and early childhood studies. Younger participants discover cubby building, self-directed play with natural materials, the sensory world of plants, real work in the garden, plant selection and how these can be incorporated into their own kindergarten or childcare centre. Secondary and Tertiary level students explore topics such as the development and application of a learning philosophy (pedagogy), plant selection, creation of space or rooms, the role of literature, children and the real work of a garden, links to standards set by the Victorian Curriculum Assessment Authority, discussion on the risk, challenges and perceived dangers of outdoor play, forging community partnerships and developing sustainable practices.

Raindance

Raindance (piloted in September 2013) is an engaging and interactive program designed for Early Childhood. The Education Services staff developed a detailed multi-grade teacher resource kit on water and the water cycle in Australia. The program experiences include a plant discovery walk, water play, rhythm and dance inspired by the water cycle.

Bush Kinder

Bush or Garden Kinder encourages kindergartens to conduct regular sessions in the bushland at RBG Cranbourne or the outdoors at RBG Melbourne. This important new development in early childhood education is strongly grounded in the Victorian Early Years Learning and Development Framework and is a rapidly growing and exciting initiative.

Carbon Futures

The Carbon Futures program, developed in partnership with WithOneSeed, started at RBG Cranbourne in 2013. This program has now expanded to run at RBG Melbourne, and explores some of the social justice issues raised by climate change and the opportunities we can all take to make the world a more resilient place. Students measure the carbon storage capacity of different tree species and determine the carbon footprint of their own technology usage. This program highlights the complexity of issues around global change and the role of plants in sustaining life on Earth.

Professional Development

Teacher Professional Development programs were delivered at both sites and 507 participants took part in programs on nature play, sustainable gardening and food gardens during the year.

The Education Services team joined with Cultivating Communities to deliver a full-day tour of school and preschool gardens to see successful examples of whole-school composting, the incorporation of chickens, garden design and creating a variety of outdoor classroom and gathering places.

In addition, the Education Services team joined with the Victorian Child and Nature Connection network in October 2013 to host one of Canada's leading thinkers on childhood, Michael Ungar, to present Children and nature: why they need each other, and to discuss current thinking around developing resilience and the connection to nature. The seminar was held in Mueller Hall at RBG Melbourne and was attended by more than 90 people.

In December 2013, 200 teachers and administration staff from Trinity Grammar School participated in a full-day Professional Development session at RBG Melbourne. The Education Services team organised a great day of presentations from senior Gardens' staff and a range of fun and thought-provoking outdoor tours and activities based around the theme of 'Sustainability Education'.

COMMUNITY ENGAGEMENT AND ACCESS

The Royal Botanic Gardens supported a number of groups throughout the year by providing access to venues and program assistance.

At RBG Melbourne these groups included the Annual School Garden Awards and the Victoria in Bloom Awards. At RBG Cranbourne work continued with the Community in Participation Group which brings together peak providers of access services in the City of Casey. As a result of this engagement, RBG Cranbourne developed a partnership with the Casey Race YMCA to deliver an All Abilities Walk in the Australian Garden throughout the year. In April 2014, RBG Cranbourne played host to Nebula, a multi-purpose portable studio created by Arts Access Victoria (AAV).

Access Action Plan 2011–2015

The Royal Botanic Gardens is committed to providing equal access for all. During the year, additional ramps were installed to provide wheelchair access to Oak Lawn and the Magnolia Bed. In spring 2013, a new exposed aggregate path was installed on the south side of Guilfoyle's Volcano providing improved access to the collection for visitors with limited mobility. Work continued on planning for improvements to signage and training for staff, which will be completed in 2014–15.

Botanic Gardens Australia and New Zealand Inc. (BGANZ)

The Royal Botanic Gardens continues to support the work of BGANZ, with representation on the BGANZ National Council, BGANZ Victoria Executive Committee and on special project groups such as the Botanic Gardens Education Network (BGEN) and the BGANZ Records Officer Network (BRON).

Staff presented the BGANZ Plant Collections Management Toolkit at the Planning Living Collections Workshop (BGANZ NSW) in April 2014.

In October 2013, Royal Botanic Gardens staff attended the BGANZ 6th and Botanic Gardens Conservation International 5th Joint Congress in Dunedin, New Zealand. This congress was a great opportunity for staff from around the globe to share ideas and best practice for botanic gardens.

Strengthening the Royal Botanic Gardens brand

Between July and October 2013, the Executive Team worked together with staff to develop a new Vision and Mission for the organisation, which will be launched in late 2014. To support the Vision and Mission, the Royal Botanic Gardens also developed a new set of Values. More than 80 staff members actively participated in peer-led workshops to decide on the organisation's four new values: creative, brave, open and remarkable. The new Vision, Mission and Values have been incorporated into a new five-year Corporate Plan, which will commence from 1 July 2014. A new visual design system reflecting the organisation's new Vision is currently being developed for the Royal Botanic Gardens Board Victoria, for public release by December 2014.

Promoting the Australian Garden

During the year, the Royal Botanic Gardens created an inspirational show garden called Essence of Australia to feature at the Royal Horticultural Society Hampton Court Palace Flower Show in London in July 2014. The purpose of the show garden was to inspire inbound tourists from UK and Europe to visit the Australian Garden and show people just how beautiful and diverse Australian flora can be. The show garden was a joint venture between the Royal Botanic Gardens Board Victoria, Tourism Victoria, Tourism Northern Territory, Qantas and leading UK tour operator Trailfinders. The Essence of Australia was awarded a Gold Medal and named Best in Show – the highest accolade possible.

The Gardens Shop

The Gardens Shop retail outlets at both sites offer visitors a unique botanical shopping experience, complementing visitor programs, and are an important source of income for the Royal Botanic Gardens. In 2013–14, new products were added to existing licensed products. The Gardens Shop released three new product ranges as part of the Euphemia Collection: a luxurious sleepwear, bedding and wallpaper collection with Australian homewares company Lazybones; notepads and pocket mirrors with Customworks; and specially produced coasters, table lamps and art spots with Culture Box. The designs were inspired by the artwork of Euphemia Henderson (1822–1908) held in the State Botanical Collection.

LOOKING AHEAD

Garden Explorer - At RBG Melbourne plans are being developed to introduce a Garden Explorer people mover to make it easier for visitors with limited mobility or time constraints to see more of the Gardens. Included in the ticket price will be a guided tour highlighting the key points of interest and the conservation work of the Gardens.

National Science Week – With financial support from the Australian Government, both RBG Cranbourne and RBG Melbourne are hosting behind-the-scenes tours during National Science Week in August 2014. Topics include bushland biodiversity, Rare and Threatened species, the Australian iconic tree – the Eucalypt, and a chance to discover the secrets of the National Herbarium, Victoria's oldest scientific institution.

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>
6	Develop and deliver a special interest walk promoting our significant tree collection to educate our visitors.	~ Two special interest walks were developed during 2013–14, with visitors being offered two specialist programs about trees: <i>Backyard Beauties: Trees for the home garden</i> and <i>Trees: Great and Grand</i> in autumn.

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>
7	Strengthen the RBG brand.	~ The RBG brand was strengthened through development of a new Vision, Mission and set of Values for the organisation, which will apply from 2014–15 and planning commenced for a new visual identity system to be implemented during 2014–15.
8	Support BGANZ through active membership of BGANZ Council and BGANZ Victoria Executive.	~ During 2013–14 the Royal Botanic Gardens hosted a BGANZ forum and staff from the Gardens were actively involved with BGANZ through roles on the BGANZ Executive Council and the national BGANZ special interest group BGEN (Botanic Gardens Education Network).
9	Celebrate the 150th anniversary of the Melbourne Observatory, partnering with the Astronomical Society of Victoria (ASV).	~ During November 2013, RBG Melbourne worked with the ASV to present the 150th Anniversary Celebrations that were attended by approximately 1,000 visitors.
10	Support relocation of the Friends of RBG Cranbourne as part of the Depot Upgrade Project.	~ In June 2014, the Friends of the Royal Botanic Gardens Cranbourne Inc. were successfully relocated to their new home, the 'Elliot Centre', in the RBG Cranbourne Depot.

STRATEGIC GOAL 3

Delivering sustainable management

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



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

The total budget allocated to achieving Strategic Goal 3 in 2013–14 was more than \$11 million, which included funding for the core activities of the Royal Botanic Gardens that are related to this Goal.

Above: An artwork by Euphemia Henderson (1822–1908) titled *No. 13*. The artwork is part of the State Botanical Collection housed in the National Herbarium of Victoria and is featured in the *Euphemia Collection*, a product range developed for The Gardens Shop in 2013–14.

AT A GLANCE

Designs for improved facilities, expanded activity areas, interactive sculptures and garden features were completed for The Ian Potter Foundation Children's Garden to provide more space for educational activities and engage children in independent imaginative play.

~

The Australian Garden at RBG Cranbourne received international recognition when it was named 'Landscape of the Year' at the Prestigious World Architecture Festival in October 2013.

~

Staff at RBG Cranbourne relocated to new energy-efficient, purpose-built accommodation with the completion of the Depot Upgrade Project, the final part of the Australian Garden Project.

~

Plans were completed to redevelop Fern Gully, including installation of a new steel board walk and five new timber bridges that will dramatically improve the visitor experience through the area.

~

The Magnolia Bed at RBG Melbourne was rejuvenated, with the addition of new grass pathways and more than 500 new foliage plants and emerging sub-tropical vegetation to create a link to surrounding garden beds.

~

The draft Landscape Succession Plan for Melbourne Gardens was completed, setting a clear transition plan to adapt RBG Melbourne's heritage landscape to the changing climate.

~

More than 6,500 daffodil bulbs were planted on Oak Lawn at RBG Melbourne during April 2014, increasing the daffodil collection to more than 12,500.

~

More than 1,000 guests attended the Gardens' first fashion fundraising event, The Royal Botanic Runway, which used the boardwalk around Guilfoyle's Volcano as an outdoor runway and raised funds for the Integrated Water Management Project.

~

YEAR IN REVIEW

LANDSCAPE MANAGEMENT AND DEVELOPMENT

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

Living collections management

Collection Management and Action Plans set out the guiding principles and annual management of the living collections. At RBG Melbourne, 31 Collection Action Plans were developed and reviewed, informing the annual work program for each of the collections. At RBG Cranbourne the guiding principles for managing the Australian Garden collections were developed through undertaking Precinct Curatorial Management Plans - to date 12 have been completed.

Biosecurity management

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

The Royal Botanic Gardens continued to monitor host species for Myrtle Rust, an exotic plant disease with no known cure affecting plants of the Myrtaceae family, and treating all incoming plant material.

Landscape developments

Magnolia Bed

At RBG Melbourne work was completed on an extensive renovation of the Magnolia Bed, with a variety of new plants for visitors to enjoy. New grass pathways were installed increasing access for visitors to the centre of the Magnolia Bed and allowing close contact with a range of foliage plants and emerging sub-tropical vegetation which link to surrounding garden beds.

Children's Garden rejuvenation

Designs for improved facilities, expanded activity areas, interactive sculptures and garden features were completed for The Ian Potter Foundation Children's Garden at RBG Melbourne. An art installation and a gathering lawn development with seating will add to the amenity of this popular garden, which attracted 199,508 visitors in 2013-14 and has attracted more than 1.6 million visitors since opening in 2006. The \$265,000 project is being funded by The Ian Potter Foundation.

Fern Gully precinct

Significant progress was made on planning for the Fern Gully precinct with designs completed and contractors engaged to commence work on the installation of a new steel board walk and five new timber bridges.

Strategic Tree plan

The strategic tree management program continued at both sites, with risk assessments undertaken. Succession planning continued at RBG Melbourne, with prioritised removal of 45 trees and replacement plantings in order to establish a mixed-age canopy.

RBG Cranbourne depot upgrade

The Depot Upgrade project, part of the Australian Garden Project, was completed in October 2013 with staff at Cranbourne moving into the purpose-built building. The new energy-efficient building was designed with various sustainable principles in mind, such as building orientation, rainwater harvesting for re-use in toilets, double glazing with thermally broken frames, recycled rubber flooring, cross-flow ventilation and energy-efficient HVAC and light fittings.

Landscape Succession Plan

Planning for the long-term management of RBG Melbourne's heritage landscape and living collections in the face of predicted hotter and drier temperatures caused by climate change was also undertaken. A draft Landscape Succession Plan was completed, which aims to manage the transition of the existing planting at RBG Melbourne to a composition more suited to the projected climate of 2070, while still retaining the Gardens' heritage character and landscape qualities. The final plan is scheduled for release in spring 2014.

SUSTAINABLE RESOURCE MANAGEMENT

Environmental sustainability underscores the Royal Botanic Gardens' operations. To this end, the Royal Botanic Gardens has in place a number of policies, including the Environmental Stewardship Policy and the Living Collections and Biosecurity Policy, and applies ecologically sustainable development principles in the planning and development of major infrastructure projects. 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.

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

Water and irrigation

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

The Royal Botanic Gardens remains committed to reducing its use of mains water. RBG Melbourne has achieved significant benefits from the Working Wetlands including a 41 per cent decrease in use of potable water for irrigation, saving \$143,000 in potable water costs. The Working Wetlands project has also resulted in improved water quality in the lake system, with a reduction in nutrient levels and outbreaks of blue-green algae at their lowest level in years.

While water use targets have been in place at RBG Melbourne for over ten years, there was a 16.5 per cent increase in domestic water use at RBG Melbourne, with consumption at 18,016 kilolitres compared to 15,464 kilolitres in 2012–13. Some of the increased domestic water use, but not all of it, can be attributed to substantial losses from pipe bursts and leakage due to aging pipework. Water use for irrigation was 114,371 kilolitres, a decrease in 2013–14 compared to 2012–13 (126,233 kilolitres) due to outstanding integrated water management.

Annual water use was 84 litres per visitor, exceeding the target of less than 90 litres per visitor. The irrigation index was calculated to be 1.13 or 13 per cent over expected requirements. Overall, this showed a high level of irrigation management efficiency.

Water consumption at RBG Cranbourne was recorded at 30,271 kilolitres, representing a 26 per cent decrease in water consumption from 2012–13. With the opening of Australian Garden Stage 2 in 2012–13, high levels of irrigation were required for the initial establishment of vegetation. This year has seen a reduction of 80,000 kilolitres in the use of irrigation water and a small reduction in the consumption of potable water due to a modest decrease in visitor numbers. Annual water use was 145 litres per visitor.

Waste management

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

At RBG Cranbourne, almost 48 tonnes of green waste and 3.8 tonnes of co-mingled waste, paper and cardboard were recycled. Approximately 600 kilograms of organic waste from the staff lunchroom was processed and converted to compost.

At RBG Melbourne, 43 tonnes of co-mingled waste and four tonnes of cardboard and paper were recycled, and 1,400 cubic metres of green waste were processed. A further 302 tonnes (of public and gardens waste) went to landfill.

Energy management

Data on energy use at both sites was formally recorded for the first time, with RBG Cranbourne using 329,566 kilowatt hours for the whole site, and RBG Melbourne recording usage of 740,694 kilowatt hours, of which 5,158 kilowatt hours is green power.

In late June 2013 photovoltaic cells were installed in three locations (seven buildings) at RBG Melbourne. The solar power generated from these cells during 2013–14 resulted in a 65 per cent offset of grid electricity use by irrigation and wetland infrastructure.

INFRASTRUCTURE AND ASSET MANAGEMENT

The Royal Botanic Gardens maintains and improves its assets for current and future generations. Building and infrastructure assets recorded on the Asset Register were valued at an estimated \$77.4 million, and include historically significant buildings at RBG Melbourne as well as elements of the Australian Garden at RBG Cranbourne.

A Maintenance Management System continued to operate at RBG Cranbourne to track assets, maintain schedules and manage active work orders. At RBG Melbourne a system is also in place to manage work requests, schedule and track maintenance work.

DEVELOPMENT

The Royal Botanic Gardens continued to focus on its own fundraising and revenue generation to supplement Victorian Government support, providing a sustainable capital base to maintain and improve its assets, and to deliver a wide range of programs and projects. An active fundraising program in 2013–14 incorporated direct mail campaigns (for individual donations), and targeted fundraising for specific projects, including submissions to philanthropic trusts and foundations.

Efforts were directed to identifying and securing funding partnerships for the delivery of public programs and the nursery redevelopment at RBG Cranbourne, the redevelopment of Fern Gully at RBG Melbourne, and the expansion of The Ian Potter Foundation Children's Garden to mark its ten year anniversary. Funding proposals were submitted to Bjarne K Dahl Trust, the Stuart Leslie Foundation, a number of individuals, the Friends of the Royal Botanic Gardens, Melbourne Inc., the Royal Botanic Gardens Foundation and The Ian Potter Foundation. All proposals were successful with \$873,000 in funding committed, which will see the projects realised throughout 2014–15.

The Royal Botanic Runway

Fundraising for the Integrated Water Management Project was given a boost in January 2014 by The Royal Botanic Runway. Attracting more than 1,000 people to RBG Melbourne and generating more than \$360,000 in gross revenue, the event featured 60 international models presenting designs from four world-renowned Australian fashion designers: Akira Isogawa, Aurelio Costarella, Collette Dinnigan and Martin Grant. Co-founders of The Royal Botanic Runway, David Shelmerdine and Geraldine Frater-Wyeth, were inspired to organise this fundraising event to raise funds for the Integrated Water Management Project which aims to reduce the Gardens' reliance on potable water for irrigation by 2018.

LOOKING AHEAD

Fire Protection Upgrade - During 2014–15 an extensive upgrade to the Fire Protection System at RBG Melbourne will commence. The works, funded by the Department of Environment and Primary Industries, include upgrades to underground pipes to improve access to water supplies near historic Gardens House and heritage-listed Plant Craft Cottage and upgrades to existing fire hydrants and connections around the Herbarium building.

Rebuilding - Three structures at RBG Melbourne damaged by fire in May 2014 (the Tropical toilet block, Lake View Rest House and the William Tell Rest House) will be rebuilt during 2014–15. The fires were the result of a suspected arson attack which was investigated by Victoria Police.

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>
11	Develop a rejuvenation program for The Ian Potter Foundation Children's Garden in preparation for its 10th year anniversary.	~ A thorough program was developed and costed, and funding secured. A Project Manager has been appointed, with works expected to commence in July 2014.
12	Complete two landscape development projects from the Melbourne Gardens Landscape Development Priority list.	~ The Magnolia Bed landscape development project was completed and areas of Guilfoyle's Volcano were significantly improved in advance of The Royal Botanic Runway in January 2014.
13	Secure funding and progress curation and databasing of the State Botanical Collection's foreign collection.	~ Funding was secured from the Royal Botanic Gardens Foundation and a total of 3,174 Australian vascular Type specimens were processed from the State Botanical Collection.
14	Investigate storage options to accommodate the expanded State Botanical art collection to mitigate the risk of damage	~ A number of solutions have been identified to protect the expanded collection.

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>
15	Implement year two of the Strategic Water Plan 2012–2016.	~ Year two of the Strategic Water Plan 2012–2016 was delivered at RBG Melbourne and RBG Cranbourne.
16	Complete RBG Cranbourne Depot Upgrade Project	~ The main building was completed and staff relocated to the new building in October 2013.
17	Implement year one of the 2013–2033 Landscape Succession and Climate Change Adaptation Plan for Melbourne Gardens.	~ The draft Landscape Succession and Climate Change Adaptation Plan was completed.

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>
18	Implement the Domestic Water Mains and Fire Hydrant System Upgrade Strategy 2012–2022.	~ Funding was received from the Department of Environment and Primary Industries to commence the first stage of the project in mid-July 2014.
19	Develop and implement a new Enterprise Agreement.	~ EA negotiations commenced in October 2013 and continues as at 30 June 2014.
20	Explore the administrative, scientific and financial challenges and opportunities in creating a new position: Manager of Commercial Projects.	~ ARCUE has developed a position called Manager, Commercial Ecological Projects, to be advertised in July 2014, with an appointment of the successful candidate shortly after. The incumbent will enhance the commercial capacity of ARCUE, as well as undertake their own ecological research.
21	Develop a research position that is half-funded by each of ARCUE and The University of Melbourne to enable eligibility for Australian Research Council grants and provide other advantages from closer links with the University.	~ ARCUE has explored the opportunities and constraints of a joint ARCUE and the University of Melbourne position to improve collaborative links and provide eligibility for Australian Research Council grants.
22	Implement priorities from the 2013–14 OHS Action Plan.	~ Structural elements of the Hazard Source and Location Register have been determined. An OHS management group has been established to continue the implementation of the OHS Action Plan.

Our Supporters



Garden Ambassador Laurie Stephens and Nursery volunteer Marcelle Ostermeyer at RBG Cranbourne.

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 2013–14.

The financial support received by the Royal Botanic Gardens plays an important role in helping the organisation achieve its strategic priorities. Ongoing support from our committed donors has been particularly critical for the significant gardens development, water sustainability and scientific projects that have been in progress during 2013–14.

Donations received during the year funded projects including The Ian Potter Foundation Children's Garden expansion, Fern Gully restoration, the Victorian Conservation Seed Bank and various smaller scientific, horticultural and educational projects.

Further to this, organisations that provided research grants are acknowledged on page 43 of this report.

This list records contributions of \$1,000 and over in the 2013–14 financial year, excluding those made through the Director's Circle program (see page 42).

Anonymous (6)

Alcoa World Alumina Australia Victorian Operations

Australian Plant Society Victoria Inc.

Mrs Christine Barro and Mr Peter Barro

Mrs Meg Bentley

Bjarne K Dahl Trust

Mr Buzz Borsitzky and Mrs Wendy Borsitzky

Bosisto's Eucalyptus

Mrs Tania Brougham

Ms Sally Browne

Mrs Dominique Burgoine and Mr Justin Burgoine

Ms Patricia Burke

Cactus & Succulent Society of Australia Inc

Ms Elaine Canty and Mr Roy Masters AM

Mr Ian Carson and Mrs Simone Carson

Charles and Cornelia Goode Foundation

City of Casey

Department of Environment, Australian Government

Mr William Crothers

CSL Limited

Mr Graham Cunningham and Mrs Ann Cunningham

Cybec Foundation

Department of Education and Early Childhood Development

Mrs Andy Dinan

Eco Star Double Glazing

Ms Dionnie Fahour

Friends of Royal Botanic Gardens Cranbourne Inc

Friends of Royal Botanic Gardens Melbourne Inc

Friends of Royal Botanic Gardens Melbourne Trust Fund

Mr John Godfrey and Mrs Wilma Godfrey

The Hon. David Habersberger QC and Mrs Pam Habersberger

Mr Brian Hamersfeld and Mrs Natalie Hamersfeld

Mr Ken Harrison and Mrs Jill Harrison

Mrs Gillian Hund and Mr Michael Hund

The Ian Potter Foundation

Ms Toni Joel

Mr Peter Jopling AM QC

Mr Michael Kantor and Ms Silvia Kantor

Mrs Tanya Lewis

Mrs Sally Lindsay

Mr Brian Little

Mr Brett Martin

Maud Gibson Trust

Mr Peter McGrath and Mrs Avril McGrath

Ms Fiona Meller

Mrs Naomi Milgrom AO

Minsmere PTY LTD

Dr Philip Moors AO and Dr Debbie Moors

Mr Andrew Myer

Mr Sidney Myer AM

Mr Rupert Myer AM and Mrs Annabel Myer

Mr Martyn Myer AO

The Myer Foundation

National Australia Bank Limited

National Rhododendron Gardens

Nell & Hermon Slade Trust

Mr Phillip Nikolitsis

OMEPA Australia Limited

Mr Martin Owen and Mrs Susan Owen

Ms Adele Palmer

Mr Bruce Parncutt and Ms Robin Campbell

Reece Pty Ltd

Dr Max Richards AM and Mrs Maggie Richards

Mrs Anne Robertson

Mrs Margaret Ross AM and Dr Ian Ross

Mr Stephen Salerno and Dr Helen Maroulis

Mr David Shelmerdine

Mr Stephen Silk and Mrs Helen Silk

Mrs Anita Simon

Mrs Carol Sisson

Ms Vivienne Stewart

Mr Scott Tanner

Mr Matthew Teasdale

Mrs A Thornton

Dr Gregory Tilley and Mrs Jacqueline Tilley

Trident Computer Services

Tourism Victoria

NS & JS Turnbull

Victorian Government

William Burrell Charitable Trust

Ms Meel Yeung

Royal Botanic Gardens Foundation Victoria

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

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

During the year, the Royal Botanic Gardens Foundation continued to manage its capital base and enhance its capacity to provide long-term financial support to the Royal Botanic Gardens. While continuing to build its capacity, the Foundation was able to make larger distributions to more projects because of the continued growth of the capital base. The support of our donors makes it possible to provide grants toward the following projects: Fern Gully restoration, completing the online e-Flora of Victoria and continuing to database the large Foreign Collection housed in the Herbarium.

During 2013–14 the Royal Botanic Gardens Foundation also entered into an agreement with Bendigo and Adelaide Bank Ltd that will see the Bank provide innovative products to customers with the opportunity to direct interest accrued from deposit accounts to the Royal Botanic Gardens Foundation. Based on the Bank's partnership with similar organisations, the Foundation can look forward to significant ongoing income streams in future years.

The Foundation greatly values and appreciates the commitment and contributions of all of its supporters. In addition to all those listed on the previous page under Generous Financial Support, the Foundation wishes to acknowledge the following people and their significant contributions during 2013–14:

Anonymous (7)

Ms Laurie Bebbington and Ms Elizabeth O'Keeffe

Bendigo and Adelaide Bank Ltd

Philip and Vivien Brass Charitable Foundation

Calvert-Jones Foundation

Mr John Collingwood and Mrs Chris Collingwood

Dr Philippa Currie and Mr Peter Currie

Ms Debbie Dadon and Mr Albert Dadon

Mr Gerard Dieters

Mr Robert Drew

Mr Ian Endersby and Mrs Margaret Endersby

The Garnaut Family

Mr Leon Gorr and Mrs Judith Gorr

Mr Peter Greenham and Mrs Anne Greenham

Mrs Jean Hedges

Mrs Sally-Anne Hains

Mr Norman Lees

Mrs Jennifer Lempriere

Mr Frank Mahlab and Mrs Eve Mahlab AO

The Estate of The Late Mrs Rachael McNab

Mrs Anne Miller

Dr Philip Moors AO and Dr Debbie Moors

Mrs Diana Morgan

Mr Kenneth Nelson

The Estate of The Late Mr Jack Reid

Dr Max Richards AM and Mrs Maggie Richards

Mrs Margaret Ross AM and Dr Ian Ross

Mr Warwick Ross and Mrs Cathy Ross

Mrs Maria Ryan and Mr Martin Ryan

The Estate of The Late Mrs Barbara Shearer

Mr Tim Scarborough and Mrs Adelaide Scarborough

Schapper Family Foundation

Mrs Merrill Shulkes and Dr Arthur Shulkes

Mr Charles Tegner

Mr Adrian Turley

Mr Frank Van Straten OAM

Dr Elizabeth Xipell

Seat Sponsorship

Miss Eva Best

Mrs Rosie Boreham

Mrs Mai Cameron

Ms Nicola Cameron

Mr Russell Craig-Brown

Mr Jeffrey Cummins

Mr David Donaldson

Ms Henrietta Flinn

Ms Noni Hoskin

Mrs Sandra Ivory

Mr Rob Lowe

Ms Cathy Mann

Mrs Lynne McDonald

Mr David Miles AM

Ms Anna Morton

Ms Clare Morton

Dr Janne Morton

Mr Martin Owen and Mrs Susan Owen

Mrs Sheila Rodeck

Trinity Grammar School

Mr Huan Walker and Mrs Jane Walker

Director's Circle

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

The Director's Circle was relaunched in June 2013 with the aim of securing 100 members. The relaunch proved successful, with 117 people joining the Director's Circle and contributing over \$200,000 to the Royal Botanic Gardens Foundation during 2013–14. A 'thank you' event for our Director's Circle members was held at Government House in June 2014 with around 170 people in attendance.

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

Patron

Professor Timothy J Entwisle

Anonymous (4)

Mr David Adam and Mrs Judy Adam

Sir David Akers-Jones GBM KBE CMG

Mrs Jan Anderson and Mr Robert Anderson

Mr Duncan Andrews and Ms Jan Andrews

Mr Graeme Baker and Mrs Lee Baker

Mr Ben Batters and Mrs Sunday Batters

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 Clive Blazey and Mrs Penny Blazey

Mr Russell Board and Ms Narelle Ivers

Ms Sally Browne

Mr James Calvert-Jones

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

Mr Peter Canet and Mrs Ivanka Canet

Ms Elaine Canty and Mr Roy Masters AM

Mrs Susan Chandler and Professor David Chandler

The Hon Alex Chernov and Mrs Elizabeth Chernov

Mr Sandy Clark and Ms Marie McDonald

Mr Richard Clarke and Mrs Margaret Clarke

Mr Leigh Clifford AO and Mrs Sue Clifford

Dr Robin Collier and Professor Neil Collier

Mr John Collingwood and Mrs Chris Collingwood

Mr Graham Cunningham and Mrs Ann Cunningham

Sir Daryl Dawson and Lady Lou Dawson

Dunmoore Foundation Pty Ltd

Mr Bruce Echberg and Mrs Kerry Echberg

Mr Rodger Elliot AM and Mrs Gwen Elliot AM

Mr Ian Endersby and Mrs Margaret Endersby

Professor Tim Entwisle and Ms Lynda Entwisle

Mr Paul Evans

Ms Jane Fenton AM and Mr David Miles

Dr Helen Ferguson

Mrs Robin Ferry OAM

Mr Mike Fogarty and Mrs Deb Fogarty

Mr Grant Fowler and Mrs Penny Fowler

Mr Geoffrey Freeman and Mrs Lesley Freeman

The Garnaut Family

Mrs Jennifer Gold and Family

Mr Robert Green and Mrs Jan Green

Mr Peter Greenham and Mrs Anne Greenham

Mrs Lesley Griffin

Mr Peter Griffin AM and Ms Terry Swann

Mr Andrew Grummet AM and Mrs Margaret Grummet

Mrs Sarah Guest and Mr James Guest

Mr Andrew Guild and Mrs Ai-gul Guild

The Hon David Habersberger QC and Mrs Pam Habersberger

Mrs Jean Hedges

Mr Brian Hamersfeld and Mrs Natalie Hamersfeld

Mr Michael Hamson and Mrs Susie Hamson

Mr Ken Harrison and Mrs Jill Harrison

Mrs Barbara Haynes and Mr David Johnston

Mrs Maria Jo Herpe

Ms Virginia Heywood

Mr Jim Higgins and Mrs Barbara Higgins

Mr Graeme Holt and Mrs Judy Holt

Mr Frank Hook and Mrs Sheryl Hook

Mrs Roni Hubay and Mr Gaby Hubay

Mrs Gillian Hund and Mr Michael Hund

Mr Greg Ireton and Ms Kate Taylor

Mr William Jones

Mr Michael Kantor and Ms Silvia Kantor

Mr Peter Kelly and Mrs Liz Kelly

Mr Craig Kimberley and Mrs Connie Kimberley

Ms Zara Kimpton OAM

Mrs Lori Kravos

Mrs Millie Lapthorne

Mrs Diana Lempriere

Mrs Alison Leslie

Mr Bill Leslie

Mr Mark Lewis and Mrs Bronwyn Lewis

Mrs Janet Limb

Mr George Littlewood and Mrs Ann Littlewood

Mr Pieter Los and Mrs Maryclare Los

Mr Peter Lovell and Mr Michael Jan

Mr Phil Lukies and Ms Janet Whiting

Mr Robert McKay and Mrs Sarah McKay

Mr Ian McNaughton and Mrs Libby McNaughton

Mr Ross Milne-Pott and Mrs Judy Milne-Pott

Dr Philip Moors AO and Dr Debbie Moors

Mrs Diana Morgan

Mrs Susan Morgan

Mr Hugh Morgan AC and Mrs Libby Morgan

Mr Baillieu Myer AC and Mrs Sarah Myer

Mr Stephen Newton AO

Ms Wendy Olenick

Mr Richard Oliver AM

Mr Martin Owen and Mrs Susan Owen

Mr George Pappas and Mrs Jillian Pappas

Mr Tom Park and Mrs Cathy Park
 Mr Bruce Parncutt and Ms Robin Campbell
 Mrs Elizabeth Paton
 Mr John Patrick and Mrs Bridget Patrick
 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
 Mrs Julie Reid and Mr Ian Reid
 Mr Damian Robertson and Mrs Lisa Robertson
 Mr Ken Roche and Mrs Gail Roche
 Mrs Margaret Ross AM and Dr Ian Ross
 Mrs Maria Ryan and Mr Martin Ryan
 Mr Stephen Salerno and Dr Helen Maroulis
 Mr Tim Scarborough and Mrs Adelaide Scarborough
 Ms Elizabeth Sevier
 Mr Greg Shalit and Ms Miriam Faine
 Ms Jennifer Shaw
 Mrs Anita Simon
 Mr Gary Singer and Mr Geoffrey Smith
 Professor Richard Smallwood AO and Mrs Carol Smallwood
 Mr Brian Snape AM and Mrs Diana Snape
 Mr Geoff Steinicke and Mrs Judy Steinicke
 Mrs Judy Ann Stewart
 Dr Gregory Tilley and Mrs Jacqueline Tilley
 Mr Colin Trumble
 Mr Ralph Ward-Ambler AM and Mrs Barbara Ward-Ambler
 Mr Peter Wetenhall and Ms Jo Horgan
 Mr Paul Wheelton OAM
 Ms Linda White
 Dr Philip Williams AM and Mrs Elizabeth Williams
 Mr John Wyld and Mrs Anne Wyld
 Dr Elizabeth Xipell
 Mr Harrison Young

Research grants

We gratefully acknowledge the following organisations for providing research grants in 2013–14:

Andrew W. Mellon Foundation (Global Plants Initiative)
 Australian Research Council – Linkage Grants and Discovery Grants
 Australian Seed Bank Partnership (Millennium Seed Bank)
 Australian Biological Resources Study (ABRS)
 Bjarne K Dahl trust
 Cybec Foundation
 Department of Environment, Australian Government
 Department of Environment and Primary Industries, Victorian Government
 Gippsland Lakes Ministerial Advisory Committee
 Hanson Construction
 Holsworth Wildlife Research Endowment
 Nell and Hermon Slade Trust
 Royal Botanic Gardens Foundation
 Friends of the Royal Botanic Gardens, Melbourne Inc.

Friends of the Royal Botanic Gardens Cranbourne Inc.

During 2013–14, the Friends focused on converting part of the old administration centre into a new Friends Centre and developing the new Growing Friends Nursery. The Friends Centre was completed at the end of June with the first meetings being held within a few days. Professor Tim Entwisle announced that it would be known as the Elliot Centre in recognition of the tremendous contributions made to the Gardens by Rodger and Gwen Elliot over many years.

The Friends organised a wide variety of activities during the year, including two successful plant sales, a tour of northern NSW, an overseas trip to California, a Bookfest, a quilting exhibition as well as several workshops. These were very successful both in financial terms and in bringing many new visitors to the Australian Garden, although extreme heat affected attendance at some events. A well-attended annual lunch was held in the Tarnuk Room addressed by Mr. Bill Thomas, an Environmental education teacher at Bentleigh College.

The significant build-up of the Friends funds over some years has now been largely expended on the establishment of the Elliot Centre and the new Growing Friends Nursery which together form a significant addition to the infrastructure. The Friends have also funded a number of other smaller projects for the Gardens.

Friends of the Royal Botanic Gardens, Melbourne Inc.

Following a successful merger, the Friends welcomed members of Plant Craft Cottage to the Friends in early July. The Cottage workshops and activities proved most popular and contributed both financially and socially to the fabric of the Friends. Together as a united group, there are benefits for both groups. The Friends' membership details were imported into a fully integrated online database allowing members to make online payments for subscriptions, event bookings and in due course merchandise will be introduced.

The Friends were pleased to make grants in excess of over \$141,000. These included contributions to the Fern Gully Boardwalk Project totalling \$108,009; Friends' Helen McLellan Research Grant awarded to Dr Frank Udovicic, Dr Teresa Lebel and Dr Matthew Barrett for their project Fleshy Macrofungi of Northern Australia: filling the phylogeographic and species diversity gap, first instalment of \$15,000; and Daniel Murphy for his two-year project The evolution of Eremophila: collecting the diversity and developing cutting-edge techniques for molecular systematics, first instalment of \$2,470. A total of \$10,140 was awarded for the Friends' Scholarship Scheme for RBG staff to Dr Elizabeth James, Ahmed Ashrat and Bret Pritchard.

Classes in Botanical Illustration continued to be popular and beginners' and specialty workshops were held in the holiday breaks throughout the year.

The Friends' Exhibition: From Forest to Foreshore: Natural History, Fungi, Ferns and their Allies was held in October and proved most popular, raising over \$7,000. The Growing Friends group held two successful public plant sales plus other regular sales to Friends' members and contributed around \$49,500 for the year.

Membership remained stable over the financial year and the Friends' seasonal program of events, including an illustrated lecture, 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 multi award-winning Australian Garden. It has also encouraged and supported botanical research and educational programs for many years at RBG Melbourne.

In November 2013 the Maud Gibson Trust approved a proposal to establish an annual scholarship fund of between \$10,000 and \$12,000 in honour of the Late Dame Elisabeth Murdoch AC DBE. The fund is intended to support professional development opportunities for study trips to other botanic gardens and associated horticultural institutions, field trips and collection trips for horticulturists from the Royal Botanic Gardens Cranbourne or Melbourne.

The inaugural scholarship was shared between proposals from staff at the Royal Botanic Gardens Cranbourne. Cali Salzman, Sturt Gibbs and Trevor Seppings will embark on a 'Study trip to botanic gardens of South Australia/Currency Creek Arboretum and Arid Land Botanic Gardens (SA)', which will aid in the development of precinct curatorial plans for the Australian Garden. Mandy Thomson will travel to four Northern Territory botanic gardens and parks to gain a greater understanding of the flora of these regions to apply to her work on the Diversity Garden at RBG Cranbourne.

OUR VOLUNTEERS

Herbarium Volunteers

Herbarium Volunteers continued to contribute greatly to the work of the Herbarium. Using a range of skills they directly assisted in enhancing and conserving the Herbarium and Library Collections and in conservation research.

At the close of the 2013–14 Financial Year volunteers had added over 13,250 mounted and/or curated specimens to the State Botanical Collection and 730 specimens to the MELISR database, and had contributed more than 3,900 hours of work to the Collections Branch.

They also contributed to many Herbarium projects including:

- ~ Ex-situ propagation and cultivation of threatened terrestrial orchids for the Victorian Orchid Conservation Program
- ~ Digitising photographic slides for the eFlora version of the *Horticultural flora of south-eastern Australia*
- ~ Developing and running the Fungimap Facebook page and assisting with the scoping development of a Fungimap smart phone app
- ~ Assisting in fundraising efforts at Fungimap and in enlarging and improving the Fungimap Database
- ~ Collecting, cleaning, counting and photographing seeds and assisting with germination trials and data entry for the Victorian Conservation Seedbank
- ~ Work on the Filson Lichen Collections
- ~ Completing the mounting of the extremely fragile Characeae Type and other algae specimens with badly burned labels and plant material

- ~ Continuing to remount or repair Australian vascular Type specimens, prior to scanning for the Global Plants Initiative (GPI) Project
- ~ Databasing and digitising the Library's botanical slide collection to support the development of the online VicFlora
- ~ Progressing work on Library databases and catalogues, including work on the Ron Jeffs slide collection, and the Bill Woelkerling collection of algal reprints, and
- ~ Databasing and digitising the Historic Photograph collection.

2013–14 Volunteers

Marina Albert
Myriam Amiet-Knottenbelt
Rosemary Anderson
Neil Anderton
Caroline Barrett
Olga Bartak
Jenepher Beudel
Sally Bufe
John Carpenter
Wendy Cook
Heather Eather
Alwynne Fairweather
Eric Fanet
Francis Faul
Katherine Flynn
Paul George
Margaret Gordon
Christine Graunas
Isabelle Green
Melissa Green
Mary Gregory
Robert Hare
Nayyer Haseeb
Travis Heafield
Mary Hills
Elizabeth Howcroft
Vicki Jaeger
Tom Jeavons
Meran Jennings
Mirini Lang
Christiane Latzel
Anne Lawson
Geoffrey Lay
Jannie Lay
Geoffrey Le Page
Gary Leete
Anna Long
Jennifer Lund
Rita Macheda
Anne McLachlan
Ainslee Meredith
Angela Mitchell
Brian Monger

Pauline Morrison
Tom Morton
Margaret Murfett
Gillian Newnham
Graham Patterson
Beau Picking
Diana Plant
Laraine Proctor
Jennifer Ross
David Sambrooks
Johanna Slijkerman
Catherine Taylor
Joan Thomas
Ian Thompson
Ivy Tran
Elizabeth Turnbull
Jennie Vaughan
Renuka Vidyaratne
Adam Walker
Ann Walsham
Monica Wells
Betty Whitehead

RBG Cranbourne volunteers

At RBG Cranbourne, 98 volunteers contributed over 8,061 hours during the past year, in some instances volunteering their time and skills in more than one capacity. The Royal Botanic Gardens gratefully acknowledges and values the work of volunteers and looks forward to their continuing support.

Garden Ambassadors

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

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

Land Management volunteers

Chae Brighton
Matthew Callaghan
Dave Cundall
Chris Diggeden
Connor Glendinning
Tyler Hendley
Laurie Higgins

Lauren Kinsey
Brigette Mace
Callum Martin
Lachlan Martin
Liam Martin
Mark Metcher
Robin Meyers
Dawn Neylan
Jarrod Parr
Pana Pateras
Mike Paterson
Isabella Pinkster
Alexander Sobarzo
Claire Taylor
Sherry Vogrig

Horticulture volunteers

Brian Cole
Andrew Dilley
Wayan Erawati
Mary Garry
Halina Gwizdzil
Pamela Meier
Marcelle Ostermeyer
Laurie Stephens

RBG Melbourne volunteers

At RBG Melbourne, 104 volunteers contributed 7,134 hours during the past year, in some instances volunteering their time and skills in more than one capacity. The Royal Botanic Gardens gratefully acknowledges and values the work of all volunteers and looks forward to their continuing support.

E Gate Lodge Helping Hands

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

Eastern Lodge Helping Hands

Annie Carter
Kay Howden
Eve Munday
Janet Moritz

Gate Lodge Helping Hands

Geoffrey Kneebone

Garden Ambassadors

Anne Aston
Ann Beasley
Jeanine Browne
Frances Coffey
Dianne Costelloe
Rosemary Cotter
Helen Creedon
Berys Dixon
Veronica Harrison
Wendy Hopkins
Julie Jones
Susan Langley
Gail Latchford
Leanora Levy
Alasdair Macdonald
Jan Mc Avoy
Marian McLean
Josephine Mifsud
Noriko Miltenburg
Gloria Minter
Eddie Natt
Angela O'Shaughnessy
Jadzia Rae
Ann Scott
Libby Tronson
Max Watson
Mali Wilson

The Ian Potter Foundation Children's Garden volunteers

Anne Ada
Moira Bainbridge
Mary Becker
Angela Bentley
Lorraine Brock
Jan Brown
Stephanie Campbell Gabb
Billie De Bondi
Jenni Eaton
Leanora Levy
Anna Priestler
Elia Schulz
Margaret Smith
Sue Smith
Helen Smyth
Maggie Troup
Geraldine Wade
Kate Welsh

Voluntary Guides

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

Honorary Associates

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

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

Dr Peter Adams, School of Botany, The University of Melbourne
Ms Barbara Archer, Norsemann, Western Australia

Dr Michelle Casanova, Westmere, Victoria

Mr Ian Clarke, Bentleigh, Victoria

Dr Thomas Darragh, Department of History, Philosophy and Science, The University of Melbourne

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

Dr Gerry Kraft, School of Botany, The University of Melbourne

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

Dr Graeme Lorimer, Biosphere Pty Ltd

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

Mrs Enid Mayfield, Geelong, Victoria

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

Ms Mali Moir, Mt Evelyn, Victoria

Dr John Morgan, Department of Botany, Latrobe University

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

Mr Kevin Rule, Nunawading, Victoria

Ms Katrina Syme, Denmark, Western Australia

Ms Anneke Veenstra, Deakin University, Melbourne Campus

Dr Nicholas Williams, Burnley Campus, The University of Melbourne

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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 2014 and financial position of the Board at 30 June 2014.

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 19 August 2014.



Ken Harrison
Chairman
Royal Botanic Gardens Board

Melbourne
19 August 2014



Prof Tim Entwisle
Director and Chief Executive
Royal Botanic Gardens Board

Melbourne
19 August 2014



Lola Makdissi
Chief Finance Officer
Royal Botanic Gardens Board

Melbourne
19 August 2014

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2014

	Note	2014 \$	2013 \$
Income from transactions			
Grants	2(a)	14,670,450	14,835,892
Sponsorships and donations	2(b)	1,882,990	1,371,924
Sales of goods and services	2(c)	3,022,314	2,879,065
Fair value of assets and services received free of charge or for nominal consideration	2(d)	919,464	919,425
Interest	2(e)	206,980	316,168
Other income	2(f)	1,159,422	1,178,195
Total income from transactions		21,861,620	21,500,669
Expenses from transactions			
Employee expenses	3(a)	(13,702,409)	(13,503,200)
Depreciation	3(b)	(1,940,964)	(1,702,427)
Interest expense	3(c)	(31,125)	(30,236)
Other operating expenses ⁽ⁱ⁾	3(d)	(6,818,276)	(6,938,386)
Total expenses from transactions		(22,492,774)	(22,174,249)
Net result from transactions (net operating balance)		(631,154)	(673,580)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽ⁱⁱ⁾	4(a)	(201,422)	4,266
Net gain/(loss) on financial instruments ⁽ⁱⁱⁱ⁾	4(b)	(1,367)	1,095
Other gains/(losses) from economic flows	4(c)	(37,958)	134,058
Total other economic flows included in net result		(240,747)	139,419
Net result		(871,901)	(534,161)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	17(a)	-	(160,381)
Total other economic flows - other comprehensive income		-	(160,381)
Comprehensive result		(871,901)	(694,542)

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

Notes:

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

BALANCE SHEET

as at 30 June 2014

	Notes	2014 \$	2013 \$
Assets			
Financial assets			
Cash and deposits	15, 16	5,594,368	6,697,528
Receivables	5, 15	1,029,316	687,145
Total financial assets		6,623,684	7,384,673
Non-financial assets			
Inventories	6	280,123	277,035
Non financial physical assets classified as held for sale	7	-	22,039
Prepayments		25,448	16,612
Property, plant and equipment	8	414,870,302	415,052,714
Total non-financial assets		415,175,873	415,368,400
Total assets		421,799,557	422,753,073
Liabilities			
Payables	9, 15	463,557	671,581
Borrowings	10, 15	531,616	603,318
Provisions	11	3,688,467	3,546,198
Liabilities directly associated with assets held for sale	7	-	21,307
Total liabilities		4,683,640	4,842,404
Net assets		417,115,917	417,910,669
Equity			
Accumulated surplus		24,628,005	25,488,757
Physical asset revaluation surplus	17	307,062,183	307,062,183
Contributed capital		85,425,729	85,359,729
Net worth		417,115,917	417,910,669

Commitments for expenditure 14

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2014

	Physical Asset Revaluation Surplus	Accumulated Surplus	Contributions By Owner	Total
	\$	\$	\$	\$
Balance at 1 July 2012	307,222,564	26,013,417	85,359,729	418,595,710
Adjustment due to change in accounting standards	-	20,650	-	20,650
Net result for the year	-	(534,161)	-	(534,161)
Other comprehensive income for the year	(160,381)	-	-	(160,381)
Balance at 30 June 2013	307,062,183	25,499,906	85,359,729	417,921,818
Net result for the year	-	(871,901)	-	(871,901)
Other comprehensive income for the year	-	-	-	-
Capital contributions	-	-	66,000	66,000
Balance at 30 June 2014	307,062,183	24,628,005	85,425,729	417,115,917

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

CASH FLOW STATEMENT
for the financial year ended 30 June 2014

Note	2014 \$	2013 \$
Cash flows from operating activities		
Receipts		
	16,025,904	16,191,474
	6,133,328	6,318,075
	202,797	374,273
	22,362,029	22,883,822
Payments		
	(20,491,361)	(23,917,794)
	(991,615)	(559,007)
	(31,125)	(30,236)
	(21,514,101)	(24,507,037)
16(b)	847,928	(1,623,215)
Cash flows from investing activities		
	18,828	17,608
	(1,907,907)	(4,485,419)
	(1,889,079)	(4,467,811)
Cash flows from financing activities		
	66,000	-
	(127,868)	(125,759)
	(61,868)	(125,759)
	(1,103,019)	(6,216,785)
	6,697,528	12,913,218
	(141)	1,095
16(a)	5,594,368	6,697,528

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

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 2014

Note 1. Summary of accounting policies

These annual financial statements represent the audited general purpose financial statements for the Royal Botanic Gardens Board (the Board) for the period ending 30 June 2014. The purpose of the report is to provide users with information about the Board's stewardship of resources entrusted to it.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

The accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

These annual financial statements were authorised for issue by the Chairman of the Board on 19 August 2014.

(b) Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates relate to:

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

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

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

Note 1. Summary of accounting policies (continued)

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

(c) Reporting entity

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

Royal Botanic Gardens
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

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

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

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

Balance sheet

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

Cash flow statement

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

Statement of changes in equity

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

Rounding

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

(e) Income from transactions

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

Grants

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

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

Parks and Reserves Trust Account grant

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

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.

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

Sponsorships and donations

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

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

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

Interest

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

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

Other income

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

Rental income

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

Royalty income

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

(f) Expenses from transactions

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

Employee expenses

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

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

Superannuation

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

Depreciation

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

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

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

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

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

Interest expense

Interest expenses are recognised in the period in which they are incurred and relate to finance lease charges. Refer to *Glossary of terms and style conventions* in Note 21 for an explanation of interest expense items.

Other operating expenses

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

Supplies and Services

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

Bad and doubtful debts

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

(g) Other economic flows included in net result

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

Net gain/(loss) on non-financial assets

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

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

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

Disposal of non-financial assets

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

Gain/(loss) arising from transactions in foreign exchange

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

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

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

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit

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

(i) **Financial assets**

Cash and deposits

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value.

Receivables

Receivables consist of:

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

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

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

Investments

Investments are classified in the following categories:

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

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Board has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset, or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

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

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

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

Revaluations of non-financial physical assets

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

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

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

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

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

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

Prepayments

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

(k) Liabilities

Payables

Payables consist of:

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

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

Borrowings

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

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

Provisions

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

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

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

Employee benefits

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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:

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

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

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

On-costs

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

Derecognition of financial liabilities

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

(I) Leases

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

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

Finance leases

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

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

Operating leases

Board as Lessor

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

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

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

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

Board as Lessee

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

(m) Equity - contributions by owners

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

(n) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 14) at their nominal value and inclusive of the goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

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

(o) Contingent assets and contingent liabilities

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

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

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

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

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

(q) Foreign currency

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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) *Changes in accounting policies*

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when a Board is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Board has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and no adjustments were required. In light of AASB 13, the Board has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Board. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including *AASB 7 Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under *AASB 7 Financial Instruments: Disclosures*. (Refer to Note 15(e) for the financial instrument disclosures.)

AASB 119 Employee benefits

In 2013-14, the Board has applied *AASB 119 Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Board.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled **wholly** within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Board as short-term employee benefits no longer meet this definition and are now classified as long-term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

Comparative amounts for 2012-13 and the related amounts as at 1 July 2012 have been restated in accordance with the relevant transitional provisions set out in AASB 119. The impact is as follows:

Note 1. Summary of accounting policies (continued)

As at 1 July 2012	Previously Reported	AASB 119 Adjustments	Restated
	\$	\$	\$
Current employee benefit - Annual Leave	828,260	(11,149)	817,111
Accumulated Surplus	26,013,417	11,149	26,024,566

As at 30 June 2013	Previously Reported and Restated	AASB 119 Adjustments	Restated
	\$	\$	\$
Current employee benefit - Annual Leave (previously reported)	901,876	(9,501)	892,375
Accumulated Surplus (including restated opening balance)	25,490,405	9,501	25,499,906

(t) AAS issued that are not yet effective

Certain new AAS have been published that are not mandatory for the 30 June 2014 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 2014, the following applicable AAS have been issued by the AASB but were not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative date as follows:

Standard/Interpretation	Summary	Application for annual reporting periods:	Impact on Board's Financial Statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 1055 Budgetary Reporting	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 July 2014	This Standard is not applicable as no budget disclosure is required.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 2. Income from transactions

	2014	2013
	\$	\$
(a) Grants		
Parks and Reserves Trust Account grants	14,292,000	14,289,000
Other grants	378,450	546,892
	14,670,450	14,835,892
(b) Sponsorships and donations		
Cash donations and gifts	1,882,990	1,371,924
	1,882,990	1,371,924
(c) Sales of goods and services		
Sale of goods	1,272,613	1,282,480
Rendering of services	1,749,701	1,596,585
	3,022,314	2,879,065
(d) Fair value of assets and services received free of charge or for nominal consideration		
Services and donated supplies	919,464	919,425
	919,464	919,425
(e) Interest		
On bank deposits	106,448	76,353
Other miscellaneous interest income	100,532	239,815
	206,980	316,168
(f) Other income		
Rental	1,029,338	1,038,467
Royalties	57,715	32,482
Other	72,369	107,246
	1,159,422	1,178,195

Note 3. Expenses from transactions

	2014	2013
	\$	\$
(a) Employee expenses		
Salary and wages	10,629,450	10,361,791
Superannuation	1,046,483	1,008,954
Annual and long service leave	1,120,559	1,285,876
Other on-costs	905,917	846,579
	13,702,409	13,503,200
(b) Depreciation		
Buildings	406,228	354,043
Infrastructure	1,079,210	895,646
Plant, equipment and vehicles	455,526	452,738
	1,940,964	1,702,427

Note 3. Expenses from transactions (*continued*)

	2014	2013
	\$	\$
(c) Interest expense		
Interest on finance leases	31,125	30,236
	31,125	30,236
(d) Other operating expenses		
<u>Supplies and services</u>		
Contract costs	1,737,537	1,814,416
Garden and office equipment and supplies	594,983	707,815
Non-financial assets hire, maintenance and operation costs	762,543	785,359
Consultancies and professional services	479,420	411,225
Cleaning and waste disposal costs	531,248	497,553
Water charges	360,050	311,190
Advertising and promotion	266,434	290,960
Motor vehicle expenses	191,420	210,987
Computer expenses	142,546	183,062
Travel expenses	194,958	169,681
Staff training and development	97,089	157,484
Insurance costs	135,998	123,751
Postage and communication expenses	100,437	104,677
Books, periodicals and subscriptions	91,894	89,179
Legal costs	76,415	80,808
Security	121,923	78,950
Catering costs	59,250	61,392
Other	238,481	208,063
	6,182,626	6,286,552
<u>Other</u>		
Cost of goods sold	617,689	629,030
Minimum lease payments	17,961	22,804
	635,650	651,834
Total other operating expenses	6,818,276	6,938,386

Note 4. Other economic flows included in net result

	2014	2013
	\$	\$
(a) Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	(6,631)	18,039
Impairment of property, plant and equipment	(180,799)	-
Write down of inventory	(13,992)	(13,773)
	(201,422)	4,266
(b) Net gain/(loss) on financial instruments		
Net FX gain/(loss) arising from foreign cash held	(1,367)	1,095
	(1,367)	1,095
(c) Other gains/(losses) from economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(37,958)	134,058
	(37,958)	134,058

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 5. Receivables

	2014 \$	2013 \$
Contractual		
Sales of goods and services ⁽ⁱ⁾	1,048,728	570,433
Accrued interest income	6,849	2,666
	1,055,577	573,099
Statutory		
Net GST input tax credit recoverable	(26,261)	114,046
	(26,261)	114,046
Total receivables ⁽ⁱⁱ⁾	1,029,316	687,145

Note:

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

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

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

Note 6. Inventories

	2014 \$	2013 \$
Inventories held for sale at cost	280,123	277,035
Total inventories ⁽ⁱ⁾	280,123	277,035

Note:

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

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

	2014 \$	2013 \$
Non-current assets		
Leased motor vehicles held for sale ⁽ⁱ⁾	-	22,039
	-	22,039
Liabilities		
Finance lease liabilities	-	21,307
	-	21,307

Note:

(i) At 30 June 2013, the Board held a leased motor vehicle which to be sold during the 2013-14 reporting period. No impairment loss was recognised on re-classification of motor vehicles held for sale or at the end of the reporting period.

Note 8. Property, plant and equipment

(a) Carrying amounts

	2014 \$	2013 \$
Land		
At fair value	166,080,000	166,080,000
	<u>166,080,000</u>	<u>166,080,000</u>
Buildings		
At fair value	29,539,488	27,218,622
Less accumulated depreciation	(1,066,473)	(678,417)
	<u>28,473,015</u>	<u>26,540,205</u>
Infrastructure		
At fair value	52,845,795	52,275,897
Less accumulated depreciation	(2,476,469)	(1,397,260)
	<u>50,369,326</u>	<u>50,878,637</u>
Plant, equipment and vehicles		
At fair value	6,024,680	5,812,264
Less accumulated depreciation	(3,329,152)	(2,951,982)
	<u>2,695,528</u>	<u>2,860,282</u>
Cultural assets		
At fair value	167,172,870	167,172,870
	<u>167,172,870</u>	<u>167,172,870</u>
Capital works under construction		
At fair value	79,563	1,520,720
	<u>79,563</u>	<u>1,520,720</u>
Total property, plant and equipment	414,870,302	415,052,714

(b) Movements in carrying amounts ⁽ⁱ⁾

2014	Land	Buildings	Infrastructure	Plant, equipment and vehicles	Cultural assets	Capital works	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	166,080,000	26,540,205	50,878,637	2,860,282	167,172,870	1,520,720	415,052,714
Additions	-	-	-	298,243	-	1,770,077	2,068,320
Disposals	-	(62,449)	-	(66,520)	-	-	(128,969)
Revaluations	-	-	-	-	-	-	-
Transfers ⁽ⁱⁱ⁾	-	2,582,286	569,899	59,049	-	(3,211,234)	-
Impairments	-	(180,799)	-	-	-	-	(180,799)
Depreciation	-	(406,228)	(1,079,210)	(455,526)	-	-	(1,940,964)
Closing balance	166,080,000	28,473,015	50,369,326	2,695,528	167,172,870	79,563	414,870,302

Note:

(i) Fair value assessments have been performed for all classes of assets and the decision was made that changes were not material (less than or equal to 10 per cent) therefore not requiring a full revaluation. The next scheduled full revaluation will be conducted in 2016.

(ii) 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 2014

Note 8. Property, plant and equipment (continued)

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

Note:

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

Restricted assets

The Board holds \$12.2 million worth of buildings and infrastructure assets (2013 - \$12.4 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.

(c) Fair Value measurement hierarchy for assets as at 30 June 2014

	Carrying amount as at 30 June 2014 \$	Fair value measurement at end of reporting period using: ⁽ⁱ⁾		
		Level 1 \$	Level 2 \$	Level 3 \$
Land at fair value				
Specialised Land	166,080,000	-	-	166,080,000
Total land at fair value	166,080,000	-	-	166,080,000
Buildings at fair value				
Specialised buildings	16,995,021	-	-	16,995,021
Heritage assets	11,477,994	-	-	11,477,994
Total buildings at fair value	28,473,015	-	-	28,473,015
Infrastructure at fair value				
Specialised infrastructure	49,601,518	-	-	49,601,518
Heritage assets	767,808	-	-	767,808
Total infrastructure at fair value	50,369,326	-	-	50,369,326
Plant and equipment and vehicles at fair value				
Plant and equipment	2,176,942	-	-	2,176,942
Vehicles ⁽ⁱⁱ⁾	518,586	-	-	518,586
Total plant, equipment and vehicles at fair value	2,695,528	-	-	2,695,528
Cultural assets at fair value				
Antiques and artwork	10,571,070	-	10,571,070	-
Specialised cultural assets	156,601,800	-	-	156,601,800
Total cultural assets at fair value	167,172,870	-	10,571,070	156,601,800

Notes:

(i) Classified in accordance with the fair value hierarchy, see Note 1(b).

(ii) Vehicles are categorised to Level 3 assets as fair value of the vehicles is estimated based on the depreciated replacement cost.

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

There have been no transfers between levels during the period.

Non-specialised antiques and artworks

Non-specialised antiques and artworks are valued using the market approach. Under this valuation method, valuation of the assets is determined by a comparison to similar examples of the artists' work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. An independent valuation of antiques and artwork was undertaken by the Valuer-General Victoria to determine their fair value at June 2011. No revaluation of antiques and artworks was performed for the financial period ending at 30 June 2014.

Land and buildings

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

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

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

An independent valuation of the Board's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2011. No revaluation was performed on the Board's specialised land and specialised buildings for the financial period ending 30 June 2014.

Specialised cultural assets

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

An independent valuation of the Board's specialised cultural assets was performed by the Valuer-General Victoria. The valuation was performed using the replacement costs. The effective date of the valuation is 30 June 2011. No revaluation was performed on the Board's specialised cultural assets for the financial period ending 30 June 2014.

Infrastructure assets

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

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

An independent valuation of the Board's infrastructure assets was performed by the Valuer-General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2011. No revaluation was performed on infrastructure assets for the financial period ending 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

Vehicles

Vehicles are valued using the depreciated replacement cost method. The Board acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed under a finance leasing arrangement with the Department of Treasury and Finance, who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2014.

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

(d) Reconciliation of Level 3 fair value

	Specialised land \$	buildings \$	Antiques and artworks \$	Vehicles \$	Plant and equipment \$	Infrastructure \$	Specialised Cultural \$
Opening balance	166,080,000	26,540,205	10,571,070	594,954	2,265,328	50,878,637	156,601,800
Purchases/(sales)	-	2,519,837	-	56,080	234,692	569,899	-
Transfers in/(out)	-	-	-	-	-	-	-
<u>Gains or losses recognised in net result</u>							
Impairments	-	(180,799)	-	-	-	-	-
Depreciation	-	(406,228)	-	(132,448)	(323,078)	(1,079,210)	-
<u>Gains or losses recognised in other economic flows - other comprehensive income</u>							
Revaluations	-	-	-	-	-	-	-
Closing balance	166,080,000	28,473,015	10,571,070	518,586	2,176,942	50,369,326	156,601,800

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

(e) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	60% ⁽ⁱ⁾	An increase or decrease in the CSO adjustment would result in a lower or higher fair value.
Buildings (specialised and heritage)	Depreciated Replacement Cost	Direct cost per square metre	\$200-\$6,000/m ² (\$1,500m ²)	An increase or decrease in direct cost per square metre adjustment would result in a higher or lower fair value.
		Useful life of buildings	4-100 years (44 years)	An increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Vehicles	Depreciated Replacement Cost	Cost per unit	\$10,600-\$60,400 per unit (\$44,600) per unit	An increase or decrease in cost per unit would result in a higher or lower fair value.
		Useful life of vehicles	3-5 years (4 years)	An increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and Equipment	Depreciated Replacement Cost	Cost per unit	\$500-\$295,000 per unit (\$56,000) per unit	An increase or decrease in cost per unit would result in a higher or lower fair value.
		Useful life of plant and equipment	4-20 years (11 years)	An increase or decrease in the estimated useful life of the asset would result in a higher or lower valuation.
Infrastructure (specialised and heritage)	Depreciated Replacement Cost	Cost per unit	\$2,000-\$3,000,000 per unit (\$1,375,000) per unit	An increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of infrastructure assets	5-100 years (62 years)	An increase or decrease in the estimated useful life of the asset would result in a higher or lower valuation.
Specialised Cultural assets	Replacement Cost	Cost per unit	Not applicable (ii)	An increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Size of collections	Not applicable (ii)	An increase or decrease in the size of the collections would result in a higher or lower valuation.

Note:

- (i) CSO adjustment of 60% was applied to reduce the market approach value for the Board's specialised land.
- (ii) Value range and weighted average values cannot be calculated for these assets due to the valuation methodology applied to determine fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 9. Payables

	2014 \$	2013 \$
Contractual		
Supplies and Services ⁽ⁱ⁾	380,895	614,470
Other payables ⁽ⁱⁱ⁾	28,403	30,251
	409,298	644,721
Statutory		
Taxes payable	54,259	26,860
	54,259	26,860
Total Payables ⁽ⁱⁱⁱ⁾	463,557	671,581

Note:

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

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

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

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

Note 10. Borrowings

	2014 \$	2013 \$
Current		
Lease liabilities ⁽ⁱ⁾	162,033	136,781
	162,033	136,781
Non-Current		
Lease liabilities ⁽ⁱ⁾	369,583	466,537
	369,583	466,537
Total borrowings	531,616	603,318

Note:

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

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

Note 11. Provisions

	2014	2013
	\$	\$
Current provisions		
<u>Employee benefits (Note 11(a))⁽ⁱ⁾</u>		
Annual Leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	314,937	303,734
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	613,039	588,641
Long service leave		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	180,070	149,619
Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	1,879,886	1,782,344
	2,987,932	2,824,338
<u>On-costs (Note 11(a) and Note 11(b))</u>		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱⁱ⁾	82,583	152,653
Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	415,900	300,782
	498,483	453,435
Total current provisions	3,486,415	3,277,773
Non-current provisions		
Employee benefits (Note 11(a)) ⁽ⁱ⁾	173,163	229,667
On-costs (Note 11(a) and Note 11(b))	28,889	38,758
Total non-current provisions	202,052	268,425
Total provisions	3,688,467	3,546,198

Note:

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

(ii) Amounts are measured at present values.

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

	2014	2013
	\$	\$
Current employee benefits		
Annual leave	927,976	892,375
Long service leave	2,059,956	1,931,963
	2,987,932	2,824,338
Non-current employee benefits		
Annual leave	-	-
Long service leave	173,163	229,667
	173,163	229,667
Total employee benefits	3,161,095	3,054,005
Current on-costs	498,483	453,435
Non-current on-costs	28,889	38,758
Total on-costs	527,372	492,193
Total employee benefits and related on-costs	3,688,467	3,546,198

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 11. Provisions (continued)

(b) Movement in provisions

	2014 \$	2013 \$
Opening balance	492,193	457,071
Additional provision recognised	170,896	185,781
Reductions arising from payments	(125,982)	(124,947)
Reductions resulting from settlement without cost	(4,308)	(6,355)
Effect of changes in discount rate	(5,427)	(19,357)
Closing balance	527,372	492,193

Note 12. Superannuation

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

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

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

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

Fund Name	Number of employees		Contribution rate % ⁽ⁱ⁾		Contribution amount \$ ⁽ⁱⁱ⁾	
	2014	2013	2014	2013	2014	2013
Defined benefit plans						
State Superannuation Fund						
Revised Scheme	1	1	17.3	17.6	15,423	15,236
New Scheme	19	19	7.4 - 10.3	7.4 - 10.3	113,749	105,307
Defined contribution plans						
VicSuper P/L	153	163	9.25	9.00	599,406	594,953
MLC Superannuation Fund	26	26	9.25	9.00	120,266	124,313
Australian Super	11	8	9.25	9.00	37,731	18,391
UniSuper Management P/L	8	7	9.25	9.00	30,411	28,516
Vision Super	5	6	9.25	9.00	23,009	24,064
Host Plus Super	5	3	9.25	9.00	17,200	9,205
Australian Ethical Retail Super	5	5	9.25	9.00	14,320	16,114
Self Managed Super Funds	4	5	9.25	9.00	12,215	36,015
Other	30	20	9.25	9.00	60,039	50,100
Total paid contributions for the year					\$ 1,043,769	\$ 1,022,214
Contributions outstanding at year end					\$ -	\$ -

Notes:

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

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

Note 13. Leases

(a) Finance leases

Leasing arrangements

Finance leases relate to motor vehicles with lease terms of between 1 and 3 years. The Board has the option to purchase the vehicles for a nominal amount at the conclusion of the lease agreements.

	Minimum lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2014 \$	2013 \$	2014 \$	2013 \$
Not longer than 1 year	191,402	172,859	162,033	136,781
Longer than 1 year and not longer than 5 years	391,093	512,090	369,583	466,537
Minimum lease payments	582,495	684,949	531,616	603,318
Less: future finance charges	(50,879)	(81,631)	-	-
Present value of minimum lease payments	531,616	603,318	531,616	603,318
Included in the financial statements as:				
Current borrowings lease liabilities (Note 10)			162,033	136,781
Non-current borrowings lease liabilities (Note 10)			369,583	466,537
			531,616	603,318

Note:

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

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

(b) Operating leases

Leasing arrangements - Board as Lessee

Operating leases mainly relate to gardening equipment with a lease term of 5 years. All operating lease contracts contain market review clauses in the event that the Board exercises its option to renew. The Board does not have an option to purchase the leased asset at the expiry of the lease period.

	2014 \$	2013 \$
Not longer than 1 year	92,892	58,197
Longer than 1 year and not longer than 5 years	87,267	112,509
	180,159	170,706

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.

	2014 \$	2013 \$
Not longer than 1 year	574,387	808,646
Longer than 1 year and not longer than 5 years	1,117,423	1,166,399
	1,691,810	1,975,045

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 14. Commitments for expenditure

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

	2014	2013
	\$	\$
(a) Capital expenditure commitments		
Within 1 year	-	1,655,978
Later than 1 year but not later than 5 years	-	-
Total	-	1,655,978
(b) Other commitments - outsourcing ⁽ⁱ⁾		
Within 1 year	196,518	105,815
Later than 1 year but not later than 5 years	241,260	86,006
Total	437,778	191,821

Note:

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

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

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

Note 15. Financial instruments

(a) Financial risk management objectives and policies

The Board's principal financial instruments comprise:

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

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

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

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

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

Note 15. Financial instruments (*continued*)

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

	Carrying Amount	
	2014	2013
	\$	\$
Contractual financial assets		
<u>Loans and receivables</u>		
Cash and deposits	5,594,368	6,697,528
Sales of goods and services	1,048,728	570,433
Accrued interest income	6,849	2,666
Total ⁽ⁱ⁾	6,649,945	7,270,627
Contractual financial liabilities		
<u>At amortised cost</u>		
Supplies and services payables	380,895	614,470
Other payables	28,403	30,251
Lease liabilities	531,616	603,318
Total ⁽ⁱ⁾	940,914	1,248,039

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:

	2014	2013
	\$	\$
Contractual financial assets		
Financial assets - loans and receivables	206,980	316,168
Total	206,980	316,168
Contractual financial liabilities		
Financial liabilities at amortised cost	(31,125)	(30,236)
Total	(31,125)	(30,236)

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

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

(b) Credit Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 15. Financial instruments (continued)

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

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

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

2014	Carrying Amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Sales of goods and services ⁽ⁱ⁾	1,048,728	802,455	224,760	19,455	2,058	-
Accrued interest income	6,849	6,849	-	-	-	-
Total	1,055,577	809,304	224,760	19,455	2,058	-

2013	Carrying Amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Sales of goods and services ⁽ⁱ⁾	570,433	385,490	165,848	14,646	4,449	-
Accrued interest income	2,666	2,666	-	-	-	-
Total	573,099	388,156	165,848	14,646	4,449	-

Note:

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

Contractual financial assets that are either past due or impaired

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

As at reporting date, there are no events to indicate that a provision for impairment is required on the Board's financial assets. No impairment loss on loans and receivables (2013 - \$0) has been recognised in the Board's comprehensive operating statement (refer to Note 4).

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The only financial assets held by the Board at reporting date that are past due but not impaired are sales of goods and services receivables.

(c) Liquidity risk

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

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

Note 15. Financial instruments (continued)

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

2014	Carrying amount ⁽ⁱ⁾	Nominal amount ⁽ⁱⁱ⁾	Maturity dates			
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years
	\$	\$	\$	\$	\$	\$
Supplies and services payables	380,895	380,895	377,474	1,982	1,439	-
Other payables	28,403	28,403	28,403	-	-	-
Lease liabilities	531,616	582,495	14,449	38,379	138,574	391,093
	940,914	991,793	420,326	40,361	140,013	391,093

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

Note:

- (i) The carrying amounts disclosed exclude statutory amounts (eg GST payable).
(ii) Maturity analysis is presented using the contractual undiscounted cash flows (ie nominal amount).

(d) Market risk

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

Foreign currency risk

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

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

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Board does not hold any interest bearing financial instruments that are measured at fair value and therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Board has minimal exposure to cash flow interest rate risk through its cash and deposits and lease liabilities that are at a floating rate.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 15. Financial instruments (continued)

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

2014	Weighted average effective interest rate %	Carrying amount ⁽ⁱ⁾ \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	2.99	5,594,368	4,295,000	1,273,672	25,696
Sales of goods and services	-	1,048,728	-	-	1,048,728
Accrued interest income	-	6,849	-	-	6,849
		6,649,945	4,295,000	1,273,672	1,081,273
Financial liabilities					
Supplies and services payables	-	380,895	-	-	380,895
Other payables	-	28,403	-	-	28,403
Lease liabilities	6.43	531,616	531,616	-	-
		940,914	531,616	-	409,298

2013	Weighted average effective interest rate %	Carrying amount ⁽ⁱ⁾ \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	2.74	6,697,528	5,000,000	1,623,111	74,417
Sales of goods and services	-	570,433	-	-	570,433
Accrued interest income	-	2,666	-	-	2,666
		7,270,627	5,000,000	1,623,111	647,516
Financial liabilities					
Supplies and services payables	-	614,470	-	-	614,470
Other payables	-	30,251	-	-	30,251
Lease liabilities	6.76	603,318	603,318	-	-
		1,248,039	603,318	-	644,721

Note:

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

Sensitivity disclosure analysis and assumptions

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

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

Note 15. Financial instruments (continued)

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

	Carrying amount		Interest rate			
			Net result + 100 basis points		Net result -100 basis points	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Contractual financial assets						
Cash and deposits ⁽ⁱ⁾	5,594,368	6,697,528	55,687	66,231	(55,687)	(66,231)
	5,594,368	6,697,528	55,687	66,231	(55,687)	(66,231)
Contractual financial liabilities						
Borrowings ⁽ⁱⁱ⁾	531,616	603,318	5,316	6,033	(5,316)	(6,033)
	531,616	603,318	5,316	6,033	(5,316)	(6,033)

Note:

(i) Cash and deposits includes deposits of \$5,567,252 (2013 - \$6,623,111) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2014 - $\$5,567,252 \times 0.01 = \$55,673$ and $\$5,567,252 \times -0.01 = -\$55,673$; and
- 2013 - $\$6,623,111 \times 0.01 = \$66,231$ and $\$6,623,111 \times -0.01 = -\$66,231$.

(ii) Borrowings include lease liabilities to the value of \$531,616 (2013 - \$603,381) that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:

- 2014 - $\$531,616 \times 0.01 = \$5,316$; and $\$531,616 \times -0.01 = -\$5,316$; and
- 2013 - $\$603,381 \times 0.01 = \$6,033$; and $\$603,381 \times -0.01 = -\$6,033$.

	Carrying amount		Foreign exchange			
			Net result +5%		Net result -10%	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Contractual financial assets						
Cash and deposits ⁽ⁱ⁾	5,594,368	6,697,528	561	2,875	(1,122)	(5,751)
	5,594,368	6,697,528	561	2,875	(1,122)	(5,751)
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾	380,895	614,470	-	-	-	-
	380,895	614,470	-	-	-	-

Note:

(i) Cash and deposits includes a deposit of \$11,222 (2013 - \$57,508) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:

- 2014 - $\$11,222 \times 0.05 = \561 ; and $\$11,222 \times -0.10 = -\$1,122$; and
- 2013 - $\$57,508 \times 0.05 = \$2,875$; and $\$57,508 \times -0.10 = -\$5,751$.

(ii) Payables includes a balance of \$0 (2013 - \$0) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:

- 2014 - \$0.
- 2013 - \$0.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 15. Financial instruments (continued)

(e) Fair value

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

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

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

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

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2014 \$	2014 \$	2013 \$	2013 \$
Contractual financial assets				
Cash and deposits	5,594,368	5,594,368	6,697,528	6,697,528
Sales of goods and services ⁽ⁱ⁾	1,048,728	1,048,728	570,433	570,433
Accrued interest income ⁽ⁱ⁾	6,849	6,849	2,666	2,666
Total contractual financial assets	6,649,945	6,649,945	7,270,627	7,270,627
Contractual financial liabilities				
Supplies and services payables ⁽ⁱ⁾	380,895	380,895	614,470	614,470
Other payables	28,403	28,403	30,251	30,251
Lease liabilities	531,616	531,616	603,318	603,318
Total contractual financial liabilities	940,914	940,914	1,248,039	1,248,039

Note:

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

Note 16. Cash flow information

(a) Reconciliation of cash and deposits

	2014 \$	2013 \$
Cash at bank and on hand	1,299,368	1,697,528
Term deposits	4,295,000	5,000,000
	5,594,368	6,697,528

Note 16. Cash flow information (continued)

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

	2014 \$	2013 \$
Net result for the period	(871,901)	(534,161)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	6,635	(18,039)
Net (gain)/loss on financial instruments	141	(1,095)
Impairment of non-financial assets	180,799	-
Depreciation of non-financial assets	1,940,964	1,702,427
Other non-cash movements	20,650	-
Movements in assets and liabilities		
(Increase)/decrease in receivables	(342,171)	331,577
(Increase)/decrease in inventories	(3,088)	(12,609)
(Increase)/decrease in other non-financial assets	(8,845)	(216)
Increase/(decrease) in payables	(208,024)	(3,234,991)
Increase/(decrease) in provisions	132,768	143,892
Net cash from/(used in) operating activities	847,928	(1,623,215)

Note 17. Reserves

	2014 \$	2013 \$
Physical asset revaluation surplus ⁽ⁱ⁾		
Balance at beginning of financial year	307,062,183	307,222,564
Revaluation increments/(decrements)	-	-
Impairment losses	-	(160,381)
Balance at end of financial year	307,062,183	307,062,183
Net change in reserves	307,062,183	307,062,183

Note:

(i) The physical assets revaluation surplus arises on the revaluation of land by \$124.3 million (2013 - \$124.3 million), buildings by \$10.7 million (2013 - \$10.7 million), infrastructure assets by \$5.1 million (2013 - \$5.3 million) and cultural assets by \$167.0 million (2013 - \$167.0 million).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

Note 18. Responsible persons

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

Names

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

Minister

Minister for Environment and Climate Change Hon Ryan Smith MP 1 July 2013 to 30 June 2014

Governing Board

Chairman	Ms Elaine Canty	1 July 2013 to 23 August 2014
Chairman (from 10 December 2013) and Member	Mr Ken Harrison	1 July 2013 to 30 June 2014
Deputy Chairman	Mr Graham Cunningham	1 July 2013 to 30 June 2014
Member	Prof Antony Bacic	10 December 2013 to 30 June 2014
Member	Mrs Penny Fowler	8 April 2014 to 30 June 2014
Member	Mr Martyn Myer AO	20 May 2014 to 30 June 2014
Member	Ms Linda White	1 July 2013 to 8 April 2014
Member	Ms Jennifer Wolcott	1 July 2013 to 30 June 2014
Member	Ms Sarah Wrigley	1 July 2013 to 30 June 2014

Accountable Officer

Director and Chief Executive Prof Tim Entwisle 1 July 2013 to 30 June 2014

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	
	2014 No.	2013 No.	2014 No.	2013 No.
\$0 – 9,999	9	8	9	8
\$70,000 – 79,999	-	1	-	1
\$140,000 – 149,999	-	1	-	1
\$260,000 – 269,999	1	-	1	-
Total numbers	10	10	10	10
Total amount	\$310,449	\$271,742	\$310,449	\$242,155

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

Other Transactions

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

Note 19. Remuneration of executives

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

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

Income Band	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
\$140,000 – 149,999	-	-	-	1
\$150,000 – 159,999	-	-	2	2
\$160,000 – 169,999	1	3	1	2
\$170,000 – 179,999	1	-	1	-
\$180,000 – 189,999	2	2	1	-
\$190,000 – 199,999	-	-	-	-
\$200,000 – 209,999	1	-	-	-
Total number of executives	5	5	5	5
Total annualised employee equivalents (AEE) ⁽ⁱ⁾	5.0	4.7	5.0	4.7
Total amount	\$909,152	\$862,385	\$831,583	\$789,590

Note

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

There were no contractors charged with significant management responsibilities in relation to planning, directing or controlling, directly or indirectly, the Board's activities during the reporting period ended 30 June 2014.

Note 20. Remuneration of auditors

	2014 \$	2013 \$
Victorian Auditor-General's Office		
Audit of the financial statements	18,900	18,400
	18,900	18,400

Note 21. Glossary of terms and style conventions

Glossary

Borrowings

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

Commitments

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

Comprehensive result

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

Depreciation

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

Effective interest method

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

Employee benefits expense

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

Financial asset

A financial asset is any asset that is:

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

Financial instrument

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

Financial liability

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

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

Financial statements

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

Infrastructure systems

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

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

Interest expense

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

Interest income

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

Net acquisition of non-financial assets (from transactions)

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

Net result

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

Net result from transactions/net operating balance

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

Net worth

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

Non-financial assets

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

Other economic flows

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

Payables

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

Receivables

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

Sales of goods and services

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

Supplies and services

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2014

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

Transactions

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

Style conventions

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

The notation used in the tables is as follows:

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

The financial statements and notes are presented based on the illustration in the *2013-14 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board's annual reports.

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 2014 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 2014 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 2014 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
27 August 2014


for
John Doyle
Auditor-General

Appendix One: Other Disclosures

STATEMENTS OF COMPLIANCE WITH GOVERNMENT POLICY

National Competition Policy

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

Victorian Industry Participation Policy statement

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

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

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

During 2013–14, no tenders for projects at the Royal Botanic Gardens were of sufficient value to require the inclusion of a Victorian Government Industry Participation Policy statement in the tender documentation.

Advertising expenditure

Government policy requires the disclosure of advertising spend for each government advertising campaign with total media buy of \$150,000 or greater (exclusive of GST). In 2013–14, the Royal Botanic Gardens Board Victoria did not incur expenditure for advertising campaigns of \$150,000 or greater.

Statement of Availability of Other Information

During 2013–14:

- ~ declarations of pecuniary interests were duly completed by all relevant officers
- ~ no shares were held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary
- ~ no major external review was carried out on the Royal Botanic Gardens.

In addition, subject to the *Freedom of Information Act 1982*, the following information is available on request from the Director and Chief Executive, Royal Botanic Gardens:

- ~ details of publications produced by the Royal Botanic Gardens about itself, and how these can be obtained
- ~ details of changes in prices, fees, charges, rates and levies charged by the Royal Botanic Gardens
- ~ details of major research and development activities undertaken by the Royal Botanic Gardens
- ~ details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- ~ details of major promotional, public relations and marketing activities undertaken by the Royal Botanic Gardens to develop community awareness of the Royal Botanic Gardens and its services
- ~ details of assessments and measures undertaken to improve the occupational health and safety of employees
- ~ a general statement on industrial relations within the Royal Botanic Gardens, and details of time lost through industrial accidents and disputes
- ~ a list of the Royal Botanic Gardens' major committees, the purposes of each committee, and the extent to which the purposes have been achieved
- ~ details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

Compliance with DataVic Access Policy

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

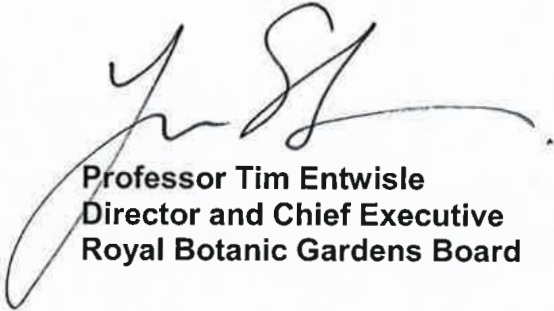
Gifts, Benefits and Hospitality Attestation

As required under the *Gifts, Benefits and Hospitality Policy Framework for the Victorian Public Sector – Revised April 2012*, issued by the Public Sector Standards Commissioner, and the associated Premier's Circular Number 2012/02, please find attached the attestation for the Royal Botanic Gardens Board (the Board).

The relevant documents were reviewed by the Finance and Audit Committee of the Board on 29 July 2014.

Should you require any further information, please contact Ms Lola Makdissi, CFO/Manager, Business and Finance on (03) 9252 2342.

Yours sincerely



Professor Tim Entwisle
Director and Chief Executive
Royal Botanic Gardens Board

LEGISLATION

No amendments were made to the *Royal Botanic Gardens Act 1991* in 2013–14.

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' on page 52.

Freedom of Information Act 1982

Principal Officer

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

Authorised Officer

Dennis Renfrey, Freedom of Information Officer

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

Categories of documents

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

Access arrangements

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

Requests

For the 12 months ending 30 June 2014, two requests were received from media organisations. Both requests were partially granted by the Freedom of Information Officer.

Freedom of Information (FOI) requests are made in writing describing all documents requested and including payment of the \$26.50 application fee. FOI fees and charges are not subject to GST.

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

Information Privacy Act 2000 and Health Records Act 2001

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

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

The Royal Botanic Gardens Board Victoria and its service providers are committed to maintaining the privacy of personal information and health records. The Royal Botanic Gardens has a Privacy Policy, viewable on the Royal Botanic Gardens' website, www.rbg.vic.gov.au/privacy. A hard copy of the policy can be obtained by contacting the Privacy Officer on 9252 2300, or by writing to the Privacy Officer, Royal Botanic Gardens, Private Bag 2000, South Yarra, Victoria, 3141.

Building and maintenance provisions of the Building Act 1993

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

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

Conformity

All essential safety measures are in place, with regular inspections and maintenance, and buildings managed by the Royal Botanic Gardens Board Victoria comply with standards for publicly-owned buildings.

Building work

At RBG Cranbourne, one new building was completed in October 2013. This was a new single storey office building of approximately 1,100 sq/m built to accommodate staff at RBG Cranbourne. The relevant planning, building permits and approvals were obtained prior to the works commencing. The buildings were constructed by a commercial builder (engaged through a public tender process) registered with the Building Practitioners Board. The design and construction work was overseen by a registered Architect, Engineers and Building Surveyor and a Certificate of Occupancy was issued as required by the *Building Act 1993*. The building design also meets the relevant Bushfire Management Overlay planning and design requirements.

At RBG Melbourne, significant renovation works were undertaken by the new tenant at the café (previously Observatory Café) located at Observatory Gate. Works commenced in April 2014 and included new finishes to the service counter and surrounds and the general café seating space, repairs and renovations to the kitchen and store room, and new external timber decking. All the relevant planning and building permits and approvals were obtained by the tenant prior to the works commencing. The redesign and renovation work was overseen by a registered Architect, Engineers and Building Surveyor.

Maintenance

At RBG Cranbourne, minor maintenance works included upgrading of the lift at the Visitor Centre and refurbishment of the former staff building, resulting in creation of two separate areas – The Elliot Centre for use by the Friends of the Royal Botanic Gardens Cranbourne Inc. and the Critical Incident Centre to facilitate Emergency Management for the RBG Cranbourne Emergency Response Team. All relevant compliance certificates were obtained for these works.

Annual maintenance and improvement works, including painting, replacement and repairs to fixtures and fittings were undertaken on the Visitor Centre building and the Lower Ground Access Toilet. Environmentally sustainable electric hand dryers were installed in all public and most staff amenity blocks. Roof repairs were undertaken by a registered plumber on the Critical Incident Centre and the Elliot Centre. Quarterly essential safety measures audits were carried out by a registered Building Surveyor, with all compliance issues raised being addressed.

RBG Cranbourne's computer-based 'Maintenance Management System' continued to be an excellent tool in providing support for the management of buildings and infrastructure, and related plant items. In excess of 700 Work Requests were raised in the 2013–14 financial year, with 90 per cent of Work Requests completed in the year.

At RBG Melbourne, in addition to routine maintenance, including programmed maintenance painting, the ground level behind the staff amenities building in the Nursery and Works Yard was lowered and drainage redirected to resolve regular flooding within the building and damage to the building itself. Part of the building's rear wall had to be replaced. The split system air conditioner for the server room was replaced due to age and the critical nature of the equipment essential to business continuity. Quarterly essential safety measures inspections were carried out by a registered Building Surveyor and compliance issues addressed as required.

Compliance with the *Protected Disclosure Act 2012*

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

What is a 'protected disclosure'?

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

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

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

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

How do I make a 'Protected Disclosure'?

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

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

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

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

Contacts


Jennifer Berensen, Senior Advisor, Privacy & Ombudsman
Department of Environment and Primary Industries
Address: PO Box 500, East Melbourne Vic 8002
Ph: (03) 9637 8697
Website: www.depi.vic.gov.au

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

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000
Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001
Internet: www.ibac.vic.gov.au
Phone: 1300 735 135
Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

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PC - Premier's Circular		
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