



Royal Botanic Gardens Victoria

Annual Report 2017-18



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Chairman's Foreword



It is a great pleasure to present the Royal Botanic Gardens Board Victoria Annual Report 2017–18. With the new organisational structure implemented and significant new funding secured, the organisation has been able to take great leaps in the right direction. Combined visitation to both sites peaked at nearly 2.4 million for the year—a record number of local, national and international visitors engaging with living collections, science, learning and participation programs.

Stakeholder and philanthropy campaigns led to excellent revenue gains, with significant increase in grants from government, numerous generous gifts from our valued supporters and the first major corporate partnership in several years. Improved resource management and harvesting stormwater for irrigation also saved on expenditure.

As well as improving the organisation's future sustainability, work continued on the Master Plan for Melbourne Gardens, with a public launch planned for early next year. Extensive planning commenced for a world-first Climate Change Summit for global botanic gardens to form a new international alliance, planning and working together to protect botanic gardens from future environmental threat.

The new programming team gave people many more reasons to visit the Gardens, by day and by night. An exceptional range of local and international performances attracted a variety of different audiences at both Melbourne and Cranbourne Gardens.

Strong relationships were maintained with local Aboriginal peoples, leading to a number of excellent collaborative events, including record attendances for *NAIDOC Week* at Cranbourne Gardens, and regular visits to Melbourne Gardens' Aboriginal Heritage Walk by the Overseas Adventure Travel group.

The Gardens continue to be an important resource for early learning, primary and secondary schools, with 35,000 students participating in vibrant and extensive learning programs at both Gardens, including over 1,000 bush kinder visits to the Cranbourne bushland. Volunteers contributed countless hours to guided walks, ambassador duties plus care and maintenance within the Gardens themselves.

Royal Botanic Gardens Victoria science and horticultural staff continued to discover and share new knowledge by providing research expertise and resources to a number of conservation and scientific initiatives in addition to successful cultivation and propagation of endangered plant species in Victoria. The expertise of the Collections team and its dedicated volunteers also greatly benefited the State Botanical Collection through curation and databasing of invaluable native and foreign plant specimens throughout the year.

In addition to support from the Victorian Government, Royal Botanic Gardens Victoria received generous contributions from many wonderful donors, along with invaluable assistance from the Friends groups and all of our volunteers. I also extend my sincere thanks to my colleagues of the Royal Botanic Gardens Foundation for their time and expertise in managing our endowment.

My fellow Board members join me in thanking everyone who has contributed to the success of Royal Botanic Gardens Victoria during the year.

In accordance with the *Financial Management Act 1994*, I present the Royal Botanic Gardens Board Victoria Annual Report for the year ending 30 June 2018.

A handwritten signature in black ink, appearing to read 'Ken Harrison'.

Ken Harrison AM
Chairman Royal Botanic Gardens Board
Victoria
5 September 2018



Botanica at Cranbourne Gardens

Director and Chief Executive's Welcome



This was an extremely positive year for Royal Botanic Gardens Victoria, with renewed vigour and determination throughout the organisation. The refreshed organisation structure is in place and working extremely well. A highlight for me has been the new Engagement and Impact Division, very much living up to its name. With *Botanica*, *FREEZE!*, and *New Shoots* during 2017-18, and the announcement of two major Melbourne International Arts Festival events for October 2018, we are very much part of Melbourne's cultural calendar, rather than simply a pleasant park for plant enthusiasts. Add to this sold-out concerts with Paul Kelly and other local stars, plus the *Botanic and Rare Plant Fair* with Diggers Club, we now connect with more people than ever.

Our botanical landscapes remain at their high international standard, and it is gratifying to see new landscaping work around the Fern Gully Rest House at Melbourne Gardens. Our scientists continue to discover more about Australia's flora and how it functions, disseminating this now through two online floras. The living and preserved collections are expertly curated and we continue to grow the State Botanical Collection — on that front, we are closer to funding a new herbarium as a safe home for this priceless treasure. Our house is in order, with all major projects on time and on budget, and our leases and licences are in good order.

On top of all this, the uplift to our operating budget of an indexed \$5 million per year (more than a 30 per cent increase in our government allocation), plus an additional \$2.1 million for long outstanding infrastructure maintenance and equipment replacement, at the end of the 2017-18 year was an outstanding success. This uplift will begin a transformation of our state's largest and much loved Botanic Gardens. We will add to those beautiful landscapes new digital interpretation, tours, public art and exhibitions, greater access to our scientific knowledge and many more ways for our visitors to connect with nature.

We are at an exciting time for our Botanic Gardens, and I can't wait to share more with you next year.

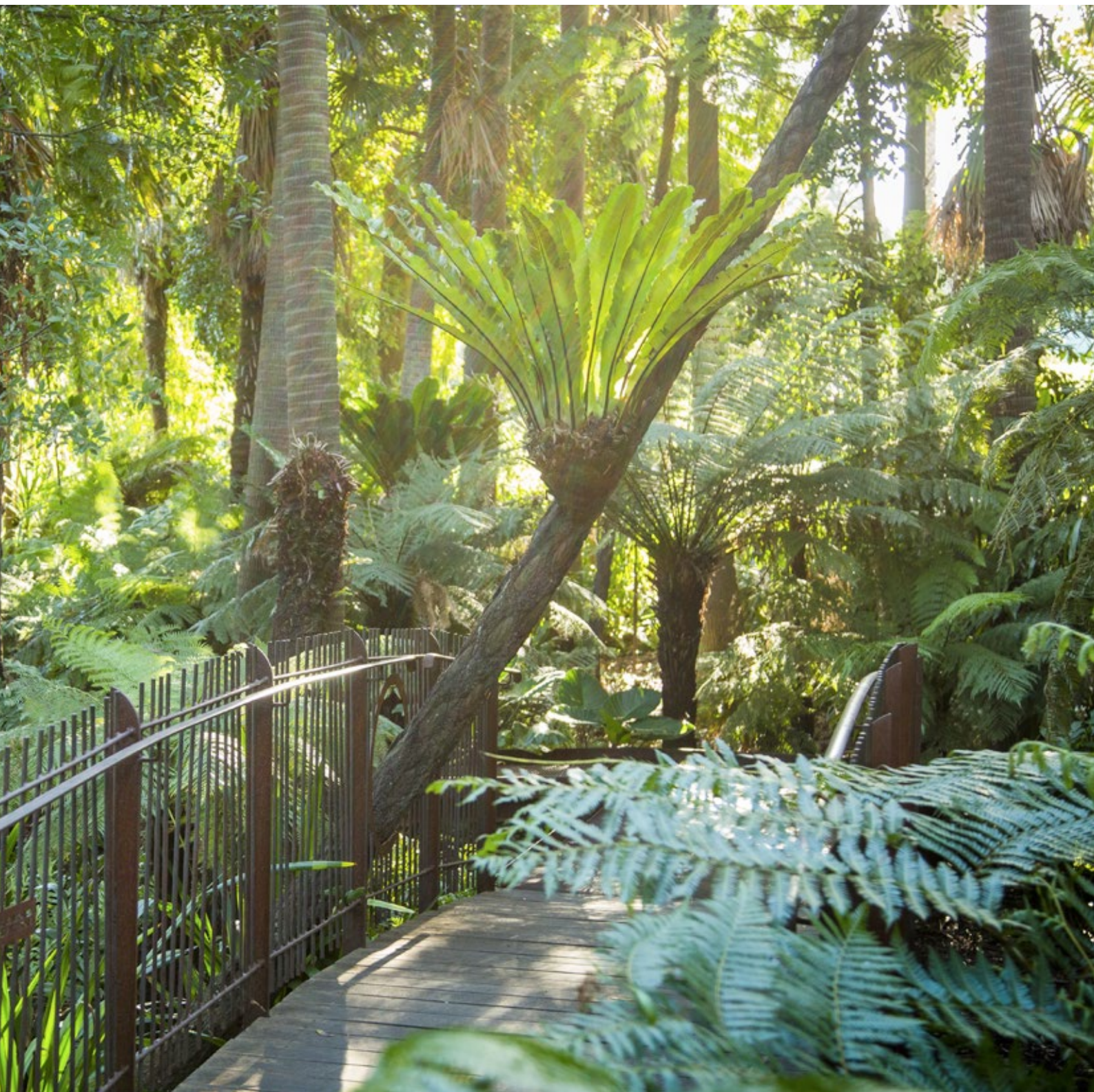


Tim Entwisle
Director and Chief Executive



Fern Gully, Melbourne Gardens

We acknowledge the Traditional Custodians of the land on which we work and learn, the peoples of the Kulin (Koolin) Nation, and pay our respects to their Elders past, present and future.



Highlights

The year in focus

In 2017-18, Royal Botanic Gardens Victoria welcomed almost 2.4 million visitors to its Melbourne Gardens and Cranbourne Gardens. Children, families and young people engaged with nature through new public programs, tours, major events, and learning and participation projects. The science and horticultural teams studied and propagated threatened species, and contributed to key conservation and biodiversity goals for the state. This leading team of experts continued to safeguard plants and plant knowledge for the benefit of the people of our city, state and beyond, maintaining the important living collections at both Gardens as sanctuary for the engagement and wellbeing of all visitors.

P17

Visitation was above 2 million for the second time in the history of Royal Botanic Gardens Victoria.

P60

Significant state government funding was secured to revitalise the organisation for greater social impact. New digital interpretation, tours, public art and exhibitions will be developed and the quality of paths and other infrastructure improved. Generous Commonwealth grants supported numerous plant research projects, as well as commencing heritage repair work to the Great Melbourne Telescope House

P46

The programming team developed and delivered a record number of sell-out public events

P62

Landscape Succession Plan rolled out

P56

Melbourne Gardens Masterplan nearing completion

P61

Impressive water management with stormwater offset

P41

36,233 specimen records made accessible through the Virtual Herbarium

P34

Spectacular results as part of the Orchid Conservation Program

P64

Major gifts were secured to support important organisational projects

P40

Successful launch of the 'Care for the Rare' program

P26

The organisation maintained an impressive safety record

P36

HortFlora, the world's first regional horticultural flora online was launched



Guilfoyle's Volcano, Melbourne Gardens



Our Vision

Life is sustained and enriched by plants

A healthy planet and flourishing community are sustained and enriched by plants. Through iconic landscapes, horticultural excellence, scientific eminence and exceptional programs, we make an enduring contribution to this vision. Plants, along with fungi and algae, are fundamental to life on Earth. They provide the air we breathe, the food we eat, many of the medicines that heal us, and house our wildlife. Plants provide clothing, building materials for shelter and furniture, fuel for heat and fire, and green sanctuary from the pressures of urbanisation and the impacts of unpredictable weather due to climate change. Plants give our lives inspiration and meaning. We prosper and our planet benefits when we understand, appreciate and protect plants for their life-giving qualities. The actions we all take should be based on our knowledge and respect for the environment, plants and the people with whom we share the Earth.

Our Mission

Every interaction with us advances the understanding and appreciation of plants

Two remarkable gardens, innovative science, significant state-owned botanical collections, and skills in engagement and sharing knowledge provide extraordinary opportunities for community engagement and cultural expression, recreation, learning and participation. We seek every opportunity to interact with people from all walks of life, in person and online, to increase understanding of the role individuals play to safeguard plant life for people's wellbeing and the planet's future. As international botanic gardens, our mission is also to play a role in social cohesion and global connectivity, enhancing the experience of Melbourne as a vibrant, resilient city for local and international visitors.



The Tropical Glasshouse, Melbourne Gardens



Our Values



Matt Howard, Team Leader, Gardens South, Melbourne Gardens

Creative

We are inventive and enthusiastic

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

Open

We make time to listen, learn and be clear

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

Brave

We have the courage to change things

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

Remarkable

We leave a lasting impression

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

Our charter

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

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

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

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

To increase public knowledge and awareness of plants and plant communities

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

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

Definitions

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

Australian Garden—refers to the Australian Garden at Cranbourne Gardens

Cranbourne Gardens—refers to the site at Cranbourne

Herbarium—refers to the National Herbarium of Victoria

Melbourne Gardens—refers to the site at Melbourne

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

Royal Botanic Gardens Victoria—refers to the whole organisation, including the sites at Melbourne and Cranbourne

State Botanical Collection—refers to the irreplaceable collection of approximately 1.5 million preserved plant specimens from all over the world and comprehensive botanical library and art collection held within the National Herbarium of Victoria at Melbourne Gardens.

Our Organisation

Royal Botanic Gardens Victoria incorporates two outstanding botanic gardens: a heritage-listed landscape in the heart of Melbourne and a contemporary native garden set within a natural bushland reserve at Cranbourne. It is also home to the State Botanical Collection (including over 1.5 million preserved plants, algae and fungi) and is a regional hub for plant knowledge, with internationally-recognised biodiversity and conservation research programs. The organisation is increasingly known for innovative engagement programs that highlight and celebrate the unique nexus of nature, culture and science, and foster social inclusion and community benefit in the heart of Melbourne.

MELBOURNE GARDENS

Melbourne Gardens has been a treasured part of Melbourne's cultural and scientific life for over 170 years. This heritage-listed landscape is much loved by generations of Victorians, as well as visitors from interstate and overseas.

It is also home to the National Herbarium of Victoria, where scientific laboratories and the Victorian Conservation Seedbank are based, together with the historically-significant State Botanical Collection. Melbourne Gardens is a sanctuary for all Victorians and an important resource for learning, conservation, science and horticulture. Melbourne Gardens extends over 38 hectares and houses a collection of just under 8,000 plant species 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.

Melbourne Gardens is also home to the historic Melbourne Observatory. Constructed in the early 1860s and expanded to include 22 rooms by 1902, the Melbourne Observatory and its instrumentation was an important centre for astronomy, responsible for time setting, meteorology, weights and measures standards, and surveying of the developing colony of Victoria. Its distinctive buildings with their domed ceilings are a feature of the Observatory Precinct at the main entrance to Melbourne Gardens. In February 2018, the Melbourne Observatory was placed on the National Heritage List as part of Melbourne's Domain Parkland and Memorial Precinct listing.



Families gather by Nymphaea Lake, Melbourne Gardens

“These gardens are the living heart of Melbourne and we’re making sure they thrive for future generations.”

The Hon. Lily D’Ambrosio MP,
Minister for Energy, Environment and Climate Change

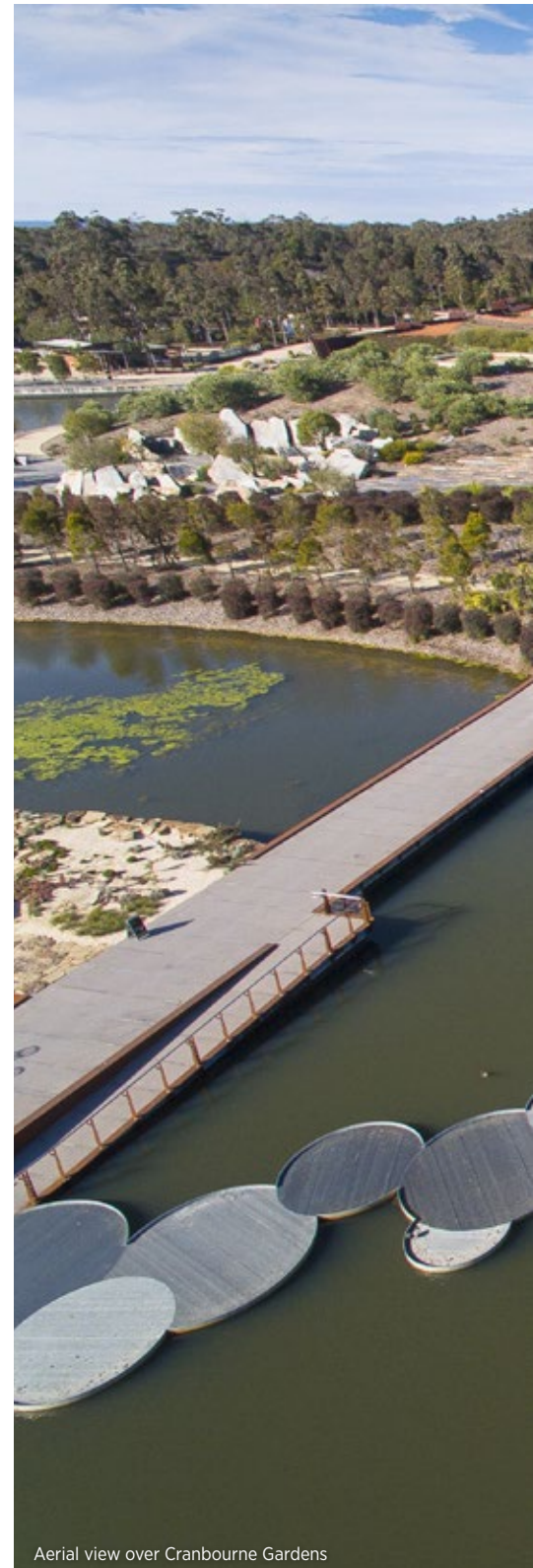


CRANBOURNE GARDENS

Cranbourne Gardens includes one of Victoria's most precious areas of remnant native bushland and is the home of the award-winning Australian Garden. The 363-hectare site offers visitors the chance to explore heathlands, wetlands and woodlands as well as contemporary architectural landscapes showcasing Australia's remarkable flora and landforms.

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, including the Southern Brown Bandicoot, the site is a critical remnant of intact ecosystems in Melbourne's south-east.

Facilities in the bushland include over 10 kilometres of walking tracks, six kilometres of cycling tracks, a lookout tower, picturesque shelters, barbecue facilities and picnic tables. The award-winning Australian Garden celebrates the beauty and diversity of Australian landscapes and features approximately 170,000 plants representing 1,700 different taxa. The innovative design of the Garden has won multiple international awards.



Aerial view over Cranbourne Gardens





SCIENTIFIC RESEARCH

Royal Botanic Gardens Victoria is the Victorian Government's major centre for botanical studies in plant identification, collection and classification. It includes the State Botanical Collection, founded in 1853 and housed in the National Herbarium of Victoria at Melbourne Gardens. Research areas include biodiversity, classification, evolution, biogeography, molecular systematics, conservation and horticulture.

The State Botanical Collection is an invaluable resource of approximately 1.5 million dried specimens of plants, fungi and algae from Australia and many other countries. One of the most historically significant collections in the world, the State Botanical Collection is considered one of the world's premier resources for scientific research. It is used by Royal Botanic Gardens Victoria staff as well as the global scientific community and horticultural, biopharma and biosecurity industries. In addition, it contains the oldest and most comprehensive botanical library in Australia. Sitting alongside the State Botanical Collection is the Victorian Conservation Seedbank, an 'insurance policy' against extinction for some of Victoria's rarest and most threatened plant species.

ENGAGEMENT AND IMPACT

Royal Botanic Gardens Victoria is a thriving hub for community engagement and diverse public programs, including major events, family outings, school programs, nature play activities, creative interpretive displays, art exhibitions, science seminars, seasonal and plant news and much more. The organisation is strongly focused on diversity and social inclusion and, in particular, the deep knowledge of the Traditional Custodians of the land, the peoples of the Kulin (Koolin) Nation. Royal Botanic Gardens Victoria pays respect to their Elders past, present and future, and acknowledges their role and living culture at both Gardens. Royal Botanic Gardens Victoria's site interpretation also acknowledges the city's rich history and heritage, reflecting the pride of place Melbourne Gardens takes in the City of Melbourne as a significant green link between the Yarra River, Domain, arts and sports precincts, and St Kilda Road.

For visitors, the two sites also offer exceptional hospitality through on-site partners such as Jardin Tan (Vue Group), Gardens House (Atlantic Group), The Terrace (Delaware North), Blakes Feast, and Sorrento Catering; retail experiences through three vibrant shops in Melbourne and Cranbourne; and exciting summer events with live performances, Moonlight Cinema, and Punting on the Lake at Melbourne Gardens. At Cranbourne Gardens, the Woodland Picnic Area and extensive walking and cycling tracks offer many opportunities for nature and adventure experiences for the burgeoning population of the City of Casey.

Annual Visitation

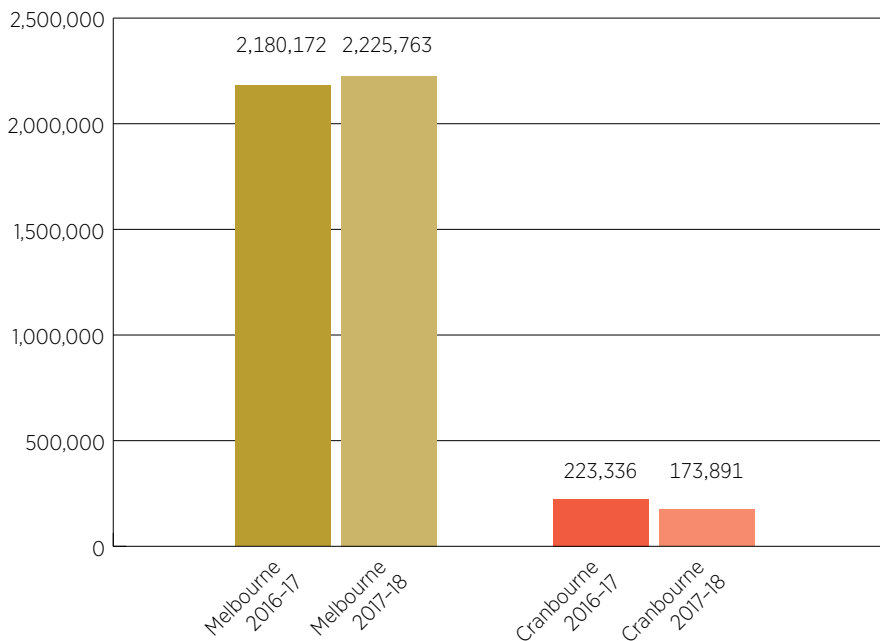
Attendance figures increased again this year, with nearly 2.4 million local, national and international visitors to Melbourne Gardens and Cranbourne Gardens.

New Heads of Programming and Visitor Experience arrived in 2017-18 to review all of Cranbourne Gardens' programs, events and tourism activity. A refreshed vision for engaging visitors and tourists with both sites is progressing well.

Table 1: visitor numbers

Location	2017-18
Cranbourne Gardens	173,891
Melbourne Gardens	2,225,763
Total visitors (to both sites)	2,399,654

Figure 1: Increase to Visitor numbers



Governance

The Royal Botanic Gardens Board Victoria is a statutory authority established under the *Royal Botanic Gardens Act 1991*. The Royal Botanic Gardens Regulations 2014 make provision for the care, protection, management and improvement of the Melbourne Gardens, the Cranbourne Gardens and the National Herbarium of Victoria. The responsible Minister for the period from 1 July 2017 to 30 June 2018 was the Hon. Lily D'Ambrosio MP, Minister for Energy, 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, fundraising, public administration and nature conservation. The members are appointed for a term not exceeding four years, but are eligible for re-appointment. A quorum of the Board is four members.

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

ROYAL BOTANIC GARDENS BOARD VICTORIA MEMBERS

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

Chairman—Appointed 10 December 2013

Appointed to the Board 9 April 2012

Mr Harrison is an investment banker and pastoralist with a great interest in plants, the environment, nature and people. Keenly supporting the philanthropic sector, he is Ambassador for the Royal Children's Hospital Leadership Circle, Chairman of Barwon Health Research Leadership Circle, Chairman of Monash Health Leadership Experience and Philanthropy, Governor of the Australian and New Zealand College of Anaesthetists Research Leadership Circle, Director of the Northern Bay College Geelong Future Fund, the Royal Botanic Gardens Foundation, Melbourne Opera and National Trust Foundation, Ambassador for the Australian Dental Association, Evident Foundation, and Patron of Prince's Trust Australia.

Professor Rob Adams AM

Appointed to the Board 9 April 2016

Professor Adams is Director City Design and Projects at the City of Melbourne and a member of the Cities of the Future Council of the World Economic Forum. He has made a significant contribution to the rejuvenation of central Melbourne over his 35-year tenure.

Professor Tony Bacic FAA

Appointed to the Board 17 December 2013

Professor Bacic is a plant biologist with an extensive background in research and research training who is currently the Director of the La Trobe Institute for Agriculture and Food at La Trobe University. His primary focus is on understanding plant growth and development with a view to ensuring a secure food supply and sustainable agriculture. He was Director of the Bio21 Molecular Science and Biotechnology Institute (until 31 December 2014), The University of Melbourne, Deputy Director of the ARC Centre of Excellence in Plant Cell Walls, and was a long-serving member of the Maud Gibson Trust Advisory Committee. Professor Bacic is currently Chair of Royal Botanic Gardens Board Victoria's Finance and Audit Committee and Remuneration Committee.

Mrs Penny Fowler GAICD, BBus

Deputy Chairman—appointed 9 April 2016

Appointed to the Board 8 April 2014

With a background in business and marketing, Mrs Fowler is the Chairman of the Herald and Weekly Times Pty Ltd and the Royal Children's Hospital *Good Friday Appeal*. She is also a Board member of The Australian Ballet, The National Portrait Gallery, and is on the Advisory Boards of Visy and the Bank of Melbourne.

Table 2: Board attendance figures — from 1 July 2017 to 30 June 2018

Board Member	No. of meetings eligible to attend	No. of meetings attended
Kenneth Harrison	8	7
Rob Adams	8	4
Tony Bacic	8	8
Penny Fowler	8	8
Jillian Riseley	8	7
Susanne Williamson	8	8
Jennifer Wolcott	8	7

Ms Jillian Riseley GAICD, MSt, BA

Appointed to the Board 9 April 2016

Ms Riseley has 25 years’ experience in sustainability and public affairs. Previously Ms Riseley has held leadership roles in the private sector and currently consults to Australian and multi-national corporations on Responsible Business and Corporate Social Responsibility. Ms Riseley has extensive Board experience and is currently a Non-Executive Director and Board member on a range of private, public and government Boards including Launch Housing and Community Buying Group. Qualifications include a Masters in Sustainability Leadership from the University of Cambridge.

Ms Susanne Williamson GAICD

Appointed to the Board 9 April 2016

For 25 years, Ms Williamson has held senior marketing and fundraising positions at charities including the Heart Foundation, Arts Centre Melbourne, and Monash University. Winner of multiple awards for her work in the non-profit and commercial sectors, she was formerly Head of Fundraising at the Walter and Eliza Hall Institute of Medical Research, where she raised over \$39 million in major gifts within five years, and is the newly-appointed Deputy Senior Director, Advancement at Monash University.

Ms Jennifer Wolcott GAICD

Appointed to the Board 15 December 2009

Ms Wolcott is currently working as a Director at Emergency Management Victoria. She has more than 30 years’ experience in the Victorian public sector holding executive positions in the Environment Protection Authority, the Department of Natural Resources and Environment, the Department of Primary Industries and Parks Victoria, and has been a member of the Victorian Coastal Council. She has led a number of major inquiries, including the Independent Fiskville Investigation. Ms Wolcott is the current Chair of Royal Botanic Gardens Board Victoria’s Risk Committee.

BOARD COMMITTEES

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

Finance and Audit Committee

Remuneration Committee

Risk Committee

The Committees 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 four 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 Royal Botanic Gardens Victoria

the financial reporting process

the scope of work and performance of the internal and external auditors

matters of accountability and internal control affecting the operations of Royal Botanic Gardens Victoria

the effectiveness of management information systems and other systems of internal control

Royal Botanic Gardens Victoria’s monitoring of compliance with laws and regulations.

Independent members of the Finance and Audit Committee from 1 July 2017 to 30 June 2018 inclusive were Professor Tony Bacic (Committee Chairman), Mr Ken Harrison AM, Ms Jill Riseley and Ms Susanne Williamson.

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 Royal Botanic Gardens Victoria and is responsible for the Director and Chief Executive's remuneration and performance, and for review of the Director and Chief Executive's decisions on Executive remuneration.

Members of the Remuneration Committee from 1 July 2017 to 30 June 2018 inclusive were Professor Tony Bacic (Committee Chairman), Mr Ken Harrison AM, Ms Jill Riseley and Ms Susanne Williamson.

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 Royal Botanic Gardens Victoria's Risk Management Framework.

Members of the Risk Committee from 1 July 2017 to 30 June 2018 inclusive were Ms Jennifer Wolcott (Committee Chairman), Mrs Penny Fowler and Mr Ken Harrison AM.

EXECUTIVE TEAM (AS AT 30 JUNE 2018)

Director and Chief Executive (2013)

Professor Timothy J Entwisle PhD, BSc (Hons)

Responsible for leading and promoting Royal Botanic Gardens Victoria to achieve the highest standards in horticulture, science, financial management and a broad range of 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 Royal Botanic Gardens Victoria in March 2013, following two years in a senior role at Royal Botanic Gardens, Kew, and eight years as Executive Director of the Royal Botanic Gardens and Domain Trust in Sydney. Professor Entwisle is an Honorary Professorial Fellow at The University of Melbourne, and a regular contributor to print, radio, television and social media.

Executive Director Science (2006)

Professor David Cantrill PhD, BSc (Hons)

Responsible for directing research into plant biodiversity, systematics, and conservation and management of the State Botanical Collection. This entails 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 120 scientific articles; is an editor of *Grana*, an international journal for pollen studies; and sits on a number of international editorial and scientific advisory boards. His research interests focus on integrating information from fossil and living floras to understanding the origins of patterns of diversity in the southern hemisphere. He holds an honorary professorship with the School of Biosciences at The University of Melbourne.

Executive Director Corporate (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, people and culture management, information services, project management, and legal, legislative and contractual matters.

Ms Steinicke is also responsible for financial and project management of the Recycled Irrigation Water projects at both Melbourne Gardens and Cranbourne Gardens. She has over 25 years' experience in botanic gardens management, and previously held senior management positions in consumer affairs and education.

Executive Director Melbourne Gardens (2010)

Chris Cole Dip Hort

Responsible for horticultural planning and operations, including landscape planning, management and development of living plant collections, and nursery operations at Melbourne Gardens.

Mr Cole is also responsible for arboriculture and management of site facilities and infrastructure at both Melbourne Gardens and Cranbourne Gardens, and provides management direction for the implementation of Integrated Water Management and Landscape Succession projects at Melbourne Gardens. He has over 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.



Executive Director Cranbourne Gardens (2001)

Chris Russell BSc (Hons), Grad Dip Land Rehab

Responsible for the leadership, management and operation of Cranbourne Gardens encompassing the Australian Garden and significant conservation areas, including horticultural planning and operations, natural areas research and management, and development and implementation of the site's Master Plan.

Mr Russell is also responsible for delivery of capital works projects, strategic input into land-use planning and relationship management in the region, organisational occupational health and safety, and aspects of environmental systems management across the Cranbourne and Melbourne sites.

Prior to joining the Royal Botanic Gardens Victoria, Mr Russell had experience in environmental management and capital projects with Parks Victoria (formerly National Parks Service Victoria), the building industry and scientific research.

Executive Director Engagement and Impact (2016)

Robin Penty MFA, BFA (Hons)

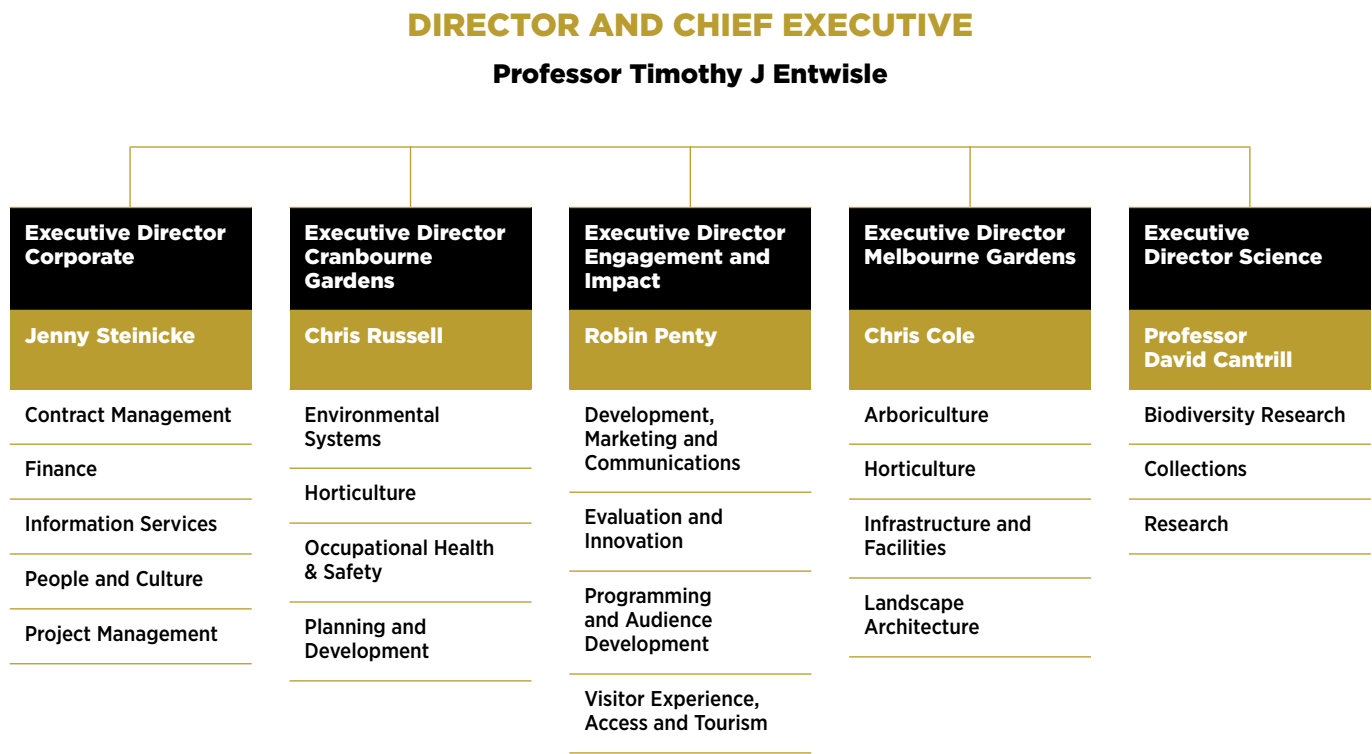
Responsible for leading programming and audience development, visitor experience, access, fundraising, marketing, communications, business development and tourism.

An experienced executive leader, Ms Penty has held senior and national leadership roles in business development, strategic partnerships, marketing and communications for The Smith Family, Alcohol and Drug Foundation, and The University of Melbourne. She was head of participation and public programs at Arts Centre Melbourne for six years in the period leading up to Hamer Hall's redevelopment and reopening, where her team was recognised on four occasions by the state government for leadership in community, disability access, digital and public programs, in addition to receiving national awards from Creative Partnerships Australia and the Australia Council.

With a lifelong commitment to diversity and inclusion, regional engagement and creative partnerships, Ms Penty has worked in diverse roles as executive producer, arts and cultural programmer, qualitative researcher, strategy and planning consultant, educator, practising artist and skilled facilitator. She has also been involved in regular leadership coaching and mentoring across the arts, education and community legal sectors.

Organisational Structure and Key Functional Areas

Figure 2: Organisational Structure and Key Functional Areas



Our People

“We are the custodians of a significant cultural and scientific organisation. With collections, expertise and trust amassed over 170 years, we have the capacity and the responsibility to bring a world of plant knowledge and inspiration to our visitors. With passion and determination we will achieve a positive change in thinking, whereby the vital role of plants will be understood and appreciated by the community.”

Tim Entwisle, Corporate Plan 2014-2019



Horticulture Intern Emma Warren with Horticulturist Millie Wee at Melbourne Gardens



Northern Display Gardens,
Cranbourne Gardens

PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

The Royal Botanic Gardens Board Victoria adopts policies and practices that are consistent with the *Public Administration Act 2004*. The organisation is committed to applying merit and equity principles when appointing employees. The selection processes ensure that applicants are assessed and evaluated fairly and equitably, based on key selection criteria and other accountabilities, without discrimination.

Royal Botanic Gardens Victoria has introduced policies and practices that are consistent with Victorian Public Sector Commission's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The organisation has advised its employees about how to avoid conflicts of interest, how to respond to offers of gifts and hospitality, and how it manages misconduct.

Table 3: Summary of employment levels as at June 2018 and June 2017

	Total Headcount (includes Ongoing, Fixed term, Fixed task and Casual)	Ongoing Employees				Fixed term, Fixed task and casual	
		Number (Headcount)	Full-time (Headcount)	Part-time (Headcount)	FTE	Headcount	FTE
June 2018	209	156	107	49	135.17	53	35.06
June 2017	209	134	101	33	117.54	75	33.73

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

	June 2018			June 2017		
	Total Headcount (includes ongoing, Fixed term, Fixed task and Casual)	Ongoing	Fixed term, Fixed task and Casual	Total Headcount (includes ongoing, Fixed term, Fixed task and Casual)	Ongoing	Fixed term, Fixed task and Casual
		Number (Headcount)	Headcount		Number (Headcount)	Headcount
	209			209		
Gender						
Male	87	52	25	85	68	17
Female	122	92	30	124	66	58
Age						
Under 25 years	4	0	4	1	0	1
25–34 years	32	22	10	24	8	16
35–44 years	54	37	17	54	37	17
45–54 years	62	53	9	65	47	18
55–64 years	46	38	8	49	35	14
Over 64 years	11	4	7	16	7	9
Classification						
Staff	156	114	42	159	96	63
Line Manager	35	31	4	35	29	6
Branch Manager	12	12	0	9	9	0
Executives	6	0	6	6	0	6

Note:
All figures reflect employment levels during the last full pay period in June of each year. Excluded are those employees on leave without pay or absent on secondment, or casuals who were not paid in the final pay period. Ongoing employees include people engaged on an open-ended contract of employment.
FTE means Full-time equivalent.

EMPLOYEE LEARNING AND DEVELOPMENT

The Royal Botanic Gardens Board Victoria is committed to the development of a skilled and professional workforce, and to providing safe and equitable working conditions. All new employees are provided with a comprehensive orientation session within their probationary period along with a thorough induction pack upon commencement. The relevant Line Manager guides the employee through the induction pack and provides other formal support during the probationary period.

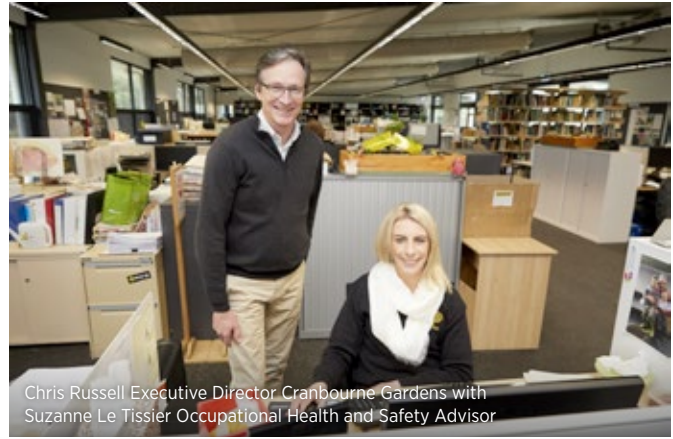
The 2017–18 development program included face-to-face sessions on Equal Opportunity, Code of Conduct, Requirements of being a Public Sector Employee, Difficult/Challenging

Conversations, SunSmart program, Manual Handling and Ergonomics, and the Performance Review System. Employees also attended conferences, seminars, field-trips and technical training appropriate to their respective roles.

Topics covered by e-learning modules included Equal Opportunity, Bullying and Harassment, Code of Conduct, Duty of Care, Risk Management, Job-specific modules (for example, Hazardous Substances), and Fraud and Corruption Awareness. All new employees complete the existing e-learning modules within three months of commencement. All other employees complete e-learning modules on an annual basis.

EQUAL OPPORTUNITY

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



OCCUPATIONAL HEALTH AND SAFETY (OHS)

The OHS Working Group and OHS Committee played a crucial role in the ongoing development of OHS initiatives across the organisation. This dedication led to many improvements in a number of OHS management systems and processes across the organisation.

An OHS Advisor was recruited toward the end of the year and a strategic plan was developed with key objectives focusing on OHS governance and OHS culture and practice. The aim is to build a robust and operationally sound OHS Management System and develop a proactive OHS culture. An OHS Performance Reporting structure was established with an overview of Royal Botanic Gardens Victoria OHS performance, which will assist in identifying trends and future requirements. Organisation-wide manual handling, ergonomics and specific competency training was completed.

WorkCover Claims

The table below outlines the WorkCover data relating to claims lodged in 2017-18 and in the previous two years.

Table 5: WorkCover claims for the past three years

	2017-18	2016-17	2015-16
Minor Claims¹	1	10	12
Standard Claims²	4	3	5
Total claims	5	13	17
No. of Lost Time Standard Claims per 100 FTE*	-	0	4.43
Average Cost per Claim RBGV³ (\$)*	-	314.69	1,435.99

*This data could not be obtained due to changes in reporting processes. On commencement, all new employees are provided with 'Return to Work Obligations' information sheets, and current WorkSafe posters are visible on all notice boards.

Note:

1 Minor Claims - Less than 10 days time lost and/or under \$692 medical and like expenses (non-recoverable).

2 Standard Claims - Greater than 10 days time lost and/or greater than \$692 medical and like expenses. Some salary costs may be recoverable from insurers.

3 Average cost per claim RBGV - Claims costs paid by RBGV for less than 10 days time lost and/or under \$692 medical and like expenses (that is, non-recoverable from insurer).

Our Performance

We conserve and cultivate important ideas as well as plants and we provide inspiring experiences. We share our expertise and our influence spreads beyond the gates of the organisation. (Corporate Plan 2014-2019)



Pina Milne, Manager Collections, examines a preserved specimen from the State Botanical Collection

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 in 2017-18 were to:

Maintain and improve both Melbourne Gardens and Cranbourne Gardens

Pursue scientific research on Australian flora and improve the curation and storage of the State Botanical Collection

Interpret and use the living collections and State Botanical Collection to advance the understanding and appreciation of plants

Seek a resolution to the persistent underfunding of Royal Botanic Gardens Victoria

Commence the Integrated Water Management projects at both Melbourne Gardens and Cranbourne Gardens

Identify and implement new programming and business development opportunities to enhance the Royal Botanic Gardens Victoria's community engagement and brand, whilst expanding upon current revenue sources.

Income from Government

During 2017-18, annual funding provided by the Department of Environment, Land, Water and Planning (DELWP) was applied to achieve the Board's main budgetary objectives and also used to enable repair or replacement of the most urgent of those assets requiring attention, including the restoration of the Fern Gully Rest House, improvements to the drainage infrastructure in Princes Lawn, the purchase of an aquatic harvester to manage the removal of Azolla from the lake system, associated construction works to enable storage and movement around the Gardens, and updated building cabling and electrical renovations at Melbourne Gardens.

Works on the Fire Protection System project at Melbourne Gardens were finalised with completion of remaining minor works and turf reinstatement. Risk-related minor asset monies received from DELWP enabled upgrading of the heating, ventilation and air-conditioning (HVAC) of the main Observatory building and the Visitor Centre at Melbourne Gardens, and upgrading of the garden path and lighting from Gate D to Central Lawn.

Early works on restoration of the Great Melbourne Telescope House also commenced after success in achieving both a Victorian Government Living Heritage Grant of \$400,000, which will repair rising and falling damp; and a Commonwealth Government Protecting National Historic Sites grant of \$250,000, which will repair and restore the operable roof. In 2018-19, it is expected that funded works on the Great Melbourne Telescope House will be completed.

Further work to be undertaken in 2018-19 includes replacement of the HVAC system servicing the Astronomer's Residence (Observatory House), a major renovation of the Red Sand Garden, expansion of the soil monitoring and analysis program within the Australian Garden to improve plant performance, permitting and construction for the Recycled Irrigation Water Project at Cranbourne Gardens, and design and permitting for the Non-potable Irrigation Water Project at Melbourne Gardens.

FINANCIAL RESULTS FOR 2017-18

Table 6: Financial results for 2017-18

	2017-18
	\$
Government and other grant funding	
- Parks and Reserves Trust Account grants	23,069,814
- Other Victorian Government grants	515,127
- Commonwealth Government grants	298,315
- Other grants	435,611
Philanthropic and other donations	2,757,102
Other income	4,756,877
Total expenses	(25,690,106)
Net result	6,142,740

Comparison of financial performance and position

The Royal Botanic Gardens Board Victoria's overall operating result for the financial year ended 30 June 2018 was significantly higher than the previous year, mainly due to recognition of \$5 million revenue relating to part-payment of the 2018-19 Parks and Reserves Trust Account (PRTA) grant in advance, and one-off supplementary PRTA funding of \$2.1 million in late May 2018. Other significant movements in Royal Botanic Gardens Board Victoria's revenue and expenses include:

An increase in donation income due to a higher level of contributions received from the Royal Botanic Gardens Victoria Foundation for various projects, including programming support, scientific research and enhancement of the Arid Garden Precinct at Melbourne Gardens

An increase in employee expenses due to filling a number of vacancies, which had resulted from the organisation restructure that was implemented in the previous year.

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

An increase in cash and deposits balances at 30 June 2018, mainly due to the receipt of PRTA other project income in advance, the expenditure against which will be undertaken during the 2018-19 financial year, including funding received for the Melbourne Gardens non-potable and Cranbourne Gardens recycled irrigation water projects, which is also reflected as an increase in the contributed capital equity balance

An increase in the value of property, plant and equipment assets due to a managerial revaluation undertaken on the carrying amount of the Royal Botanic Gardens Board Victoria's land values in accordance with FRD103F Non-Financial physical assets and asset purchases undertaken during the year.

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



A *Thryptomene baeckeacea* flower

Table 7: Five-year year comparison of financial results

	2017-18	2016-17	2015-16	2014-15	2013-14
	\$	\$	\$	\$	\$
Government and other grant funding					
Parks and Reserves Trust Account grants	23,069,814	15,364,241	15,942,218	14,536,099	14,292,000
Commonwealth Government	298,315	182,296	168,711	64,217	0
Other grants	950,738	346,138	751,481	631,346	378,450
Donations	2,757,102	1,544,089	1,613,427	1,771,407	1,882,990
Other income	4,756,877	4,655,558	5,088,499	5,285,075	5,308,180
Total expenses	(25,690,106)	(23,777,886)	(25,253,887)	(22,749,249)	(22,733,521)
Net result	6,142,740	(1,680,626)	(1,689,551)	(461,105)	(871,901)
Net cash flow from operating activities	4,426,989	(208,811)	1,490,429	2,134,640	847,928
Total assets	676,485,904	611,520,208	613,975,705	421,812,214	421,799,557
Total liabilities	6,477,550	5,598,201	6,373,072	5,157,402	4,683,640

Our Achievements

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

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

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

The Royal Botanic Gardens Board Victoria Business Plan 2017–18 adopted the structure of the four Corporate Plan strategic themes and detailed specific actions for the reporting period.

Our Achievements reports against the Specific Actions and Performance Measures identified in the Business Plan, as well as ongoing work that relates to the Corporate Plan Strategic Themes, including future initiatives. This financial year was the fourth year of the current corporate planning cycle.

1: Discovery and sharing knowledge

OUR COMMITMENT:

We will share our expertise and spread our influence beyond the gates of Royal Botanic Gardens Victoria and contribute to global scientific knowledge through science, research and conservation leadership projects and by working with external parties with shared goals

YEAR IN REVIEW

Expertise in science and horticulture not only maintains Melbourne Gardens and Cranbourne Gardens as two of the world's leading botanic gardens, but is shared with other botanic gardens around Australia and the world, and more broadly with the local and international community.

The science team made many important discoveries that will help solve plant-related and ecological problems. Findings included new understandings of the evolution of species, identification of new species and rectification of mis-identified species.

Conservation activities included nursery propagation, seed banking, and cultivation of threatened species and insights into the genetic health and fitness of rare and threatened Victorian plants.

To share this valuable knowledge, the team delivered lectures, presentations, talks and conference presentations and produced peer-reviewed publications and papers. The team also launched *HortFlora*, designed to assist in identification and understanding of horticultural species.

Royal Botanic Gardens Victoria achieved the following Budget Paper No. 3 output performance measure in the 2017-18 reporting period:

Table 8: Performance against objectives

BP3 Output performance measures	Specimens curated in State Botanical Collection
Quantity, Quality, Time, Cost (QQTC)	Quantity
Unit of measure	Number
2017-18 target	12,100
2017-18 actual	36,223*
Variance	+24,123
Result	✓

* Additional funding secured from private donors and trusts has enabled the Foreign Collection Project to employ four database officers for a fixed term, making a significant contribution to the number of database records and therefore to the overall number of specimens curated in the State Botanical Collection.

Key

- ✓ Performance target achieved or exceeded, or expected to be achieved.
- Performance target not achieved – exceeds 5% variance.
- Performance target not achieved – within 5% variance.



Database Officer, Foreign Collection Project,
Rita Macheda

KEY ACHIEVEMENTS

Royal Botanic Gardens Victoria science staff delivered 38 lectures, presentations and talks including 10 presentations at high-profile conferences

One of 11 *Caladenia pumila* Dwarf-Spider orchids cultivated in Melbourne Gardens Nursery is likely to flower for the first time in cultivation in spring 2018. The seeds for this orchid, previously considered to be extinct for 90 years, were rediscovered and collected in a Parks Victoria reserve in late 2009

More than 1,000 collections (575 truffles, 425 macrofungi) were sampled for DNA. Initial analyses described six new genera of truffle-like stinkhorns and three new genera of truffle-like boletes, and 29 new species (across multiple lineages)

VicFlora, a plant biodiversity knowledge database which provides identification tools and information on all Victorian plants, now contains more than 20,000 images

The world's first online horticultural flora resource, *HortFlora*, was launched to the public

Royal Botanic Gardens Victoria staff were pivotal in the debate and ultimate updating of the naming conventions of the world's fungi

The Foreign Collection Project edited and databased 17,665 foreign specimens

Herbarium volunteers curated 12,139 specimens

Staff produced 37 peer-reviewed publications, with 16 papers published in Institute for Scientific Information journals, with Impact Factors over two



The nationally threatened *Caladenia cretacea* (spider-orchid) that were grown from seed for re-introduction into the wild.

IMPACT SNAPSHOT: SOLVING PLANT-RELATED AND ECOLOGICAL PROBLEMS

Nursery propagation and cultivation of threatened species

Collaborative work between Royal Botanic Gardens Victoria's Science Division, Melbourne Gardens' nursery, and the Department of Environment, Land, Water and Planning, including a four-year project for the translocation of terrestrial orchids, resulted in the reintroduction of a number of rare and threatened species.

Plants were propagated by nursery staff from wild-collected seeds that were stored at the Victorian Conservation Seedbank until advantageous sowing time. Seedlings were then transferred to tubes for cultivation until the conditions were optimal for translocation to the wild. Seedlings that were supplied for reintroduction in 2017–18 included 750 *Swainsona recta*, a formerly extinct native legume; and *Olearia passerinoides*

subsp. *glutescens*, a rare plant, restricted in Victoria to a single population near Inglewood, growing at the edges of the Box-Ironbark forest. The success of orchid translocations is underpinned by an ex-situ terrestrial orchid collection that has been in place at the Melbourne Gardens nursery for more than 20 years.

Nursery staff, including Horticulturist Chris Jenek, propagated and maintained this important collection. One of 11 *Caladenia pumila* Dwarf-spider orchids produced in Melbourne Gardens Nursery is likely to flower for the first time from cultivation in spring 2018. This orchid, previously considered to be extinct for 90 years, was found in a Parks Victoria reserve in late 2009.

National and international strategic influence

In July 2017, Professor Tim Entwisle, Director and Chief Executive, was elected President of the International Association of Botanic Gardens until 2023. The Association was formed in 1954 and reports to the International Union of Biological Sciences. It advocates on behalf of all botanic gardens, encouraging their establishment and development through regional networks.

In July 2017, Dr Tom May, Senior Mycologist, participated in the Nomenclature Section of the International Botanic Congress (IBC) in Shenzhen, China. Two formal proposals to change the *International Code of nomenclature for algae, fungi and plants* (the Code), dealt with governance. Dr May convened a Special Sub-committee on this matter, and during the Nomenclature Section, led the debate, introduced the proposals and commented during the formal vote.

In a landmark decision, the Section accepted the fungi governance proposals. This means there will be a formal Fungal Nomenclature Session at the next International Mycological Congress. Dr May was elected Secretary of the Fungal Bureau of Nomenclature that organises the Fungal Nomenclature Session. In December 2017, Dr May travelled to the Botanical Garden and Botanical Museum in Berlin to attend the meeting of the Editorial Committee for the Code, arising from the Shenzhen IBC. Dr May prepared the material for the Code's new 'Chapter F', which compiles material solely pertaining to fungi. This segregation will assist mycologists submitting proposals for consideration by the Nomenclature Session of the International Mycological Congress in 2018. The five-day meeting produced a final draft of the Shenzhen Code.

In Australia and New Zealand, Professor David Cantrill, Executive Director Science, and Dr May participated in the Working Group for *Discovering Biodiversity: a Decadal Plan for Taxonomy and Biosystematics in Australia and New Zealand 2018–2027*. The Decadal Plan sets out the value of taxonomy and biosystematics for society and the economy, and details the ways that these disciplines can be supported, enhanced and expanded across Australia and New Zealand over the next decade. The Plan was launched at Parliament House, Canberra on 27 April 2018. Professor Cantrill and Dr May attended the launch and the subsequent workshop on implementing the Plan, held at the Australian Academy of Science. The key initiatives of the Plan are to: (1) significantly accelerate species discovery and documentation, (2) enhance services for end users, (3) engage with indigenous communities, (4) integrate infrastructure, (5) promote the value of biota, and (6) support strategic growth of capacities and capabilities across the sector.

SCIENTIFIC RESEARCH

Asparagales and their relatives

Postdoctoral Research Scientist Dr Bee Gunn, along with Dr Dan Murphy, Senior Research Scientist (Molecular Systematics), and University of Melbourne collaborator Dr Jo Birch, worked on the Australian (non-Orchid) Asparagales project including conducting genome-skimming protocols for high throughput sequencing. Dr Gunn generated genomic-scale sequence data of hundreds of species from across Australia to provide a comprehensive family tree, based on chloroplast genome sequences. This assists in understanding the evolution of Australian Asparagales and its biogeographical distribution. Investigations into the genome sizes and chromosome numbers of *Lomandra* (Matt-rushes) used flow cytometry. Karyotyping of selected *Lomandra* species was also conducted to verify their chromosome numbers. Samples for this work were collected over the year during field work in Victoria, Western Australia and Queensland.

A new look at field mushrooms

Masters student Grace Boxshall (Project: 'Investigation of toxicity within Southern Australian members of the mushroom genus *Agaricus* L. in a phylogenetic context') completed significant work on collections within the State Botanical Collection (MEL) and field-collected material. The project was supervised by Royal Botanic Gardens Victoria Mycologist Dr Teresa Lebel, along with University of Melbourne collaborator Dr Jo Birch, and Deakin University's Dr Damien Callahan. Preliminary molecular analyses showed that mis-identification of *Agaricus* material in MEL was close to 50 per cent, highlighting the low level of morphological variation present in the genus, and the resulting difficulty in accurately identifying species. Before this project, 11 species of *Agaricus* were recognised for Australia, but already a further seven putative species have been identified.

Preliminary chemical analyses of the mushrooms suggested that the primary toxin, phenol, is evenly distributed throughout mushroom fruitbodies. That is, there is no difference in toxin concentration between buttons and mature fruitbodies. The highest concentrations of toxins were found in collections of *A. xanthodermus* (Yellow Stainer) and a native *Agaricus* species new to science.

Fungal barcode

Mycologists Dr Teresa Lebel and Dr Tom May collaborated on the fungal barcode project to determine which 1,000 macrofungal collections to sequence. The Australian Genome Research Facility and Bioplatforms Australia supported the project, with in-kind molecular work and aid in development of next-generation sequencing protocols. More than 1,000 collections (575 truffles, 425 macrofungi) were sampled for DNA, including all Basidiomycete types more recent than 1950 held in MEL. Material older than this proved problematic as the initial drying of samples and chemical 'insect proofing' that had been undertaken significantly affected the chance of obtaining usable DNA sequences. Sampled material covered a broad range of macrofungal lineages. Initial analyses suggested that there are six new genera of truffle-like stinkhorns and three new genera of truffle-like boletes to be described, and 29 new species (across multiple lineages). The next set of material to be sampled for the Fungal Barcode project includes members of Russulaceae and all Ascomycete types held in MEL more recent than 1950.

Systematics

In 2018, a paper was published on the genus *Persoonia* (Geebung, Snottygobbles). This member of the Proteaceae is the only speciose group within the subfamily Persoonioideae. The molecular study revealed that *Toronia* from New Zealand, *Garnieria* from New Caledonia, and *Acidonia* from south-western Australia are all nested inside *Persoonia*, and so are not good genera. *Toronia* together with *Persoonia ruffiflora* group form a basal group that should be treated as a new genus. The relationships between the rest of *Persoonia*, *Garnieria* and *Acidonia* are less clear and require further study. Several of the informal groups recognised in earlier studies are also well supported.

New freshwater red algae

A new genus and family of red algae, *Ottia* and Ottiaceae, were described for an endophyte (an organism that lives within another) of larger red algae attached to rocks in the streams of mainland Australia and New Zealand. Professor Tim Entwisle collaborated with scientists in North America to reveal the unique attributes of this alga and to demonstrate its distant relationship with similar looking algae found in the Northern Hemisphere.

Publications and citations

The Institute for Scientific Information indexed journals are maintained by Clarivate Analytics as an authoritative source of bibliographic data used to assess the impact of research. In 2017–18 Royal Botanic Gardens Victoria staff published 37 peer-reviewed papers with 68 per cent being in Institute for Scientific Information indexed journals.

PROVIDING PLANT INFORMATION

A new HortFlora

In May 2018, the HortFlora website was launched as a current, web-based guide to the cultivated plants of south-eastern Australia. HortFlora is based on Senior Horticultural Botanist Dr Roger Spencer's hardcopy, five volume *Horticultural flora of south-eastern Australia* published between 1995 and 2005. It contains plant profiles,

identification tools and is illustrated with botanical line drawings and photographs. HortFlora, which continues to be updated and enhanced by scientists at Royal Botanic Gardens Victoria, is a useful resource for professional horticulturists, amateur gardeners, garden and landscape designers, arborists, botanists, farmers, foresters, students, authors, journalists, and anyone with an interest in cultivated plants growing in, but not restricted to, Victoria, South Australia, Tasmania, New South Wales and south-eastern Queensland. It is the first online horticultural flora resource in the world and can be accessed at <https://hortflora.rbg.vic.gov.au/>. With support from the communications team, this tool was featured in *The Age*, *Gardening Australia* magazine and on ABC radio and 3AW.

An improved VicFlora

VicFlora is a plant biodiversity knowledge database, which provides identification tools and information on all Victorian plants. It allows land and natural resource managers to detect new weed incursions, identify new records of plant biodiversity in natural settings, and manage assets under their control.

In 2017–18 VicFlora achieved a milestone with the addition of more than 1,000 missing species which was required to make the resource robust with the latest information. VicFlora is maintained by science staff as new species in Victoria are discovered. Work is also focused on supplementing the written information with photographs of the diagnostic features of every species. VicFlora now contains more than 20,000 images and information on approximately 75 per cent of Victorian species (procuring images of the remaining 25 per cent of species continues).

The resources of the Victorian Conservation Seedbank have been used by staff and volunteers to include photographs of seeds from more than 850 Victorian species—the first time some of these images have been publicly available.

These improvements have increased website traffic to the site, which has grown by 40 per cent over the previous financial year. Increasingly, VicFlora is being referred to in social media groups interested in Victorian flora. The product is well regarded and a number of power users provide regular feedback, which has allowed the team to rectify issues as they arise and engage with the community.

Science Division ISI Publications

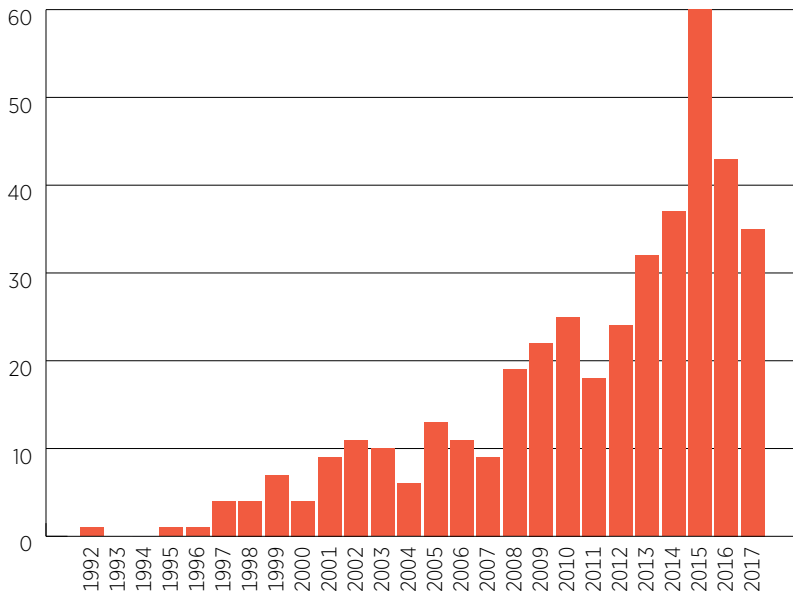


Figure 3: RBGV Institute for Scientific Information (ISI) publications by calendar year. Note peak in 2015 due to Handbook for Road Ecology with 19 chapters counting as separate items. Decrease in numbers reflects the closure of the Australian Research Centre for Urban Ecology.

Science Division ISI Citations

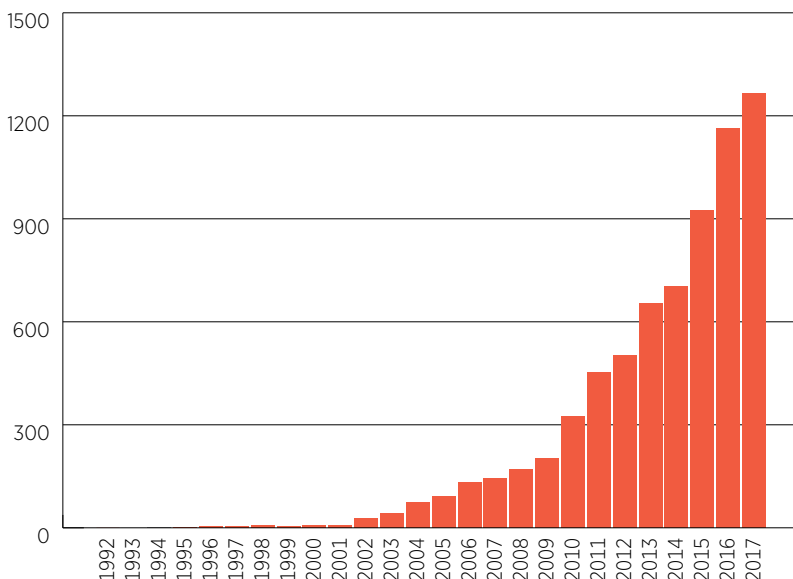


Figure 4: ISI citations to RBGV research outputs by calendar year. In 2017 RBGV research was cited 1,267 times.



Vic Flora Usage – September 2015 – December 2017

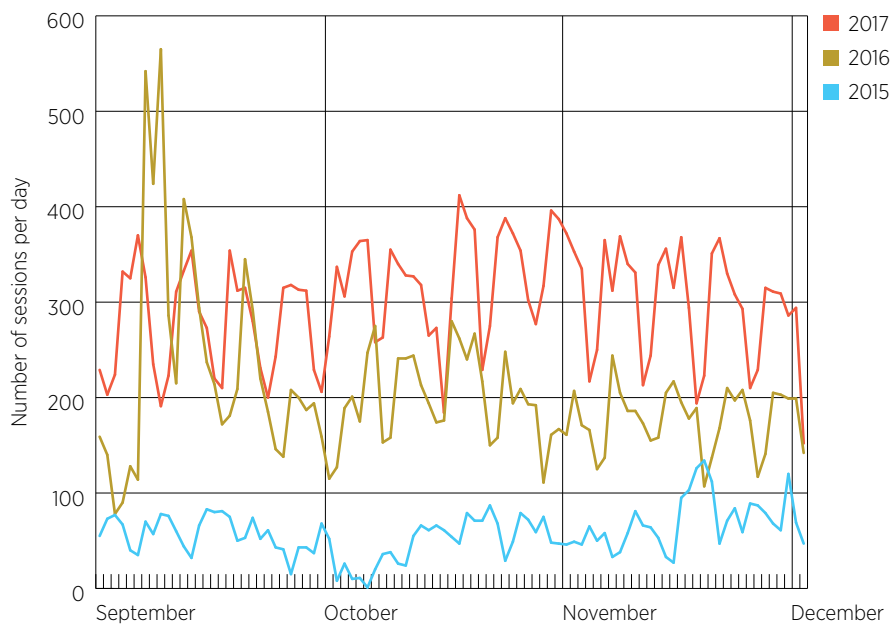


Figure 5: Comparison between 2015 and 2017 of web sessions per day from September to December. Note the spike in 2016 reflects the launch of the updated version of VicFlora through social media.



Melaleuca squarrosa seedlings in Cranbourne Friends' Nursery, Cranbourne Gardens

Seed orchard work

Melbourne Gardens' nursery grew and harvested seed of *Ballantinia antipoda*, a small endemic annual herb found in Victoria and Tasmania that has almost disappeared from all previously known sites. It currently exists at a single location at Mount Alexander in central Victoria and is listed as 'Endangered' under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*, 'Threatened' under the *Victorian Flora and Fauna Guarantee Act 1988*, and 'Extinct' under the *Tasmanian Threatened Species Protection Act 1995*. Seed orchard plants have been grown and harvested annually, resulting in the storage of over 20,000 seeds in the Victorian Conservation Seedbank.

SOLVING PLANT-RELATED AND ECOLOGICAL PROBLEMS

Conservation of the Turnip Copperburr

Conservation Geneticist Dr Liz James, Research Assistant Michael Amor, and Conservation Botanist Dr Neville Walsh worked on the conservation of *Sclerolaena napiformis* (Turnip Copperburr), including visits to 32 populations for site assessment, and collection of leaf samples and seed. This project used an advanced next generation sequencing method, ddRADseq, which generates a large number of data points (thousands) compared to traditional population genetic methods such as microsatellites (ca. 100). The information generated was needed to guide seed sourcing strategies, seed banking and development of an ex-situ plant collection reflecting the genetic composition of the species. Seed viability was assessed with the help of Bob Hare (volunteer) and, to date, 150 seedlings are being grown in the Royal Botanic Gardens Victoria nursery to start the ex-situ collection. The ddRADseq method is also suitable for other conservation projects and is currently being used to assess the extent of clonality in the rare native pea, *Bossiaea vomkata* (Wombat Bossiea), which is found only in Wombat Forest, west of Melbourne. This new source of information promises to provide insight into the genetic health and fitness of rare and threatened Victorian plants, which was previously unavailable.

Wildlife conservation at Cranbourne Gardens

Ecologist Dr Terry Coates conducted grant-funded studies on *Isoodon obesulus* (Southern Brown Bandicoot) with PhD student Sarah MacLagan (Deakin University). Research on bandicoots focused on their use of novel habitats, diet, and home range and activity patterns, to improve management decisions affecting bandicoots at Cranbourne Gardens. Results of a broad-scale fauna survey in the northern Western Port region using infrared cameras, in collaboration with Western Port Biosphere Reserve, were recently published. This work was presented at the Australian Mammal Society Conference in Brisbane in July 2018. Dr Coates continues to work on other management-related research projects based at Cranbourne Gardens, such as activity patterns of *Rattus lutreolus* (Swamp Rat), population growth rates of the *Wallabia bicolor* (Black Wallaby) population, impact and management of Black Wallabies, use of road culverts by wildlife, and monitoring the distribution of a range of local flora and fauna populations. New monitoring projects to develop baseline data on bat and frog populations have begun.



Senior Research Scientist Neville Walsh

Conservation of rare and threatened orchids

Research Scientist (Orchid Conservation) Dr Noushka Reiter is a member of the Recovery Team for *Caladenia rosella* (Rosella Spider-orchid), *Caladenia amoena* (Charming Spider-orchid) and *Caladenia pumila* (Dwarf Spider-orchid). Research focused on optimising the use of mycorrhizal fungi in conservation translocations in order to bolster wild populations of these and other rare orchids. The other major line of inquiry was research on the pollination systems of Australian orchids, with a particular focus on pollination by nectar-foraging thynnine wasps and colletid bees. Dr Reiter and colleagues have begun production of four chapters and three case studies for a new edition of the *Guidelines for the Translocation of Threatened Plants in Australia*. Work is also proceeding on identification and classification of the fungal *Serendipita* species relevant to Australian orchid conservation.



Isoodon obesulus, (Southern Brown Bandicoot) at Cranbourne Gardens



Launch of 'Care For The Rare'. L to R: Mark Krause from Parks Victoria, Chris Russell Executive Director Cranbourne Gardens, Deputy Premier The Hon. James Merlino MP and Prof. Tim Entwisle Director and Chief Executive Royal Botanic Gardens Victoria

With the generous support of the Maud Gibson Trust, Royal Botanic Gardens Victoria and the Botanic Gardens Australia and New Zealand (BGANZ) Victoria network, 'Care for the Rare' was created. This new program aims to establish conservation collections across Victoria, and unite botanic gardens in the protection of indigenous flora to safeguard rare and threatened Victorian plant species against extinction.

Led by Royal Botanic Gardens Victoria's Chris Russell, Executive Director Cranbourne Gardens and John Arnott, Manager Horticulture, Cranbourne Gardens, 'Care for the Rare' was officially launched on 18 May 2018 by Deputy Premier, the Honourable James Merlino MP. To mark the occasion, a rare *Olearia frostii* (Bogong Daisy-bush), donated by Royal Botanic Gardens Victoria, was planted within the alpine collection at the Dandenong Ranges Botanic Garden. In the wild, this attractive small shrub is confined to Victoria's Bogong High Plains and adjacent peaks, including Mount Hotham and Mount Feathertop. With little opportunity to extend its range further, it is vulnerable to the impacts of climate change.

CARE FOR THE RARE

"The *Care for the Rare* program is unique in that it emphasises planting rare and threatened native species in climates that are similar to that where they naturally occur, giving them the chance to flourish."

The Hon. James Merlino MP, Deputy Premier of Victoria.

To start the program, an invitation to lodge an expression of interest to participate was shared through BGANZ Victoria network, which resulted in 22 responses. Each garden was evaluated on its capacity to hold a collection of rare plants, resourcing, water security and organisational commitment to the project long term. Proximity to the rare flora in the wild and suitability of growing conditions were also considered.

The first round of the program has shortlisted six botanic gardens, including the Dandenong Ranges Botanic Gardens. Conservation Collection Plans will be drawn up following site visits with curators, managers and volunteers of the project. Once finalised (and pending funds) propagation can begin, with planting due to commence in autumn 2019.



Syntype of *Aglaophyllum chilense*

RESTORING AND UNLOCKING THE HERBARIUM'S WORLD COLLECTION

Curate the State Botanical Collection

Ongoing curation of the State Botanical Collection enabled an additional 36,233 specimen records to be made accessible through the Australasian Virtual Herbarium and the Atlas of Living Australia. A significant proportion of these records were from the Foreign Collection, including historical specimens. Curation of the Australian component of the collection has focused on the return of non-databased loan material, with 35 loans (2,041 specimens) being returned. To support the curation of the State Botanical Collection, volunteers mounted 12,139 specimens onto archival paper.

Foreign Collection project

Historically-significant specimen sheets were discovered as a result of the ongoing curation of the Foreign Collection. They included a Type specimen of *Amphiroa exilis*, a red algae collected by Charles Darwin in 1832 from Rio de Janeiro, Brazil, during the voyage of H.M.S. Beagle (1831-1836). With the discovery of this Darwin collection, the National Herbarium of Victoria joins a list of overseas herbaria that hold collections made by Darwin on this voyage. This type of discovery within the specimen collection highlights its importance on a global scale.

Conserving precious books

Thanks to a generous donation, the library was able to undertake a number of collection conservation projects. Fourteen volumes of William Henry Harvey's *Phycologia australica* were sent to a specialist conservation book binder to have spines replaced, boards stiffened and bindings repaired. Harvey was an Irish botanist and phycologist, but a three-year voyage that included extensive collecting on Australia's southern shores resulted in this multi-volume publication, which contains stunning illustrations and over 300 descriptions of Australian algae species. Published between 1858 and 1863 *Phycologia australica* is one of the most important 19th century works on marine plants.

LOOKING AHEAD

Plans to map the genome of Australian plants

Royal Botanic Gardens Victoria's Science team is leading a national initiative to map the genome of Australian plants using new bio-technologies, in partnership with the country's top herbaria and universities. The project is in its planning stages and hopes to secure major funding in 2018-19.

Supporting urban forestry in the City of Melbourne

The nursery team is growing rare and difficult-to-grow trees for City of Melbourne's 2020 vision. This contract will supply 144 plants from 36 species and will be trialled at various locations throughout the City of Melbourne from 2018 to 2020.

Table 9: Overview of specific actions and performance measures

Action	2017–18 Specific actions	Overall progress against deliverables and performance measures 2017–18
Long-term Strategy 1.1		
Consolidating and focusing scientific research		
1.1.2	Develop and implement the whole-of-organisation Science Strategy by 30 June 2018	Initial workshops have been held
1.1.3	Integrate Science and Cranbourne Gardens ecology programs into a cohesive (but not necessarily co-located) science program by 30 June 2018	Cranbourne ecological programs have been integrated within the Research Branch
Long-term Strategy 1.2		
Providing plant information to people where and how they want it		
1.2.3	Commence plans to host the 7th Global Botanic Gardens Congress to be held in Melbourne in February 2021	Planning for the Congress has commenced and a professional conference organiser has been appointed
	Every species in VicFlora has diagnostic features for identification illustrated by 2020	Imaging protocol and workflow established using Eucalyptus pilot study Diagnostic images have been captured for 200 eucalypts during the completed first third of the pilot study
Long-term Strategy 1.3		
Making a major contribution to solving plant-related and ecological problems		
1.3.2	Scope the capacity and facilities needed for a major centre for the conservation of Victoria's most at-risk plants, including research in seed banking and plant propagation by 30 June 2018	Concept for Plant Conservation Centre (at Cranbourne Gardens) incorporating seed bank facility, orchid conservation program, research and public engagement functions deferred until 2018–19
1.3.7	Through BGANZ Victoria, explore RBGV leading the establishment of a multi-site regional botanic garden conservation collection with associated interpretation	First round of site visits completed, with draft collection plans prepared The program, branded 'Care for the Rare', was officially launched in May 2018 by Deputy Premier, the Hon. James Merlino MP Philanthropic funding is being sought to facilitate the roll-out of the program across the regional network
Long-term Strategy 1.4		
Restoring and unlocking the Herbarium's World Collection		
1.4.1	Curate and database the non-Australian component of the Herbarium collection (rich in specimens of historic and scientific importance) by 2024	An additional 10,006 foreign-collected specimens have been databased or edited, resulting in a total of 17,623 specimens databased Philanthropic support has allowed additional database officers to be appointed to the team. This has contributed to a higher number of database records
	Curate the Australian component of the State Botanical Collection	6,244 additional specimens have been mounted or remounted from the State Botanical Collection, resulting in a total of 12,139 specimens curated

2. Inspiring Plant Learning

OUR COMMITMENT:

We will build and expand Royal Botanic Gardens Victoria's programming, learning and innovative communications role to support everyone to understand and value plants for the wellbeing of people and the planet.



Botanica at Melbourne Gardens

YEAR IN REVIEW

To inspire plant learning, the organisation re-invigorated its public programs and communications, putting people and their relationship with nature at the centre of its approach through three newly-formed functional areas: Programming and Audience Development; Visitor Experience, Access and Tourism; and Development Marketing and Communications.

Public programs and events were reviewed in response to the organisation's strategic priorities and value proposition, so participants could experience a sense of inclusion, impact and meaning in their engagement with the Gardens. New programs were developed and rolled out, with a focus on attracting more diverse audiences, as well as enriching and deepening the audience experience through health and creative partnerships, innovation and leadership.

Programs focused on making connections to nature, to culture, to place and to each other. They encouraged visitors to slow down, respect and nurture their health and wellbeing, foster a sense of wonder within the Gardens and, ultimately, to reflect upon their responsibility to look after plants and nature, biodiversity and the land.

Participant feedback, press and social media commentary for new programs was excellent. The gardens created and presented projects such as *Botanica* and *FREEZE!* combined with partnership projects such as *New Shoots* poetry commissions (Red Room and Australian Poetry) and the *Botanic and Rare Plant Fair* with Diggers Club to engage a diverse range of new audiences. Major events such as *A WEEKEND in the Gardens* (featuring Paul Kelly and Missy Higgins) were memorable, well-attended and praised. Programs frequently drew upon the knowledge of the peoples of the Kulin (Koolin) Nation and had a commitment to being ethical and sustainable.

In 2017-18, Royal Botanic Gardens Victoria developed strategic partnerships with a range of new organisations, including the Melbourne International Arts Festival, Melbourne Writers Festival and Arts Centre Melbourne, as well as numerous schools and community service organisations. Strong relationships with Department of Education, Department of Health and Human Services, and Catholic Education Melbourne continued this year. The organisation also invested strongly in new business development opportunities, vastly improved fundraising practice and launched new communications initiatives with great success.



A child enjoys nature play at Cranburne Gardens

Royal Botanic Gardens Victoria achieved the following Budget Paper No. 3 output performance measure in the 2017-18 reporting period:

Table 10: Performance against objectives

BP3 Output performance measures	Visitors to Royal Botanic Gardens Victoria Melbourne Gardens and Cranbourne Gardens
QQTCV	Quantity
Unit of measure	Number
2017-18 target	1.6 - 2 million
2017-18 actual	2.4 million
Variance	399,654
Result	✓

- Key**
- ✓ Performance target achieved or exceeded, or expected to be achieved.
 - Performance target not achieved – exceeds 5% variance.
 - Performance target not achieved – within 5% variance.



Ian Potter Foundation Children's Garden,
Melbourne Gardens

KEY ACHIEVEMENTS

Nearly 2.4 million visitors across both sites—a record number of local, national and international visitors engaging with living collections and the environment

A *WEEKEND in the Gardens*, featuring Paul Kelly and Missy Higgins, attracted over 9,000 concert-goers over three days

35,000 students participated in vibrant and extensive schools programs, from early years to tertiary study

4,000 children with their families and carers attended *Botanica: A village among the oaks and eucalypts*

A three-year partnership with Overseas Adventure Travel for the Aboriginal Heritage Walk attracted 9,027 international visitors to learn about traditional culture in Victoria

The Gardens' environment and heritage inspired 10 noted Australian poets to write a series of new works of poetry as part of *New Shoots*

NAIDOC events at Melbourne Gardens and Cranbourne Gardens attracted a record 3,500 Aboriginal and non-Aboriginal people from across the region

2,322 people attended the second *Botanic and Rare Plant Fair*

UnionPay International was welcomed as the Gardens' first major corporate partner in several years

New communications and marketing strategies put in place with great results, exceeding ticket sales and revenue targets

Facebook followers increased by 29 per cent, reaching 21,000 people. Instagram grew by 30 per cent, reaching a following of 18,600 people by June 2018



Botanica at Melbourne Gardens

IMPACT SNAPSHOT: NAIDOC WEEK ACTIVITIES

Events held during NAIDOC Week fostered community awareness around Indigenous culture, past and present.

In its fifth year, the *Koolin-ik ba Kirrip-buluk* Family and Friends NAIDOC event at Cranbourne Gardens attracted over 3,000 Aboriginal and non-Aboriginal people from across the region. On the following day, the *Koolin Ngargee* Family Celebration NAIDOC event at Melbourne Gardens, attracted over 500 people. The number of attendees at both sites was significantly higher than previous years.

The event at Cranbourne Gardens was generously supported by various local Indigenous services within the municipalities of Casey, Greater Dandenong, Cardinia and surrounding councils. Both sites held Smoking Ceremonies and Acknowledgements to Country, traditionally based weaving workshops, bush food and medicinal plant walks, bush food tastings and giveaways, and numerous activities for youth, including storytelling with Elders, message stick and ochre hand painting.

GREAT EXPERIENCES

Cultural programming and events

Programming delivered a number of successful cultural events at Melbourne Gardens and Cranbourne Gardens in 2017-18:

FREEZE!, a performance art work of rock balancing by Dutch artist Nick Steur, offered 380 people at both Gardens the opportunity to slow down and experience the calmness of being absorbed in one extraordinary meditative activity in nature. An interactive and international project by British artist Luke Jerram attracted 5,760 visitors to play pianos in *Play Me, I'm Yours*.

Porosity Valley, Portable Holes attracted 689 people to Melbourne Gardens as part of the Melbourne Festival. This immersive video installation explored Ayoung Kim's fascination with the world's invisible forces, using photography and digital projection that featured our Collections volunteers in close-up. The popular Linden Postcard Show was presented at Domain House, Melbourne Gardens attracting 4,645 people to its exhibition of small artworks.

Families became a community of villagers as they built makeshift cubby houses and creatures, using natural materials collected from the Gardens, in *Botanica – A Village Among the Oak Trees* in Melbourne Gardens, and *Botanica – A Village in the Australian Garden* in Cranbourne Gardens attracting over 4,000 people.

During the school holidays and across the year, families were invited to go on a journey together as part of *The Boy Who Loved Tiny Things* by Dropbear Theatre. Almost 400 people immersed themselves in the unique participatory theatre work that encouraged families to think differently about the value of collecting. Parents and children also learned about bugs in *Insectopia* and during NaturePlay Week.

Melbourne Gardens hosted *New Shoots: A Garden of Poems* created by Red Room Poetry in partnership with Australian Poetry and Melbourne Writers Festival. Ten poets were commissioned to 'grow' a new series of poems that responded to the Gardens in some way. Roundhouse Entertainment's *A WEEKEND in the Gardens* returned to Melbourne Gardens in November with three days of headline acts including Paul Kelly, Illy, and Missy Higgins.

The *Botanic and Rare Plant Fair*, a collaboration between *The Diggers Club*, Royal Botanic Gardens Victoria and Melbourne Friends, championed the value of heritage, heirloom and rare plants. Across two days, 2,322 people gathered and were encouraged to grow rare plants by members of the nursery industry sharing their specialist knowledge.



Naidoc Week celebrations

Guided nature experiences

As part of record visitor numbers, the extensive astronomical expertise of the Melbourne Observatory Guides attracted 1,765 visitors exploring the night sky, with additional visitors attending the pilot Solar Tours in autumn.

Melbourne Gardens volunteers revealed the heritage of the Gardens' buildings and collections to 3,452 visitors who took part in a range of guided tours including *Climate Watch*, *Extraordinary Trees*, *Secret Life of Birds* and the *Gardens Discovery Tour*.

Melbourne Gardens showcased two heritage buildings as part of Open House Melbourne to 582 history lovers.

The revised Garden Explorer route at Melbourne Gardens resulted in a 20 per cent increase in participation, with a total of 6,582 trips undertaken. The Garden Explorer at Cranbourne Gardens continued to be very popular, with 12,637 visitors touring the Australian Garden.

The *Snapshots of Australia* walking tour led by Cranbourne Gardens Ambassadors was a great way for new visitors to learn about the unique beauty and value of Australian plants. A total of 717 local, interstate and international guests participated in these guided tours.

FOCUS ON ABORIGINAL CULTURE

The most popular daily program at Royal Botanic Gardens Victoria continues to be the daily Aboriginal Heritage Walk (AHW). Led by an Aboriginal cultural guide, the 90-minute walk focuses on developing an understanding of and respect for the customs and heritage of the local Kulin (Koolin) people, as well as the cultural significance of the Melbourne Gardens site. It also explores traditional uses of plants for food, medicine, tools and ceremony. Attendances increased to 6,897 participants in 2017-18.

The AHW was one of only two Victorian experiences included in Tourism Australia's *Discover Aboriginal Experiences* campaign. This campaign was promoted internationally through Tourism Australia's channels.

The *Balee Koolin Bubup Bush Playgroup*, a program for Indigenous Early Years children and their families, developed in partnership with Casey Cardinia Library Corporation and Boon Wurrung Elder Aunty Fay Stewart-Muir from the Victorian Aboriginal Corporation for Languages, has continued to deliver a program that focuses on traditional culture and Boon-Wurrung language.

IMPACT SNAPSHOT: ABORIGINAL EMPLOYMENT

The Papulankutja and Warakuma Artists and Tjanpi Desert Weavers exhibition presented by the creative residency of Linden Art at Domain House attracted 2,822 people. The exhibition celebrated the painters and weavers from these communities and explored stories of country, culture and community.

The programming team's commitment to increasing representation and employment for Aboriginal and Torres Strait Islanders resulted in the development of five new Indigenous-identified roles this year.

Royal Botanic Gardens Victoria also supported Indigenous students through the continuation of the Indigenous Student Internship Program, which aims to give participants work experience at the Gardens. The program enabled five students to engage with Melbourne Gardens' highly skilled and knowledgeable Indigenous staff, as both mentors and learning facilitators.



Learning Facilitator Kim Cormal with a child at *Insectopia* at Melbourne Gardens

LEARNING PROGRAMS AND PARTNERSHIPS

Engaging schools programs

Expansive and vibrant schools programs from early years to tertiary levels were delivered to over 35,000 students this year.

With triennial support from the Department of Education and other funders, programs focused on connection to country, plant life and biodiversity, wellbeing in nature, sustainability and developing an enhanced understanding of plant life to foster a sense of wonder, care and curiosity for the natural world.

Programs included excursions to Royal Botanic Gardens Victoria and in-school visits by Royal Botanic Gardens Victoria staff. Indigenous internships and student work experience and community outreach delivered rich outcomes for youth participants.

All programs promoted the principles of a resilient and sustainable future.

A significant highlight was the partnership between Cranbourne West Primary School and the Cranbourne Gardens to develop a sensory garden at the school. The Cherry Ballart School Partnerships program, made possible through the generous support of the McNamee Foundation, brought students to the Gardens to learn about local plants, leading to attitudinal shifts at the school that enabled creation of a sustainable shared garden for the students.

Early years: Bush kinder and more

Early Years programs included the *Balee Koolin Bubup Bush Playgroup* and *Bush Kinder* at Cranbourne Gardens bushland, which had a steady increase in attendance involving over 1,200 children.

Nature Play Week was a popular event, held in partnership with the Department of Health and Human Services and the Kids in Nature Network.

A revitalised Little Seeds Early Years Nature Play and Gardening Program kicked off with record numbers at Melbourne Gardens. This term-long program involved participants tending to their own veggie patch, engaging in nature play and exploring the magical stories of the Gardens with a harvest to celebrate the end of term.

Educational partnerships

In April 2018, a two-week poetry program was run for primary school students, in collaboration with Kirli Sauders, Red Room Poetry and two primary schools near Cranbourne Gardens.

The learning team developed strong school partnerships through the generous support of Department of Education and Training and Catholic Education Melbourne. In November 2017, Melbourne Gardens hosted the 40th Anniversary of the Victorian School Garden Awards. The occasion was marked by a tree planting ceremony with the Parliamentary Secretary of Education Ms Judith Graley MP; Craig Taberner, Chief Executive Officer, Nursery and Garden Industry Victoria and hosted by Professor Tim Entwisle to celebrate students and teachers from the winning school, Bon Beach Primary School.



The newly designed Melbourne Gardens map

SUPPORTER AND CUSTOMER ENGAGEMENT

Strategic communications

The Board approved a new brand value proposition in 2017-18 that now informs all of the organisation's communications, including with the general public. The proposition is designed to guide the team's work such that the team and Executive can be more effective in advocacy campaigns and marketing. The outcomes of this work have been strongly resonant with the Gardens' many valued stakeholders.

Campaigns and marketing

The campaigns and marketing team worked throughout 2017-18 to refresh Royal Botanic Gardens Victoria marketing material for both Melbourne Gardens and Cranbourne Gardens. A new visual identity was developed for the seasonal 'What's On' brochure, visitor maps, and on-site posters and banners. The changes have enhanced and updated the brand and made it easier for visitors to navigate on site.

The team implemented a new approach to campaign marketing, utilising a 'paid, owned, earned and shared' framework, and integrated marketing campaigns with communications to meet targets for visitation and revenue. This model was used successfully to promote special events such as *FREEZE!* and *Botanica*, which exceeded ticket sales and revenue targets.

Email marketing was also an effective channel for engagement with audiences. The email database grew by 33 per cent over the year to more than 6,000 subscribers. Email blasts, segmentation

and re-targeting were introduced to provide targeted subscribers with relevant content. A special Education eNews was sent to schools and education organisations three times during the year, reaching over 3,200 subscribers, almost double last year's recipients. For specific campaigns, re-targeting was introduced, so that only subscribers who had previously engaged with relevant content received promotional messages.

Corporate engagement

The development team increased its level of engagement with the corporate sector following the creation of a new tiered partnership framework. The tiered framework allows Royal Botanic Gardens Victoria to build a range of corporate relationships from entry level corporate sponsorships to bespoke strategic partnerships. Royal Botanic Gardens Victoria proudly secured UnionPay International this year as its first corporate partner within the new framework. The partnership offers a range of benefits to customers across retail, food and beverage, and tourism, in addition to activating UnionPay as a payment gateway at both Melbourne Gardens and Cranbourne Gardens. In particular, this partnership has given Royal Botanic Gardens Victoria the potential to engage and interact with millions of mainland Chinese tourists through UnionPay's international channels.

Social media

Royal Botanic Gardens Victoria's Instagram and Facebook following grew steadily throughout the year, with posts about plant highlights and re-posts of visitor photography the most popular stories. The organisation's engaging eight-week #StateoftheArk video campaign mid-year rapidly attracted followers and 'likes' to both social channels in support of the State Botanical Collection.

Total subscriber numbers on Facebook increased by 29 per cent, to almost 21,000 followers, while Instagram increased by more than 30 per cent, reaching a following of 18,600 people. On both channels, 'Flowering Friday' consistently generated a high level of engagement. In July 2017, a post about the *Caladenia formosa* (Elegant Spider-orchid) reached 78,337 people and attracted 3,314 reactions (likes, comments and shares). An album of photographs from *Botanica* reached 21,198 people and had more than 3,200 engagements. Paid Facebook posts, events and advertisements were incorporated into the marketing strategy and were successful in reaching a wide audience. In one instance, \$20 spent to 'boost' a post about a plant sale reached 10,200 people and generated more than 600 engagements.

RAISING PROFILE AS AN INTERNATIONAL TOURIST DESTINATION

In March 2018, the Business Development and Tourism Plan was presented to the Royal Botanic Gardens Board Victoria outlining a strategy to engage with key international tourism segments. In April 2018, Melbourne Gardens welcomed 2,500 delegates from Cathay Life Insurance through an incentive pilot with the Melbourne Convention Bureau. The pilot event highlighted the potential of incentive groups to drive visitation and revenue through the Gardens and its on-site food and beverage partners. Royal Botanic Gardens Victoria will continue to work with incentive groups in collaboration with Visit Victoria and the Melbourne Convention Bureau in 2019.

Royal Botanic Gardens Victoria continued to provide leadership in the growing tourism sector to the south-east of Melbourne with Chris Russell, Executive Director Cranbourne Gardens, maintaining his role as President of Casey Cardinia Tourism Inc. and an active member of the Casey Cardinia Tourism Advisory Committee.

Actively promoting plant happenings and discoveries Communications and media

New dedicated communications roles were created during 2017-18. The communications team has established new relationships with press, VIPs, tourism and government organisations to promote science, horticulture, programming and the Royal Botanic Gardens Victoria brand more broadly

One of the highlights was the campaign announcing the \$27 million funding package over five years, to revitalise both Melbourne Gardens and Cranbourne Gardens. This announcement, made in conjunction with the Victorian Government and the Hon. Lily D'Ambrosio MP, was screened twice on Channel 9 news and led to coverage in *The Age* and *Herald Sun*, radio stations 3AW, ABC and 2GB, and featured in social media

New relationships with the media led to coverage on Channel 10's *Studio Ten*, on *Gardening Australia*, in *The Age*, *Herald Sun*, *Leader* community newspapers and a number of radio stations including 3AW, RRR, ABC and Casey Radio covering key projects in horticulture and science

Professor Tim Entwisle continued to maintain a high profile on social media, including his weekly blog 'Talking Plants', which was awarded the Blog Laurel prize by the Horticultural Media Association of Australia at their biennial awards night in 2018. Professor Entwisle also contributes regularly to radio through *Blueprint for Living* on ABC Radio National and to print media through a new regular section in *Gardening Australia* magazine entitled 'Curiosities'

Other improvements include the development of a webpage devoted to the Landscape Succession Strategy and Climate Change Alliance; updates to Google Business, Wikipedia, LinkedIn and science webpages; management of a new internal communications newsletter, and design and introduction of the new donor newsletter, *Flourish*

LOOKING AHEAD

Melbourne Festival 2018

The Gardens is delighted to collaborate on two major events as part of Melbourne Festival in October 2018: *Fire Gardens* by Compagnie Carabosse and *Lexicon* by NoFit Circus. These two extraordinary events will be highlights of this year's Festival, and will bring thousands of new audience members to the Gardens over the two-week season.

Becoming China ready

The visitor experience access and tourism team continues to position Royal Botanic Gardens Victoria as a premier tourist destination in Australia through the renewed relationships with key tourism bodies including Visit Victoria, Tourism Australia, Destination Melbourne, Melbourne Convention Bureau and the newly formed Casey Cardinia Regional Tourism Organisation. A strong focus is on developing experiences for the independent Chinese traveller, as well as in-bound tour operators from mainland China, NZ, USA and the UK.

Table 11: Overview of specific actions and performance measures

Action	2017–18 Specific actions	Overall progress against deliverables and performance measures 2017–18
Long-term Strategy 2.1		
More people knowing about us and visiting us, taking home our key messages and vision		
2.1.1	Develop and implement a cohesive new Engagement and Impact Plan by 30 June 2018	Engagement and Impact Plan and global KPIs developed and approved by the Board in December 2017. Implementation has commenced with excellent early results
2.1.3	Organisational structure and resources aligned to meet objectives of new Engagement and Impact Plan by 30 June 2019	New structure has been implemented and is functioning well
Long-term Strategy 2.2		
Creating more opportunities for people to encounter our plants and landscapes		
2.2.1	Develop and implement a Programming and Events Strategy to increase revenue and participation, and raise RBGV profile as a cultural organisation by 31 December 2017	Programming Plan approved in December 2017 Implementation commenced in January 2018
2.2.2	Scope and implement appropriate commercial and tourism development programs by 30 June 2018	Business and Product Development Working Group has formed to develop and test business cases for new commercial investment
2.2.3	Redevelop core value proposition and related key messaging to increase staff and stakeholder clarity around organisational vision and mission by 31 December 2017	Approved by Board in October 2017
2.2.4	Develop fresh case for support and related marketing plans to enhance supporter and customer engagement by 31 December 2017	Case for support is now aligned to Nature and Science Precinct Project Market and communications research has commenced, due for completion in late 2018 Planning for launch of Melbourne Gardens Master Plan has commenced
	Develop and implement a Visitor Experience, Access and Tourism Strategy to increase revenue and participation, and raise RBGV brand profile as an inclusive tourist destination	RBGV Business Development Plan approved by the Board in March 2018 Access initiatives deferred to 2018–19
	Increase investment in and focus on Aboriginal culture, representation and employment opportunities through new programs, projects and site interpretation	Aboriginal-identified roles created and fully recruited. New programs in development
	Roll out 'Caring for Country' Indigenous Secondary Student Internship program to provide increased access to RBGV expertise and career pathways	Program completed and evaluation finalised in December 2017
Long-term Strategy 2.5		
Actively promoting plant happenings and discoveries		
2.5.1	Develop and implement the Virtual Botanic Garden with aligned Digital Strategy to provide improved access to RBGV's plant-related database information by 30 June 2019	Digital strategy commenced Social media community has now been identified HortFlora and VicFlora now live

3: Creating Special Places

OUR COMMITMENT

When people connect more deeply with plants and special places like public gardens, lives are improved.



YEAR IN REVIEW

A number of projects have transformed the landscapes at both Melbourne Gardens and Cranbourne Gardens, opening them up to new local and international visitors.

The Cacti and Succulent collections were supplemented and advancements were made in the restoration of Fern Gully, which involved refurbishment of the rest house and removal of invasive bamboo.

Royal Botanic Gardens Victoria with Botanic Gardens Australia and New Zealand (BGANZ) is leading the *Care for the Rare* project, which aims to establish plant conservation collections across a number of Victorian regional botanic gardens.

Long-term strategic planning continued to be a major focus for both Melbourne Gardens and Cranbourne Gardens during the year. The Melbourne Gardens Master Plan is nearing completion, with the launch scheduled for early 2019, while at Cranbourne Gardens, improvements were made to the Stringybark Picnic Area and to issues relating to public transport and vehicle access.

Cranbourne Gardens joined a Business Delegation to China, showcasing Cranbourne Gardens as a signature tourism destination for the in-bound Chinese tourism market.



One of the peaceful winding pathways of Melbourne Gardens

KEY ACHIEVEMENTS

A landmark project identified 3,000 threatened plant species that may be suited to Melbourne's future climate. A total of 12,145 species were evaluated from over 20,000 threatened species that were obtained from international, national and state listings

Cranbourne Gardens was showcased as a signature tourism destination for the inbound Chinese tourism market on a Business Delegation to China

The Fern Gully Restoration Project progressed with renovation of the rest house completed

The Cacti and Succulent collections were supplemented with extensive material from the deceased estate of Mr Robert Stephenson. Over 400 species in 1,500 individual pots were curated by the Melbourne Gardens nursery for landscape development

Seven internships were completed in the Horticulture Internship Program, giving participants the opportunity to extend their knowledge through hands-on training and work experience with qualified horticulturists



Interns at Melbourne Gardens trim back growth on the tropical glasshouse at Melbourne Gardens

IMPACT SNAPSHOT: HORTICULTURAL LEARNING AND EXCELLENCE

Horticulture Internship Program

The Horticulture Internship Program has been well established, with seven interns completing the program over the year. Internships ran from four to 12 weeks and were open to students who were undertaking, or had recently graduated from, tertiary studies associated with the horticulture industry. Interns had the opportunity to extend their knowledge through hands-on training and work experience with qualified horticulturists and other professionals. Interns worked primarily with the Melbourne Gardens horticulture team, and had the opportunity to gain insight into the breadth of work undertaken in other areas of the organisation including landscape architecture, arboriculture, environmental horticulture and public programs at Melbourne Gardens. They were also introduced to Cranbourne Gardens and the Science Division.

LIVING COLLECTIONS

The Living Collections Strategy

Within Melbourne Gardens, the Living Collections Strategy for development and management of the living collections is an all-encompassing project. The review of the strategy included a stronger focus on climate suitability of collections, improving botanical values, plant conservation, and explicit targets for action. An evaluation matrix was used to assist with decisions about establishing new collections, developing existing holdings and whether to decommission collections that are no longer significant.

Enhancing precious plants

The Cacti and Succulent collections were supplemented with extensive material from the deceased estate of Mr Robert Stephenson, former president of the Cactus and Succulent Society of Victoria. Large cutting material and pots of well-established rare and unusual arid plant material, including species with wild provenance were obtained from the Stephenson collection.

There are now over 400 species in 1,500 individual pots being curated by the Melbourne Gardens Nursery team prior to being planted in landscape developments. Royal Botanic Gardens Victoria is grateful to have the opportunity to re-establish these invaluable collections of mature, rare and unusual plant material. Many of these plants are either prohibitively expensive to purchase or not available for purchase from the nursery industry.

Growing Melbourne's future

In January 2018, Dr Dave Kendal, University of Melbourne completed a landmark project to identify a number of threatened plant species that are not currently grown at Royal Botanic Gardens Victoria, but may be suited to Melbourne's future climate. Similar methodologies that were used in the 'Assessment of the Climate Change Risk to the Living Plant Collections (Melbourne Gardens)' were applied. A total of 12,145 species were evaluated from over 20,000 threatened species, obtained from international, national and state listings. About 3,000 species were considered suitable under a 'business as usual' climate scenario for Melbourne. Investigations are continuing to select and source these more suitable species for planting in the Gardens. This work highlights a commitment to conserving threatened species, interpreting climate futures, and supporting scientific research programs.



Warren Worboys, Curator Horticulture and Lynn Klavins, Supervisor Facilities study construction plans at Cranbourne Gardens

INTERNATIONAL PARTNERSHIPS

Tourism business delegation to China

In April 2018, Cranbourne Gardens was invited to take part in the City of Casey Business Delegation to China, showcasing Cranbourne Gardens as a signature tourism destination for the in-bound Chinese tourism market. The trip provided an opportunity to strengthen ties with two botanic gardens: Chengdu Botanic Gardens, Sichuan; and Nanshan Botanic Gardens, Chongqing. Rufino Ramos, Manager Visitor Experience, Access and Tourism, gave a presentation to Nanshan Botanic Gardens staff about Royal Botanic Gardens Victoria Visitor Experience and Tourism strategy. Nanshan Botanic Gardens and one of its partner schools, Shanhu Primary School, were keen to organise educational tours, the first of which occurred in August 2018. Students participated in learning programs and toured the Melbourne Observatory.

BOTANIC GARDENS CAPACITY BUILDING

Botanic Gardens Australia and New Zealand Inc.

Royal Botanic Gardens Victoria plays an active role in supporting the regional botanic gardens network, predominantly through leadership and participation with Botanic Gardens Australia and New Zealand Inc. (BGANZ) at national and state levels. Cranbourne Gardens staff have significant positions in the organisation: BGANZ Victoria Convenor, Victorian representative to BGANZ Council, and lead roles in the Plant Records and Conservation Working Groups. Royal Botanic Gardens Victoria leads the *Care for the Rare* project, which aims to establish plant conservation collections across a number of Victorian regional botanic gardens.

Cranbourne Gardens also hosted two, free bushland ecology tours to celebrate *BGANZ Open Day*, which were attended by 45 people.

IMPROVEMENTS TO CRANBOURNE GARDENS

Cranbourne Gardens Master Plan

Significant work to improve physical access to Cranbourne Gardens has progressed. The City of Casey continues with plans for a roundabout on the South Gippsland Highway, potentially incorporating a landscape gateway treatment to the main gate of Cranbourne Gardens. The western entry has also been considered with funding allocated for sealing the western end of Ballarto Road. Planning has commenced to replace the use of potable water for irrigating the Australian Garden with recycled water from the Eastern Treatment Plant at Carrum Downs. Construction of project infrastructure is expected to be completed by the end of 2019.



The Tropical Glasshouse at Melbourne Gardens

Melbourne Gardens Master Plan

The Melbourne Gardens Master Plan is close to completion. All design work is completed, and the project team is working with Kerstin Thompson Architects to determine a final resolution on the proposed new Herbarium facility and glasshouse.

Consultation with staff on landscape projects is complete. Adjustments have been made in preparation for the final draft to be presented for external stakeholder consultation in October 2018 and public consultation in February 2019, before it can be approved in March 2019.

LOOKING AHEAD

Tecoma Pavilion restoration and Arid Garden redevelopment Through significant philanthropic support, Royal Botanic Gardens Victoria will soon commence a full refurbishment of the historic Tecoma Pavilion and redevelop the Arid Garden to improve display of the popular collection of cacti and succulents. This project will revitalise the eastern corner of Melbourne Gardens and complement the successful refurbishment of Guilfoyle's Volcano

Climate Change Alliance Inaugural Summit at Melbourne Gardens

Construction of a sensory garden and three health and wellbeing gardens at Melbourne Gardens

Australian Garden precinct refurbishments Targeted landscape improvements, including renovation of the iconic Red Sand Garden

The Red Sand Garden at Cranbourne will undergo a complete restoration and upgrade next year. Enhanced hard landscaping materials will be complemented by fresh new plantings throughout the garden. In addition, the red sand will be rejuvenated and soil improvements made to increase water retention for plant health.

Table 12: Overview of specific actions and performance measures

Action	2017–18 Specific actions	Overall progress against deliverables and performance measures 2017–18
Long-term Strategy 3.1 Highlighting, circumscribing and promoting our key living collections		
3.1.2	Design and install signage at Melbourne Gardens reflecting new visual identity by 30 June 2018	Updated Melbourne Gardens directional signage installed
Long-term Strategy 3.2 Contributing to botanic gardens capacity building projects around the world		
3.2.1	Explore national and international partnerships in accordance with government, community and scientific priorities by 30 June 2018	<p>Planning proceeding for Climate Change Summit at Melbourne Gardens in December 2018</p> <p>Director and Chief Executive contributing to international planning and strategy for botanic gardens through role as President of the International Association of Botanic Gardens</p>
	Contribute to success of BGANZ Council, BGANZ VIC, Botanic Gardens Education Network, and Botanic Gardens Records Officer Network forums	<p>Cranbourne Gardens staff continues to hold following positions: BGANZ Victoria Convenor, Victorian representative to BGANZ Council, and lead roles in the Plant Records and Conservation working groups</p> <p>RBGV is leading the 'Care for the Rare' project, which aims to establish plant conservation collections across a number of botanic gardens in Victoria</p> <p>BGANZ Victoria facilitated two successful network meetings exploring a number of themes relating to the management of contemporary botanic gardens</p>
Long-term Strategy 3.3 Completing the Cranbourne Gardens picture		
3.3.1	Commence implementing the full-site Master Plan for Cranbourne Gardens by 31 December 2017	<p>Preferred operating model for shuttle bus identified, with funding being sought. Funding secured to seal Ballarto Road for the RBGV component</p>
	Complete development of Australian Garden Precinct Curatorial Plans	Curatorial plans completed and implementation commenced
Long-term Strategy 3.4 Developing the Melbourne Gardens site		
3.4.1	Seek funding to commence works on new Herbarium by 1 July 2018	<p>Business case unsuccessful in 2018-19 funding round. Government advocacy project successful in raising awareness and support</p> <p>Discussions continuing to identify suitable funding source to enable capital project</p> <p>#StateoftheArk social media campaign in January-February 2018 created high profile for the project</p>
3.4.2	Prepare the site concept plan by 31 March 2015, which will guide the development of major structural elements—the first step in completing the new 20-year review of the Melbourne Gardens Landscape Master Plan by 31 December 2018	<p>Internal consultation on draft Master Plan completed</p> <p>Public launch in early 2019</p>
3.4.3	Develop concept plans for the new 'Engaging Science Precinct', including the new Herbarium and Learning Centre, Great Melbourne Telescope and Observatory, as well as broader historical and contemporary science functions by 30 June 2018	<p>Nature and Science Precinct Architectural Brief prepared</p> <p>Architects appointed and commenced project in April 2018</p> <p>Project has been extended to October 2018 to allow for more detailed examination of functional requirements and uses of the multiple buildings within scope</p>
	Resolve negative public amenity aspects of the Observatory Precinct to enhance visitor experience	<p>Heating, ventilation and air conditioning system successfully upgraded in Visitor Centre building</p> <p>Main Observatory building public toilets successfully upgraded</p>
Long-term Strategy 3.6 Landscapes, living collections and horticulture all of high quality and shared widely		
3.6.2	Create new Fern Gully landscape at the Melbourne Gardens by 30 June 2019	<p>Wellbeing Gardens project out for tender</p> <p>Fern Gully Rest House restoration completed</p>

4: Towards a Sustainable Future

OUR COMMITMENT

We will demonstrate sustainable and environmentally responsible practices, living up to our values and build capacity to achieve our vision and mission



YEAR IN REVIEW

Significant progress was made toward making Royal Botanic Gardens Victoria a fully sustainable organisation.

During 2017-18, as an outcome of the new whole-of-organisation structure, the foundation team merged into the development marketing and communications branch. Roles were assessed to meet the broader aims and objectives of the Engagement and Impact Division and the organisation.

Fundraising effort was successful with various campaigns generating substantial funding for a range of projects across the organisation.

Commercial opportunities were also initiated, including the development of licenced and branded merchandise for the Gardens' three shops.

Royal Botanic Gardens Victoria took great care in managing resources, particularly the efficient use of water and energy. The Gardens are now closer to harvesting stormwater and using 100 per cent recycled water for irrigation at both Melbourne Gardens and Cranbourne Gardens.

The organisation also responded to the threat of climate change by assessing plant species and identifying those most suitable for projected future climates.



Visitors explore the Northern Display Gardens at Cranbourne Gardens

KEY ACHIEVEMENTS

During 2017–18, the development team raised over \$2 million for key Royal Botanic Gardens Victoria programs and projects.

A successful end of year tax appeal resulted in a record \$90,000 raised through gifts from the Gardens' generous supporters. This was due to the refreshed and best practice approach to fundraising implemented by the new team.

Individual donors supported four skilled roles to contribute to curation of the Foreign Collection within the State Botanical Collection.

The Royal Botanic Gardens Foundation generously contributed three major grants to Royal Botanic Gardens Victoria from its annual corpus distributions. Grants were provided to the following projects:

Revealing the secrets of the Foreign Collection (Year 2 of 3)

VicFlora—digitising Victoria's plant identification guide (Year 2 of 3)

New programming initiatives and market research

A large gift from The Myer Foundation will support leadership and professional development at the Gardens in engagement and inclusive practice.

Commonwealth grants were secured for major research, as well as from the Protecting National Historic Sites fund for renovations to the roof of the Great Melbourne Telescope House.



Tim Entwisle, Director and Chief Executive, The Hon. Lily D'Ambrosio, MP Minister for Energy, Environment and Climate Change, Ken Harrison, Chairman of the Board, and the staff of Royal Botanic Gardens Victoria celebrate the new government funding package

IMPACT SNAPSHOT: FUNDING BID DELIVERS \$27 MILLION BOOST

In June 2018, Royal Botanic Gardens Victoria achieved a \$27 million funding package, over five years, to revitalise the Gardens. This increase to recurrent funding is an ongoing government commitment of an additional \$5 million to Royal Botanic Gardens Victoria each year, the most significant injection of recurrent funding to the Gardens in 15 years.

This uplift commenced a period of growth for both Gardens, improving environmental management, landscapes and public programs. It will also allow the team to increase site security, create new visitor experiences, secure new specialist roles, and deepen public engagement with nature.

Other works will include path and infrastructure improvement, water weed management, improved picnic areas at Cranbourne Gardens and new signage and better lighting at Melbourne Gardens, as well as the opportunity to participate in new digital tours, community programs and major events. Works will also be undertaken at the Observatory buildings and Melbourne's ageing Tropical Glasshouse.

New research roles in bioinformatics will be established, which will enable the organisation to accelerate its use of genetic data for species discovery, classification and conservation.

These upgrades are critical to safeguard almost 8,000 species of plants under the care of the Gardens for future generations.

DEVELOPING CAPABILITY AND CAPACITY

Organisation structure review

The new organisational structure was approved in December 2017, with final adjustments completed in June 2018. As a result, a number of the Gardens' teams were involved in recruitment throughout 2017-18 and a number of staff members were supported in their transition to new roles. Creation and initial implementation of this optimal, more efficient structure has meant Royal Botanic Gardens Victoria is now in a better position to achieve its Corporate Plan objectives. Further, the new functional areas and staff members have brought vitality, agility and fresh perspectives to the organisation, facilitating growth and support for existing teams and projects.

People and culture has started to work across the organisation, and at senior leadership level the focus is on on leadership development and cultural improvement. Results of these initiatives will be evaluated in the year ahead.

SUSTAINABLE RESOURCE MANAGEMENT

100 per cent recycled irrigation water

Substantial progress was made toward achieving 100 per cent recycled irrigation water at both Melbourne Gardens and Cranbourne Gardens.

The Cranbourne Gardens project is progressing well, with completion of both the Biodiversity and Cultural Heritage studies, and detailed design of water infrastructure requirements.

For Melbourne Gardens, the Dight's Falls option proved unfeasible, which led to examining the second option to take Yarra River water from Burnley Harbour to irrigate the Melbourne Gardens. A pre-feasibility study of this option has been completed with a favourable outcome, and the subsequent feasibility study has now commenced.

Melbourne Gardens landscape water management

As of 30 June 2018, 46.5 millilitres of harvested stormwater was applied to the landscape. Of the total amount of water (135 millilitres) that was used for landscape irrigation, 34 per cent was sourced from stormwater. If equated to the value of potable-sourced water, the stormwater volume provided \$150,000 worth of savings.

Efficient irrigation management was challenged in 2017-18 by a number of factors: only 88 per cent of rainfall was recorded compared to 2016-17, loss of staff expertise through resignation and changing roles, and breakdown in infrastructure. Reliable communications and power supply are critical for effective irrigation control systems. Current ageing electrical assets resulted in increased power outages and loss of irrigation control during 2017-18. This resulted in some plant losses, significant additional labour input, and contributed to increased water use arising from uncertainty as to whether irrigation cycles operated

effectively. In response, training was increased and budget has been allocated in 2018-19 for the staged replacement of electrical and communications wiring. These issues, along with direction detailed in the Landscape Succession Strategy and available budget, have led to planning for an Irrigation System Audit, and the development of an Irrigation Renewal Strategy during 2018-19. These initiatives will help navigate Melbourne Gardens into the future to enable better irrigation infrastructure to meet the challenges of the next 25 to 50 years.

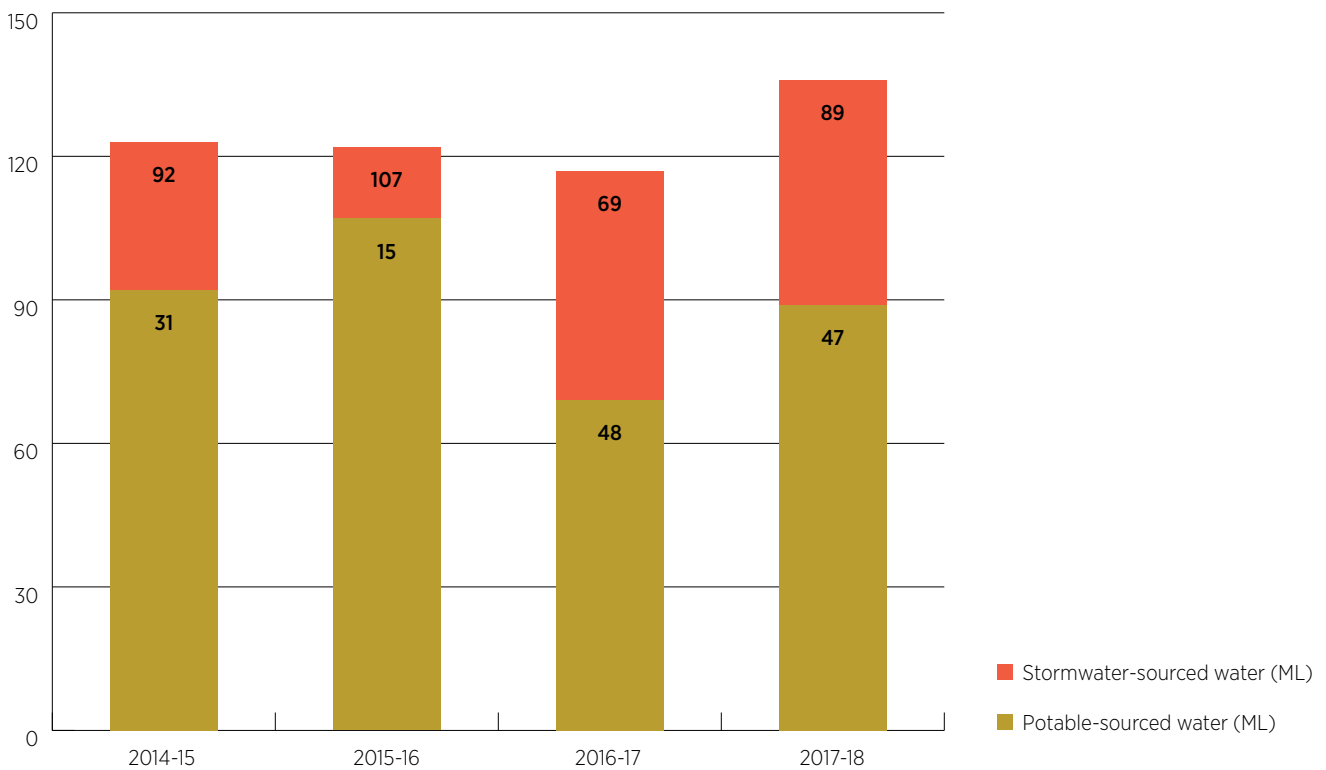


Figure 6: Melbourne Gardens irrigation water sources

Implementing the Landscape Succession Strategy

In October 2017, Dr Dave Kendal, University of Melbourne was commissioned to identify a group of threatened plant species that were not currently grown in Royal Botanic Gardens Victoria, but may be suited to Melbourne's future climate. Similar methodologies that were used in a previous project, 'Assessment of the Climate Change Risk to the Living Plant Collections', were applied to determine the temperature of rare and threatened plant taxa and suitability against projected climate change scenarios. Listings of over 20,000 threatened taxa were obtained from international, national and state evaluations. Of these, a total of 12,145 taxa (60 per cent) had adequate climate data.

Almost 3,000 taxa were considered suitable under the 'business as usual' scenario. Investigation is continuing to select and source these more suitable plants for planting in the Gardens. This work will promote the conservation of threatened taxa, interpret climate futures and support scientific research programs. Project outcomes included a written report and an analysis spreadsheet, which will be incorporated in the Living Collections Database to be used in conjunction with strategic planning to protect existing collections or develop new ones.

Other notable work included incorporating results from the previous climate vulnerability assessment project (6,106 taxa) in 2016-17 within the Living Collection's Database—another pioneering initiative among botanic gardens. The completion of this work provides comprehensive climatic information to many employees for better collections management and decision making for landscape development. The Landscape Succession Strategy webpage was also developed as an online resource for other botanical and horticultural organisations seeking guidance on how to respond to climate change.

Environmental resource management

Royal Botanic Gardens Victoria is committed to sustainable resource management. The Environmental Stewardship Policy underpinned by a commitment to biodiversity, ecology, community engagement and the maintenance of its landscapes is central to its environmental management. Ecologically sustainable development principles were applied in the planning and development of major projects, making Royal Botanic Gardens Victoria a recognised leader in water management for large landscapes. Waste minimisation and management programs are in place at both sites.

Table 13: Annual waste management

Waste processing (to recycling, landfill and mulching)	Cranbourne Gardens	Melbourne Gardens
Co-mingled waste (recycling)	12.54 tonnes of co-mingled and card/paper	15 tonnes (Estimate)
Cardboard and paper recycled	(included in above)	3.38 tonnes
Public waste (to landfill)	17.9 tonnes	42.8 tonnes
General office and garden waste to landfill	7.2 tonnes	32.1 tonnes
Green waste converted to mulch	250 m ³	1848m ³

Table 14: Annual energy use

Usage	Cranbourne Gardens	Melbourne Gardens
Electricity consumption (kilowatt hours – kWh)	425,501 kWh	758,801 kWh
Gas consumption (mega joules)	8,911 litres of Liquid Petroleum Gas (LPG). Cranbourne Gardens does not have natural gas	5,510,094 MJ



The reservoir on Guilfoyle's Volcano is part of Melbourne Gardens' water management system

Working Wetlands

In comparison to 2016–17, there was a 17 per cent increase in pumping energy use during 2017–18 for Working Wetlands' re-circulation pumps, water treatment facilities and irrigation pump station. This was attributed to the increased need to re-circulate lake water to manage the water quality of unusual summer storm

inflows. Energy generated from the photo voltaic (PV) systems was 23 per cent more for 2017–18 compared with 2016–17 due to the upgraded maintenance program. This has significantly contributed an 89 per cent offset in grid electricity use.

Table: 15 Working wetlands energy metrics

Period	WW Grid electricity use (MWh)	Photovoltaic generation (MWh)	Grid electricity offset
2014–15	106	72	68%
2015–16	105	70	66%
2016–17	78	66	85%
2017–18	91	81	89%

Information and communication technology strategy implementation

A key deliverable of the organisation's Information and Communication Technology Strategy is to digitise its central filing system via an Electronic Document and Records Management System. Royal Botanic Gardens Victoria selected FYB Pty Ltd as the preferred supplier and will roll-out its Content Manager system in 2018–19.

The booking system selection was deferred due to a broader range of requirements, which will now include an integrated solution with a new Customer Relationship Management system. The basic online booking system implemented in 2015 as part of the Information and Communication Technology Strategy will be reviewed and likely decommissioned at the same time.



Veronica Rothwell Senior Retail Sales Assistant stocks the shelves at the Cranbourne Gardens shop

REVENUE RAISING AGREEMENTS

Leasing, licencing and retail operations

A number of income-generating agreements were established including licenced and branded merchandise available through the Gardens' shops and other retail outlets, leasing and licencing agreements with the cafe, function and venue hire, *Punting on the Lake*, and outdoor cinema operators. Specimens from the State Botanical Collection provided inspiration to designers for the production of licenced merchandise, and have been applied to new product ranges created by internationally-recognised designers Jenny Jones Rugs, Samantha Robinson Ceramics, and The Designer Boys. New items were released as part of the popular Maxwell & Williams range of botanic-themed homewares, and design development took place for two new ranges released during the year. In addition, 2017-18 saw the release of both a Vintage Map range and Royal Botanic Gardens Victoria toile range of exclusive Royal Botanic Gardens Victoria products, available for purchase only at the Gardens' shops.

DEVELOPING A SUSTAINABLE ORGANISATION

Fundraising and development

During 2017-18, as an outcome of the new whole-of-organisation structure, the foundation team merged into the development, marketing and communications branch. Roles were assessed to meet the broader aims and objectives of the Engagement and Impact Division and the organisation. New roles were created focusing on best-practice philanthropy and business development to increase relationships and revenue from the philanthropic and private sectors.

During 2017-18, the development team raised over \$2 million for key Royal Botanic Gardens Victoria programs and projects, including major gifts for a project to reveal the hidden secrets of the Foreign Collection, a program supporting professional development opportunities for Horticultural staff, a leadership development grant from The Myer Foundation, a new horticultural apprenticeship position, and support for development of the library.

Several events were held throughout the year, including an excursion to Bolobek gardens in the Macedon Ranges in the autumn, end-of-year celebrations at Gardens House in December, and a terrific supporter dinner in May at Melbourne Gardens, focusing on its talented horticulturalists and the living collections. Royal Botanic Gardens Victoria and the Royal Botanic Gardens Foundation Victoria acknowledge the generous support received from donors and supporters throughout 2017-18.

The Director's Circle remains an impactful annual giving channel for Royal Botanic Gardens Victoria, with Director's Circle gifts supporting a range of projects across the organisation. Director's Circle events continue to attract strong attendance and are an important way for the Foundation and Royal Botanic Gardens Victoria to acknowledge donors and highlight the critical role they play in assisting the organisation to realise its vision.

LOOKING AHEAD

Donor events calendar

In the year ahead, the Development team is ramping up events and activities for the Gardens' many supporters, including more *Beyond the Garden Gate* excursions and several opening night events as part of Melbourne Festival.

Watch this space...

The Director's Circle program will undergo a refresh later this year, with brand new collateral and new member benefits on offer. The design work and planning is nearing completion and will be unveiled at Christmas 2018.



Chris Russell, Peter Symes, Terry Smyth, Warren Worboys and Tim Entwisle discuss horticulture at the Director's Circle Dinner for donors

Table 16: Overview of specific actions and performance measures

Action	2017-18 Specific actions	Overall progress against deliverables and performance measures 2017-18
Long-term Strategy 4.1		Developing an organisational structure and culture to meet our vision
4.1.1	Review our support organisations and stakeholder groups to maximise their contribution to our vision by 30 June 2018	Review is nearing completion Stakeholder mapping and allocation now underway Campaign feasibility is now complete
4.1.2	Review organisational structures to best deliver the Corporate Plan objectives and to fulfil our new vision and mission by 30 June 2018	Final structure approved and implemented within available funding Chart of accounts realigned Organisational culture change program ('Cultural Journey') commenced
4.1.3	Develop a career progression strategy to support delivery of the Science Strategy by 31 December 2017	The draft strategy has been reviewed by Science team and requires some further work
	Preparation of Enterprise Agreement 2017	Enterprise Agreement 2017 received record 99 per cent positive vote Agreement now with Fair Work Commission for final approval



Table 16: continued

Action	2017–18 Specific actions	Overall progress against deliverables and performance measures 2017–18
Long-term Strategy 4.2		Creating sustainable landscapes
4.2.1	Prepare an annual environmental scorecard/report covering all aspects of our business and our contributions to the Global Strategy for Plant Conservation by 30 June 2017	Rescheduled for 2018–19 financial year reporting
4.2.2	Achieve 100% recycled water for irrigation on both sites by 30 June 2021	Pre-feasibility study of Burnley Harbour option completed favourably for the Melbourne Gardens project; subsequent feasibility study has commenced Biodiversity Study, Cultural Heritage Study, and detailed design of water infrastructure requirements all completed for the Cranbourne Gardens project
4.2.3	Implement key priorities of the Melbourne Gardens' Landscape Succession Plan by 30 June 2019	Decision support tool developed Tree survey completed Three projects completed: <ul style="list-style-type: none"> - Assessment of climate change risk to the living plant collection in Melbourne Gardens (Kendal, Farrer, Cash) - Conserving rare species suitable for future climates in the living collection of Melbourne Gardens (Kendal) - Exploring plant selection methodology for a botanic garden under climate change (Elspeth Lumsden)



Table 16: continued

Action	2017-18 Specific actions	Overall progress against deliverables and performance measures 2017-18
Long-term Strategy 4.3		Developing a sustainable business
4.3.1	Implement the Information and Communication Technology (ICT) Strategy and review by 30 June 2019	<p>Content Manager was selected as the Electronic Document and Records Management System and FYB Pty Ltd chosen as the preferred supplier assisting with implementation (To be completed in 2018-19)</p> <p>Booking system selection was deferred to include a broader range of requirements, which will include an integrated solution for a new Customer Relationship Management system</p> <p>The basic online booking system implemented in 2015 as part of the ICT Strategy will be reviewed and likely decommissioned at that time</p>
4.3.2	Seek to address shortcomings in RBGV resourcing through a Transforming Royal Botanic Gardens Victoria bid by 30 June 2018	Business case completed, along with Government advocacy. Initial \$5 million per annum (indexed) uplift in recurrent grant achieved, enabling part commencement of final structure recruitment. Discussions continue to address remaining resource requirements
4.3.3	Develop and implement a Marketing and Commercial Strategy (now Business Development Strategy) with a focus on revenue-raising activities (with revenue targets), and including commissionable tourism product by 30 June 2018	<p>RBGV Business Development and Tourism Plan approved by the Board in March 2018</p> <p>First major corporate partnership secured in December with UnionPay International</p>
	Scope appropriate commercial and tourism development cases for Executive Team and Board consideration	<p>Relationships identified or re-established with key International tourism operators as well as Melbourne Convention Bureau, Regional Visitor Centres, Federation Square, and Cardinia-Casey Tourism. Major stakeholders, Visit Victoria and Tourism Australia, re-engaged</p> <p>Formal business cases underway for two new revenue-generating projects for the Gardens</p>
	Develop a whole-of-organisation fundraising campaign	<p>Clarification of RBGV and RBG Foundation fundraising channels presented to the Board in April</p> <p>Campaign plans formally reviewed and feasibility work completed</p>

LOOKING AHEAD

Irrigation system audit to be conducted in 2018-19.

Our Supporters

"It is my pleasure to have this opportunity to thank the individuals, families, trusts, foundations and government for their support of our world-class gardens this year.

Our donors recognise that they are not only supporting places of outstanding beauty, but also the environments where very important scientific, botanical and horticultural work is carried out by people who understand the vital role plants play in our lives.

Whether at work investigating the plant treasures of the past, researching historical or contemporary specimens, saving species, making new discoveries or maintaining stunning garden displays, each role is an essential one. Thank you, your support of Royal Botanic Gardens Victoria's programs and projects have enabled the Gardens to maintain its prominence amongst the great botanic gardens of the world."

Gillian Hund, Chair, Royal Botanic Gardens Foundation Victoria



Central Lake, Melbourne Gardens

ROYAL BOTANIC GARDENS FOUNDATION VICTORIA

The Royal Botanic Gardens Foundation Victoria was established in May 2001. Its goal is to provide the Royal Botanic Gardens Victoria with a secure source of future income from the investment of bequests, seat sponsorships, Director's Circle donations and general donations. The Royal Botanic Gardens Foundation Victoria has Deductible Gift Recipient (Item 2) status and is endorsed as an Income Tax Exempt Fund.

During 2017-18, the Royal Botanic Gardens Foundation Victoria continued to manage its capital base by growing the investment of its corpus with Perpetual Trustees, thus strengthening stewardship of donor funds to enhance its capacity to provide long-term financial support to Royal Botanic Gardens Victoria.

The Royal Botanic Gardens Foundation Victoria also generously contributed three grants to Royal Botanic Gardens Victoria from its annual corpus distributions. The grants were provided to the following projects:

Revealing the secrets of the Foreign Collection (Year 2 of 3)

VicFlora – digitising Victoria's plant identification guide (Year 2 of 3)

New programming initiatives and market research.

Fund distributions were also made from two in-perpetuity sub-funds for the Jim Willis Studentship and the Pauline Ladiges Plant Systematics Fellowship with The University of Melbourne.

Donations to the Foundation from individual donors make possible the provision of grants toward multiple ongoing fellowships, landscape and programming projects at both sites. The Foundation has also demonstrated leadership in the area of 'friend-raising' and donor engagement through new events in 2017-18, which included a spring visit to Cruden Farm in October 2017 and an autumn visit to Bolobek and Tugurium gardens in the Macedon Ranges.

The generous effort, support and time of Foundation members is essential to the Gardens' success. This year we welcomed three new Foundation Board Directors including Mr John Patrick, Ms Farren Williams and Mr Ian Wong. These new Directors will be able to build the skill-set of the Foundation Board to further assist the development team with financial, marketing and governance experience.

In October, we farewelled Ms Adrienne Clarke AC and extend sincere thanks to her for her years of service to Royal Botanic Gardens Victoria and the Foundation Board.

Table 17: Members of the Royal Botanic Gardens Foundation Victoria Board, 2016–18

Mrs Gillian Hund	Chair Foundation Board Finance & Audit Committee Member
Ms Elaine Canty AM	Foundation Board
Ms Adrienne Clarke AC	Foundation Board (retired Oct 2017)
Professor Tim Entwisle	Secretary
Mr Kenneth Harrison AM	Foundation Board Foundation Finance & Audit Committee
Mr John Patrick	Foundation Board (commenced Mar 2018)
Ms Misha Prusa	Foundation Board
Ms Farren Williams	Foundation Board (commenced Oct 2017)
Mr Ian Wong	Foundation Board (commenced Mar 2018)

PHILANTHROPIC SUPPORT FOR ROYAL BOTANIC GARDENS VICTORIA

Royal Botanic Gardens Victoria sincerely thanks the individuals, community groups, philanthropic trusts and foundations that generously supported its work in 2017–18.

This support plays a critical role in assisting the organisation to achieve its vision and safeguard plants for the wellbeing of people and the planet.

Philanthropic support was secured for significant redevelopment and refurbishment projects, including Fern Gully and the Arid Precinct as well as horticultural, learning and scientific projects and programs.

There was considerable uplift from the Christmas and tax time appeals in particular, each achieving record income to support the living collections and the general operations of both Gardens.

Support from the Melbourne Friends of Royal Botanic Gardens Victoria allowed for refurbishment of the Melbourne Gardens' Visitor Centre. This refurbishment transformed the visitor experience in this important information hub and resulted in three times the number of walk-up enquiries during the last half of the financial year. The Melbourne Gardens Visitor Centre now provides a comfortable and welcoming space for visitors.

The Cranbourne Friends supported a number of projects at Cranbourne Gardens including removal of exotic species, fencing and signage projects, and the purchase of an ultra-sonic possum deterrent device.

This year saw the introduction of a dedicated business development role within the development, Marketing and Communications branch. The role focuses on building relationships and partnerships with the corporate sector. As a result, UnionPay became the Gardens' newest business partner and will help Royal Botanic Gardens Victoria engage with international visitors, particularly those from China.

A list of donors and organisations that have made contributions of \$5,000 or more during the 2017–18 financial year can be found on page 71 under Royal Botanic Gardens Victoria major donors.

Maud Gibson Trust

The Royal Botanic Gardens Foundation Victoria is also the Trustee for the Maud Gibson Trust, a public ancillary fund, which is required to make annual distributions to the Royal Botanic Gardens Victoria.

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 Royal Botanic Gardens Victoria. The Trust facilitated the initial purchase of land to establish Cranbourne Gardens and continues to have an influential role in the development of that site, including the multi-award winning Australian Garden. It has also encouraged and supported botanical research and educational programs for many years at the Melbourne Gardens.

The Maud Gibson Trust supported the following projects at Royal Botanic Gardens Victoria during the year:

Dame Elisabeth Murdoch Scholarships, which allowed a number of plant collection trips to be undertaken by various team members

Foreign Collection Project, which helped nurture and protect the precious Foreign Collections.

The Foundation greatly values and appreciates the commitment and contributions of all its supporters.

The Foundation wishes to acknowledge the following people and their significant contributions of over \$5,000 during 2017-18:

Royal Botanic Gardens Victoria Major Donors

Ms Judy Backhouse and Mr Gary Backhouse
Mrs Meg Bentley and Mr Garry Bentley
Mr Clive Blazey and Mrs Penny Blazey
Ms Sandra Clark and Mr Alex Ivory
Cranbourne Friends of Royal Botanic Gardens Victoria
Mr Ian Darling
Mrs Joan S Darling
Mr Alf Finch
Mr Leon Gorr and Mrs Judith Gorr
Mr Peter Greenham and Mrs Anne Greenham
Ms Cathy Hains
Mr Brian J Little
Ms Anne Miller
Dr Max Richards AM and Mrs Maggie Richards
Ms Lindy Shelmerdine and Mr David Moffat
Mrs Merrill Shulkes and Prof Arthur Shulkes
Mr Geoff Steinicke and Mrs Judy Steinicke
Mr Edward R Tudor
Mr Frank Van Straten AM and Mr Adrian Turley
Dr Elizabeth Xipell

Trusts and Foundations

Australian Flora Foundation Inc.
Betsy and Ollie Polasek Endowment
Cactus and Succulent Society of Australia
Calvert-Jones Foundation
Charles and Cornelia Goode Foundation
Erica Foundation
Finkel Foundation
Schapper Family Foundation
The Betty Amdsen Foundation
The Edward Wilson Estate
The Jolimont Foundation
The Myer Foundation
The Stuart Leslie Foundation

Perennial Gardeners

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

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

Seat Dedications

Mrs Margaret Clarke
Mrs Marie Dalziel
Ms Susan Kennett and Mr Derrick Friedman
Mr Yun Pang and Mrs Weijun Pang
Heike Rahmann
Mrs Margaret Ross AM and Dr Ian Ross
Penelope Tarrant
Mr Charles Tegner

Director's Circle

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

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

Patron

Professor Timothy J Entwisle
Anonymous (2)
Mr David Adam and Mrs Judy Adam
Mrs Jan Anderson and Mr Robert Anderson
Mr Duncan Andrews and Ms Jan Andrews
Professor Tony Bacic and Mrs Lee Bacic
Mr Graeme Baker and Mrs Lee Baker
Mr Michael and Mrs Judy Begg
Mr Tony Berger and Ms Marita Quinn
Mr Marc Besen AC and Mrs Eva Besen AO
Mr Ian Beynon and Mrs Beth Beynon
Mr Fin Bird and Mr Tim Rowan
Mr Russell Board and Ms Narelle Ivers
Philip and Vivien Brass Charitable Foundation
The late Ms Marian Brookes
Ms Sally Browne
Mr John Calvert-Jones AM and Mrs Janet Calvert-Jones AO
Ms Robin Campbell
Mrs Krystyna Campbell-Pretty and the Campbell-Pretty Family
Mr Peter Canet and Mrs Ivanka Canet
Ms Elaine Canty AM and Mr Roy Masters AM

Professor David Chandler
The Honourable Alex Chernov AC, QC and
Mrs Elizabeth Chernov
Mr Sandy Clark and Ms Marie McDonald
Mr Richard Clarke and Mrs Margaret
Clarke
Mr Robin Clements
Mr Leigh Clifford AO and Mrs Sue Clifford
Dr Robin Collier OAM and Professor Neil
Collier
Mrs Chris Collingwood and Mr John
Collingwood
Ms Rosemary Cotter
Mrs David Darling
Mrs Mary Davidson and Mr Frederick
Davidson AM
Sir Daryl Dawson AC, KBE, BC, QC and
Lady Lou Dawson
Mr Peter de Campo
Mr Bruce Echberg and Mrs Kerry Echberg
Mr Rodger Elliot AM and Mrs Gwen Elliot
AM
Mr Ian Endersby
Professor Tim Entwisle and Mrs Lynda
Entwisle
Mr Paul Evans and Mr John Keats
Dr Helen Ferguson
Mr Anthony Fitzwilliams Hyde and Mrs
Chloe Fitzwilliams Hyde
Mr Mike Fogarty and Mrs Deb Fogarty
The Garnaut Family
Mrs Jenny Gold and Family
Mr Colin Golvan QC and Dr Deborah
Golvan
Mr Robert Green and Mrs Jan Green
Mr Peter Greenham and Mrs Anne
Greenham
Mrs Lesley Griffin
Mr Peter Griffin AM and Ms Terry Swann
Mrs Joan Grigg and Mr John Grigg
Mrs Margaret Grummet
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
Dr Robert Hare and Mrs Geraldine Hare
Mr Ken Harrison AM and Mrs Jill Harrison
Mrs Maria Jo Herpe
Ms Virginia Heywood

Mr Frank Hook and Mrs Sheryl Hook
Mrs Gillian Hund and Mr Michael Hund
Mr Greg Ireton and Ms Kate Taylor
Mr David Johnston and Mrs Barbara
Haynes
Mr Peter Kelly and Mrs Liz Kelly
Ms Zara Kimpton OAM
Ms Elizabeth Lane
Mrs Millie Laphthorne
Mrs Alison Leslie
Mr Bill Leslie
Mr Tom Latham and Mrs Marianne Latham
Mr Mark Lewis and Ms Bronwyn Lewis
Mrs Janet Limb
Ms Caroline Liow
Mr George Littlewood and Mrs Ann
Littlewood
Mrs Maryclare Los and Mr Pieter Los
Mr Peter Lovell and Mr Michael Jan
The Hon. Justice Kirsty Macmillan
Ms Alex Mayes and Mr Mark Dempsey
Mr Robert McKay and Mrs Sarah McKay
Dr Brian McNamee AO and Dr Virginia
McNamee
Mr Ross Milne-Pott and Mrs Judy Milne-
Pott
Dr Philip Moors AO and Dr Debbie Moors
Mrs Diana Morgan AM
Mr Hugh Morgan AC and Mrs Libby
Morgan
Mrs Susan Morgan
Mr Baillieu Myer AC and Mrs Sarah Myer
Mr Stephen Newton AO
Ms Wendy Olenick
Mr Richard Oliver AM and Ms Louise
Jamson
Mr George Pappas AO and Mrs Jillian
Pappas
Mr Bruce Parncutt AO
Mr John Patrick and Mrs Bridget Patrick
Mrs Lee Pinkus
Lady Potter AC
Mr John Ralph AC and Mrs Barbara Ralph
Mrs Carolyn Rayner
Mr Ian Reid and Mrs Julie Reid
Mrs Maggie Richards and Dr Max Richards
AM
Ms Jillian Riseley
Mr Damian Robertson and Mrs Lisa
Robertson
Mrs Brigid Robertson and Mr Hugh
Robertson

Mr Ken Roche and Mrs Gail Roche
Mrs Margaret Ross AM and Dr Ian Ross
Mrs Maria Ryan and Mr Martin Ryan
Ms Elizabeth Sevier
Mr Philip Sewell and Mrs Deborah Sewell
Mr Greg Shalit and Ms Miriam Faine
Ms Jennifer Shaw
Mrs Anita Simon
Ms Carol Sisson
Professor Richard Smallwood AO and Mrs
Carol Smallwood
Mrs Wendy Smart and Mr Alex Smart
OAM
Mr Brian Snape AM and Mrs Diana Snape
Mr Geoff Steinicke and Mrs Judy Steinicke
Mr James Syme and Mrs Anne Syme
Prof Hugh Taylor AC and Assoc. Prof.
Elizabeth M Dax AM
Mrs Lisa Tuck and Dr Mark Tuck
Mr David Valentine
Mr Ralph Ward-Ambler AM and Mrs
Barbara Ward-Ambler
Mr Peter Wetenhall and Ms Joanna
Horgan
Mr Paul Wheelton AM and Mrs Angela
Wheelton
Ms Linda White
Ms Janet Whiting AM and Mr Phil Lukies
Dr Philip Williams AM and Mrs Elizabeth
Williams
Ms Susanne Williamson
Mr Ian Wong and Dr Gillian Wong
Ms Sarah Wrigley
Dr Elizabeth Xipell

Corporate Sponsors

Royal Botanic Gardens Victoria
acknowledges and thanks its corporate
partners Bosistos Australia and UnionPay.





Mary Seaton, Garden Ambassador at Cranbourne Gardens

OUR FRIENDS AND VOLUNTEERS

Our Friends and Volunteers are among our most ardent supporters and champions. They donate their time, skills, expertise and energy and by doing so enrich our landscapes, our programs, our science and our purpose. None of what we have achieved or plan to achieve would be possible without our staff, volunteers, donors and family of supporters. Thank you all!

Ken Harrison, Chairman

Research Partners

Royal Botanic Gardens Victoria gratefully acknowledges the following organisations for providing research grants in 2017-18

Atlas of Living Australia (CSIRO)
 Austin Health
 Australasian Native Orchid Society
 Australasian Systematic Botany Society
 Australian Biological Resources Study
 Australian Network for Plant Conservation
 Australian Research Council
 Australian Seed Bank Partnership
 BioPlatforms Australia
 Cybec Foundation
 Department of Economic Development, Jobs, Transport and Resources, Victorian Government
 Department of Environment, Land, Water and Planning, Victorian Government
 Department of the Environment and Energy, Australian Government
 Edward Wilson Estate
 Erica Foundation
 Friends of the Royal Botanic Gardens, Melbourne Inc.
 Local Land Services Murray
 Maud Gibson Trust
 Nell and Hermon Slade Trust
 Nillumbik Shire
 Office of Environment and Heritage, NSW Government
 Project Platypus Association Inc.
 Royal Botanic Gardens Victoria Foundation
 The Foundation for Australia's Most Endangered Species
 The University of Melbourne
 Wimmera Catchment Management Authority

Friends of the Royal Botanic Gardens, Melbourne Inc.

The Friends of the Royal Botanic Gardens Melbourne Inc. continued to provide significant funding to support new development and landscape restoration projects, as well as scholarships for Royal Botanic Gardens Victoria staff.

During 2017-18, Friends made grants to the organisation of \$110,000 with funds donated to support the refurbishment of the Fern Tree Gully Rest House and development of the new Sensory Garden. In addition, \$9,500 was awarded through scholarships for Royal Botanic Gardens Victoria staff and the Friends' Helen McLennan Research Grant awarded \$20,000 to an emerging scientist.

A range of speciality classes and workshops were hosted by the Friends to engage the community within the Gardens. The popular *Botanical Illustrator* classes continued to produce an exceptional representation of plant species, some of which were enjoyed by visitors at the Friends' *Botanical Illustrators* exhibition *ReFraming Nature* in Domain House in October 2017.

The Growing Friends raised over \$70,000 during its autumn, spring and monthly plant sales. The Friends' events continued to add value to the experiences and increased engagement of visitors within the Gardens through workshops for both adults and children in Plant Craft Cottage, educational talks in Mueller Hall and Domain House, and guided walks.

ReFraming Nature presented by the Friends of the Royal Botanic Gardens Melbourne

The *ReFraming Nature* exhibition held in Domain House during October 2017 presented a beautiful selection of art drawn and painted by the Friends' Botanical Art students and tutors depicting nature. The 2,500 visitors to the exhibition praised the exceptional talents of the artists by purchasing much of the art displayed, raising \$7,500 in profit for the Friends.



The volunteer pod provides a wealth of information at Melbourne Gardens

CRANBOURNE FRIENDS, ROYAL BOTANIC GARDENS VICTORIA INC.

Cranbourne Friends has raised more than \$600,000 for Cranbourne Gardens since the group was established 26 years ago. This amount is a combination of monies raised through events, national and international tours, plant sales, and donations.

Members had the opportunity to attend 22 different events during 2017–18. These included drawing classes, an exhibition, workshops, guided walks, plant sales, site visits, and interstate and overseas trips.

The special interest groups of the Cranbourne Friends continued to produce excellent work. In 2017–18, the Botanical Fabricators valued the opportunity to work once again with Leesa Chandler to produce the *Australian Textile Exhibition*, and the Botanical Basket makers continued to explore new techniques through workshops. Many of the botanical illustrators exhibited at the Art Gallery of Ballarat in *Beckler's Botanical Bounty: the flora of Menindee*. Friends in Focus captured the beauty of the Australian Garden and surrounding bushland, and the Herbarium Collectors continued to add to the Cranbourne Gardens herbarium collection.

VOLUNTEERS AND ASSOCIATES

Volunteers and Honorary Associates worked across Royal Botanic Gardens Victoria in a variety of roles at Cranbourne Gardens, Melbourne Gardens, in the Herbarium and with the Engagement and Impact Division. Working in partnership with staff, they welcomed visitors, guided tourists, supported science, planted and propagated, as well as provided important knowledge and skills to the organisation. In 2017–18, volunteers and associates contributed almost 14,000 hours to Royal Botanic Gardens Victoria, adding significant value to the organisation.

Science Division volunteers

During 2017–18, volunteers contributed more than 8,500 hours of work to the Science Division, across a number of important projects.

Six volunteers spent over 630 hours on the 'Fungimap' project, entering fungi record data, replying to fungal identification requests and working in the shop.

Orchid conservation program volunteers at Cranbourne Gardens contributed 180 days of conservation activities in the field, laboratories and nursery. Volunteers helped with the propagation of 20 species of nationally threatened orchids and the curation of the extensive orchid display on the Cranbourne site. They also worked with the Australian Native Orchid Society Victoria branch to assist with the reintroduction of rare orchids back into the wild.

Over spring, volunteers assisted with pollinator surveys for *Caladenia robinsonii* (Frankston Spider-orchid), *Caladenia xanthochila* (Yellow-lip Spider-orchid) and *Caladenia cruciformis* (Bordertown Spider-orchid).

Library projects included digitising botanical slides for the VicFlora and HortFlora websites and historical photos, including Commemorative Tree Plantings, Mueller themed images and the Arthur Burke Arid Garden Collection.

A skilled volunteer participated in the Conservation Genetics program through work focused on the identification of *Bossiaea vombata* clones, using genetic markers and participated in a fieldtrip to the Wombat State Forest.

The Victorian Conservation Seedbank project benefited from volunteers who assisted with the cleaning and preparation of seed for long-term storage from approximately 90 collections and germination trials of 33 seed collections. Additionally, 100 seed images were submitted for use on the VicFlora database, and 231 herbarium sheets of seedlings were mounted, which had been grown from the seed germination trials.

HortFlora volunteers worked on text editing, image preparation and image selection for the HortFlora web resource.

Collections Branch volunteers curated 12,139 plant, fungi and cryptogam specimens, including Type specimens in preparation for the Global Plants Initiative Project. Curation of 17 plant families from the foreign collection was completed. 7,021 specimens and 54 boxes of fungi

were incorporated into the State Botanical Collection. 849 vascular specimens were added to the database, and the quality of 813 specimen records (received with donation and exchange specimens) were checked. A total of 979 specimens from the Hilda Eileen Ramsay collection,

the North Australian Expedition, and the Joseph Banks and Daniel Solander collection were imaged in preparation for several upcoming projects. More than 6,000 fungi images were sorted and 3,036 were selected and attached to database records.

Royal Botanic Gardens Victoria sincerely thanks the following dedicated science volunteers for their significant contribution during 2017-18

Marina Albert	Anna Long
Eve Almond	Vicky McGimpsey
Neil Anderton	Anne McLachlan
Ruth Ault	Sapphire
Wendy Bedggood	McMullan-Fisher
Lydia Beshara	Angela Mitchell
Jenepher Beudel	Josephine Mitchell
Margaret Brookes	Margaret Murfett
Robyn Brownscombe	Tarquin Netherway
Sally Bufe	Graham Patterson
Wendy Cook	Lynsey Poore
Ema Corro	Chirta
Sandra Cumbari	Ramanadhan
Alwynne Fairweather	Veronica Reeve
Francis Faul	Leah Robertson
Katherine Flynn	Sara Romberg
Hazel Gabriel	Jennifer Ross
Margaret Gordon	Judy Ryan
Robert Hare	David Sambrooks
Mary Hills	Roslyn Savio
Eva Hookey	Catherine Taylor
Elizabeth Howcroft	Joan Thomas
Vicki Jaeger	Robert Thomas
Sumali Jayaweera	Catherine Trinca
Meran Jennings	Luke Vaughan
Evie Kielnhofer	Peter Wallace
Bryan Lawrence	Ann Walsham
Anne Lawson	Mary Ward
Geoffrey Lay	Robert Webb
Jannie Lay	Sandra Whitty
Sue Lesser	Mike Wicks
Angela Little	Jenny Williams
	Charles Young

Melbourne Gardens Volunteers
At Melbourne Gardens, 111 volunteers contributed 7,805 hours during 2017-18. In addition, 13 horticulture volunteers contributed 1,800 hours to the work undertaken by the Melbourne Gardens horticulture team, including 1,200 hours worked by interns.

The Ian Potter Foundation Children's Garden Volunteers

Anne Ada
Moira Bainbridge
Mary Becker
Angela Bentley
Lesley Blow
Lorraine Brock
Jan Brown
Stephanie Campbell-Gabb
Billie DeBondi
Jenni Eaton
Barbara Flattley
Susan Hope
Lea Levy
Anna Malone
Joanna Meagher
Susan Moloney
Ellie Pavlou
Regina Pike
Anna Priester
Merienne Shortridge
Cathy Simpson
Marg Smith
Sue Smith
Julie Troschke
Maggie Troup
Kate Welsh

Garden Ambassadors

Dianne Allen
Lee Balla
Marie Banic
Carmel Bateman
Marian Brouder
Judy Cain
Susanne Clarke
Frances Coffey
Dianne Costelloe
Rosemary Cotter
Helen Creedon
Rose Davey
Rosie Derrick
Berys Dixon
Sue Dorning
Anne Gardner
Veronica Harrison
Angela Herd
Wendy Hopkins
Anne Krelle
Susan Langley
Gail Latchford
Lea Levy
Alasdair Macdonald
Claire McGoldrick
Marian McLean
Gloria Minter
Jadzia Rae
Sandia Rose
Anne Scott
Christine Stott
Courtney Taylor
Libby Tronson
Trish Weeks

Voluntary Guides

Jill Bartlett
Bud Batrouney
Judith Bennett
Doris Berry
Dimi Bouzalas
Susan Broadbent
Pamela Carder
Liz Cooper
Rosemary Cotter
Anna Denton
Caroline Durre
David Forbes
Kay Hall
Jenny Happell
Ross Harris
Virginia Heywood
David Johnston
Marg Kerr
Scott Kerr
Emma Laurie
Terry Lennon
Julianne Lewis
Christine Mitchell
Bill Mooney
Georgina Mountford
Gary Nelson
Jenny Nicholas
Rosemary O'Brien
Donna Osbourne
Anne Peterson
Kathryn Pile
David Plant
Ian Polmear
Margaret Polmear
Lynsey Poore
Chitra Ramanadhan
Faye Retchford
Maggie Richards
Jayne Salmon

Loiuse Sexton
Julian Simpson
Carole Spillane
Michael Stevens
Nada Stojkovic
Catherine Trinca
Robin Viney
Chris Wallis
Robert Webb
Bryon Wicks
Mali Wilson
Engagement and Development Volunteer
Fay Chomley
Horticulture Volunteers
Sam Amo
Meg Bentley
Rosemary Cotter
Helping Hands
Sue Hoare
Kay Howden
Janet Moritz
Marguerite O'Hara
Gill Taylor
Horticulture Internship Program
Maria Brandani
Jordan Lammers
Georgia Moyes
Alex Sinclair
Emma Warren



Volunteers guide visitors around the Gardens

Cranbourne Gardens Volunteers

Garden Ambassadors make an important contribution to the experience of visitors to Cranbourne Gardens. During 2017-18 at Cranbourne Gardens 41 Garden Ambassadors contributed 2,627 hours, 22 Natural Areas volunteers contributed 721 hours, 14 Nursery volunteers contributed 680 hours, and five Landscape volunteers contributed 50 hours. (Some individuals volunteer in more than one capacity.)

Garden Ambassadors

- Anne Adams
- John Armstrong
- Margaret Barnes
- Pamela Binks
- Trevor Blake
- Brian Cole
- Erin Cosgriff
- Ron Deane
- Johan DeBree
- Derek De Korte
- David Elias
- Mack Fenwick
- Barrie Gallacher
- Ralph Henger
- Faye Hobby
- Lynette Hosking
- Helen Kennedy
- Christine Kenyon
- Sue Keon-Cohen
- Eva Kowal
- Linda Lee
- Nancy Leonard
- Mary Macdermid
- Judy Mallinson
- Don Matthews
- Peter McGrath
- Lauris McInerney
- Mark Nelson
- Paula Nicholas
- David Redfern
- Charles Saffroy
- Marj Seaton
- Sue Spicer
- Laurie Stephens
- John Steward
- Sue Tatton
- Ray Turner
- Jean Wallis
- Kate Walsh
- Roger Watts
- Charles Young

Landscape Volunteers

- Ralph Henger (GA)
- Christine Kenyon (GA)
- Edie Paterson
- Marj Seaton (GA)
- Kitson Wignell

Nursery Volunteers

- Pam Binks (GA)
- Bernard Boulton
- Cecile Campbell
- Eva Campi
- Amanda Ford
- Miriam Ford
- Bree Iredale
- Gillian Jervis
- Sue Keon-Cohen (GA)
- Nancy Leonard (GA)
- Peter McGrath (GA)
- John Poke
- Marj Seaton (GA)
- Sue Spicer (GA)

Natural Areas Volunteers

- Brogan Armour
- Brianna Butcher
- Amanda Carey
- Bianca Carnovale
- Michael Cook
- Dave Cundall
- Michelle Elise
- Anna Gallasch
- Len Gardner
- Allan Gillies
- Eryn Larcombe
- Muvi
- Liyanapathirana
- Justine Lund
- Alex Marshall
- Liam Martin
- Jim Mavromatis
- Lulu Meehan
- Dawn Neyland
- Mike Paterson
- Jaffa Richardson
- Mick Robertson
- Donna Shamoon



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

Dr Collin Ahrens, Prahran, Victoria
Dr Austin Brown, Glen Waverley, Victoria
Dr Michelle Casanova, Westmere, Victoria
Mr Ian Clarke, Bentleigh, Victoria
Dr Thomas Darragh, University of Melbourne
Professor Rod Home, University of Melbourne
Mr Jeff Jeanes, Wy Yung, Victoria
Dr Gerry Kraft, PO Box 276, Lindisfarne, Tasmania
Dr Graeme Lorimer, Biosphere Pty Ltd
Dr Sara Maroske, University of Melbourne
Mrs Enid Mayfield, Noosa Heads
Ms Mali Moir, Mt Evelyn, Victoria
Mr Kevin Rule, Nunawading, Victoria
Mrs Katrina Syme, Shadforth, WA
Dr Anneke Veenstra, Deakin University

Financial Statements

How this report is structured

The Royal Botanic Gardens Board Victoria (the Board) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with information about the Board's stewardship of the resources entrusted to it.

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DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the Royal Botanic Gardens Board Victoria (the Board) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under 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 2018 and financial position of the Board at 30 June 2018.

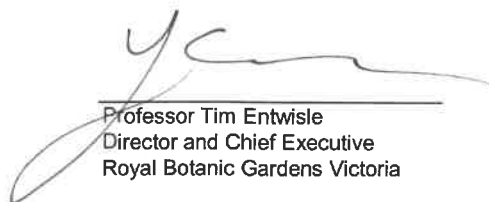
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 5 September 2018.



Ken Harrison AM
Chairman
Royal Botanic Gardens Board Victoria

Melbourne
5 September 2018



Professor Tim Entwisle
Director and Chief Executive
Royal Botanic Gardens Victoria

Melbourne
5 September 2018



Lola Makdissi
Chief Finance Officer
Royal Botanic Gardens Victoria

Melbourne
5 September 2018

Comprehensive operating statement

For the financial year ended 30 June 2018

	Notes	2018 \$	2017 \$
Income from transactions			
Grants	2.2.1	24,318,867	15,892,675
Sale of goods and services	2.2.2	2,038,762	2,223,767
Sponsorships and donations	2.2.3	2,757,102	1,544,089
Fair value of assets and services received free of charge or for nominal consideration	2.2.4	699,819	644,392
Interest	2.2.5	216,737	182,559
Other income	2.2.6	1,784,732	1,446,328
Total income from transactions		31,816,019	21,933,810
Expenses from transactions			
Employee expenses	3.1.1	(16,447,081)	(14,408,433)
Depreciation	4.1.1	(2,374,883)	(2,279,117)
Interest expense		(5,995)	(19,260)
Other operating expenses	3.2	(6,862,147)	(7,066,138)
Total expenses from transactions		(25,690,106)	(23,772,948)
Net result from transactions (net operating balance)		6,125,913	(1,839,138)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ^(a)	8.1	10,764	37,427
Net gain/(loss) on financial instruments ^(b)	8.1	1,540	(4,938)
Other gains/(losses) from economic flows	8.1	4,523	126,023
Total other economic flows included in net result		16,827	158,512
Net result		6,142,740	(1,680,626)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.3	56,276,607	-
Total other economic flows - other comprehensive income		56,276,607	-
Comprehensive result		62,419,347	(1,680,626)

The accompanying notes form part of these financial statements.

Notes:

- (a) '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.
- (b) '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 2018

	Notes	2018 \$	2017 \$
Assets			
Financial assets			
Cash and deposits	6.3	10,500,661	5,903,231
Receivables	5.1	5,697,312	780,723
Total financial assets		16,197,973	6,683,954
Non-financial assets			
Inventories	5.3	262,748	265,481
Non-financial physical assets classified as held-for-sale	8.2	19,756	32,503
Prepayments		135,188	28,692
Property, plant and equipment	4.1	659,870,239	604,509,578
Total non-financial assets		660,287,931	604,836,254
Total assets		676,485,904	611,520,208
Liabilities			
Payables	5.2	1,803,956	1,013,118
Borrowings	6.1	594,386	644,944
Employee related provisions	3.1.2	4,061,562	3,907,241
Liabilities directly associated with assets classified as held-for-sale	8.2	17,646	32,898
Total liabilities		6,477,550	5,598,201
Net assets		670,008,354	605,922,007
Equity			
Accumulated surplus		26,939,463	20,796,723
Physical asset revaluation surplus	8.3	555,102,922	498,826,315
Contributed capital		87,965,969	86,298,969
Net worth		670,008,354	605,922,007

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts			
Receipts from Government		18,595,238	16,726,410
Receipts from other entities		7,851,993	4,650,191
Goods and Services Tax received from the ATO ^(a)		269,857	272,617
Interest received		216,737	191,064
Total receipts		26,933,825	21,840,282
Payments			
Payments to suppliers and employees		(22,500,841)	(22,026,517)
Interest and other costs of finance paid		(5,995)	(22,576)
Total payments		(22,506,836)	(22,049,093)
Net cash flows from/(used in) operating activities	6.3.2	4,426,989	(208,811)
Cash flows from investing activities			
Proceeds from sale of non-financial assets		14,347	49,062
Payments for non-financial assets		(1,321,720)	(1,020,261)
Net cash flows from/(used in) investing activities		(1,307,373)	(971,199)
Cash flows from financing activities			
Owners contributions by State Government		1,667,000	-
Proceeds from borrowings		-	225,000
Repayment of finance leases		(191,338)	(455,695)
Net cash flows from/(used in) financing activities		1,475,662	(230,695)
Net increase/(decrease) in cash and cash equivalents		4,595,278	(1,410,705)
Cash and cash equivalents at the beginning of financial year		5,903,231	7,316,464
Effect of exchange rate fluctuations on cash held in foreign currency		2,152	(2,528)
Cash and cash equivalents at the end of financial year	6.3.1	10,500,661	5,903,231

The accompanying notes form part of these financial statements.

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

Statement of changes in equity

For the financial year ended 30 June 2018

	Physical Asset Revaluation Surplus \$	Accumulated Surplus \$	Contributions By Owner \$	Total \$
Balance at 1 July 2016	498,826,315	22,477,349	86,298,969	607,602,633
Net result for the year	-	(1,680,626)	-	(1,680,626)
Capital contributions	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2017	498,826,315	20,796,723	86,298,969	605,922,007
Net result for the year	-	6,142,740	-	6,142,740
Capital contributions	-	-	1,667,000	1,667,000
Other comprehensive income for the year	56,276,607	-	-	56,276,607
Balance at 30 June 2018	555,102,922	26,939,463	87,965,969	670,008,354

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

The Royal Botanic Gardens Board Victoria (the Board) is a Statutory Authority of the State of Victoria, established pursuant to the *Royal Botanic Gardens Act 1991*.

Its principal address is:

Royal Botanic Gardens Victoria
Birdwood Avenue
Melbourne VIC 3004.

A description of the nature of its operations and its principal activities is included in the *Report of operations*, which does not form part of these financial statements.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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.

Consistent with the requirements of *AASB 1004 Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Board.

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 to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading 'Significant judgement or estimates'.

The financial statements cover the Board as an individual reporting entity which administers the operations of the Melbourne Gardens and the Cranbourne Gardens.

All amounts in the financial statements have been rounded to the nearest dollar.

Compliance Information

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. Accounting policies selected and applied in these financial statements ensure 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.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Board's overall objective is to nurture an understanding of the scientific, environmental, social, economic, cultural and spiritual importance of plants to our existence, and provide our community with opportunities to prosper from a deep connection with plants.

To enable the Board to fulfil its objective, it receives income from the Parks and Reserve Trust Account, supplemented by income generated through grants, donations, programs, business operations and investment.

Structure

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2.1 Summary of income that funds the delivery of our services

	Notes	2018 \$	2017 \$
Grants	2.2.1	24,318,867	15,892,675
Sponsorships and donations	2.2.3	2,757,102	1,544,089
Sale of goods and services	2.2.2	2,038,762	2,223,767
Fair value of assets and services received free of charge or for nominal consideration	2.2.4	699,819	644,392
Interest	2.2.5	216,737	182,559
Other income	2.2.6	1,784,732	1,446,328
Total income from transactions		31,816,019	21,933,810

Income is recognised to the extent it is probable the economic benefits will flow to the Board and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

2.2 Income from transactions

2.2.1 Grants

	2018 \$	2017 \$
Parks and Reserves Trust Account grants	23,069,814	15,264,524
Other grants	1,249,053	628,151
Total grants	24,318,867	15,892,675

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

Parks and Reserves Trust Account Grant. The annual Parks and Reserves Trust Account grant received from the Department of Environment, Land, Water and Planning is recognised when the Board gains control over the funds. The Parks and Reserves Trust Account derives its funding from the 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.

Other Grants. 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.

2.2.2 Sale of goods and services

	2018 \$	2017 \$
Sale of goods	1,310,165	1,224,284
Rendering of services	728,597	999,483
Total sale of goods and services	2,038,762	2,223,767

2. FUNDING DELIVERY OF OUR SERVICES

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 transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Board.

Income from the **supply of services** is recognised by reference to the stage of completion of the services being performed. 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 this 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.

2.2.3 Sponsorships and donations

	2018 \$	2017 \$
Cash donations and gifts	2,757,102	1,544,089
Total Sponsorships and donations	2,757,102	1,544,089

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

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

	2018 \$	2017 \$
Services and donated supplies	699,819	644,392
Total fair value of assets and services received free of charge or for nominal consideration	699,819	644,392

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.

2.2.5 Interest

	2018 \$	2017 \$
Interest on bank deposits	131,586	85,574
Other miscellaneous interest income	85,151	96,985
Total interest	216,737	182,559

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

2.2.6 Other income

	2018 \$	2017 \$
Rental income	1,483,804	1,243,874
Royalties	91,405	118,807
Other	209,523	83,647
Total other income	1,784,732	1,446,328

2. FUNDING DELIVERY OF OUR SERVICES

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

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

The following operating lease receivables were held by the Board at reporting date^(a):

	2018 \$	2017 \$
Not longer than 1 year	1,034,994	555,473
Longer than 1 year and not longer than 5 years	1,795,083	1,011,012
Total operating lease receivables	2,830,077	1,566,485

Note (a): The operating lease receivables balances are stated at their nominal amount including GST.

Royalties are recognised when received or receivable in accordance with the substance of the licensing agreement.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Board in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the costs associated with provision of services are recorded.

Structure

3.1 Expenses incurred in delivery of services.....	88
3.2 Other operating expenses.....	90

3.1 Expenses incurred in delivery of services

	Notes	2018 \$	2017 \$
Employee benefits expense	3.1.1	16,447,081	14,408,433
Other operating expenses	3.2	6,862,147	7,066,138
Total expenses incurred in delivery of services		23,309,228	21,474,571

3.1.1 Employee benefits in the comprehensive operating statement

	2018 \$	2017 \$
Salary and wages	12,674,626	10,905,845
Superannuation	1,203,792	1,107,063
Annual and long service leave	1,478,994	1,156,976
Termination benefits	-	249,849
Other on-costs	1,089,669	988,700
Total employee expenses	16,447,081	14,408,433

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Board does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Board is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.1.2 Employee benefits in the balance sheet

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 and recorded as an expense during the period the services are delivered.

	2018 \$	2017 \$
Current provisions		
<i>Annual Leave</i>		
Unconditional and expected to be settled within 12 months	950,318	414,912
Unconditional and expected to be settled after 12 months	153,744	534,990
<i>Long service leave</i>		
Unconditional and expected to be settled within 12 months	266,499	173,069
Unconditional and expected to be settled after 12 months	1,933,952	1,992,190
<i>Provision for on-costs</i>		
Unconditional and expected to be settled within 12 months	198,117	101,442
Unconditional and expected to be settled after 12 months	339,910	436,004
Total current provisions	3,842,540	3,652,607

3. THE COST OF DELIVERING SERVICES

	2018 \$	2017 \$
Non-current provisions		
Employee benefits	188,355	217,167
On-costs	30,667	37,467
Total non-current provisions	219,022	254,634
Total provisions	4,061,562	3,907,241

Reconciliation of movement in on-cost provision

	2018 \$
Opening balance	574,913
Additional provision recognised	260,447
Reductions arising from payments	(261,109)
Reductions resulting from settlement without cost	(6,190)
Effect of changes in discount rate	633
Closing balance	568,694
Current on-costs	538,027
Non-current on-costs	30,667
Total on-costs	568,694

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Board does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Board expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional Long Service Leave (LSL) is disclosed 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; or
- 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 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 for which it is then recognised as an 'other economic flow' in the net result.

3. THE COST OF DELIVERING SERVICES

3.1.3 Superannuation contributions

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 plan(s) provides benefits based on years of service and final average salary. As noted before, the defined benefit liability is recognised by DTF as an administered liability.

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

The contribution amounts paid to employee superannuation funds by the Board are as follows:

	2018 \$	2017 \$
Defined benefit plans ^(a)		
State Superannuation Fund	28,000	137,312
Defined contribution plans		
VicSuper	757,253	557,696
Other	844,320	406,127
Total ^(b)	1,629,573	1,101,135

Notes:

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

(b) Total contributions outstanding at 30 June 2018 are \$0 (2017 - \$37).

3.2 Other operating expenses

	2018 \$	2017 \$
Supplies and services		
Contract costs	812,838	1,321,190
Garden and office equipment and supplies	673,351	631,095
Non-financial assets hire, maintenance and operational costs	1,026,539	838,567
Consultancies and professional services	866,535	1,133,208
Cleaning and waste disposal costs	548,220	642,055
Water charges	474,578	384,549
Advertising and promotion	353,958	283,770
Motor vehicle expenses	111,730	77,506
Computer expenses	298,690	318,642
Travel expenses	148,369	105,568
Staff training and development	129,640	98,543
Insurance costs	183,342	186,065
Postage and communication expenses	112,644	84,733
Books, periodicals and subscriptions	96,851	157,158
Legal costs	35,078	45,148
Security	89,532	99,240
Catering costs	61,202	43,594
Other	210,156	13,083
Subtotal	6,233,253	6,463,714
Cost of goods sold	612,310	581,580
Operating lease rental expenses	16,584	20,844
Total other operating expenses	6,862,147	7,066,138

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

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

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

Introduction

The Board controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Board to be utilised for delivery of those services.

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.2 in connection with how those fair values were determined.

Structure

4.1 Total property, plant and equipment.....91

4.1 Total property, plant and equipment

	2018 \$	2017 \$
Land at fair value	310,676,607	254,400,000
	310,676,607	254,400,000
Buildings at fair value	33,463,343	33,342,712
Less accumulated depreciation	(1,167,317)	(600,195)
	32,296,026	32,742,517
Infrastructure at fair value	64,795,706	64,056,151
Less accumulated depreciation	(2,491,867)	(1,147,989)
	62,303,839	62,908,162
Plant, equipment and vehicles at fair value	7,517,958	6,880,511
Less accumulated depreciation	(4,515,953)	(4,276,958)
	3,002,005	2,603,553
Cultural assets at fair value	251,440,848	251,424,572
	251,440,848	251,424,572
Assets under construction at fair value	150,914	430,774
	150,914	430,774
Total property, plant and equipment	659,870,239	604,509,578

Initial recognition: Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The initial cost for non-financial physical assets under a finance lease 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.

Subsequent measurement: Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). For details of fair value measurement of non-financial physical assets by asset category, refer to Note 7.2.2.

Restricted assets: The Board holds \$16.4 million worth of buildings and infrastructure assets (2017 - \$16.5 million) listed as heritage assets on the Victorian Heritage Register under the *Heritage Act 1995*. These heritage assets cannot be modified or disposed of without approval from Heritage Victoria.

4.1.1 Depreciation

	2018 \$	2017 \$
Buildings	567,122	598,283
Infrastructure	1,343,878	1,125,905
Plant, equipment and vehicles	463,883	554,929
Total depreciation	2,374,883	2,279,117

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

All infrastructure assets, buildings and plant and equipment that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale and land.

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. Typical estimated useful lives for the different asset classes for current and prior years are as follows:

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

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

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

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

2018	Land	Buildings	Infrastructure	Plant, equipment and vehicles	Cultural assets	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	254,400,000	32,742,517	62,908,162	2,603,553	251,424,572	430,774	604,509,578
Additions	-	120,631	368,079	906,073	16,276	109,116	1,520,175
Disposals	-	-	-	(41,482)	-	-	(41,482)
Revaluations	56,276,607	-	-	-	-	-	56,276,607
Transfers ^(a)	-	-	371,476	(2,256)	-	(388,976)	(19,756)
Depreciation	-	(567,122)	(1,343,878)	(463,883)	-	-	(2,374,883)
Closing balance	310,676,607	32,296,026	62,303,839	3,002,005	251,440,848	150,914	659,870,239

Note (a): Transfers balances represent amounts transferred between asset classes and out to disposal group held-for-sale.

2017	Land	Buildings	Infrastructure	Plant, equipment and vehicles	Cultural assets	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance	254,400,000	33,273,116	63,831,412	2,824,671	251,386,773	46,050	605,762,022
Additions	-	11,500	3,365	485,088	37,799	640,198	1,177,950
Disposals	-	-	-	(118,774)	-	-	(118,774)
Revaluations	-	-	-	-	-	-	-
Transfers ^(a)	-	56,184	199,290	(32,503)	-	(255,474)	(32,503)
Depreciation	-	(598,283)	(1,125,905)	(554,929)	-	-	(2,279,117)
Closing balance	254,400,000	32,742,517	62,908,162	2,603,553	251,424,572	430,774	604,509,578

Note:

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

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the Board's operations.

Structure

5.1 Receivables.....	93
5.2 Payables.....	94
5.3 Inventories.....	95
5.4 Prepayments.....	95

5.1 Receivables

	2018 \$	2017 \$
Contractual		
Sales of goods and services	607,004	708,887
Grant receivables	5,000,000	-
Accrued interest income	23,765	9,024
	5,630,769	717,911
Statutory		
Net GST input tax credit recoverable	66,543	62,812
	66,543	62,812
Total receivables ^(a)	5,697,312	780,723

Note (a): All receivables balances held at reporting date are classified as current.

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Doubtful debts: Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. As at reporting date, no allowance for doubtful debts has been recognised as all amounts have been determined recoverable by reference to past default experience.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

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

2018	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 \$
Sale of goods and services	607,004	399,503	160,658	17,674	29,169	-
Grant receivables	5,000,000	5,000,000	-	-	-	-
Accrued interest income	23,765	23,765	-	-	-	-
Total	5,630,769	5,423,268	160,658	17,674	29,169	-

5. OTHER ASSETS AND LIABILITIES

2017	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 \$
Sale of goods and services	708,887	621,025	22,135	20,735	44,992	-
Accrued interest income	9,024	9,024	-	-	-	-
Total	717,911	630,049	22,135	20,735	44,992	-

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. There are no material financial assets that 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.

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.

5.2 Payables

	2018 \$	2017 \$
Contractual		
Supplies and services	1,643,741	877,081
Other payables	85,312	83,405
	1,729,053	960,486
Statutory		
Taxes payable	74,903	52,632
	74,903	52,632
Total payables^(a)	1,803,956	1,013,118

Note (a): All payables balances at reporting date are classified as current.

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Board prior to the end of the financial year that are unpaid; and
- statutory payables, that 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 contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on late payments.

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

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

2018	Carrying amount ^(a) \$	Nominal amount ^(b) \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months - 1 year \$	1 - 5 years \$	More than 5 years \$
Supplies and services	1,643,741	1,643,741	1,598,818	44,923	-	-	-
Other payables	85,312	85,312	85,312	-	-	-	-
Total	1,729,053	1,729,053	1,684,130	44,923	-	-	-

5. OTHER ASSETS AND LIABILITIES

2017	Carrying amount ^(a)	Nominal amount ^(b)	Maturity dates				
			Less than 1 month	1- 3 months	3 months - 1 year	1 - 5 years	More than 5 years
			\$	\$	\$	\$	\$
Supplies and services	877,081	877,081	877,081	-	-	-	-
Other payables	83,405	83,405	83,405	-	-	-	-
Total	960,486	960,486	960,486	-	-	-	-

Note:

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

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

5.3 Inventories

	2018	2017
	\$	\$
Inventories held-for-sale at cost	262,748	265,481
Total inventories ^(a)	262,748	265,481

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

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.

5.4 Prepayments

Prepayments represent payments made 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.

6. HOW WE FINANCE OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the Board during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Board.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.2 provide additional, specific financial instrument disclosures.

Structure

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6.1 Borrowings

	2018 \$	2017 \$
Current		
Finance lease liabilities ^(a)	153,867	143,653
Loan from TCV	145,223	225,000
	299,090	368,653
Non-Current		
Finance lease liabilities ^(a)	295,296	276,291
	295,296	276,291
Total borrowings	594,386	644,944

Note(a): 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.

'Borrowings' refer to interest bearing liabilities mainly arising from public borrowings raised through Treasury Corporation of Victoria (TCV), and finance leases.

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. 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.

During the current year, there were no defaults or breaches of the TCV loan.

The maturity analysis for the Board's borrowings is as follows:

2018	Carrying amount ^(a) \$	Nominal amount ^(b) \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months - 1 year \$	1 - 5 years \$	More than 5 years \$
Finance lease liabilities	449,163	497,515	37,143	16,343	130,996	313,033	-
Loan from TCV	145,223	145,223	-	-	-	-	145,223
Total	594,386	642,738	37,143	16,343	130,996	313,033	145,223

2017	Carrying amount ^(a) \$	Nominal amount ^(b) \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months - 1 year \$	1 - 5 years \$	More than 5 years \$
Finance lease liabilities	419,944	441,703	54,452	14,720	86,300	286,231	-
Loan from TCV	225,000	225,000	-	-	-	-	225,000
Total	644,944	666,703	54,452	14,720	86,300	286,231	225,000

Note:

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

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

Interest expense

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes the interest component of finance lease repayments and the loan from TCV and is recognised in the period in which it is incurred.

6.2 Leases**6.2.1 Finance leases (Board as lessee)**

	Minimum future lease payments ^(a)		Present value of minimum future lease payments	
	2018 \$	2017 \$	2018 \$	2017 \$
Not longer than 1 year	166,835	155,473	153,867	143,653
Longer than 1 year and not longer than 5 years	313,033	286,231	295,296	276,291
Longer than 5 years	-	-	-	-
Minimum future lease payments	479,868	441,704	449,163	419,944
Less: future finance charges	(30,705)	(21,760)	-	-
Present value of minimum lease payments	449,163	419,944	449,163	419,944
Included in the financial statements as:				
Current borrowings lease liabilities (Note 6.1)			153,867	143,653
Non-current borrowings lease liabilities (Note 6.1)			295,296	276,291
Total			449,163	419,944

Note (a): Minimum future finance lease payments include the aggregate of all base payments and any guaranteed residual.

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 leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and 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 the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

The AASB issued the new leasing standard AASB 16 *Leases* to supersede the existing standard AASB 117 *Leases*. The new standard will be operative from reporting periods commencing 1 January 2019. The key change introduced by AASB 16 is the recognition of most operating leases on the balance sheet.

6.3 Cash flow information and balances

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

6.3.1 Reconciliation of cash and deposits

	2018 \$	2017 \$
Cash at bank and on hand	2,970,250	1,708,231
Term deposits	7,530,411	4,195,000
Balance as per cash flow statement	10,500,661	5,903,231

6. HOW WE FINANCE OUR OPERATIONS

6.3.2 Reconciliation of the net result for the period to net cash flows from operating activities

	2018 \$	2017 \$
Net result for the period	6,142,740	(1,680,626)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(13,288)	(48,228)
Net (gain)/loss on financial instruments	(2,152)	2,528
Impairment of non-financial assets	-	-
Depreciation of non-financial assets	2,374,883	2,279,117
Movements in assets and liabilities		
(Increase)/decrease in receivables	(4,916,589)	(159,124)
(Increase)/decrease in inventories	2,733	(32,042)
(Increase)/decrease in other non-financial assets	(106,497)	1,991
Increase/(decrease) in payables	790,838	83,118
Increase/(decrease) in provisions	154,321	(655,545)
Net cash from/(used in) operating activities	4,426,989	(208,811)

6.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST.

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

	2018 \$	2017 \$
Capital expenditure commitments payable		
Within 1 year	143,206	21,359
Later than 1 year but not later than 5 years	10,407	9,461
Subtotal	153,613	30,820
Operating expenditure commitments payable ^(a)		
Within 1 year	118,391	96,962
Later than 1 year but not later than 5 years	32,596	66,830
Subtotal	150,987	163,792
Total commitments including GST	304,600	194,612
Less GST recoverable	13,726	16,461
Total commitments excluding GST	290,874	211,073

Note (a): Operating expenditure commitments includes service contracts for building maintenance, security and data and lease commitments relating to office equipment with a lease term of up to 5 years. The Board does not have an option to purchase the leased asset at the expiry of the lease period under these leasing arrangements.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Board is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Board related mainly to fair value determination.

Structure

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7.1 Financial instruments specific disclosures

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 (for example taxes). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

7.1.1 Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities 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 (and, for assets, less any impairment). The Board recognises the following assets in this category:

- cash and deposits
- receivables
- term deposits.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Board recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including finance lease liabilities).

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

	Carrying amount	
	2018 \$	2017 \$
Contractual financial assets - loans receivables and cash		
Cash and deposits	10,500,661	5,903,231
Sale of goods and services	607,004	708,887
Accrued interest income	23,765	9,024
Total ^(a)	11,131,430	6,621,142
Contractual financial liabilities at amortised cost		
Supplies and services payables	1,643,741	877,081
Other payables	85,312	83,405
Finance lease liabilities	449,163	419,944
Loan from TCV	145,223	225,000
Total ^(a)	2,323,439	1,605,430

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1.2 Derecognition of financial assets and liabilities

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:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.3 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 instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The value of the impairment 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 materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

7.1.4 Net holding gain/(loss) on financial instruments

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

	2018	2017
	\$	\$
Contractual financial assets		
Financial assets - loans and receivables	216,737	182,559
Total contractual financial assets	216,737	182,559
Contractual financial liabilities		
Financial liabilities at amortised cost	(5,995)	(19,260)
Total contractual financial liabilities	(5,995)	(19,260)

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

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

7.1.5 Financial risk management objectives and policy

As a whole, the Board's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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 and financial liability above are disclosed in Note 7.2 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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Financial instruments - credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Board's exposure to credit risk arises from the potential default of a counter party 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 sale 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 and deposits, which are mainly cash at bank. As with the policy for debtors, the Board's policy is to only deal with banks with high credit ratings.

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

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.

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

There has been no material change to the Board's credit risk profile in 2017-18.

Financial instruments - 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.

Financial instruments - market risk

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

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.

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 finance 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.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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

2018	Weighted average effective interest rate %	Carrying amount ^(a) \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	2.01	10,500,661	7,530,411	2,942,884	27,366
Sale of goods and services	-	607,004	-	-	607,004
Accrued interest income	-	23,765	-	-	23,765
		11,131,430	7,530,411	2,942,884	658,135
Financial liabilities					
Supplies and services payables	-	1,643,741	-	-	1,643,741
Other payables	-	85,312	-	-	85,312
Finance lease liabilities	3.70	449,163	449,163	-	-
Loans from TCV		145,223	-	145,223	-
		2,323,439	449,163	145,223	1,729,053

2017	Weighted average effective interest rate %	Carrying amount ^(a) \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	1.83	5,903,231	4,195,000	1,660,131	48,100
Sale of goods and services	-	708,887	-	-	708,887
Accrued interest income	-	9,024	-	-	9,024
		6,621,142	4,195,000	1,660,131	766,011
Financial liabilities					
Supplies and services payables	-	877,081	-	-	877,081
Other payables	-	83,405	-	-	83,405
Finance lease liabilities	4.37	419,944	419,944	-	-
Loans from TCV		225,000	-	225,000	-
		1,605,430	419,944	225,000	960,486

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

The Board's sensitivity to possible movements in interest rates is as follows:

	Carrying amount		Interest rate			
	2018 \$	2017 \$	Net result + 100 basis points		Net result -100 basis points	
			2018 \$	2017 \$	2018 \$	2017 \$
Contractual financial assets						
Cash and deposits ^(a)	10,500,661	5,903,231	104,733	58,551	(104,733)	(58,551)
	10,500,661	5,903,231	104,733	58,551	(104,733)	(58,551)
Contractual financial liabilities						
Borrowings ^(b)	594,386	644,944	5,944	6,449	(5,944)	(6,449)
	594,386	644,944	5,944	6,449	(5,944)	(6,449)

Note:

(a) Cash and deposits includes deposits of \$10,473,295 (2017 - \$5,855,131) that are exposed to floating rate movements. Sensitivities to these movements are calculated as follows:

- 2018 - \$10,473,295 x 0.01 = \$104,733 and \$10,473,295 x -0.01 = -\$104,733; and
- 2017 - \$5,855,131 x 0.01 = \$58,551 and \$5,855,131 x -0.01 = -\$58,551.

(b) Borrowings include finance lease liabilities and a Loan from TCV to the value of \$594,386 (2017 - \$644,944) that are exposed to movements in interest rates. Sensitivities to these movements are calculated as follows:

- 2018 - \$594,386 x 0.01 = \$5,944; and \$594,386 x -0.01 = -\$5,944; and
- 2017 - \$644,944 x 0.01 = \$6,449; and \$644,944 x -0.01 = -\$6,449.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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.

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 end of the reporting period.

The Board is exposed to foreign currency risk through its foreign currency bank deposit which is denominated in foreign currencies. 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's sensitivity to possible movements in foreign exchange rates is as follows:

	Carrying amount		Foreign exchange			
	2018 \$	2017 \$	Net result +5%		Net result -10%	
			2018 \$	2017 \$	2018 \$	2017 \$
Contractual financial assets						
Cash and deposits ^(a)	10,500,661	5,903,231	-	1,782	-	(3,564)
	10,500,661	5,903,231	-	1,782	-	(3,564)
Contractual financial liabilities						
Payables ^(b)	1,643,741	877,081	-	-	-	-
	1,643,741	877,081	-	-	-	-

Note:

(a) Cash and deposits includes a deposit of \$0 (2017 - \$35,640) that is exposed to foreign exchange movements. Sensitivities to these movements are calculated as follows:

- 2018 - \$0; and
- 2017 - $\$35,640 \times 0.05 = \$1,782$; and $\$35,640 \times -0.10 = -\$3,564$.

(b) Payables includes a balance of \$0 (2017 - \$0) that is exposed to foreign exchange movements.

7.2 Fair value determination

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Board.

This section sets out information on how the Board determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- property, plant and equipment
- financial assets and liabilities measured at amortised cost.

The Board determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into levels, also known as the fair value hierarchy.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.2.1) and non-financial physical assets (refer to Note 7.2.2).

7.2.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined according to the following fair value hierarchy:

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

The Board currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short term nature or with the expectation that they will be paid in full by the end of the 2017-18 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
<ul style="list-style-type: none"> • Cash and deposits • Receivables: <ul style="list-style-type: none"> - Sale of goods and services - Accrued investment income • Investments and other contractual financial assets: <ul style="list-style-type: none"> - Term deposits 	<ul style="list-style-type: none"> • Payables: <ul style="list-style-type: none"> - For supplies and services - Other payables • Loan from TCV

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2018	2018	2017	2017
	\$	\$	\$	\$
Financial liabilities				
Finance lease liabilities	449,163	449,163	419,944	419,944
Loan from TCV	145,223	145,223	225,000	225,000
	594,386	594,386	644,944	644,944

7.2.2 Fair value determination of non-financial physical assets

The fair values of non-financial physical assets are determined according to the following fair value hierarchy:

- 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.

The Board determines whether transfers have occurred between levels in the hierarchy by reassessing 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 is the Board's independent valuation agency and monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

The fair value measurement hierarchy for assets at the end of the reporting period is as follows:

	Carrying amount		Fair value measurement using: ^(a)			
			Level 2		Level 3	
	2018 \$	2017 \$	2018 \$	2017	2018 \$	2017 \$
Land						
Specialised land	310,676,607	254,400,000	-	-	310,676,607	254,400,000
	310,676,607	254,400,000	-	-	310,676,607	254,400,000
Buildings						
Specialised buildings	16,774,797	17,221,288	-	-	16,774,797	17,221,288
Heritage assets	15,521,229	15,521,229	-	-	15,521,229	15,521,229
	32,296,026	32,742,517	-	-	32,296,026	32,742,517
Infrastructure						
Specialised infrastructure	61,361,237	61,965,560	-	-	61,361,237	61,965,560
Heritage assets	942,602	942,602	-	-	942,602	942,602
	62,303,839	62,908,162	-	-	62,303,839	62,908,162
Plant, equipment and vehicles						
Plant and equipment	2,249,490	2,186,212	-	-	2,249,490	2,186,212
Vehicles ^(b)	752,515	417,341	-	-	752,515	417,341
	3,002,005	2,603,553	-	-	3,002,005	2,603,553
Cultural assets						
Antiques and artwork	9,377,948	9,361,672	9,377,948	9,361,672	-	-
Specialised cultural assets	242,062,900	242,062,900	-	-	242,062,900	242,062,900
	251,440,848	251,424,572	9,377,948	9,361,672	242,062,900	242,062,900

Notes:

(a) Classified in accordance with the fair value hierarchy. The Board does not hold any assets classified as Level 1 assets for the reporting periods ended 30 June 2018 and 30 June 2017.

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

There have been no transfers between levels during the period.

Non-specialised antiques and artworks

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

Land and buildings

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

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

For the majority of the Board's specialised buildings, the current 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 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 was 30 June 2016. In accordance with the requirements of FRD 103F *Non-financial physical assets*, a managerial revaluation was performed on the carrying amount of the Board's land based on the land indices issued by the Valuer-General to reflect the increase in fair value at 30 June 2018.

Specialised cultural assets

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

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Infrastructure assets

Infrastructure assets are valued using the current replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs are costs to replace the current service capacity of the asset.

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

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

Vehicles

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

The reconciliation of Level 3 fair value is as follows:

2018	Specialised land \$	Buildings \$	Vehicles \$	Plant and equipment \$	Infrastructure \$	Specialised Cultural \$
Opening balance	254,400,000	32,742,517	417,341	2,186,212	62,908,162	242,062,900
Purchases/(sales)	-	120,631	445,754	416,581	739,555	-
<i>Gains or losses recognised in net result:</i>						
Impairments	-	-	-	-	-	-
Depreciation	-	(567,122)	(110,580)	(353,303)	(1,343,878)	-
<i>Gains or losses recognised in other economic flows - other comprehensive income:</i>						
Revaluations	56,276,607	-	-	-	-	-
Closing balance	310,676,607	32,296,026	752,515	2,249,490	62,303,839	242,062,900

2017	Specialised land \$	Buildings \$	Vehicles \$	Plant and equipment \$	Infrastructure \$	Specialised Cultural \$
Opening balance	254,400,000	33,273,116	815,700	2,008,971	63,831,412	242,062,900
Purchases/(sales)	-	67,684	(187,305)	521,116	202,655	-
<i>Gains or losses recognised in net result:</i>						
Impairments	-	-	-	-	-	-
Depreciation	-	(598,283)	(211,054)	(343,875)	(1,125,905)	-
<i>Gains or losses recognised in other economic flows - other comprehensive income:</i>						
Revaluations	-	-	-	-	-	-
Closing balance	254,400,000	32,742,517	417,341	2,186,212	62,908,162	242,062,900

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

A description of significant unobservable inputs to Level 3 valuations is as follows:

Asset Category	Valuation technique	Significant unobservable inputs
Specialised Land	<ul style="list-style-type: none"> Market approach 	<ul style="list-style-type: none"> Community Service Obligation (CSO) adjustment
Buildings (<i>specialised and heritage</i>)	<ul style="list-style-type: none"> Current Replacement Cost 	<ul style="list-style-type: none"> Direct cost per square metre Useful life of buildings
Vehicles	<ul style="list-style-type: none"> Current Replacement Cost 	<ul style="list-style-type: none"> Cost per unit Useful life of vehicles
Plant and Equipment	<ul style="list-style-type: none"> Current Replacement Cost 	<ul style="list-style-type: none"> Cost per unit Useful life of plant and equipment
Infrastructure (<i>specialised and heritage</i>)	<ul style="list-style-type: none"> Current Replacement Cost 	<ul style="list-style-type: none"> Cost per unit Useful life of infrastructure assets
Specialised Cultural Assets	<ul style="list-style-type: none"> Current Replacement Cost 	<ul style="list-style-type: none"> Cost per unit Size of collections

8. OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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8.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. 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.

	2018 \$	2017 \$
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	13,288	48,228
Impairment of property, plant and equipment	-	-
Write down of inventory	(2,524)	(10,801)
	10,764	37,427
Net gain/(loss) on financial instruments		
Net FX gain/(loss) arising from foreign cash held	1,540	(4,938)
	1,540	(4,938)
Other gains/(losses) from economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	4,523	126,023
	4,523	126,023

8.2 Non-financial assets held-for-sale

The following non-financial assets held for sale exist at the reporting date:

	2018 \$	2017 \$
Non-current assets		
Leased vehicles held-for-sale ^(a)	19,756	32,503
	19,756	32,503
Liabilities		
Finance lease liabilities	17,646	32,898
	17,646	32,898

Note (a): The Board holds vehicles under the leasing arrangement with DTF which are awaiting sale at the end of the reporting period. No impairment loss was recognised on re-classification of vehicles held-for-sale or at the end of the reporting period.

8.3 Reserves

	2018 \$	2017 \$
Physical asset revaluation surplus		
Balance at beginning of financial year	498,826,315	498,826,315
Revaluation increments/(decrements)	56,276,607	-
Balance at end of financial year	555,102,922	498,826,315
Net change in reserves	555,102,922	498,826,315

8.4 Responsible persons

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

Names

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

Minister

Minister for Energy, Environment and Climate Change	Hon Lily D'Ambrosio MP	1 July 2017 to 30 June 2018
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Governing Board

Chairman	Mr Ken Harrison AM	1 July 2017 to 30 June 2018
Deputy Chairman	Mrs Penny Fowler	1 July 2017 to 30 June 2018
Member	Professor Antony Bacic	1 July 2017 to 30 June 2018
Member	Ms Jennifer Wolcott	1 July 2017 to 30 June 2018
Member	Professor Rob Adams AM	1 July 2017 to 30 June 2018
Member	Ms Jillian Riseley	1 July 2017 to 30 June 2018
Member	Ms Susanne Williamson	1 July 2017 to 30 June 2018

Accountable Officer

Director and Chief Executive	Prof Tim Entwisle	1 July 2017 to 30 June 2018
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Remuneration

Remuneration received or receivable by responsible persons, other than the Minister, in connection with the management of the Board during the period is as follows:

	2018	2017 \$
\$0 - \$9,999	6	6
\$10,000 - \$19,999	1	1
\$290,000 - \$299,000	1	-
\$300,000 - \$309,999	-	1
Total numbers	8	8

8.5 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment is ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated.

Remuneration was paid to executives during the reporting period as follows:

	2018	2017
	\$	\$
Short-term benefits	934,545	862,443
Post-employment benefits	84,133	71,444
Other long-term benefits	20,871	18,956
Total remuneration	1,039,549	952,843
Number of executives	5	6
Total annualised employee equivalents ^(a)	5.0	5.0

Note (a): Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.6 Related parties

The Board is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Board include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Board received funding from the Department of Environment, Land, Water and Planning of \$23.6 million (2017 - \$15.4 million) during the reporting period.

Key management personnel (KMP) of the Board include the Portfolio Minister, Hon Lily D'Ambrosio MP, the members of the governing board and the Director and Chief Executive.

The compensation detailed below excludes the salaries and benefits received by the Portfolio Minister. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and reported within the Department of Parliamentary Services' Financial Report.

8. OTHER DISCLOSURES

Compensation paid to KMPs during the reporting period is as follows:

	2018	2017
	\$	\$
Short-term benefits	319,690	321,359
Post-employment benefits	24,142	23,709
Other long-term benefits	6,836	6,291
Termination benefits	-	-
Total	350,668	351,359

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Board, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.7 Remuneration of auditors

	2018	2017
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements ^(a)	21,000	20,400
	21,000	20,400

Note (a): The Victorian Auditor-General's Office is not allowed to provide non-audit services.

8.8 Other accounting policies

Contribution by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Board.

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

8.9 Australian Accounting Standards issued that are not yet effective

Certain new AAS have been published that are not mandatory for the 30 June 2018 reporting period. The DTF assesses the impact of these new standards and advises the Board of their applicability and early adoption where applicable.

The table below outlines the accounting standards that have been issued but are not yet effective for the 2017-18 reporting period, which may result in potential impacts on the Board's reporting for future periods:

Standard/ Interpretation	Summary	Application for annual reporting periods:	Impact on Board's Financial Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.

8. OTHER DISCLOSURES

Standard/ Interpretation	Summary	Application for annual reporting periods:	Impact on Board's Financial Statements
<i>AASB 15 Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard <i>AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
<i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i>	Trade receivables that do not have a significant financing component are to be measured at their transaction price, at initial recognition.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
<i>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: <p>AASB 9</p> <ul style="list-style-type: none"> • Statutory receivables are recognised and measured similarly to financial assets <p>AASB 15</p> <ul style="list-style-type: none"> • The "customer" does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or "equivalent means"; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be "sufficiently specific" to be able to apply AASB 15 to these transactions.

Standard/ Interpretation	Summary	Application for annual reporting periods:	Impact on Board's Financial Statements
AASB 16 <i>Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i> . AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds. This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets. The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants. The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

8.10 Glossary of technical terms

Borrowings refers to interest-bearing liabilities mainly from public borrowings raised through finance leases and Treasury Corporation of Victoria.

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

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners.

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

Financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- 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

8. OTHER DISCLOSURES

- 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 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 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 in the Model Report comprises:

- a balance sheet as at the end of the period;
- a comprehensive operating statement for the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

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

Interest expense represents costs incurred in connection with borrowings. It includes interest on loans and interest components of finance lease repayments.

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

Leases are rights 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 infrastructure, 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.

Net acquisition of non-financial assets (from transactions) are 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 financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net operating balance or **net result from transactions** 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 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 classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

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

Operating 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 movements in equity'. Refer also to 'net result'.

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

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus.

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

Receivables include amounts owing from short and long-term trade credit and accounts receivable and interest receivable.

Sale of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered and sales of goods and services.

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

Transactions 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.

8.11 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
(xxx)	negative
201x	year
201x-1x	year period

The financial statements and notes are presented based on the illustration in the *2017-18 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 of the Royal Botanic Gardens Board Victoria

Opinion	<p>I have audited the financial report of the Royal Botanic Gardens Board Victoria (the RBGBV) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements • declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the RBGBV as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the RBGBV in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Information other than the financial report and auditor's report	<p>The Board is responsible for the "other information" included in the RBGBV's annual report for the year ended 30 June 2018. The other information comprises the information in the annual report but excludes the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the annual report and accordingly I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the RBGBV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 RBGBV's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RBGBV's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the RBGBV to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
10 September 2018



Paul Martin
as delegate for the Auditor-General of Victoria

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Note on Disability Act 2006

Compliance with the *Disability Act 2006* does not apply to Royal Botanic Gardens Victoria.

Appendix Two: Other Disclosures

STATEMENTS OF COMPLIANCE WITH GOVERNMENT POLICY

Capital Projects

During the 2017-18 reporting year, Royal Botanic Gardens Victoria did not enter into any contracts valued at over \$10 million.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service. Royal Botanic Gardens Victoria continues to comply with the requirements of the Competitive Neutrality Policy.

DataVic Access Policy

Consistent with DataVic Access Policy issued by the Victorian Government in 2012, the Gardens will make available relevant data sets at <http://www.data.vic.gov.au/> in electronic readable format.

Local Jobs First – Victorian Industry Participation Policy statement

The *Victorian Industry Participation Policy Act 2003* requires public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP). Public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne, where both Melbourne Gardens and Cranbourne Gardens are located.

During 2017-18, the Royal Botanic Gardens Victoria commenced and/or completed no Local Jobs First – VIPP applicable procurements.

Advertising expenditure

The Royal Botanic Gardens Board Victoria's expenditure in the 2017-18 reporting period on campaign advertising expenditure was nil.

Statement of availability of other information

During 2017-18:

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.

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

details of publications produced by the Royal Botanic Gardens Victoria about itself, and how these can be obtained

details of changes in prices, fees, charges, rates and levies charged by the Royal Botanic Gardens Victoria

details of major research and development activities undertaken by the Royal Botanic Gardens Victoria

details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit

details of major promotional, public relations and marketing activities undertaken by the Royal Botanic Gardens Victoria to develop community awareness of the Royal Botanic Gardens Victoria and its services

details of assessments and measures undertaken to improve the occupational health and safety of employees

a general statement on industrial relations within the Royal Botanic Gardens Victoria, and details of time lost through industrial accidents and disputes

a list of the Royal Botanic Gardens Victoria's major committees, the purposes of each committee, and the extent to which the purposes have been achieved

details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

Information and Communications Technology (ICT) expenditure

For the 2017–18 reporting period, Royal Botanic Gardens Victoria had a total ICT expenditure of \$1,381,000, with the details shown below.

Table 18: ICT expenditure

(\$ thousand)

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure (Total)	Non Business As Usual (Non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
1381	422	371	75

ICT expenditure refers to Royal Botanic Gardens Victoria's costs in providing business-enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. **Non-BAU ICT expenditure** relates to extending or enhancing Royal Botanic Gardens Victoria's current ICT capabilities. **BAU ICT expenditure** is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Table 19: Details of individual consultancies

\$ thousand

Details of individual consultancies						
Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Fee (excl. GST)	Expenditure 2017–18 (excl. GST)	Future Expenditure (excl. GST)
BENDELTA	To review the effectiveness of the interim RBGV organisational structure and make recommendations regarding the proposed final structure that will best deliver on RBGV's strategic objectives	23/04/2018	14/05/2018	37,500	37,500	0
PERMEATE PATNERS PTY LTD	To determine feasible alternative irrigation water sources for Melbourne Gardens	26/03/2018	30/06/2018	12,328	12,328	0
HACKLABS	To conduct testing of IT security infrastructure and processes and provide advice on improvements for minimising security risks	15/08/2017	29/09/2017	1,400	14,000	0
PRECISE VALUE	To conduct customer research and identify insights toward development of RBGV's new value proposition	26/05/2017	31/10/2017	43,708	43,708	0
				94,936	107,536	0

In 2017–18, there were two consultancies engaged during the year where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2017–18 in relation to these consultancies was \$6,500 (excluding GST).



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Royal Botanic
Gardens Board
ABN 36 600 553 934

Royal Botanic Gardens Board Financial Management Compliance Attestation Statement

I Kenneth Harrison AM on behalf of the Responsible Body, certify that the Royal Botanic Gardens Board has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

**Kenneth Harrison AM
Chairman
Royal Botanic Gardens Board Victoria**

30 August 2018

LEGISLATION

The *Royal Botanic Gardens Act 1991* was amended in 2017-18 to provide for:

Specific power to carry on a business of selling plants (section 14(m))

In relation to land, approval by the Minister of grants for leases and licences (sections 24(2)(a) and 24 (2)(b))

Repeal of section 24A (power to lease land for the business of a plant nursery at Cranbourne Gardens)

Substitution of section 35 (Corporate planning documents of the Board)

Substitution of section 38 (Appointment of Director)

Repeal of sections 39 to 41 (Terms of office, Resignation and Removal from office)

Repeal of section 56 (Continued regulations)

Repeal of section 61 (Savings provision for Chairperson and Deputy Chairperson), and

Inclusion of section 60 (Transitional provisions – *Parks and Crown Land Legislation Amendment Act 2017*).

LEGISLATIVE COMPLIANCE

Financial Management Act 1994

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

Freedom of Information Act 1982

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

Authorised officer

Seela Dushyant, Freedom of Information Officer

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

Categories of documents

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

Access arrangements

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

Requests

For the 12 months ending 30 June 2018, no request was made.

Freedom of Information (FOI) requests are made in writing describing all documents requested and including payment of the \$28.40 application fee (from 1 July 2017). FOI fees and charges are not subject to GST.

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

Building and maintenance provisions of the Building Act 1993

Pursuant to section 220 of the *Building Act 1993*, all completed 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 carried out.

Building works

During the course of the year the following building-work related items occurred, and at varying stages of progression/completion:

Maintenance

At Melbourne

Restoration of the Fern Gully Rest House

Construction of an 'amphibious harvester machine' lake access ramp

Office fit out within the National Herbarium of Victoria

Data and electrical cabling upgrade to Observatory House

Structural repair of a concrete support pillar to the Works Yard Machinery Shed

Refurbishment of the Main Observatory Building public toilets

Upgrade to major landscape Fire Services Infrastructure.

At Cranbourne

Construction of new works depot sheds, x 3 in total

Upgrade of the Stringybark Picnic Area amenity block

The following measures were in place for all building work carried out over the course of F18:

Appropriate supervision by suitably qualified and experienced project personal and/or where required by appropriately certified or registered building practitioners and/or trade specialists

All required building permits applied for and/or obtained, and at completion, with required final inspections being carried out.

Maintenance works

The following infrastructure and facilities management practices were carried out at both Melbourne Gardens and Cranbourne Gardens:

Routine and scheduled maintenance audits and reporting

Ongoing routine and responsive servicing and repair

All essential safety measure inspections undertaken by a registered Building Surveyor with compliance issues being responded to and progressed as required.

Table 20: Disclosures about buildings owned or controlled by Royal Botanic Gardens Victoria

	Cranbourne Gardens	Melbourne Gardens
Building permits issued	1	4
Occupancy Permits / Final Certificates of Compliance issued	-	4, pending
Emergency and building orders issued	Nil	Nil

Compliance with the Protected Disclosure Act 2012

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

What is a ‘protected disclosure’?

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

What is ‘improper or corrupt conduct’?

Improper or corrupt conduct involves substantial:

Mismanagement of public resources, or

Risk to public health or safety or the environment, or

Corruption.

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

How do I make a ‘Protected Disclosure’?

You can make a protected disclosure about the Royal Botanic Gardens Board Victoria or its board members, officers or employees by contacting the Independent Broad-Based Anti-Corruption Commission on the contact details provided on this page. Please note that the Royal Botanic Gardens Board Victoria is not able to receive protected disclosures.

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

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

Contacts

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

Address:

Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail:

IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet:

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.



Cover image: Fern Gully, Melbourne Gardens.
Inner cover: *Hakaea bucculenta* in the Forest Garden, Cranbourne Gardens



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