



**Government
of South Australia**

Board of the
Botanic Gardens and
State Herbarium



**Board of the Botanic Gardens
and State Herbarium
2016-17 Annual Report**

Botanic Gardens and State Herbarium

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Date presented to Minister: 3 October 2017

To:

The Hon Ian Hunter MLC

Minister for Sustainability, Environment and Conservation

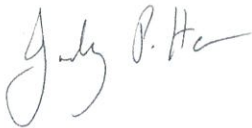
This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010*, the *Public Finance and Audit Act 1987*, section 23 of the *Botanic Gardens and State Herbarium Act 1978* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Board of the Botanic Gardens and State Herbarium by:

Judy Potter

Presiding Member



29 September 2017

Signature

Date

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The Board of the Botanic Gardens and State Herbarium (the Board) is established under section 6 of the *Botanic Gardens and State Herbarium Act 1978* (the Act), and is subject to the general direction and control of the Minister for Sustainability, Environment and Conservation. The object of the Act is to provide for the establishment and management of public botanic gardens and herbaria and for other purposes. The Board is responsible for administering the Act and has responsibility for Adelaide Botanic Garden and Botanic Park, Mount Lofty Botanic Garden, Wittunga Botanic Garden and the State Herbarium.

As keepers of collections and knowledge, we are champions and storytellers of how plants shape our future. We connect people with plants. We are at the forefront in scientific endeavours and our resolve to meet future environmental challenges. The beauty and diversity of our plants and displays will inspire local, national and international visitors.

Objectives

- To establish and maintain botanic and other gardens for the use and enjoyment of members of the public on land vested in or placed under the control of the Board.
- To establish and manage in, or in connection with its gardens, exhibitions of interest in the fields of botany, horticulture, biology, conservation of the natural environment or history.
- To establish and maintain a herbarium and, subject to this Act, to retain original specimens included in the herbarium.
- To accumulate and care for specimens (whether living or preserved), objects and things of interest in the fields of botany, horticulture, biology, conservation of the natural environment or history.
- To accumulate and classify data in regard to any such matters.
- To manage all lands and premises vested in, or placed under the control of, the Board.
- To manage all funds vested in, or under the control of, the Board and to apply those funds in accordance with the terms and conditions of any instrument of trust or other instrument affecting the disposition of those funds.
- To carry out, or promote, research into matters of interest in the fields of botany, horticulture, biology, conservation of the natural environment or history.
- To disseminate information of interest in the fields of botany, horticulture, biology, conservation of the natural environment or history.
- To undertake the commercial exploitation of knowledge acquired by the Board in the course of conducting research.
- To sell or propagate and sell (whether alone or in partnership or joint venture with a nursery business) hybrids or cultivated varieties of plants not widely commercially available in the State that have occurred spontaneously in the Board's gardens or been developed in the course of its research activities.
- To provide consultant services. To perform any other functions of scientific, educational or historical significance that may be assigned to the Board by regulation.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Collections: Enhance our collections; Create and showcase beautiful gardens; Make our collections accessible.	South Australia's Strategic Plan (SASP) Target 69: Lose no species – Lose no native species as a result of human impacts (<i>baseline: 2004</i>).
Sharing: Share our knowledge of plants; Share our space and gardens; Share stories about our gardens.	SASP Target 4: Tourism industry – Increase visitor expenditure in South Australia's total tourism industry to \$8 billion.
Knowledge: Enhance our knowledge of plants; Learn from others; Know our collections.	SASP Target 93: Tertiary education and training – Increase the proportion of South Australians aged 15-64 participating in tertiary education and training to 17% by 2016.
Our organisation: Utilise efficient business technologies and processes; Ensure a world-class paid and volunteer workforce; Develop a diversified and sustainable income stream.	SASP Target 32: Customer and client satisfaction with government services – Increase the satisfaction of South Australians with government services by 10% by 2014, maintaining or exceeding that level of satisfaction thereafter (<i>baseline: 2008</i>).

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Australian Centre of Horticultural Excellence	31 students undertook a Certificate III in Horticulture as part of the program with a unit completion rate of 94%. Delivery of 12 masterclasses to the general public, sharing knowledge about horticulture and plants.	82% student satisfaction rates. 50% of the masterclasses sold out and there was a 90% satisfaction rating.
Schools Education Programme	3 690 students in the new fee-for-service model and 5 745 self-guided students attended education programmes. A total of 12 200 attendees in education programmes. Two new curriculum linked education resources and trails developed and trialled in Adelaide Botanic Garden. 2 968 students plus 424 adults attended World Environment Day celebrations in Adelaide Botanic Garden. Six teacher professional development sessions delivered to 180 teachers.	100% of respondents had a high level of satisfaction, and that the experience met the needs of their curriculum area.

Little Sprouts Kitchen Garden	<p>Program attended by 4 811 children plus accompanying adults.</p> <p>New science, technology, engineering and mathematics Reggio Emilia program delivered to 40 preschool students.</p> <p>Teacher professional development workshop delivered to 50 teachers.</p> <p>Structural improvements made to the garden - additional hand washing bays and shade, raised planter beds, and drinking fountains were installed.</p> <p>The expenditure target for the financial year of \$400 000 was met by 30 June 2017.</p>	<p>Teacher satisfaction rating of 97%.</p> <p>\$1.2m of the project budget expended (on target).</p>
School Holiday Programme	<p>Four school holiday programs delivered with 700 children plus their families participating.</p> <p><i>Circle</i> exhibition by artist and author Jeannie Baker, delivered with over 100 visitors attending official launch, 471 school children and 401 general public viewing.</p>	<p>Activities developed for children, teaching them about plants and their importance.</p> <p>One of eight organisations presenting this exhibition in Australia by internationally acclaimed author and artist Jeannie Baker.</p>
Volunteer Programme	<p>Existing and new volunteers contributed over 43 000 volunteer hours to Botanic Gardens and State Herbarium (BGSH) activities.</p>	<p>The support of volunteers significantly enhances BGSH's expertise and capacity to deliver high quality outcomes.</p>
Media and communications	<p>Media mentions eclipsed the target of 835, with BGSH garnering 889 media mentions in 2016-17.</p> <p>All social media platforms have reached audience targets with Facebook page likes reaching 24 905, and Twitter (5 136) and Instagram (more than 8 000) also excelling. 33 895 video views across platforms.</p> <p>Email subscription list is nearing the 12 000 target, with 10 755 people subscribed to BGSH's monthly e-newsletters.</p>	<p>BGSH's knowledge is highly sought after by local, national and international media. Media (traditional and social) provides a free public voice for the Gardens and Herbarium to communicate to the public.</p>

Events	<p>BGSH worked with 54 local community and cultural organisations to host 45 public events across the three gardens attracting more than 16 000 guests.</p> <p>Botanic Park hosted WOMADelaide which celebrated its 25th anniversary in March 2017 and welcomed around 89 000 guests.</p> <p>Botanic Park also hosted two new commercial events this year; live performances by James Taylor, Santana and the Doobie Brothers. These concerts attracted 15 000 patrons and brought a new income stream to the Board.</p>	<p>Revenue raised through events supports BGSH activity, vibrant Adelaide and the activation of Botanic Park.</p>
Living Collections	<p>As part of the Classgrounds revitalisation project, an audit of the current collections has commenced to improve this important learning hub in Adelaide Botanic Garden.</p> <p>A total of 34 new species and four new hybrid <i>Amorphophallus</i> species have been added to the Mount Lofty Botanic Garden collection this year. Five of the species acquired have flowered within the past year, with the flowering of <i>Amorphophallus titanum</i> in January attracting around 5 000 guests over a 27 hour viewing period at Adelaide Botanic Garden.</p>	<p>The Classgrounds project will play a role in providing the local schools and universities with a living class room where the order of the diverse plant world can be studied.</p> <p>Flowerings of the Corpse Flower continues to captivate the general public and provides an opportunity to connect people with plants.</p>
Plant Propagation	<p>The BGSH Nursery, located in Mount Lofty Botanic Garden, propagated over 30 000 plants over the year for the three botanic gardens.</p>	<p>Plant propagation continues to enhance BGSH collections for public enjoyment.</p>

<p>South Australian Seed Conservation Centre</p>	<p>Over 160 conservation seed collections achieved in 2016-17, 57 of these are new species collections for the seed bank and 69 collections are listed as rare, vulnerable or endangered.</p> <p>The Seed Conservation Centre achieved its 74% target for SA rare and endangered flora.</p>	<p>Provided threatened and difficult to propagate plant species to regional restoration projects.</p> <p>Seeds of South Australia web page (saseedbank.com.au) has a number of new tools to improve public accessibility to information on over 3 000 species of South Australian flora.</p> <p>The SEEDS schools education programme builds youth as champions for sustainability and conservation.</p>
<p>State Herbarium</p>	<p>Milestone report completed for 2016-17: 19 weeds detected as naturalised or questionably established; 37 updates were made to existing census records.</p> <p>Weeds botanist undertook 62 days of fieldwork and 32 community engagement activities in all NRM regions.</p> <p>The State Herbarium's specimen collection grew to 1.053 million specimens in 2016-17 and is valued at over \$76 million. The number of species and sub-species of vascular plants now recognised in the State is 5 041 made up of 3 473 native indigenous plants and 1 568 naturalised weeds.</p>	<p>Early detection and control of new weeds has significant economic benefit for land managers. BGSH plays a lead role in undertaking this work, and providing the data and training to assist land managers and the community.</p> <p>The Herbarium's specimen collection and its associated data underpins our knowledge of the State's botanical diversity. Its growing collection keeps that knowledge up to date and allows us to track changes in species' status and distribution over time.</p>

Publications	BGSH publications totalled 83 in 2016-17, including 74 from staff, Hon. Associates and Affiliates, with 8 articles published in the Herbarium's journal <i>Swainsona</i> (216 pages). In addition 63 blog entries were written by Herbarium staff.	Publication of scientifically credible and up to date information is a key role of the State Herbarium. This information provides reliable plant information based on latest research.
Science and Conservation	Amalgamation of the State Herbarium and Botanic Gardens following administrative restructure has been completed and will lead to enhanced opportunities to further botanical science and research in BGSH and the Department of Environment, Water and Natural Resources (DEWNR).	A new unit in the Botanic Gardens and State Herbarium—Science and Conservation, has been formed under the leadership of Professor Michelle Waycott. The State Herbarium and the Seed Conservation Centre are the founding teams within this unit.

Tabled data for the past five years is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

Legislation administered by the agency

The Board is responsible for complying with the *Botanic Gardens and State Herbarium Act 1978* and *Botanic Gardens and State Herbarium Regulations 2007*, which are administered by DEWNR.

Organisation of the agency

In accordance with section 7 of the Act, the Board consists of eight members appointed by the Minister.

The Board membership and remuneration is reported in the South Australian Government Board and Committee Information Annual Report.

The Board's Finance and Risk Management sub-committee provided advice to the Board on matters relating to financial management, risk and compliance.

Other agencies related to this agency (within the Minister's area/s of responsibility)

Department of Environment, Water and Natural Resources

Employment opportunity programs

The Board has no staff of its own and utilises the services of DEWNR. Reporting on this matter is contained in the DEWNR Annual Report 2016-17.

Executive, administrative and project support were provided to the Board from existing DEWNR resources.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
The Board maintain a register of attendance at meetings.	Data is available at: https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data
Government employees supporting the Board's operations undertake a performance review and development program with their managers.	Two sessions are held on an annual basis. This is considered to be effective.

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
This Board abides by the relevant health and safety policies and procedures that have been adopted by DEWNR to meet whole of Government and legislative requirements.	Reporting on this matter is contained within the DEWNR Annual Report 2016-17.

Fraud detected in the agency

Category/nature of fraud	Number of instances
It is declared that there were no instances of fraud detected in the activities undertaken by the Board in this reporting period.	0

Strategies implemented to control and prevent fraud

Strategies to detect instances of fraud are reported in the DEWNR Annual Report 2016-17.

Data is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

Executive employment in the agency

Executive classification	Number of executives
SAES Level 1	0

Data is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10 000 each	-	\$0
Consultancies above \$10 000 each	-	\$0
Total all consultancies		\$0

Data is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the Board

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

The Statement of Comprehensive Income for year ended 30 June 2017 shows a total comprehensive result deficit of \$3.274 million.

This is made up of a surplus on operating activities	\$0.123 million
Plus resources received free of charge	\$1.379 million
Less depreciation	\$2.710 million
Less decrease in the valuation of assets <i>(through the revaluation of assets which is required to be done every 6 years)</i>	\$2.066 million

The operating activities of the Board are the monetary transactions of the Board during the year covering income (fees and charges, interest, grants) and expenditure (goods and services).

The 'resources received free of charge' is non-cash 'income' to the Board. DEWNR supports the Board through funding creation or upgrading of infrastructure assets for the Botanic Gardens. Under the *Botanic Gardens and State Herbarium Act 1978*, the Board has stewardship of the Botanic Gardens, therefore the Board has a vested interest and control of assets within the Botanic Gardens.

For this reason, the 2016-17 asset expenditure of \$1.379 million by DEWNR is transferred to the Board as 'income', with an appropriate increase in the asset holdings of the Board (buildings \$1.346 million and plant & equipment \$33 000).

Depreciation is a non-cash 'expenditure' recognising the reduction in value of the Botanic Gardens assets through 'wear and tear' and expected life of an asset. The depreciation is calculated in accordance with Note 2(i) - Depreciation on non-current assets.

Other financial information

Nil to report.

Other information requested by the Minister(s) or other significant issues affecting the Board or reporting pertaining to independent functions

Nil to report.

Section B: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by the Board of the Botanic Gardens and State Herbarium	
Category of complaints by subject	Number of instances
All complaints	No specific complaints have been received by the Board.

Data is available at: <https://data.sa.gov.au/data/dataset/board-of-botanic-gardens-and-state-herbarium-annual-report-data>

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
All complaints	No complaints have been received or acted upon.

Appendix: Audited financial statements 2016-17



Your ref: A17/026

3 October 2017

Mr Bill Sierros
Principal Audit Manager
Auditor-General's Department
Level 9 State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Dear Mr Sierros,

Management representation letter

Board of the Botanic Gardens and State Herbarium financial statements for the year ended 30 June 2017

We make the following representation, for your audit of the financial statements of Board of the Botanic Gardens and State Herbarium for the year ended 30 June 2017, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibility as set out in the terms of the engagement letter dated 21 February 2017 for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
 - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - (b) additional information that you have requested from us for the purpose of the audit
 - (c) unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence and
 - (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the control environment and the fair presentation of the financial statements.

3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an effective internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.
5. We have disclosed to you all information about
 - fraud or suspected fraud involving:
 - i. management
 - ii. employees who have significant roles in internal control
 - iii. others where the fraud could have a material effect on the financial statements
 - allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
7. We have disclosed to you all known or suspected instances of non-compliance with laws, regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.
8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in line with the financial reporting framework.
9. We believe the significant assumptions used in making accounting estimates (including estimates relating to fair value) are reasonable.
10. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
11. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.

12. Non-current assets

- (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.
- (c) We have considered the requirements of accounting standards when assessing whether there are indicators of impairment of assets, and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods (including related assumptions) used to determine the value of assets to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

13. Liabilities

- (a) We have recognised all liabilities in the financial statements.
- (b) We consider the measurement methods (including related assumptions) used to determine the value of liabilities to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

14. Contingent liabilities

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

15. Commitments

We have disclosed all material commitments in the financial statements.

16. Related party transactions

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in line with the requirements of the financial reporting framework.

17. Uncorrected misstatements

Misstatements in the financial statements identified during the audit have been resolved.

18. Publication on a website

With respect to the publication of the audited financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.
- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.


With respect to the publication of our audited financial report on the Department of Environment, Water and Natural Resources website, we acknowledge that:

- (a) We are ultimately responsible for accurate and complete electronic publication of our audited financial report.
- (b) We will ensure that the electronic version of our audited financial report and the auditor's report on the Department of Environment, Water and Natural Resources website are identical to the final signed hard copy version.
- (c) We will ensure that the Department of Environment, Water and Natural Resources clearly differentiates between audited and unaudited information on their website as we understand the risk of potential misrepresentation.
- (d) We have sought assurances from the Department of Environment, Water and Natural Resources about the sufficiency of the controls over the security and integrity of data on their website and that they have adequate procedures in place to ensure the integrity of the information published.
- (e) We will ensure that the Department of Environment, Water and Natural Resources does not present the auditor's report on our full financial report with extracts only of our full financial report.


19. **Other relevant matters**

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, prior period errors have been accounted for retrospectively. Details of the nature and amount of each material prior period adjustment have been disclosed in the notes to the financial statements.

Yours sincerely

for 
.....
Presiding Member,
Board of the Botanic Gardens
and State Herbarium

Date: 3/10/2017


.....
Director, Botanic Gardens
and State Herbarium (DEWNR)

Date: 3/10/2017


.....
FOR Chief Financial Officer (DEWNR)

Date: 03/10/2017

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Presiding Member Board of the Botanic Gardens and State Herbarium

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 22(2) of the *Botanic Gardens and State Herbarium Act 1978*, I have audited the financial report of the Board of the Botanic Gardens and State Herbarium for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Board of the Botanic Gardens and State Herbarium as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate on behalf of the Presiding Member, Board of the Botanic Gardens and State Herbarium and from the Director, Botanic Gardens and State Herbarium and the Acting Chief Financial Officer of the Department of Environment, Water and Natural Resources.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Board of the Botanic Gardens and State Herbarium. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Director, Botanic Gardens and State Herbarium and the Board for the financial report

The Director, Botanic Gardens and State Herbarium is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives 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 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 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, Botanic Gardens and State Herbarium
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director, Botanic Gardens and State Herbarium and 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 the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

3 October 2017

Board of the Botanic Gardens and State Herbarium

Financial Statements


For the year ended 30 June 2017


Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

We certify that the attached general purpose financial statements for the Board of the Botanic Gardens and State Herbarium:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Board of the Botanic Gardens and State Herbarium as at 30 June 2017 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Board of the Botanic Gardens and State Herbarium for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

for 
Judy Potter
Presiding Member
Board of the Botanic
Gardens and State
Herbarium
3 /10/2017


Dr Lucy Sutherland
Director
Botanic Gardens and
State Herbarium
Department of Environment,
Water and Natural Resources
3 /10/2017

FOR 
Michelle Griffiths
Chief Financial Officer
Department of Environment,
Water and Natural Resources
03 /10/2017

Board of the Botanic Gardens and State Herbarium
Statement of Comprehensive Income
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Expenses			
Board member expenses	5	119	126
Supplies and services	6	897	689
Depreciation	7	2 710	1 948
Grants and subsidies	8	763	801
Other	9	824	37
Total expenses		5 313	3 601
Income			
Fees and charges	10	1 606	1 423
Grants	11	254	253
Interest	12	39	52
Resources received free of charge	13	1 379	1 440
Other	14	32	77
Total income		3 310	3 245
Net cost of providing services		(2 003)	(356)
Net result		(2 003)	(356)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		(1 271)	-
Total other comprehensive income		(1 271)	-
Total comprehensive result		(3 274)	(356)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Board of the Botanic Gardens and State Herbarium
Statement of Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	15	2 545	2 566
Receivables	16	348	190
Inventories	17	69	69
Total current assets		2 962	2 825
Non-current assets			
Property, plant and equipment	18	60 929	64 326
Total non-current assets		60 929	64 326
Total assets		63 891	67 151
Current liabilities			
Payables	19	95	81
Total current liabilities		95	81
Total liabilities		95	81
Net assets		63 796	67 070
Equity			
Asset revaluation surplus		18 762	20 033
Retained earnings		45 034	47 037
Total equity		63 796	67 070
The total equity is attributable to SA Government as owner			
Unrecognised contractual commitments	21		
Contingent assets and liabilities	22		

The above statement should be read in conjunction with the accompanying notes

Board of the Botanic Gardens and State Herbarium
Statement of Changes in Equity
for the year ended 30 June 2017

		Asset Revaluation Surplus	Retained Earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2015		9 300	42 500	51 800
Error correction - vehicles		-	(158)	(158)
Restated balance at 30 June 2015		9 300	42 342	51 642
Opening balance as at 1 July 2015		9 300	42 342	51 642
Error correction - land recognised for the first time	18	-	3 432	3 432
Error correction - artefacts recognised for the first time	18	-	197	197
Error correction - revaluation of land	18	10 733	-	10 733
Change in accounting policy - depreciation of general collections	3	-	1 422	1 422
Restated opening balance at 1 July 2015		20 033	47 393	67 426
Net result for 2015-16		-	(356)	(356)
Total comprehensive result for 2015-16		-	(356)	(356)
Balance at 30 June 2016		20 033	47 037	67 070
Error correction - property, plant and equipment				-
Restated balance at 30 June 2016		20 033	47 037	67 070
Net result for 2016-17		-	(2 003)	(2 003)
Gain on revaluation of property, plant and equipment	9, 18	(1 271)	-	(1 271)
Total comprehensive result for 2016-17		(1 271)	(2 003)	(3 274)
Balance at 30 June 2017		18 762	45 034	63 796

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Board of the Botanic Gardens and State Herbarium
Statement of Cash Flow
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Board member payments		(119)	(126)
Payments for supplies and services		(883)	(709)
Payments for grants and subsidies		(763)	(801)
Other payments		(29)	(28)
Cash used in operations		(1 794)	(1 664)
Cash inflows			
Fees and charges		1 447	1 357
Receipts from grants		254	253
Interest received		40	52
Other receipts		32	77
Cash generated from operations		1 773	1 739
Net cash (used in)/provided by operating activities		(21)	75
Net increase/(decrease) in cash and cash equivalents		(21)	75
Cash and cash equivalents at the beginning of the period		2 566	2 491
Cash and cash equivalents at the end of the period	15	2 545	2 566

The above statement should be read in conjunction with the accompanying notes

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

1 Objectives of the board

a) Strategic context

The Board of the Botanic Gardens & State Herbarium (the Board) was established under section 6 of the *Botanic Gardens and State Herbarium Act 1978* (the Act).

The Board, on behalf of the South Australian community, has stewardship for the lands and premises placed under the control of the Board.

The objectives of the Board are to ensure the maintenance and development of the South Australian Botanic Gardens and State Herbarium, for the use and enjoyment for members of the public as well as supporting scientific research and educational activities.

b) Financial Arrangements

The financial activities of the Board are administered through the Botanic Gardens Endowment and Commercial Fund (the Fund) in accordance with the Act. The Fund is an interest bearing Deposit Account with the Department of Treasury and Finance (DTF) pursuant to section 21(1) of the *Public Finance and Audit Act 1987*.

The Department of Environment, Water and Natural Resources (DEWNR) conducts a large number of activities directed towards meeting the Board's responsibilities under the Act. Due to DEWNR receiving appropriation funding, and directing and controlling the expenditure for these activities, the revenue and expenditure relating to those activities are recognised in DEWNR's financial statements rather than the Board's. Activities undertaken by DEWNR in support of the administration of the Act and Board are disclosed in note 27.

In accordance with the provisions of the Act, the Board has delegated certain functions to officers within DEWNR who provide certain technical and administrative support including the use of certain plant and equipment, office accommodation and various administrative services. The cost of the services provided that are identifiable with the activities of the Board and can be measured reliably, are met by the Board. Other support services that are not identifiable and/or cannot be measured reliably are provided free of charge and have not been recognised in these financial statements.

2 Significant accounting policies

a) Statement of compliance

The financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

b) Basis of preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and require management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

(b) Basis of preparation

- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:
 - (a) expenses incurred as a result of engaging consultants
 - (b) board member and remuneration information, where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

c) Reporting entity

The Board is a reporting entity, established pursuant to the *Botanic Gardens and State Herbarium Act 1978*.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

f) Taxation

The Board is not subject to income tax. The Board is liable for fringe benefits tax, emergency services levy, land tax equivalents and local government rate equivalents.

DEWNR prepares a Business Activity Statement on behalf of the Board under the grouping provisions of the GST legislation. Under these provisions, DEWNR is liable for the payments and entitled to the receipts associated with GST. Therefore, the Board's net GST receivable/payable is recorded in DEWNR's Statement of Financial Position. GST cash flows applicable to the Board are recorded in DEWNR's Statement of Cash Flows.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Current and non-current classification

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

i) Non-current Assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value, that is the amount recorded by the transferor public authority prior to the restructure.

All non-current tangible assets with a value of \$10 000 and over are capitalised.

State Herbarium Collection

The State Herbarium is the State's major provider of authoritative data and information on the plants, algae and fungi of South Australia. The collections of the State Herbarium comprise a large sustainable sample of the flora of South Australia, Australia and the world, particularly Mediterranean regions. These specimens, of which there are approximately 1 million, while providing a unique scientific resource require considerable maintenance.

The State Herbarium Collection is a heritage asset which is considered so unique that it is not capable of reliable measurement. Hence, the value of the collection has not been recognised in the Financial Statements in accordance with APF III *Asset Accounting Framework*.

Depreciation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land assets are not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of Asset	Useful life (years)
Park Infrastructure	8-60
Plant and Equipment	4-25
Roads, Tracks and Trails	6-35
Furniture and Fittings	10
Buildings and Improvements	15-105
Other	5-99

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

(i) Non-current Assets

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of a non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Asset classes that did not satisfy this criteria and are therefore deemed to be at fair value are:

- Furniture and fittings
- Plant and equipment
- Vehicles.

Every six years, the Board revalues its books and artefacts, land, buildings and improvements, park infrastructure and roads, tracks and trails via an independent Certified Practising Valuer.

If at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

For all property, plant and equipment assets that have been subject to an independent revaluation both the replacement cost and the associated accumulated depreciation have been presented on a gross basis.

Restrictions on use - land

Section 14 of the Act states that the Board may not dispose of any interest in land vested in it, nor may it be divested of the control of any land placed under its control, except in pursuance of a resolution passed by both Houses of Parliament.

Land controlled by the Board comprises of Crown land dedicated to the Board or held by the Minister for Sustainability, Environment and Conservation on behalf of the Board. The land generally has restrictions on use imposed by statute or by regulation. These restrictions have been taken into account by the independent valuers (State Valuation Office).

Impairment

The Board holds its property, plant and equipment assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

Fair value measurement - Non-financial assets

In determining fair value, the Board has taken into account the characteristic of the asset (for example condition and location of the asset and any restrictions on the sale or use of the asset) and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Boards' current use is the highest and best use of the assets unless other factors suggest an alternative use is feasible. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

j) Unrecognised contractual commitments and contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

3 New and revised accounting standards and policies

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Board made a voluntary amendment to the methodology by which it values and depreciates its collection of library books in 2016-17. All items included in the Board's library collection are now considered to be non-depreciating as future economic benefits embodied in the library collection assets are considered to flow to the organisation indefinitely. The nature of this collection is such that the retention of publications, either new, obsolete or rare in nature, is part and parcel of their intrinsic merit, and the notion that these items should be written off is contrary to their very existence. An adjustment to accumulated depreciation of \$1.422 million was recognised for 'Other - books and artefacts' assets. This represented a change in accounting policy and is recognised in the Statement of Changes in Equity as at 1 July 2015.

4 Programs of the Board

In achieving its objectives the Board conducts its services through a single program, Botanic Gardens Management. The purpose of this program is to manage the natural and cultural resources of the Botanic Gardens and State Herbarium to advance plant appreciation, knowledge and conservation through our natural and cultural collections and programs.

5 Board member expenses

	2017	2016
	\$'000	\$'000
Board fees	105	105
Remuneration on-costs - superannuation	8	15
Remuneration on-costs - other	6	6
Total board member expenses	119	126

Board member expenses include all board fees and related on-costs including superannuation. These are recognised when incurred. The amount charged to the Statement of Comprehensive Income represents the contributions made by the Board to superannuation plans in respect of current services of current board members.

6 Supplies and services

	2017	2016
	\$'000	\$'000
Accommodation and property management	74	59
Fee for service	491	262
General administration	62	47
Minor works, maintenance & equipment	254	306
Other	16	15
Total supplies and services	897	689

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

7 Depreciation expense

	2017	2016
	\$'000	\$'000
Buildings and improvements	718	622
Park infrastructure	1 342	922
Roads, tracks and trails	136	155
Furniture and fittings	133	138
Plant and equipment	381	111
Total depreciation expense	2 710	1 948

8 Grants and subsidies

	2017	2016
	\$'000	\$'000
State Government	763	801
Total grants and subsidies	763	801

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by the Board have been contributions with unconditional stipulations attached.

9 Other expenses

	2017	2016
	\$'000	\$'000
Asset revaluation decrement	414	-
Property, plant and equipment write offs	381	-
Movement in Inventory	-	8
Other (incl. audit fees)	29	29
Total other expenses	824	37

10 Revenues from fees and charges

	2017	2016
	\$'000	\$'000
Admissions and guided tours	6	4
Expiation fees	131	199
Property rental and related income	394	315
Sale of goods	16	15
Car parking	659	653
Garden functions	400	237
Total revenues from fees and charges	1 606	1 423

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

11 Grant revenues

	2017	2016
	\$'000	\$'000
Grants received from other entities within the SA Government	120	120
Private industry and local government	134	133
Total grant revenues	254	253

Contributions are recognised as an asset and income when the Board obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Generally, the Board has obtained control or the right to receive:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable that is the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

12 Interest revenues

	2017	2016
	\$'000	\$'000
Interest on deposit accounts - from entities within the SA Government	39	52
Total interest revenues	39	52

13 Resources received free of charge

	2017	2016
	\$'000	\$'000
Park infrastructure	-	376
Roads, tracks and trails	-	596
Buildings and improvements	1 346	-
Plant and equipment	33	468
Total resources received free of charge	1 379	1 440

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

During the current year, assets to the value of \$1.379 million (2016: \$1.440 million) were transferred from DEWNR to the Board of the Botanic Gardens and State Herbarium free of charge. Assets transferred in the current year related to the Goodman building (\$1.346 million) and solar panels (\$0.033 million).

14 Other income

	2017	2016
	\$'000	\$'000
Salaries and wages recoveries	-	48
Sponsorships, donations, commissions and bequests	20	11
Other sundry revenue	12	18
Total other income	32	77

Other income consists of sponsorships, donations, commissions and bequests. This revenue is recognised upon receipt.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

15 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Deposits with the Treasurer	2 545	2 566
Total cash and cash equivalents	2 545	2 566

Cash is measured at nominal value.

The Board invests surplus funds with the Treasurer. Interest is earned on the average monthly balance at rates based on the DTF 90 day average overnight cash interest rate and interest is paid at the end of each quarter.

16 Receivables

	2017	2016
	\$'000	\$'000
Current receivables		
Receivables	344	185
Accrued revenues	4	5
Total current receivables	348	190

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt. Bad debts are written off when identified.

17 Inventories

	2017	2016
	\$'000	\$'000
Inventories held for resale - at cost		
Finished goods held for resale - at cost	69	69
Total inventories	69	69

Inventories include goods held either for sale or distribution at no or nominal cost in the ordinary course of business.

Inventories held for distribution, at no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction in the Statement of Comprehensive Income.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

18 Property, plant and equipment

	2017 \$'000	2016 \$'000
Land		
Independent valuation ⁽ⁱ⁾	18 682	18 682
Total land	18 682	18 682
Buildings and improvements		
Independent valuation ⁽ⁱ⁾	39 848	38 064
less accumulated depreciation	(20 105)	(17 782)
Total buildings and improvements	19 743	20 282
Park infrastructure		
Independent valuation ⁽ⁱ⁾	72 739	54 485
At cost ⁽ⁱⁱ⁾	94	12 362
less accumulated depreciation	(61 302)	(51 995)
Total park infrastructure	11 531	14 852
Roads, tracks and trails		
Independent valuation ⁽ⁱ⁾	4 105	3 659
At cost ⁽ⁱⁱ⁾	616	1 143
less accumulated depreciation	(3 602)	(3 247)
Total roads, tracks and trails	1 119	1 555
Furniture and fittings		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	1 794	1 794
Accumulated depreciation	(1 550)	(1 417)
Total furniture and fittings	244	377
Plant and equipment		
At cost (deemed fair value) ⁽ⁱⁱⁱ⁾	2 682	1 281
less accumulated depreciation	(1 120)	(684)
Total other	1 562	597
Other - books and artefacts		
Independent valuation ⁽ⁱ⁾	8 048	7 981
Total other	8 048	7 981
Total property, plant and equipment	60 929	64 326

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

18 Property, plant and equipment (continued)

Carrying amounts of property, plant and equipment

Classes of property, plant and equipment are valued as follows:

(i) Independent valuation:

Generic assets are valued using the Data Dictionary model. Unique assets are items which cannot be categorised within the standard Data Dictionary groups. These assets are valued separately by independent professional valuers. Refer to note 2(i) for further details.

(ii) At cost (acquisition cost):

This class includes one or more items that have an acquisition cost exceeding \$1m. All assets within this class are temporarily held at cost pending revaluation.

(iii) At cost (deemed fair value):

These assets have an acquisition cost below \$1m and are deemed held at fair value pursuant to Accounting Policy Framework III.

Asset Revaluations

Independent valuations were performed of the following asset classes during the reporting period:

- Buildings and improvements
- Park infrastructure
- Roads, tracks and trails
- Other - books and artefacts

Property, plant and equipment assets due for revaluation are assessed to determine whether they should be classified as generic assets or unique assets.

Specific details relating to the revalued asset classes follow:

Generic (or 'standard' designed) Buildings and improvements, Park infrastructure, and Roads, tracks and trails were revalued using a Data Dictionary approach. The data dictionary model is contained within DEWNR's Asset Register and Management Information System (ARAMIS). The revaluation was undertaken from May – July 2017, and applied as at 1 July 2016. Asset useful lives are also contained in the data dictionary, although these warranted no adjustments. The revaluation was undertaken by Certified Practising Valuer, Mr F Taormina, B.App.Sc (Val), AAPI, of Valcorp Australia Pty Ltd.

The data dictionary model calculates a value for an asset based on its asset type class, name, description, grade/composition, condition and size/quantity. The model value is adjusted by a locality factor to take into account climatic conditions. Data dictionary unit costs were updated based on replacement cost or reproduction cost. In making valuation determinations, the valuer had regard to cost data from Construction handbooks, data published from the Australian Institute of Quantity Surveyors (AIQS) and had regard to project costs of assets erected in the past few years of comparable style buildings/assets and other actual costs of privately developed assets. The application of the data dictionary model resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

'Unique' Buildings and improvements and Park infrastructure are assets for which application of the Data Dictionary is considered inappropriate. Generally, these assets were constructed following specific fit-for purpose designs. Revaluations were undertaken from May – September 2017, and applied as at 1 July 2016. Revaluation of these assets was undertaken by Certified Practising Valuer, Mr P Tilley, FAPI, AREI, CREI (Val) of Herron Todd White.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

18 Property, plant and equipment (continued)

The fair value of unique assets was determined by utilising the Market approach or the Cost approach. Assets situated on freehold land and which do not exhibit any particular degree of specialisation were valued with reference to the market approach where there is appropriate market evidence. Depreciable assets situated on reserve or leasehold land were valued using the cost approach. The application of the valuations resulted in the classification of these assets into level 3 as the measurements / outputs from the model are deemed unobservable.

The revaluation of the Other – books and artefacts asset category involved the revaluation of general collections, rare books and journals, archival material and other artefacts.

The revaluation of the general collections, rare books and journals and archival material was undertaken by Mr Michael Treloar, Antiquarian and member of ANZAAB, ILAB and AAADAY. The valuer specialises in the valuation of out-of-print and antiquarian books, as well as in vintage photographs and manuscripts. The valuer arrived at the fair value of general collections, rare books and journals and archival material using the market approach, and determined a value that represented a price a knowledgeable purchaser could reasonably expect to pay for the items.

The revaluation of the Fine Art Collection and other artefacts was conducted by Mr Anthony Hurl, BA, MSAA, MAASA, CINOA, Fine Art Valuer (Tusmore Antiques). The valuer arrived at the fair value using the market approach which was largely determined by overseas markets and the prevailing exchange rate on the inspection date. The valuer also considered changes in the market, the current condition and consequent future life of the asset.

The valuers used by the Board are as follows:

- 1 July 2015, valuation of land, State Valuation Office, Mr Mark Kay, Chief Valuer and Mr Greg McCloud, Acquisition & Procurement Valuer
- 1 July 2016, valuation of data dictionary: buildings, infrastructure and roads, Valcorp Australia Pty Ltd, Mr F. Taormina, BAppSc (Val), AAPI
- 1 July 2016, valuation of unique items, Herron Todd White, Mr Paul Tilley, FAPI, AREI, CREI (Val)
- 30 June 2017, valuation of other items:
 - Library collections, Michael Treloar, Antiquarian and member of ANZAAB, ILAB and AAADAY
 - Fine Art Collections and Artefacts, Anthony Hurl, BA, MSAA, MAASA, CINOA, Fine Art Valuer (Tusmore Antiques).

Impairment

South Australia experienced a series of severe weather events in 2016/17, in particular several storm events in September 2016. These storm events damaged or impacted the service capacity of numerous Board assets. Remedial works were undertaken over the course of 2016/17, bringing many of the assets back to a pre-storm service capacity, although as at reporting date there remain some assets awaiting remedial works. As at reporting date no specific impairment loss has been recognised in the Statement of Comprehensive Income as assets, particularly roads, tracks and trails are still in use or have been previously fully written down and no longer subject to an impairment write-down.

Board of the Botanic Gardens and State Herbarium
Notes to and forming part of the financial statements
for the year ended 30 June 2017

18 Property, plant and equipment (continued)

Movement reconciliation of property, plant and equipment:

	Land \$'000	Buildings \$'000	Park infrastructure \$'000	Roads, tracks and trails \$'000
Carrying amount at 1 July	18 682	20 282	14 852	1 555
Transfers between classes	-	69	(1 425)	43
Assets received for nil consideration	-	1 346	-	-
Assets written off	-	-	(381)	-
Subtotal	-	1 415	(1 806)	43
Gains/(losses) for the period recognised in net result:				
Depreciation expense	-	(718)	(1 342)	(136)
Subtotal	-	(718)	(1 342)	(136)
Gains/(losses) for the period recognised in other comprehensive income:				
Net revaluation increment/(decrement)	-	(1 236)	(173)	(343)
Subtotal	-	(1 236)	(173)	(343)
Carrying amount at 30 June	18 682	19 743	11 531	1 119

	Furniture and fittings \$'000	Plant and equipment \$'000	Other \$'000	Total \$'000
Carrying amount at 1 July	377	597	7 981	64 326
Transfers between classes	-	1 313	-	-
Assets received for nil consideration	-	33	-	1 379
Assets written off	-	-	-	(381)
Subtotal	-	1 346	-	998
Gains/(losses) for the period recognised in net result:				
Depreciation expense	(133)	(381)	-	(2 710)
Subtotal	(133)	(381)	-	(2 710)
Gains/(losses) for the period recognised in other comprehensive income:				
Net revaluation increment/(decrement)	-	-	67	(1 685)
Subtotal	-	-	67	(1 685)
Carrying amount at 30 June	244	1 562	8 048	60 929

Error correction

Errors disclosed in the Statement of Changes in Equity as at 1 July 2015 related to the first time recognition of land assets due to the extensive asset verification process undertaken by DEWNR in the 2015-16 financial year and Crown land to the value of \$3.432 million was identified as being dedicated to the Botanic Gardens. There was an error correction to reverse the prior period's expensing of artefacts assets to the value \$197 000. These error corrections, being a net increase to the carrying values of property, plant and equipment assets, have been retrospectively restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

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18 Property, plant and equipment (continued)

In addition, an error correction of \$10.733 million has been adjusted against asset revaluation surplus as at 1 July 2015, disclosed in the Statement of Changes in Equity. This comprises a net increase to the carrying value of land assets and relates to the revaluation of land undertaken as at 1 July 2015 by the State Valuation Office.

19 Payables

	2017	2016
	\$'000	\$'000
Current		
Accrued expenses	34	32
Creditors	61	49
Total current payables	95	81

Payables include creditors, accrued expenses and board member remuneration on-costs.

All payables are measured at their nominal amount. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

The Board makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

20 Restrictions on contributions received

The Board is engaged in a variety of funding programs involving State and Commonwealth sources that provide monies to the Board on the premise that these funds are expended in a manner consistent with the terms of the agreement. At reporting date the Board had the following outstanding funding commitments:

	2017	2016
	\$'000	\$'000
Millennium Seed Bank Project	27	26
Research	53	1
Total restrictions on contributions received	80	27

21 Unrecognised contractual commitments

The Board had no unrecognised contractual commitments as at 30 June 2017. All capital commitments associated with the Board are managed by the Department of Environment, Water and Natural Resources and reflected in their financial statements.

22 Contingent assets and liabilities

The Board is not aware of the existence of any contingent assets or contingent liabilities.

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23 Remuneration of board members

Members of the board during the 2016-17 financial year were:

Board of the Botanic Gardens & State Herbarium

Ms J Potter (Presiding Member)

Mr R Dimonte

Ms C A Elstob

Ms L R G Jacobs

Mr D J W Knox (retired 30 June 2017)

Ms J A W Levy

Mr R J Nunn (appointed 14 September 2016)

Ms J Restas

Mr I F Stirling (retired 9 July 2016)

The number of members whose remuneration received or receivable falls within the following bands:

	2017 \$'000	2016 \$'000
The number of members whose remuneration received or receivable falls within the following bands:		
\$nil	-	2
\$1 - \$9 999	1	-
\$10 000 - \$19 999	7	7
\$20 000 - \$29 999	1	1
Total number of members	9	10

Remuneration of members reflects all costs of performing board member duties including sitting fees and super contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$114 000 (2016: \$120 000).

In accordance with the Premier and Cabinet Circular No. 016, government employees are not entitled to receive any remuneration for board duties during the financial year. There were no government employees on the Board.

24 Related Party Transactions

The Board is a body corporate and was established pursuant to the *Botanic Gardens and State Herbarium Act 1978* and is wholly owned and controlled by the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Key Management Personnel

Key management personnel of the Board include the Minister for Sustainability, Environment and Conservation.

The compensation for the Board's key management personnel was \$228 000. Salaries and other benefits the Minister for Sustainability, Environment and Conservation receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

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25 Events after the reporting period

There are no known events after balance date that affects these general purpose financial statements in a material manner.

26 Financial instruments risk management/financial instruments

Financial risk management

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The exposure of the Board's funds to financial risk (liquidity, credit and market) is low due to the nature of the financial instruments held.

The Gardens is funded principally from appropriation by the SA Government. The Board works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 or the respective note.

The carrying amounts of each of the following categories of financial assets and liabilities: receivables and payables measured at cost are detailed below.

Category of financial asset and financial liability	Notes	2017 Contractual maturities	
		2017 Carrying amount / Fair value \$'000	2016 Carrying amount / Fair value \$'000
Financial assets			
Cash and cash equivalents	16	2 545	2 566
Receivables ⁽¹⁾	17	348	190
Total financial assets		2 893	2 756
Financial liabilities			
Payables ⁽¹⁾	20	66	52
Total financial liabilities		66	52

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

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27 Activities undertaken by Department of Environment, Water and Natural Resources

The following details the expenses and revenues incurred by the Department of Environment, Water and Natural Resources in performing activities associated with the Board.

	2017	2016
	\$'000	\$'000
Expenses from ordinary activities		
Employee benefits	5 311	5 372
Supplies and services	2 493	2 880
Grants and subsidies	120	167
Depreciation	354	278
Net loss from disposal of non-current assets	1 379	1 440
Other	-	29
Total expenses from ordinary activities	9 657	10 166
 Revenues from ordinary activities		
Fees and charges	193	74
Grant	870	1 037
Other	17	-
Total revenues from ordinary activities	1 080	1 111
 Revenues from / payments to SA Government		
Revenues from SA Government	7 198	7 615
Total net revenues from SA Government	7 198	7 615
 Net cost of activities undertaken by Department of Environment, Water and Natural Resources	(1 379)	(1 440)