



Annual Report

Jan – Dec 2020

Overview

2020 was a challenging year for most, whether it be business, community organisation or individual. The fallout from the pandemic caused disruption and uncertainty and for many, the pressure seemed unrelenting. VINC was not spared from this chaos yet we, like much of the horticultural and environmental industry, fared reasonably well as a permitted workplace. Despite setbacks and changing circumstances, we were able to modify our working arrangements and continue doing what we do best: produce and supply locally provenanced indigenous plants that benefit the environment for our passionate customer base. In doing so, we successfully came through the other end.

Following is a summary of our highlights and activities throughout the 2020 financial year.

Accomplishments:

- The April awarding of a minimum, 3-year contract for the supply of indigenous plants to the City of Moonee Valley was a big achievement for VINC, particularly at a time when the general economic outlook was unclear. This provided us with greater confidence leading into the traditional planting season. Supply of 17,500 plants followed in May.

It was gratifying to have larger quantities of plants going west, being an area with early historical connections to VINC. Apart from the important environmental benefits, the supply of plants enabled us to establish Seed Production Areas (SPA's) in new volcanic plains (basaltic soil) locations. With further support from council land managers, greater opportunities for seed collection and resulting plant supply will arise.

- COVID-related restrictions, lockdowns, social distancing and resulting workplace protocols, made day-to-day operations difficult at VINC. Working from home became the new normal for our Office Administrator, causing big adjustments for all. In addition, for several months, our volunteers were unable to work at the nursery. We were however able to overcome these obstacles by adapting. For a long period, we provided online ordering to our retail customers and delivered to those living at distance. We did similar things for some trade customers. We held onto stock for sometimes months longer than normal. Staff modified their work schedules and took on tasks generally done by others. We employed additional staff to cover lost volunteer hours (with a little help of rent relief, thanks to the Andrew's Government). It was a big effort and despite the restraints, we succeeded operationally, financially and most importantly, with a healthy optimism for the coming year.
- In a repeat from the previous financial year, VINC achieved record annual turnover and net profit. Not including government-provided cash flow boosts (COVID-related payments based on salary withholding taxes) total income derived from plant/product sales, services and membership subscriptions was \$682,000. This was a 14% improvement from that of 2019 and essentially duplicated the annual increase of the year before. It well surpassed the small income gain made from January's average 1.2% plant price increase. VINC derives more than 90% of its income from plant sales and it was encouraging to see such healthy growth from both trade and retail customer groups. Respectively, related green-life income increased by 15% and 26.6% from that achieved in 2019.

- For a few years, our enterprise has been in steady financial growth and this has accelerated much-needed capital expenditure. Apart from the installation in July of a large, shade structure (financed in late 2019), VINC invested in a large, “soil” bay (for bulk potting mix), more than 20m³ of aggregate for the yard, a propagation area bench, production trolleys, purpose-made shade covers and door fittings.
- In recent years, VINC has collaborated with several environmental stakeholders in the development of SPA’s of rare and/or threatened plant species. Via the VINC Environment Fund, two projects in 2020 (establishment of an ‘orchard’ at VINC, and supply of Arching Flax Lily to Boroondara Council) were completed. A third project - supply of advanced tubestock, involving Merri Creek Management Committee (MCMC) and local community, was near to completion by December. We hope intensive collection of seed from the few remaining genetically diverse field plants will aid in their survival and we are proud to be involved in their conservation efforts.

We were also fortunate to receive federal funding in January for another SPA project on the Merri Ck. This project is ongoing and involves local community.

- VINC supplied more than 45,000 indigenous plants, comprising of mostly wildflowers (herbs, forbs, groundcovers) and graminoids (grasses, rushes, sedges) to the City Yarra via its environmental contractor, with whom we work closely. There are now four sites within a very short distance of VINC, planted with healthy quantities of genetically diverse and well-maintained plants, ideal for seed collection. Apart from the biodiversity values, strong relationships with land managers in local councils is vital for developing SPA’s and ongoing seed security of locally rare and threatened indigenous plants.

Challenges

VINC grappled with a few issues, which we were to varying degrees, overcoming.

- Space has become a major problem for VINC and we are at near growing area capacity. Demand is incredibly strong, particularly from local councils, and it is unfortunate that VINC cannot take immediate advantage of this. We are now at the stage where we cannot accept some orders early in the growing season. Cramped indoor space for propagation, office work and retailing (affecting productivity and contentment), is also problematic. Complex lease arrangements with Parks Victoria will make expansion difficult.
- We proudly produce plants of known provenance for customers from different locations in greater Melbourne. Rainfall, topography, soil type and aspect affect what plant species grow where and often populations of the same species differ in morphology because of this. This in part is what makes provenance so important – plants evolve and adapt to suit their environment and we supply those that are best suited. However, this dictates a diversity of product that can be difficult to manage for a small business such as VINC. Aside from the production and supply more than 260 species, different provenances and container formats ballooned our range to staggering 744 green-life products in 2020. We have slowly reduced our range (poor sellers and some difficult to produce species) over the past few years but continue to grapple with this conundrum.

Recently, VINC has investigated a new, cloud-based computer package (specific to production nurseries) that integrates with accounting software. We have high expectations this will improve the administrative side of managing a big product range from seed collection, to production to point of sale.

- Our continual reliance on polystyrene is cause for concern. While it is reasonably sustainable for us to use tubes and pots made from PP Plastic, (recycled material being a part component and customers return for re-use or further recycling), polystyrene boxes that hold these tubes are less so. Regrettably, we now purchase new as suppliers of pre-loved fruit/veg industry boxes no longer exist. Degrading boxes shed micro particles and despite multiple re-use, ultimately end up in landfill. Unfortunately, only one purpose made PP plastic tube crate is available on the market but these are of poor design and lead to excessive water use. We are in preliminary discussions with a potential supplier, but unless there is uptake from other nurseries, immediate solutions are unlikely.

- Pests and weeds continue to be hindrances for VINC. Rats were a major concern and their management, resource-intensive. Purpose-made cages protect some sown seedling trays but further investment is required if we are to properly manage all vulnerable material. Provenanced seed is a precious and finite resource that without, VINC cannot function. Also targeted as a food source, were freshly produced plant stock. To better their protection, infrastructure upgrades are essential.

Weeds are a perennial problem for all nurseries but at times, their presence at VINC were excessive, resulting in reduced productivity. Increasing hours of yard staff helped with outdoors stock control however, other measures such as volunteer assistance may be required.

Notwithstanding these challenges, VINC has achieved so much and the results are testament to our overall success.

Sales

Buoyed by results from two years of growth and early season pre-orders, we expected sales to be strong. Despite unforeseen COVID-related obstacles, we were not disappointed. Remarkably, we completed another year with record plant sales from both retail and trade customers. By mid-October, total income from green-life sales had eclipsed that achieved for the whole of 2019. By the end of December, the comparative margin had increased to a welcome 16.82% and we were equally pleased to receive a 15.93% gain from that budgeted.

We sold more than 299,000 tubes and 103,000 hiko cells to both retail and trade customers throughout 2020; a 17.9% increase from the preceding year. These formats accounted for 91.6% of VINC's total income (continuing the proportionate upward trend by a further 2%) and they continue to be the revenue staple of our operations.

Wholesale plant sales (those sold to all trade customers excepting the general public), remained relatively solid throughout most of the year, only tapering off in the final few weeks. The likelihood of COVID-related restrictions, widely discussed in the media in early March, encouraged two City Councils (Boroondara and via its contactors, Yarra) to bring forward collection of many of their orders during late March and April. This worked to VINC's advantage; we were able to move twice as many plants, in premium condition, during a relatively quiet time of the year (between peak production and sales). This lessened nursery maintenance, freed up growing space, almost tripled budgeted income for that period, and ultimately reduced the heavy winter workload to come. This also set VINC up well operationally and financially for the then, uncertain year ahead.

Local government customers remain by a sizable margin, VINC's biggest customer group. Including a City Yarra contractor, they accounted for almost 52% of our nursery's plant income in 2020. We supplied plants to twelve councils and we consider nine of them to be major, established customers. These sales are important to VINC's ongoing financial stability because they are a reliable source of income when markets otherwise fluctuate.

Luckily for VINC, councils were, by-and-large, committed to planting in 2020, despite setbacks caused by COVID. Some, as previously mentioned, planted early, while others, planted sporadically or late in the season. It was sometimes a challenge holding plants longer than required but because of the altered work environment (due mostly to lack of direct customer contact), it enabled us spend more time maintaining stock. VINC also directly benefitted by receiving plant orders from local councils via State Government-funded environmental programs (e.g. *Working for Victoria*), designed to keep office council staff employed and active during pandemic restrictions.

Sales to horticultural industry customers such as landscapers and environmental contractors fluctuated markedly during the year. Government-imposed restrictions stopped many landscapers from working during long periods, which affected sales, notably in early spring when at their strongest. September best illustrated this; VINC received a quarter of its 2019's income from this customer group during the month. Less affected were environmental contractors, considered as essential workers. However even their movements were stymied, with many councils and others opting to cease open space plantings for months on end. Not including one large council-related

contractor, green-life income to these and other trade-related customers (e.g. nurseries and other businesses) was approximately 12% below that of the previous year. Despite the challenges brought about by COVID, this result was still encouraging.

Not surprisingly, school plant sales experienced a decline due to pandemic-related restrictions. After achieving several years of growth, income dropped more than 18% from that achieved in 2019. Although it was of minor financial consequence (this group historically accounts for less than 3% of total income), it was sad to see the drop given the educational, social and environmental benefits of supplying indigenous plants.

Conversely and perhaps surprisingly, sales to community groups and environmental management orgs (EMO) almost doubled from that of the year before. Despite some community groups postponing several sizable orders (pushed back to 2021 with some minimal tubestock losses), there was enough passionate volunteers and available time to get most plants in the ground. Some of these groups were also under some pressure to have projects finished by the end of the calendar year owing to funding source stipulations. And, as essential workers within a permitted industry, EMO's such as Merri Ck Management Committee, were for the most part, able to work outdoors on environmental field projects.

VINC's top 30 selling plants – trade

2020	Species (inc previous year's ranking)	Format		Total Sold	% Change from 2019
		Tubestock Sold	Hiko Cells Sold		
1	Lomandra longifolia (1)	10,159	10,370	20,529	-11.72
2	Poa labillardierei (3)	12,633	6,136	18,769	25.99
3	Themeda triandra (2)	5,074	12,830	17,904	13.44
4	Microlaena stipoides (4)	1,268	15,298	16,566	31.21
5	Poa ensiformis (9)	1,703	12,080	13,783	48.92
6	Rytidosperma racemosum (5)	2,740	8,850	11,590	21.01
7	Wahlenbergia communis (12)	9,616		9,616	33.68
8	Austrostipa scabra (22)	1,845	6,750	8,595	56.45
9	Dichondra repens (7)	8,443		8,443	14.94
10	Chrysocephalum apiculatum (14)	7,958		7,958	25.01
11	Chryso. semipapposum (11)	7,279		7,279	7.08
12	Goodenia ovata (17)	6,399		6,399	16.07
13	Pelargonium australe (30)	6,120		6,120	51.81
14	Rytidosperma caespitosum (27)	2,826	3,220	6,046	42.72
15	Rytidosperma setaceum (6)	817	5,170	5,987	-22.10
16	Bulbine bulbosa (10)	5,834		5,834	-16.90
17	Arthropodium strictum (16)	5,423		5,423	-8.32
18	Poa morrisii (26)	2,155	3,220	5,375	35.01
19	Carex appressa (15)	2,956	1,700	4,656	-27.81
20	Xerochrysum viscosum (28)	4,534		4,534	29.16
21	Acaena novae-zealandiae (-)	4,514		4,514	53.06
22	Brachyscome multifida (13)	4,511		4,511	-40.83
23	Correa glabra (24)	4,444		4,444	18.95
24	Austrostipa elegantissima (-)	1,757	2,630	4,387	49.49
25	Dichelachne crinata (-)	1,393	2,580	3,973	74.98
26	Dianella revoluta (25)	3,890		3,890	7.71
27	Einadia nutans (8)	3,886		3,886	-82.19
28	Wahlenbergia stricta (29)	3,776		3,776	16.39
29	Dianella amoena (18)	3,616		3,616	-29.48
30	Bursaria spinosa (23)	3,331		3,331	-10.78
	TOTAL	140,900	90,834	231,734	14.33

Some species would be more prominent or represented in the above table if VINC had the capacity to produce in greater numbers. Good examples are Saltbush groundcovers (Atriplex, Einadia, Enchylaena), Lilies (Dianella spp), Daisies (Pycnosorus, Xerochrysum), Hardenbergia and Lomandra filiformis. Therefore, the above figures, while interesting, do not capture the full extent of demand.

Graminoids (plants that are true grasses or have a grassy form such as sedges) provide the framework for many revegetation projects and it is not surprising several species continued to dominate sales. In the above table, the six highest ranked species - all Graminoids - comprise over 42% of those sold. Interestingly, Hiko format represented nearly two in every three of these Graminoids sold; a first for VINC. In a reversal of last year's swing, they again represent the largest proportion of overall trade plant sales. Wildflowers and groundcovers, whilst still prominent, no longer occupy that mantle and we suspect 2020's unusual sales dynamic (less trade and school customers) had a bearing on this outcome.

Of the 267 plant species sold by our nursery, the 40 most popular ones (30 of which are shown), represent approximately 69% of total green-life wholesale (trade) sales. These only account for 15% of VINC's plant range. In contrast, the 40 least popular species, accounting for the same 15% range, represent just 0.23% of all sales. As VINC's annual sales increase, the disparity between highest and lowest sellers continue to widen, demonstrating those that are unsustainable to produce.

The below table compares trade sales for the different plant types sold at VINC. It reflects three years to provide better comparison between what we consider 'normal' and anomaly trading years.

Plant Form		2018	2019	2020	Plant Form		2018	2019	2020
Rushes, Sedges, Aquatics	% of range	14.91	11.53	15.36	Shrubs, Climbers	% of range	26.55	27.24	25.84
	% of plants sold	16.16	10.07	9.94		% of plants sold	17.96	15.96	15.21
Grasses	% of range	12.72	12.32	11.61	Herbs, Groundcovers, Sprawlers	% of range	37.46	40.85	38.95
	% of plants sold	29.69	28.57	34.64		% of plants sold	33.17	42.91	37.06
Trees	% of range	8.66	7.46	8.24					
	% of plants sold	3.02	3.09	3.05					

Sales of shrubs/climbers and rushes/sedges/aquatics, are slowing relative to others however no significant trends seem apparent. Sales proportions are relatively stable, which reflects our plant distribution and customer base, being largely local councils that manage herb-rich grasslands and grassy woodlands.

Income from retail plant sales increased substantially from that of 2019. Sales were strong throughout the year and were higher in all but three of the twelve corresponding months. March and May were particularly impressive, averaging near 115% increase and overall, we achieved close to 26% growth. This was heartening given last year's +16% boost. Similarly, sundry item sales (potting mix, stakes, fertilizer etc) were near 40% higher than those of the previous year. VINC likely benefitted from COVID-related restrictions and lockdowns; gardening was consistently one of the few outdoor activities people could safely do during these times and we were able to do contactless pick-up and delivery throughout the most difficult periods.

Unsurprisingly, wildflowers and smaller shrubs overshadowed sales of all other plant forms in retail. These accounted for respectively 50% and 26% of every plant sold. Cut-leaf Daisy (Brachyscome multifida), Tufted

Bluebell (*Wahlenbergia communis*) and *Chrysocephalum apiculatum* (Common Everlasting) were our three biggest sellers (almost one in every ten plants sold!). In many cases, we could not produce enough particular wildflower species to satisfy demand, selling out months before years end. Pre-orders for revegetation reduce what is available to the public and we have other customers like CERES and Brunswick Communities for Nature, that on-sell the same plants. Unfortunately, lack of material (seed and cuttings) prevents us from producing more.

Propagation

Total propagation for 2020 are in the table below.

	TUBES	HIKOS	SUPERTUBES	TOTAL
2020	367,496	97,370	2,119	466,985
2019	315,492	81,266	3,613	400,371

Despite the many challenges that 2020 threw at us, including not having volunteers for many months, we increased plant production by a whopping 16.6% (66,614 plants). A significant amount of these plants were produced in November and December (once volunteers had returned), in readiness for large orders for 2021, with 146,471 plants being produced in these two months (131,896 were produced in the same period in 2019). We also increased our production over winter in response the COVID inspired gardening craze, producing 126,305 over the winter propagation season (115,278 were produced in 2019 in the same period). This increase over winter was largely achieved without the assistance of volunteers or extra staff.

While some of the increase in plant production has been achieved through efficiencies in production methods, such as reducing the production of time-consuming species and hiring a casual staff member over summer, much of the increase has come at the cost of other activities. A significant amount of seed from the previous summer had not been cleaned, propagation staff did not assist yard staff with stock cleaning and maintenance over winter, and the propagation coordinator worked a significant amount of overtime.

Seed Collection

The 2019/20 seed collection period was rather poor due to very low rainfall the previous winter and spring. However, we are increasingly collecting from revegetated sites in which plants are often more vigorous than within remnant sites, and therefore produce plentiful seed. As a provenance based nursery this brings on the massive challenge of attempting to identify the 'original' provenance of propagation material. While the propagation coordinator and seed collectors have attempted to find simple solutions to this challenge, it has become a very time consuming and difficult task, one which was not required when collecting from remnant sites. Further work on establishing dedicated seed production areas rather than revegetated sites would greatly assist the increasing burden of this task.

While the 2020/21 seed collection season should have proved abundant due to the generous rainfall over the year, one of our seed collectors did not come to Melbourne due to border closures. We recruited a few seed collectors who worked hard to fulfil many of our requirements, however due to inexperience they have not been able to fully meet these requirements. We are currently working with our experienced seed collectors to deliver the support and training to future seed collectors to ensure the plentiful supply of seed in future years.

Volunteers

At the beginning of 2020, 20 volunteers assisted us in the propagation shed over three days, directly supervised by

the Propagation Coordinator. We did not have volunteers working with us during lockdown periods, and when volunteers returned it was at a reduced rate to allow for physical distancing. Most of the volunteers returned in November, and we now have four volunteers working with us in propagation three days a week.

At the end of the year, we also had two volunteers working alongside the Retail Co-ordinator, and for a short time we had a volunteer working in the yard with the Stock Coordinator.

VINC's Directors are also volunteers of significance. They provide governance to VINC and have legal responsibilities unique to our co-operative business model. Without their guidance and hard work, VINC could not have functioned nor prospered.

Grants

Due to COVID, we did not complete the triennial grant with Boroondara, as it involved community-planting events. One more is to be done, and will be completed in July 2021. At the beginning of 2020, we received a \$3000 grant from the Communities Environment Program funded by the federal government. This project was to involve volunteers in collection of material for seed production areas, as has been extended for completion by mid-2021.

Partnership

We again collaborated with MCMC in supplying local volunteers with containerised plants for seed production of locally rare species. While the delivery of this project was delayed due to COVID lockdowns, plants were supplied and further care and seed collection training will happen in due course. The seed from these species will go towards re-establishing large wetlands in Melbourne's north.

Personnel

We thank all who worked tirelessly for VINC during 2020, whether it be in a voluntary or paid capacity. We would not have achieved what we did without their significant efforts, especially given the extraordinary challenges faced during the year.

There are too many nursery volunteers to list by name but we are grateful to each and all. Representing VINC, below is a list of Directors and staff (alphabetical order):

Directors
<ul style="list-style-type: none"> ● Reappointed at June AGM: Susan Stanes, Andreas Wenzel
<ul style="list-style-type: none"> ● Appointed in 2020: Michael Ballock, Georgina de Beaujeu, Robert McMillan, Caroline Sheehan
<ul style="list-style-type: none"> ● Retired at June AGM: Michael Coleman, Ingrid Klein, Jenny Suann.

Staff
<ul style="list-style-type: none"> ● Manager: Mark Hursch
<ul style="list-style-type: none"> ● Co-ordinator (Propagation): Naomie Sunner
<ul style="list-style-type: none"> ● Co-ordinator (Stock/Sales): Lloyd McRae
<ul style="list-style-type: none"> ● Co-ordinator (Retail): Antoinette Celotti
<ul style="list-style-type: none"> ● Propagation Assistants: Julie Cannon (temp), Jo Clark, Emma Hammel
<ul style="list-style-type: none"> ● Nursery (Yard) Assitants: Jenny Harrington, Bessie Richards
<ul style="list-style-type: none"> ● Retail Assitants: Marg Allan, Rowena Groundwater. Bessie, Emma & Jo (dual roles)
<ul style="list-style-type: none"> ● Seed Collectors: James Kidman & Pin Rada (Coordinators), Ian Hawkins, Claire Ranyard

Report Prepared by:

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 VINC Manager Propagation Coordinator

May 2021