

Annual Nursery (Operational) Report

Jan – Dec 2021 financial year

Overview

VINC, over its 35+ history, particularly during its earlier years, has endured some challenging times. Lease tenure concerns, seasonal cashflow pressures, infrastructure limitations and 2020's pandemic have all played a part. However, 2021 was arguably its most arduous and demanding. Multiple staff were away on sick leave for long periods of time including the Manager, who fell ill early in the year and was absent for a large part of it. Volunteers were not able to attend work at the nursery due to COVID restrictions and VINC was only able to offer a click/collect service to its retail customers for months at a time. In autumn, major capital improvement works occurred and recruitment of replacement staff happened twice during the year. Additionally, considerable disruptions to our electricity and phone services arose in May and June.

The level of unprecedented turbulence was disruptive to those remaining at VINC, with many staff stepping outside their normal duties and fulfilling dual roles, including the Production Co-ordinator, who became acting Manager.

This ongoing situation was gruelling but despite the constant pressures, we did get through it with many positives, thanks to the dedication of staff and the strong and active support of the VINC board. Fortunately, VINC was able to operate as an essential business during pandemic restrictions and the manager worked remotely from home for a time while recuperating. We were able to employ casual staff to help during peak sales. VINC achieved record income in May during its peak sales period, its second highest yearly income ever and a modest profit to show for our hard work.

VINC remains committed to growing and supplying for its wide customer base, locally rare plants of known provenance for revegetation to enhance biodiversity. Following is a summary of our highlights and activities throughout the 2021 financial year.

Accomplishments:

- VINC's Board of Directors are highly supportive of VINC's ongoing success. To this end, they (in collaboration with management and coordinators) created a 3–5-year strategy plan following internal financial analysis and market research including an extensive member survey. In keeping with VINC's purpose and its aims, this plan identifies key areas of the business that have potential for further development. As an outcome, several sub-committees (comprising of board members, outside experts and staff), were formed to address the plan's project priorities for 2022 and beyond. Subjects include those for members, future growth, education, and seed offerings. The term of each committee is approximately 12 months, and we hope to have an effective action plan for each area at the end of the term.
- VINC became a paid member of the Nursery & Garden Industry of Victoria (NGIV), the peak industry body for the state's horticulture sector. This provides us with many benefits including free technical advice and information, on-site visits, networking opportunities, e-learning/training, and access to other industry-related professional services. Membership has also allowed us free access to the peak national body – Greenlife Industry Australia. We used the services of both organisations' multiple times through the year and the support received has already proven invaluable for our nursery.

The revegetation industry is maturing and evolving rapidly. If VINC is to maintain its good stature in the sector, we must take advantage of the professional resources available to us so we can grow with it.

- VINC was awarded a 4-year contract by North Western Program Alliance (NWP) to produce and supply *Geranium sp. 1*, listed as critically endangered under the Victorian government's Flora and Fauna Guarantee Act. Seed was collected by NWP staff from parent plants which would be destroyed by a level crossing removal project in Glenroy. We have propagated plants resulting from each individual parent plant and will create in house SPAs and collect seed for a period of three years. Tubestock will also be grown with intention to supply between 2022 and 2024 for planting in a managed grassland within Melbourne's west.



Pre-treated Geranium sp. 1 seed - Oct 2021

- Our staff, particularly seed collectors, are utilizing VINC's nursery-based containerized and planted



Dianella longifolia SPA at VINC

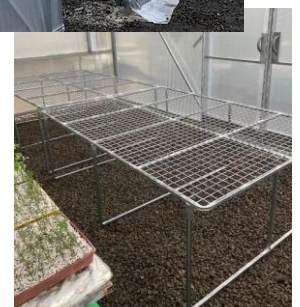
seed production areas (SPA) to great advantage. This is financially beneficial to VINC as it entails less admin and travel time plus maximises what can be collected during a narrow collection season. It's also an environmentally better approach, reducing the need to access remnant bushland areas that are becoming increasingly depleted and stressed. Their usefulness became particularly evident late in the year and in some cases, has increased our ability to produce popular species by more than 500%.

Unfortunately, VINC does not have the space to develop SPA's within its leased area further. We therefore need to find space externally and seek ways to develop partnerships with those who manage open spaces locally. Our sub-committees are currently exploring opportunities for this.

- VINC's financial position has improved steadily over the past few years, and this has enabled us to invest in much-needed capital works in recent times. Growth has been modestly gradual over the past three years but thanks to 2020's record healthy profit, it was accelerated in 2021.

The most exciting project to occur was the replacement of two cramped and deteriorating greenhouses with a multi-span structure befitting a plant production environment. This purpose-made greenhouse contains compartmentalised areas for seed germination, cuttings and the growing on of tubestock. Temperatures are now better regulated thanks to improved design; this has improved the reliability and quality of our plants overall. Additionally, the growing/ holding capacity has been increased by 30% without infringing on other production areas; a huge win for VINC.

Furthermore, new benches were purchased to fit 30% of our total greenhouse space. Rounded corners and having more plants at staff working height has improved manual work practises. This has also aided plant health; our ability to monitor and maintain them



Newly installed Greenhouses, (internal & external views) and some new benches ready for seedling tray rat-proofing cages.

to a better standard has increased markedly. Having juvenile seedlings at an elevated height is also conducive to faster and more consistent growth, translating to swifter turnarounds/shorter lead-times.

Custom-made rat-proof cages were also bought to protect germinating seedlings. These acquisitions were critical and without them, losses encountered to that point had been environmentally and financially unsustainable.

Additionally, late in the year we engaged a builder to construct a weather shelter for retail customers, immediately in front of the indoor shop space. This was to mainly benefit customer comfort/experience and to help protect staff by providing an alternative payment space during COVID-risk situations. It also offered more retail marketing opportunities for VINC and aided privacy for office staff. Complimentary to this work, the outdoor retail space was modified, greatly improving aesthetics and customer usability.

- Throughout the year, VINC made several operational improvements that boosted efficiency and security:
 - Cloud-based computer files with support from a local IT provider. Files can now be accessed and edited by multiple users and remotely. Our old server was unstable.
 - A telephone system with menued departments for retail and trade. Automatic message bank when either are closed for trading.
 - Security cameras with remote access and support. Burglaries have stopped since installation.

Challenges

Due largely to the obstacles faced during 2021, several ongoing challenges persist.

- Space remains the biggest issue and while we have nibbled away at elements, we're constrained from doing much given that our growing area is near capacity. We have no room to expand, even though demand exceeds supply. Storage and work areas are also compromised. We will keep working on this problem and perhaps some hurdles will be overcome via initiative solutions stemming from our strategy plan. However, major change may not happen for a few years until we can try and negotiate more space under a new lease agreement with Parks Victoria. Regrettably, we now find ourselves in a designated sports precinct, which does not favour environmental activities.
- When factoring in provenance for the approximate 250 species produced annually, our range balloons to over 750 grown items and 1,000's more on our database. This has made for unwieldy administration, storage, and handling. To address this, we made plans to simplify provenance categories, which were to be adopted for use within a newly subscribed cloud-based stock management system. The package (specific to production nurseries with considerable support) manages seed collection and plant production records with point of sale. However, workplace pressures outlined in the overview stymied our ability to take advantage of it. There is much to learn about the program, and we may need to seek help from a third party (volunteer?) to get it up and running.

Sales

VINC is almost exclusively self-funded, deriving most of its income through plant sales. In 2021, it was a little over 95%, proportionality higher than in previous years. Trade customer green-life sales accounted for 81% of VINC's income with the remaining 14% achieved from retail sales. Despite some minor setbacks with trade orders due to COVID lockdowns, total green-life sales remained relatively healthy throughout the year, staying reasonably close to forecasts. By the end of the year, we bettered our total plant income budget by almost 1% - an encouraging end

to what had been shaping up as an uncertain 12 months. Interestingly, retail plants sales surged in the last quarter, more than making up for the small shortfall in expected spring trade sales.

We sold almost 336,500 tubes and 59,000 Hiko cells to both retail and trade customers throughout 2021. The overall output equated to a 1.6% decrease from the preceding year however because of the larger proportion of tubestock to Hiko Cells sold, income derived from plant sales was almost the same as that of 2020's record year. Demand for Hiko cell sales dropped to normal levels given the unusually large grassland biodiversity contract received during the previous financial year.

Trade customers who undertake broadscale bushland revegetation including local government, environmental agencies and contractors, remain our nursery's biggest customer base. Between them, they accounted for more than two thirds of VINC's income. Our plants were used in scores of plantings throughout Banyule, Boroondara, Darebin, Moonee Valley, Moreland, Stonnington and Yarra councils.

VINC's biggest plant supply for a single project in 2021 was to the City of Darebin (and its contractor) for its ongoing *Rewilding Darebin* program. We supplied more than 28,000 tubestock in May and a further 23,000 in September. The unseasonal late supply in spring came about due to lack of workers (including community support) being available for plantings. Although most of the industry were able to continue working through the year, COVID-related restrictions were still highly disruptive for all.



Some tubestock for City Darebin's Rewilding Project, awaiting collection.

Contracts previously secured for plant supply with Boroondara, and Moonee Valley continued in 2021. Respectively, we supplied more 54,000 and 13,000 tubes and hiko cells in autumn and winter.

Most plants VINC supplied for larger revegetation projects were grassland species – graminoids and wildflowers. We supplied many in large quantities and it was encouraging to have such healthy genetic variance represented in revegetation plantings close by, particularly with respect to biodiversity and seed collecting.

Due to the pandemic, there was limited scope for community involvement, so most of the plants supplied directly to local councils by VINC were planted by contractors. Unsurprisingly, plant sales to community groups (including 'Friends of' groups) and schools were comparatively low against previous years.

The revegetation industry is highly seasonal and VINC is no exception. May and June were our busiest months; in a 9-week period, trade plant sales accounted for more than 46% of our nursery's total green-life trade income. It's an intense and chaotic period that leaves little room for other activities. Conversely, our two busiest months in retail (October and November) accounted for 24.5% of VINC's yearly retail income. Sales are much flatter in retail and the income we receive late and early in the year is welcome when cashflow is otherwise poor.

National Tree Day at the end of July usually translates to it being the third busiest month of the year however COVID restrictions curtailed many plantings in 2021.

VINC's top 30 selling plants – trade

2021	Species (inc previous year's ranking)	Plant Type	Format		Total Sold	% Change from 2020
			Tubestock Sold	Hiko Cells Sold		
1	Lomandra longifolia (1)	Graminoid - Grass-like Herb	13149	8585	21,734	5.87
2	Rytidosperma racemosum (6)	Graminoid - Grass	15973	2020	17,993	55.25
3	Poa ensiformis (5)	Graminoid - Grass	5434	11880	17,314	25.62
4	Themeda triandra (3)	Graminoid - Grass	8925	6300	15,225	-14.96
5	Poa labillardierei (2)	Graminoid - Grass	9584	3945	13,529	-27.92
6	Microlaena stipoides (4)	Graminoid - Grass	6973	5970	12,943	-21.87
7	Chrysocephalum apiculatum (10)	Perennial Herb (wildflower)	9629		9,629	21.00
8	Chryso. semipapposum (11)	Perennial Herb (wildflower)	8765		8,765	20.41
9	Dichondra repens (9)	Perennial Herb (groundcover)	8175		8,175	-3.17
10	Bulbine bulbosa (16)	Graminoid - Lily (wildflower)	7470		7,470	28.04
11	Goodenia ovata (12)	Small Shrub	7115		7,115	11.19
12	Brachyscome multifida (22)	Perennial Herb (wildflower)	6958		6,958	54.25
13	Rytidosperma caespitosum (14)	Graminoid - Grass	3855	2460	6,315	4.45
14	Poa morrisii (18)	Graminoid - Grass	3535	2591	6,126	13.97
15	Carex appressa (19)	Graminoid - Sedge	4304	1480	5,784	24.23
16	Wahlenbergia capillaris (7)	Perennial Herb (wildflower)	5587		5,587	-41.90
17	Arthropodium strictum (17)	Graminoid - Lily	5486		5,486	1.16
18	Rytidosperma setaceum (15)	Graminoid - Grass	3200	2178	5,378	-10.17
19	Bursaria spinosa (30)	Medium-tall shrub	4898		4,898	47.04
20	Correa glabra (23)	Small shrub	4598		4,598	3.47
21	Linum marginale (-)	Perennial Herb (wildflower)	4520		4,520	174.27
22	Pelargonium australe (13)	Perennial Herb (wildflower)	4203		4,203	-31.32
23	Calocephalus citreus (-)	Perennial Herb (wildflower)	4115		4,115	26.93
24	Einadia nutans (27)	Perennial Groundcover	4044		4,044	4.07
25	Austrostipa elegantissima (24)	Graminoid - Grass	3081	800	3,881	-11.53
26	Dianella longifolia (-)	Graminoid - Lily (wildflower)	3648		3,648	36.02
27	Rytidosperma fulvum (-)	Graminoid - Grass	1900	1720	3,620	878.38
28	Austrostipa scabra (8)	Graminoid - Grass	1408	2150	3,558	-58.60
29	Wahlenbergia stricta (28)	Perennial Herb (wildflower)	3476		3,476	-7.94
30	Dianella revoluta (26)	Graminoid - Lily (wildflower)	3375		3,375	-13.24
TOTAL			177,383	49,901	229,462	-0.98

Thanks to SPA's and improved methods of seed propagation and plant maintenance, we're consistently able to produce and supply more species in healthier quantities than we have done in previous years. Good examples are Dianellas, Arthropodiums, Bulbines and saltbushes like Einadia. However, a range of complexities prevent us from being able to take advantage of other species that, while regularly requested (particularly for bushland revegetation projects), cannot be produced consistently or in meaningful quantities.

Of the 243 plant species sold by our nursery, the 40 most popular ones (30 of which are shown), represent close to 69% of total green-life wholesale (trade) sales. These accounted for 16.5% of VINC's range of plants offered and are regarded as VINC's 'bread and butter' lines. In contrast, the 40 least popular species, represent just 0.31% of all sales. As demand for popular plants increases, this dichotomy is going to become a greater conundrum for our

nursery as space intensifies. We are noted for diversity offerings, yet financially unsustainable products may force us to make some difficult choices.

Due mainly to COVID restrictions, our reduced number of workers – both paid and voluntary – did require VINC to reduce the range of species produced and offered in 2021. Obscure or hard to propagate species were the first species to be taken from our production lists. Others were not produced on speculation and just grown to order if timing and quantities were adequate. This had a bearing on what was ultimately sold and although it may have affected our income, it was a more sustainable approach financially.

The below table compares trade sales for the different plant types sold at VINC. It reflects three years to provide comparison for pre and current pandemic years.

Plant Form		2019	2020	2021	Plant Form		2019	2020	2021
Rushes, Sedges, Aquatics	% of range	11.53	15.36	12.76	Shrubs, Climbers	% of range	27.24	25.84	27.57
	% of plants sold	10.07	9.94	10.58		% of plants sold	15.96	15.21	17.09
Grasses	% of range	12.32	11.61	11.93	Herbs, Groundcovers, Sprawlers	% of range	40.85	38.95	38.27
	% of plants sold	28.57	34.64	32.78		% of plants sold	42.91	37.06	35.10
Trees	% of range	7.46	8.24	9.74					
	% of plants sold	3.09	3.05	4.46					

Sales of trees, shrubs/climbers and rushes/sedges/aquatics improved relative to other plants sold. VINC procured several orders from Melbourne Water and its environmental contractors, and it reversed the backwards trend that had been developing during the recent past. While encouraging, producing, and maintaining plants with vastly different growing requirements does present more of a challenge in a small nursery space.

Income from retail plant sales decreased by 8% from that of 2020 however it bettered forecast by 9% and was still almost 16% higher than the pre-pandemic year of 2019. Sundry sales (allied dry goods) were close to expected and compared favourably to the previous year. And while under budget, book sales were reasonable considering customers limited access to the nursery and indoor retail space during restrictions.

Retail staff were consistently busy throughout 2021. Members of the public made great use of our click/collect service during the long periods of COVID restrictions and while resource-intensive - particularly for retail staff – it proved financially worthwhile for VINC. Deliveries for larger orders were also offered to folk living outside their 5km restriction zones and our staff derived great satisfaction being able to distribute a product that brought others some relief and pleasure during challenging times.

As restrictions lifted late in the year and retail customers were able to visit our nursery, sales increased. Remarkably, November was our busiest month in retail during 2021 – a new feat for VINC!

Unsurprisingly, wildflowers and smaller shrubs overshadowed sales of all other plant forms in retail. As inner Melbourne becomes more densely populated, these products will continue to form the staple of what is sold in VINC retail. As a response to growing demand, we are producing and selling more wildflowers in larger formats such as 140mm pots.

Propagation

2021 was a disruptive yet productive year in propagation. Our 25 year old propagation igloo was dismantled and replaced with a larger, more fit for purpose structure, which caters for the varied requirements of both seed and cutting grown stock. The Propagation Coordinator filled in for the Manager for a number of months while he was away on extended sick leave, and while the Propagation Assistants did a marvellous job stepping up, we had to make some difficult choices and reduced or ceased production of some more time-consuming species. We also were plagued by more COVID lockdowns, impacting on our volunteer program. Despite all this, we produced a total of 436,160 plants – the second highest number of plants ever produced.

Total propagation for 2021 (with previous two year for comparison) is in the table below.

	TUBES	HIKOS	SUPERTUBES	TOTAL
2021	368,230	67,930	955	436,160
2020	367,496	97,370	2,119	466,985
2019	315,492	81,266	3,613	400,371

While numbers of tubestock produced were almost the same, the number of hikos produced was significantly less due to a decline of orders of this format. We also reduced the numbers of ‘Supertubes’ produced due to time constraints. Considering that this year we did not receive any funding due to COVID disruptions and could not afford to hire an extra staff member to assist, the high production numbers are a testament to the hard work of the propagation staff and volunteers.

Seed Collection

The 2020/2021 seed collection period was disrupted due to COVID lockdowns. One of our experienced seed collectors could not come to Melbourne, and our new collectors were not able to take as much advantage of the good seed season for some basic species such as Kangaroo grass as we hoped. However, they did collect plentiful seed of some wildflowers, such as peas, Drumsticks and Billy buttons, which we have subsequently produced (and sold) in large numbers.

For the 2021/2022 season we hired two experienced seed collectors who, with the support of one of our previous seed collectors, took advantage of the good seed year due to good rainfall in spring. We now have more seed than ever to clean over winter and will have excess seed for future years of some species we have always struggled to supply due to seed constraints.

While collecting from both remnant and revegetated sites provides most of our seed, our in-house seed production areas (SPAs) have continued to supply us with harder to source seed of numerous species and are a vital contribution to securing VINC’s future seed supply. This year we also collaborated with one of our directors who laboured during a lockdown to create a SPA for three species on her nature strip, which has already supplied us with a crop of seed.



Cleaned Dianella seed, ex nursery SPA – early 2021

Volunteers

Yet again, our volunteer program in 2021 was disrupted due to numerous lockdowns. However, in between lockdowns our volunteers returned eager to assist us with propagation, retail stock management and yard work. In addition, we recruited extra volunteers over the summer of 2021/2022 – increasing propagation volunteer days temporarily from three to four days a week and retail volunteers to three days a week, with volunteers in the yard remaining at one morning a week. We began a placement program for students from Melbourne Polytechnic, and the six students rotated between propagation, retail and the yard assisting us with various duties.

VINC staff - especially Mark and Naomie – have felt greatly supported by our board over this last year. We wish to extend our appreciation to their continued support for us.



Volunteers and staff – seed cleaning and seedling pricking

Personnel

We thank all who worked tirelessly for VINC during 2021, 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:

Directors (Reappointed AGM, May 2021)
• Caroline Sheehan (Chair)
• Michael Ballock (Secretary)
• Georgina de Beaujeu
• Robert McMillan
• Susan Stanes
• Andreas Wenzel

Staff
• Manager: Mark Hursch
• Co-ordinator - Propagation / Acting Manager: Naomie Sunner
• Co-ordinator - Stock & Sales: Lloyd McRae
• Co-ordinator - Retail: Antoinette Celotti
• Propagation Assistants: Jo Clark, Emma Hammel, Rowena Groundwater (temp)
• Nursery (Yard) Assistants: Jenny Harrington, Bessie Richards (Jan-Mar), Emma Sorrentino (April-Dec)
• Retail Assistants: Marg Allan, Rowena Groundwater, Bessie Richards, Emma Hammel
• Seed Collectors: James Kidman (Coordinator), Pin Rada (Coordinator), Thomas Dell 'Oro, Ian Hawkins, Claire Ranyard, Rani Sherriff

Report Prepared by:

Mark Hursch, & Naomie Sunner,
VINC Manager & Propagation Coordinator

May 2022