



METROPOLITAN
CEMETERIES BOARD



ANNUAL REPORT 2008-2009



Locations and Contact Details

Head Office

Karrakatta Cemetery
Railway Road
Karrakatta WA

Postal Address:
PO Box 53
Claremont WA 6910
Telephone: (08) 9383 5200
Facsimile: (08) 9384 9273
Email: mcb@mcb.wa.gov.au

Other Locations

Fremantle Cemetery
Cnr Carrington Road and Leach Highway
Palmyra
Postal Address:
PO Box 222
Palmyra WA 6957
Telephone: (08) 9319 0400
Facsimile: (08) 9339 8992

Pinnaroo Valley Memorial Park
Whitfords Avenue
Padbury WA
Postal Address:
PO Box 362
Hillarys WA 6923
Telephone: (08) 9307 0300
Facsimile: (08) 9401 3144

Midland Cemetery
Myles Road
Swanview, WA
(Telephone, facsimile as per Pinnaroo)

Guildford Cemetery
Kalamunda Road
South Guildford WA
(Telephone, facsimile as per Pinnaroo)

Rockingham Regional Memorial Park
Millar Road
Baldivis WA
(Telephone, facsimile as per Fremantle)

STATEMENT OF COMPLIANCE

Hon. John Castrilli MLC
Minister for Local Government
Level 2
Dumas House
2 Havelock Street
West Perth WA 6005

In accordance with the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Metropolitan Cemeteries Board for the financial year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.

We wish to advise that the Financial Statements contained in the attached report have been audited by the Office of the Auditor General and contain the relevant audit opinions.



R G BOWE
CHAIR



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN AM PSM JP
CHIEF EXECUTIVE OFFICER

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From the Chairman

A Year in Review Executive Summary



Having received 10,074 funerals and assisted with the placement of 2,755 memorials across six cemeteries, the 2008/2009 period has been one of progression and consolidation for the Metropolitan Cemeteries Board (MCB).

Rockingham Regional Memorial Park, first opened in September 2007, continued to establish itself as a new memorial park within the south east corridor. With the official closure of the neighbouring East Rockingham Pioneer Cemetery on July 1 2009, the new Rockingham park has become the primary cemetery servicing this rapidly growing region.

With East Rockingham Pioneer Cemetery nearing full capacity, the Metropolitan Cemeteries Board and the City of Rockingham have been working together since 1991 to bring the development of Rockingham Regional Memorial Park and the subsequent closure of East Rockingham to fruition. The closure of East Rockingham for new burials realised the core outcome of the long standing Memorandum of Understanding between the Board and the City.

The availability of Rockingham Regional Memorial Park is also viewed to be of significant benefit to the community. Whilst families will still be able to be re-united within existing plots at East Rockingham, the significant investment that the Board has made in developing the new memorial park is reflected in the manicured grounds and unique options for commemoration that families can now access. Perhaps most importantly, the site is also large enough to meet community demand well into the future.

At Karrakatta Cemetery, redevelopment continued to be progressed in nine sections as part of the ongoing Cemetery Renewal program. Of particular note, two new water wise memorial garden areas, being Killara and Contemplation Gardens, were made available for memorialisation.

Despite the fact that Pinnaroo Valley and Rockingham Regional Memorial Parks feature significant water wise plant species, traditional plantings such as roses have always proven to be enduringly popular at Karrakatta. Whilst the Board recognises that these traditional favourites will continue to be popular, it is hoped that by offering modern water wise gardens in which colour and greenery are still prevalent, that many families will be willing to consider them suitable settings in which to commemorate a loved one.

Also at Karrakatta, the construction of new workshops, plant and machinery storage facilities and staff amenities was completed.

At Pinnaroo Valley several memorial walks were upgraded so as to provide new memorialisation options for the community. Also, recognising the environmental impact of artificial tributes, the Board trialled its first tribute free memorial area and

was pleasantly surprised at the extremely positive response from families. Given its success a number of additional memorial options have now been added to the tribute free area.

The popularity of Pinnaroo continues to increase each year. So as to accommodate the increasing volume of families requesting memorials consultations, significant renovation and expansion works were carried out on the administration building during the review period. Due to the high demand for the Pinnaroo chapel, the Board is in the planning stages and working towards the construction of a second chapel in the near future.

At Rockingham and Fremantle, an area has been set aside for natural or green field burials in response to evidence that such environmentally friendly developments are proving popular in other parts of the world. In creating an Australian tone, the Board has described such burials as bushland burials and will be making the option available to the community in the forthcoming period.

At Fremantle Cemetery, the Board has provided an additional lawn beam section and a new memorial rose garden. Planning for stage three of the Sainsbury Memorial Gardens area is under way and works have been completed on the redevelopment of the waterways within the popular Fremantle Lakes memorial area.

The Memorandum of Agreement between the Board and the Office of Australian War Graves outlining the guidelines for the future management of official war graves and graves of the war dead at all public cemeteries in the Perth metropolitan area has proved successful. The Memorandum is the first of its kind in Australia.

A comprehensive review of the Cemeteries Act 1986 continued during the year. The Board looks forward to seeing the review progressed during the forthcoming period.

The Board continues to work closely with the Department of Planning and the WA Planning Commission with a view to identifying and securing additional land for future cemetery use. In these endeavours, the Board has been well supported by our Minister, Hon. John Castrilli MLA, Minister for Local Government; Heritage; Citizenship and Multicultural Interests and the Minister for Planning; Culture and the Arts, the Hon. John Day MLA.

These are some of the highlights in what was a busy year for the Metropolitan Cemeteries Board. I take this opportunity to sincerely thank the Minister, the Board and our dedicated staff for their continued efforts in the provision of an exemplary service to the citizens of Western Australia.

Ross G Bowe
Chairman

Operational Structure

The Metropolitan Cemeteries Board (MCB) is a fully self supporting statutory authority. The Board manages six cemetery and memorial park-sites throughout metropolitan Perth – Fremantle, Karrakatta, Midland and Guildford Cemeteries; Pinnaroo Valley and Rockingham Regional Memorial Parks. The MCB also carries out burials at East Rockingham Pioneer Cemetery on behalf of the City of Rockingham.



The MCB is a State Government statutory authority appointed by and responsible to the Minister for Local Government. The Board is a not-for-profit organisation. Revenue raised from the fees charged for various services is allocated for the provision of future services and maintenance.

ACTS AND BY LAWS:

The MCB is legislated by the following Acts and By Laws:

- Cemeteries Act 1986
- Cremation Act 1929
- MCB By Laws 1992.

In the performance of its functions, the MCB has complied with the following laws:

- Cemeteries Act 1986
- Corporations (Western Australia) Act, 1990 ('Corporations Law')
- Cremation Act 1929
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Industrial Relations Act 1988 (Federal)
- Industrial Relations Act 1979 (Employment Acts, State)
- Library Board of Western Australia Act
- Metropolitan Cemeteries Board Bylaw
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Official Corruption Commission Act 1988-94
- Public and Bank Holidays Act 1972
- State Records Act 2000
- Public Sector Management Act 1994
- State Supply Commission Act 1991
- Workers' Compensation and Assistance Act 1981

- Workplace Agreements Act 1993
- Workplace Relations Act 1996 (Federal).

Board Members

Reporting to the Minister for Local Government, the Hon. John Castrilli MLC, the Board comprises a Chairman and six members. Board membership remained constant during the year.

The following Board members served during 2008/2009:

Chairman

Mr. Ross Bowe

Mr. Bowe was born in 1943 in Fremantle and commenced his career with the Australian Bureau of Statistics in Canberra in 1964. He returned to WA in 1972 and served with the State Treasury Department, culminating in his appointment as Under Treasurer in 1988. Mr. Bowe was appointed Chairman of the Metropolitan Cemeteries Board in 2002. He also Chairs the Finance and Internal Audit Committee and has facilitated workshops and sessions on Corporate Governance at successive conferences of the Australasian Cemeteries and Crematoria Association. Mr. Bowe is also the current Chairman of Racing and Wagering WA and Gold Corporation (WA).



Deputy Chair

Mrs. Jean Hobson

Jean Hobson served on Fremantle City Council from 1983 to 1992. Between 1989 and 1990 she was Deputy Mayor of the City. She has been a member of many Fremantle-based organisations, including the Fremantle Hospital Management Board, the Fremantle Library Advisory Committee and the Fremantle Education Centre Board. Mrs Hobson was previously the Chairperson of the Fremantle Cemetery Board.



Mr. Joe O'Dea Jnr

Joe O'Dea Jnr has a long association with the funeral industry in WA. He has been Managing Director of the Bowra and O'Dea group of companies since 1985. He was President of the Australian Funeral Directors Association, WA division from 1984-1990 and served as National Councillor for much of that time. Mr. O'Dea is also a member of the board's Finance and Internal Audit Committee and has represented the MCB on many delegations.



Mr. Ken Colbung AM, MBE

Ken Colbung is a community and spiritual leader of the Nyoongah Aboriginal people. He grew up at Moore River and later at Sister Kate's Home in Queens Park. He served in the Army for 15 years, seeing active service in Korea. Mr. Colbung has extensive experience in Aboriginal cultural matters and has held appointments on a number of bodies serving these, as well as general community interests. As a board member of the MCB, he presented papers at the International Cremation Federation Conference in Adelaide in 1996 and at the inaugural New Zealand Conference of the Australasian Cemeteries and Crematoria Association in 2000.



Dr. Leonie Beth Liveris

Dr Liveris has previously served on the Board and is Chairperson and Consultant Historian for the Monument Assessment and Advisory Committee. She serves on the committee for the Professional Historians Association (WA) and is an Adjunct Research Fellow at Curtin University. Dr Liveris holds a Master of Philosophy degree from Murdoch University and Doctor of Philosophy degree from Edith Cowan University. She is the author of *The Dismal Trader* (1991), *Memories Eternal; the history of Karrakatta Cemetery* (1999) commissioned for the Karrakatta centenary celebrations in 1999. Dr Liveris is also the author of the forthcoming publication, *Monuments & Masons* which, for the very first time, provides a detailed overview of the history of monumental work in Perth cemeteries.



Mrs. Jeanette Berinson

Jeanette Berinson is a prominent member of the Perth Jewish community. She has been a member of the Board of Carmel School for 15 years, including a period as Vice President. She is currently an executive member and vice-president of the Board of Dianella Synagogue.



Mr. Donald Whittington

Donald Whittington was the founder and Managing Director of Whittingtons Herbs and Spices. He was a Councillor of the City of Fremantle for nine years including three years as Deputy Mayor and six years as Chairperson of Planning and Development.

Mr. Whittington is a member of the Board's Finance and Internal Audit Committee and represents the Board on the Monument Assessment and Advisory Committee. He presented a paper on natural burials at the 2006 Australasian Cemeteries and Crematoria Association Conference held in Auckland, New Zealand.



Meetings

A total of six ordinary meetings were held during 2008/2009. Attendances by Board members at these meetings were as follows:

Ordinary Meetings Attended

Ross Bowe	6
Jean Hobson	6
Don Whittington	6
Joe O'Dea Jnr	6
Ken Colbung AM MBE	5
Jeanette Berinson	4
Dr Leonie Liveris	6

Members also attended committee meetings, site inspections and other functions throughout the year under review.

Board Remuneration

Board members receive an annual fee of \$6,700 while the Chairman, in recognition of the additional time required to fulfil Board business requirements, receives a payment of \$13,400 annually.

Declarations of Interest

Board members have disclosed financial interests as required.

Our Vision

Achieving excellence in the provision of world class cemetery facilities & services.

Our Mission

To enhance the celebration of lives lived by providing quality services, products & facilities.

Our Values

We have a set of enduring beliefs that are ingrained in the way we think and act. These values guide our choices, defining for us the right course of action; the clearest direction; the preferred responses. Consistent with these values we set our objectives, formulate our strategies and judge our results. By living these values we will achieve our purpose.

Integrity

We are committed to doing what's right without exception through:

- Actions and decisions that reflect the highest ethical and professional standards
- Honesty
- Commitment to agreed outcomes
- Protecting the environment
- Obeying all laws
- Social responsibility
- Being accountable for our own actions and expecting accountability from others
- Compassion, respect and understanding
- Encouraging and valuing diversity
- Providing an environment that stimulates commitment.

Customer Service Excellence

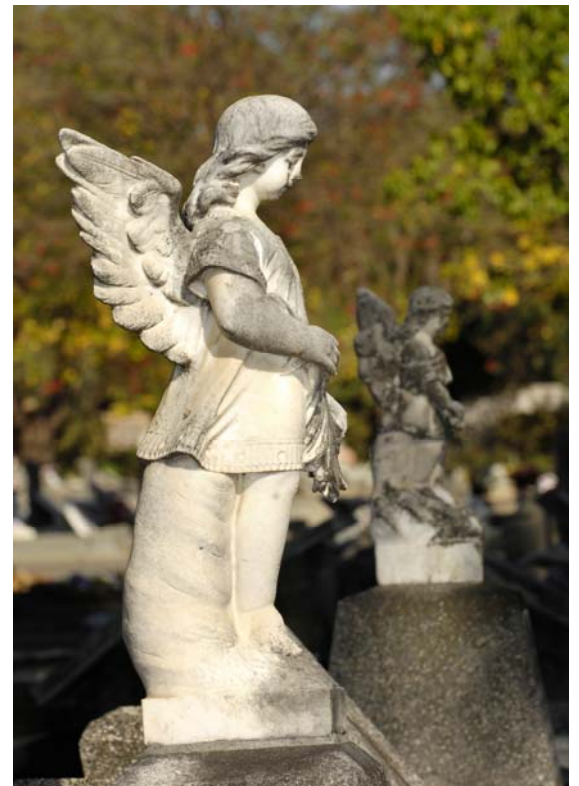
Serving our customers stands above all other values and requires:

- Quality products that meet customer needs
- Caring interactions with customers
- Meeting expectations in quality and service
- Effective, responsive communication
- Embracing change
- Minimising waste and bureaucracy
- Creating positive, memorable experiences.

Inspired People

Our success will be achieved only through inspired people, operating in an environment based on:

- Mutual trust and respect
- Empowerment and employee engagement



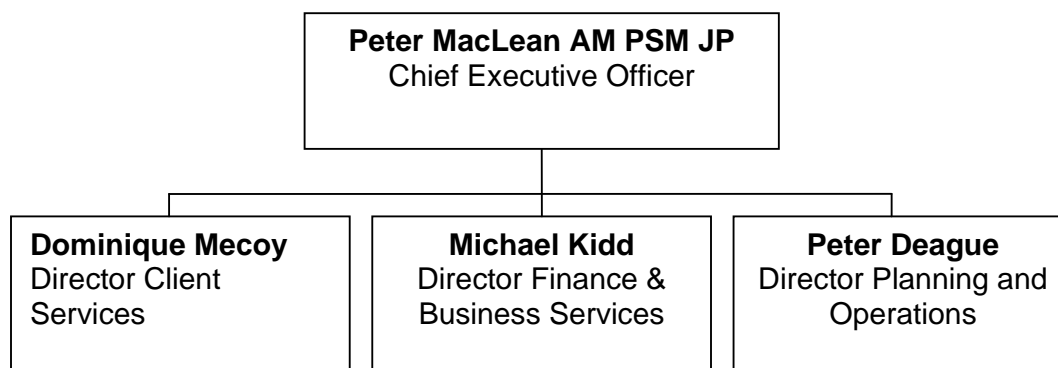
- A culture of innovation, learning and continuous improvement.

Sustainability

We are committed to sustainable operations that will allow us to meet the needs of future generations by:

- Remaining in business
- Growing the business
- Meeting our responsibilities
- Ensuring short term objectives do not override long term opportunities.

There are approximately 130 individuals employed by the MCB*. A simplified organisational chart is presented below.



*NOTE: This figure accounts for actual employees, not FTE positions.

Performance Management Framework

Outcome Based Management

During the year under review, the Board continued implementation of its strategic plan.

The five year strategic plan, adopted in 2007, provides the broad strategic management framework for the organisation until 2012 and supports the current needs of clients and stakeholders but also the future needs of these groups and the changing industry environment.

The MCB Vision is:

Achieving Excellence in the Provision of World Class Cemetery Facilities and Services.

The strategic outcomes identified by the MCB are:

1. Excelling in customer services
2. Building and expanding our capability
3. Planning for business sustainability
4. Influencing and shaping our environment.

These outcomes can be related to the whole of Government goals and strategic outcomes. The goals and their linkage to the MCB's identified strategic outcomes are as follows.

Government Goal 1: State Building – Major Projects
Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development

MCB Strategic Linkages:

Outcome 2 - Building and expanding our capability
Outcome 3 - Planning for business sustainability

Associated activities:

- Ongoing negotiation with the Department of Planning to ensure a continuous supply of cemetery land so as to ensure that community need can be suitably accommodated in the future
- Employment created through way of infrastructure development and then, in the longer term, opportunities within the MCB for ongoing employment as part of site management
- Market research so as to ensure that the organisation is suitably meeting community needs and is in a position to maximise any additional requirements or to modify existing services
- Maintaining and constructing facilities to meet operational needs across six cemetery locations in metropolitan Perth



Government Goal 2: Financial and Economic Responsibility

Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector

MCB Strategic linkages:

Outcome 3 – Planning for business sustainability

Associated activities:

- Ensure policies, guidelines and procedures are regularly reviewed to reflect changing need
- Evaluation of all programs, initiatives and services via open and accountable management
- Maintain sound financial management practices that balance core responsibilities and business sustainability
- Provide two-way stakeholder mechanisms to provide and promote knowledge and information dissemination
- Undertake financial research and development and modelling to better position the organisation to meet its objectives
- Licencing of Funeral Directors and Monumental Masons so as to ensure a robust yet responsible regulatory environment that is considerate of all stakeholder needs.

Government Goal 3: Outcomes Based Service Delivery

Greater focus on achieving results in key service delivery areas for the benefit of all West Australians

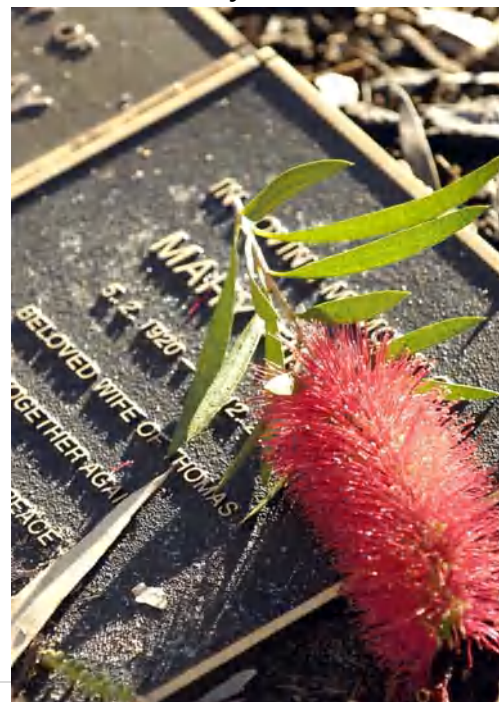
MCB Strategic linkages:

Outcome 2 – Excelling in customer services

Outcome 3 – Planning for business sustainability

Associated activities:

- To better understand our customer needs through research
- Promote and gain knowledge through a range of active networking mechanisms
- Undertake environmental scanning to recognise the value of strategic possibilities
- Integration of sustainability principles into the delivery of key services
- Maintain a consistently high level of customer satisfaction with products and services
- Plan for future operational sustainability
- Maintain and construct quality facilities to meet MCB operational needs
- Build a culture of innovation, learning and continuous improvement
- Increase community awareness of products and services through regular communication and



- dissemination of information
- Ensure policies, guidelines and procedures are regularly reviewed to reflect changing needs.

Government Goal 4: Stronger Focus on the Regions
Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and rural areas

MCB Strategic linkages:

Outcome 1 – Excelling in customer services
Outcome 4 – Influencing and shaping our environment

Associated activities

- Provision of extensive advisory and consultative services to country cemetery Boards and Local Governments with cemetery management responsibilities
- The Board's Director of Planning and Operations is also President of the Cemeteries and Crematoria Association of Western Australia (CCAWA) which provides advice, training and guidance to all Cemetery Managers throughout the State
- The Board plays a strong role in the Australian Cemeteries and Crematoria Association (ACCA) and encourages the active exchange of knowledge and ideas at both a State and national level

Government Goal 5: Social and Environmental Responsibility
Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State

MCB Strategic linkages:

Outcome 3 – Planning for business sustainability
Outcome 4 – Influencing and shaping our environment

Associated activities:

- Integration of sustainability principles into the delivery of key services
- Maintain sound financial management practices that balance core responsibilities and business sustainability
- Ongoing analysis and review of pricing methodologies and the formulation of costing models
- Develop two-way stakeholder mechanisms to provide and promote knowledge and information dissemination.
- Identify trends that are necessary to ensure sustainability.

AGENCY PERFORMANCE

Report on Operations

During the year the Board continued with the implementation of the strategic plan that was adopted in 2007. Now in its third year of adoption, the plan provides the broad strategic management framework for the organisation until 2012. It supports the current needs of clients and stakeholders, but also the future needs of these groups and the changing industry environment.

To complement the strategic plan, all MCB divisions have developed operational plans. Goals within these operational plans are closely aligned to the strategic plan and progress towards their achievement is ongoing.

This report on operations for the year ended 30 June 2009 is presented under the key outcomes identified in the strategic plan. These outcomes are:

1. Excelling in customer service
2. Building and expanding our capability
3. Planning for business sustainability
4. Influencing and shaping our environment.

OUTCOME ONE: Excelling in Customer Service

Excelling in customer services is a major goal for the MCB. Placing this at the forefront of the strategic plan ensures that all staff are continually aware of the MCB's customer driven environment.

It is to the credit of Board staff at all sites, clerical and operational, that the level of client satisfaction was again very high as indicated through the annual customer satisfaction survey undertaken by the Board.

During the year the Board received 10,074 funerals at the six cemeteries under its management.

Increasing slightly for the fourth consecutive year, this figure includes cremations, burials and mausoleum entombments.

In addition to these core services, the Board assisted families in the provision of 570 burial memorial plaques and 2,755 cremation memorials.

During the year under review, the Board continued to pursue its whole of organisation training and development framework. The Board's Training and Development Policy is supported by an organisational training plan and an internal training committee. This committee recommends training improvements and reviews the appropriateness of training provided to ensure that it supports the organisation's strategic plan.

A comprehensive procedure for complaints handling was developed and introduced during the first half of 2008. Training of all MCB staff in complaint handling procedures consistent with the procedure has been an ongoing commitment during



the 2008/2009 review period. Refresher training sessions are scheduled for existing staff whilst new staff are trained as part of the Board's induction program.

In addition to actively pursuing strategies to excel within the customer service domain, the MCB continued to host a range of annual community events. The traditional annual masses to commemorate Easter Sunday and All Souls Day were held at Karrakatta Mausoleum and were complemented by the Rosary to commemorate the Feast of the Annunciation and an All Souls Day mass at Fremantle Mausoleum.

The Karrakatta masses continue to be large scale spiritual events and frequently attract over 700 people to the cemetery. So as to unify all attendees in the one location, the masses are now held in several large marquees that join the mausoleum to the neighbouring Contemplation Gardens memorial area. Prior to this, the masses were held in several separate marquees throughout the mausoleum. The new combined approach enables attendees to celebrate mass together in one collective group.

Although smaller in size than those at Karrakatta, the spiritual events at Fremantle Mausoleum are growing in popularity with almost 300 people attending the second All Souls Day mass in November 2008.



The Board also continued its involvement with the City of Fremantle's annual Heritage Festival and staged free tours of the Fremantle Cemetery Heritage Trail for the 2009 event. As has been the case in previous years, tours were well attended and proved to be a popular outing for the many families and individuals who came along for an insight into the lives of the colourful characters that line the heritage trail. Dr. Jean Chetkovich has hosted the tours for several years and was once again kind enough to oblige with her assistance in 2009.

Recognising the important guardianship role that the Board has in the maintenance of cemetery history within Western Australia, the working group established to develop a publication detailing the history of monumental work in Perth cemeteries has made significant progress during the review period. Evolved from the initial brief of a pictorial celebration, the final document has expanded considerably and will provide a cohesive and engaging insight into the changing nature of monumental work, a focus on key figures within the industry and an overview of the differing forms of monuments. The document, titled *Monuments and Masons*, will be published in the second half of 2009.

The Board continues to be proud of its ability to deliver important community initiatives and to be able to make a cultural contribution to the State and the lives of its people.

In pursuance of a strategy to ensure policies, guidelines and procedures are regularly reviewed to reflect changing needs, the Board has played an active role during the year in the Department of Local Government's continuing review of the Cemeteries Act 1986.

During the initial stages of the review, the Board identified a number of issues and subsequently made a range of recommendations to assist in the provision of a

relevant framework within which the future management and control of cemeteries is to be conducted. In order for these issues to be addressed, the Board has reiterated its belief that the amendment of the current Act or progression of a new Act is required and is a matter of significant importance.

The need for a more modern approach is warranted in light of identified shortcomings within the current Act and to encapsulate changes that have occurred both within the funerary industry and in the administration and control of cemeteries under the control of local government authorities and cemeteries boards.

Whilst in the short term a number of required changes could be accommodated by amendment to the *Metropolitan Cemeteries Board By-laws 1992* to meet local needs, a number of key requirements are unable to be addressed until such time as the Act itself is amended. A review of the By-law is in its initial stages and will be progressed in the coming year.

To this end, the Board will continue to work with the Minister for Local Government and the Department of Local Government in gaining their support and raising the priorities afforded to this legislative reform.

To ensure that the Board can continue meeting customer expectations with regard to diverse memorial options, the range of memorials offered by the MCB is constantly monitored and subject to continuous improvement. The opening of two new water wise garden areas at Karrakatta, a new lawn burial section at Fremantle Cemetery, the proposed trial of a new natural burial option at both Rockingham and Fremantle cemeteries, and the development of a new Jewish Burial section at Guildford Cemetery are examples of the ongoing memorial development processes that occur at all MCB cemeteries.

At the base of the memorials development process is critical customer knowledge that the MCB garnered through undertaking a major community research project in 2005. The findings from the community research project and the Board's annual customer satisfaction survey, continue to value add to the organisations business planning. The practical application of research findings into the organisation's product development process has ensured that the Board continues to remain responsive to client need and delivers *best of industry* products and services



OUTCOME TWO: Building and Expanding our Capability

Key strategies in achieving these outcomes include:

- maintain and construct quality facilities to meet MCB operational needs; and
- plan for future operational sustainability.

Under Division 4 of the Cemeteries Act 1986, the Board may redevelop portions of the cemetery for re-use for any of the purposes authorised under the Act. A key initiative is the Cemetery Renewal program at Karrakatta.

Over the past few years the Board has, through the program, worked consistently with the general community in gaining a greater understanding and appreciation of the program's intent and the impact it may have in given situations.

By continuing and maintaining a consultative approach and negotiating outcomes with those affected by renewal, the Board has achieved a greater public acceptance of the need for Cemetery Renewal. Negotiated outcomes are achieved by working closely with affected families to assist them through the various components of the program.

The principal intent of Renewal is to enable the long term viability and sustainability of the Board's cemeteries and to ensure that the organisation can meet the projected burial and memorial requirements of the State's growing population within the metropolitan area. In particular, the program plays a vital role in the ongoing viability of Karrakatta as an operating cemetery that is able to offer burial, cremation and entombment options to the community.

During the year under review, the Renewal program has resulted in the provision of three new lawn and two full monumental burial sections at Karrakatta (formerly Anglican KA, GA, HA, NC, OC and XC sections). In addition, two new memorial gardens, being Killara and Contemplation Gardens, were made available for the establishment of cremation memorials.

Headstones in good condition that were removed from a number of former gravesites have been used as features within newly established gardens or placed on the face of memorial walls created for this purpose. Others have been retained in situ following the making of successful submissions to the Monument Assessment and Advisory Committee (MAAC) on the basis of the deceased persons contribution to Western Australia or due to the architecture of the monumental work, reflecting the craftsmanship of masons of years since past and the need to preserve these as part of our heritage.



Renewal also results in the transformation of old and somewhat neglected sections of the cemetery to attractive landscapes meeting current and future needs. It is a most effective means of ensuring cemetery sustainability and with the completion of currently active renewals projects, over 14 percent of Karrakatta reserve will have been redeveloped for additional cemetery services.

One means of efficiently using land in existing cemeteries has been the establishment of mausoleums in the Perth metropolitan area, particularly at Karrakatta where the mausoleum was built as an outcome of the cemetery Renewal initiative. Above ground crypts have proved effective and popular alternatives to earth burial.

To ensure an ongoing supply of entombment options at Karrakatta, preliminary work has commenced on the redevelopment of the former Roman Catholic JA section on which a new mausoleum complex is to be erected. To be built in four stages, the new complex will link to the existing mausoleum complex and the new above ground crypts, via the pathway established in the newly created Contemplation Gardens memorial area. Construction is scheduled to commence in 2010.

Beyond Renewal, it is important that additional new land be identified and secured for cemetery use in the metropolitan area. The Board remains committed to this task and is pleased that the Western Australian Planning Commission has confirmed that land in Whitby Falls has been secured for future cemetery use and will, in time, be developed to address the burial and community needs within the growing south eastern corridor. Negotiations to secure land within the northern urban corridor are ongoing.

Designed to service the needs of the growing population within the South West corridor, the newly completed Rockingham Regional Memorial Park was opened in September 2007.

The first stage of the new cemetery that has been made available to the community incorporated a lawn style burial section and several memorial gardens. A large gazebo was also constructed and has, since the opening, been used as both a location for services but also as a central point for mourners to congregate prior to a burial service.

A new natural burial section is currently being developed with plans to make it available to the community in the second half of 2009. This bushland, or natural burial section, will enable a burial to be carried out with minimal environmental disturbance including reduced CO2 emissions in comparison with those of a cremation. Following a trend that has in recent years become quite popular in Europe, the release of natural burial sections at the Board's Rockingham and Fremantle sites will enable the community to access a more environmentally sustainable option than traditional burial.



To coincide with the opening of the new Rockingham park, the MCB also assumed operational responsibility for burials and memorials at the City of Rockingham vested East Rockingham Pioneer Cemetery, formerly known as East Rockingham Cemetery.

The Metropolitan Cemeteries Board and the City of Rockingham have been working together since 1991 on the closure of East Rockingham Pioneer Cemetery and the opening of Rockingham Regional Memorial Park. The Government gazettal of the closure on May 1 2009 realised one of the key outcomes from the Memorandum of Understanding.

As from July 1 2009, the pioneer cemetery will only accept new burials and memorial locations honouring existing grants. In the interest of reuniting families, those who wish to bury a loved one in a family plot with existing interments will be able to do so regardless of Grant status.

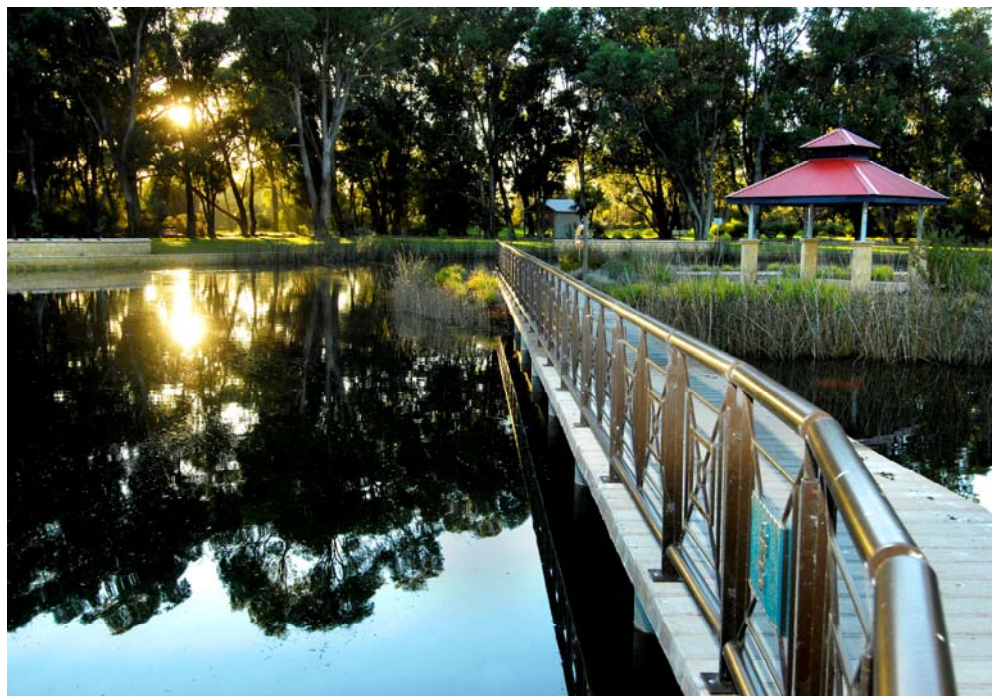
With the closure of East Rockingham Pioneer Cemetery, Rockingham Regional Memorial Park has become the primary cemetery servicing the burial and memorialisation needs in the rapidly developing Rockingham and Peel regions.

At Pinnaroo Valley Memorial Park, the recently completed Sir Thomas Meagher Lake memorial area has continued to be particularly well received by families, many of whom have opted to establish a waterside memorial within the idyllic setting to commemorate a loved one. The lake, which sits right in the centre of Pinnaroo Valley, also provides the park with a considerable reserve of water for irrigation purposes.

Two existing memorial areas - Flora Walk and Clear View Trail - have undergone significant refurbishment with a number of rammed earth tracks being carved within the adjoining bush pockets. These will be offered to families for memorialisation once vegetation has been re-established.

The park's family area, Zamia Court, continued to be well received by the community with numerous families demonstrating their support for the concept of unifying families within an area specifically reserved for this purpose.

So as to provide a spacious and pleasant environment for visitors, the Pinnaroo Valley Administration Building was significantly remodelled in the first half of 2009. Works included the construction of two new consultation suites with the capacity to host several family members whilst also allowing enough space for the plaque and urn displays to be suitably presented for perusal. The two new suites have



expanded the capacity of Pinnaroo Valley considerably and will reduce the pre-appointment waiting time for families.

Providing the Board's first tangible evidence that families will actively support environmentally sensitive memorial options, the trial gardens within Magpie Loop were made available from July 1 2008. Comprising an undisturbed bushland pocket, Magpie Loop is the park's first tribute free memorial area. Families that choose to establish a memorial within the Loop do so with the knowledge that only fresh tributes are permissible at the time of ashes placement. Any ongoing placements of tributes, fresh or artificial, are removed by Board staff. Families wishing to establish a memorial sign a disclaimer to confirm their acceptance of the unique ornamentation policy.

To the surprise of many MCB staff, the first release of memorials within Magpie Loop has now been exhausted. An additional garden bed has now been developed and made available to families who opt for the tribute free option. The rapid uptake of the tribute free option is considered to provide a unique insight into the increasingly important role that environmental consciousness plays within modern life.

The issue of artificial tributes has become a significant cause for concern across all Board sites, particularly at Pinnaroo Valley. Designed as a natural bushland cemetery, the widespread placement of excessive artificial tributes creates enormous logistical issues for site maintenance, but perhaps most importantly, provides the Board with the task of disposing of a considerable amount of plastic material, all of which is largely non-recyclable.

Whilst the Board appreciates that the placement of tributes is an important part of the grieving process for many families, the positive response to Magpie Loop has been seen as a strong indicator that the people of Western Australia may be willing to consider options that have reduced implications for the broader environment. A review of the flower and ornamentation policy, incorporating a significant community consultation component, is scheduled to take place in the second half of 2009.

At Fremantle Cemetery, the ornamental waterways within the popular Lakes area have been upgraded thus providing a new memorial option for those wishing to commemorate a loved one within a water side setting.

A new lawn burial area has also been completed and initial planning for the next memorial garden development has commenced. Fremantle, as with Karrakatta and Pinnaroo, also received a new memorial option, the Leaves of Life.

Providing families with a unique yet lower cost memorial choice, the Leaves of Life offers a bronze leaf plaque on a large memorial tree. Whilst the trees at Fremantle and Karrakatta have been hand carved from granite, the tree at Pinnaroo Valley is crafted from Donnybrook stone. Developed specifically for those families who have decided to retain the ashes of a loved one at home or to have scattered them at a place



of significance, the trees are artistic landscaping propositions that provide families with a place to focus, visit and reflect.

At Karrakatta, two new memorial areas, being Contemplation and Killara Gardens, have been made available to the community. Killara and Contemplation are unique offerings within Karrakatta where the traditional classically themed gardens tend to be enduringly popular. Having endured a string of searing summers and dry winters, in the interests of sustainability and environmental responsibility, both gardens are the result of trials to develop gardens at Karrakatta that are water wise whilst still retaining their visual appeal to families.

In Contemplation Gardens, a series of small ponds are joined by a landscaped dry creek bed. To create the illusion of water throughout, each pond re-circulates its water through a slow trickling overflow so as to create a cascading waterfall sound in the process. In complement to the pond network, the area also features numerous irrigation misters so as to assist in the creation of a subtropical feeling throughout the gardens whilst still ensuring that actual water consumption is kept to an absolute minimum.

Also at Karrakatta, stage two of Bill Manners Walk, a popular family estate memorial garden was completed and will be, in time, offered to families for memorialisation.

Another element of planning for the future has been the Board's ongoing involvement in whole of government pandemic/disaster planning. The Board's Director of Planning and Operations represents the MCB on the State Co-coordinating Committee. Given the status afforded to the H1N1 Influenza Virus (Swine Flu Influenza Virus), during the latter part of the reporting period the Board has updated its Business Continuity Plan (BCP), should the need to activate the plan become a reality. Further developments in this area are ongoing to meet the Board's requirements and ensure the provision of products and services during a time of potential major societal dilemma.

Discussions with the City of Mandurah and the Shire of Mundaring with a view to the MCB assuming operational responsibility for cemeteries under their jurisdiction continued during the review period. Business cases are being prepared and will be the basis upon which any proposals will be assessed.

Recognising the important role technology plays in building and expanding our capability, the Cemetery Records System (CRS) is the MCB's software application that is used to manage all funeral related operational activities across all cemetery locations. The CRS is the Board's core business tool, and, over time, has grown into a complex system encompassing the following activities:

- Diary - scheduling funerals over six sites
- Application (registration of deceased), ashes disposal management, memorial ordering process
- Entitlements (purchase of crypt), grant of right of burial (purchase of grave); grant of right of memorial (purchase of memorial)
- Correspondence generation, post-funeral information, ashes disposal follow up, grant & monumental work information
- Locations management – burial, crypts, ossuaries and memorials
- Pre-paid cremation and interment agreements
- Financial functions such as receipting, invoicing, banking functions, output to Sun Financial Systems, reporting, fee code management and link to GL codes, account management, sundry debtors and fee management

- Administration functions
- A range of operational and statistical reports.

During the review period, the MCB investigated the potential of developing an Enterprise Management System (EMS). This would, in effect, be an overarching umbrella system integrating the CRS with the financial management system, as well as a geographic information system and customer relations management system.

Research was undertaken to determine if any enterprise management systems were in use by other cemeteries around Australia and overseas. It was discovered that the Necropolis in Springvale, Victoria has tendered for such a system.

In response to an invitation from the MCB, representatives from the Necropolis, Springvale visited the MCB in March 2009. The CEO, Russell Allison, the IT Manager, Paul Leong, and the Consultant from Enabling, the successful contractor for the development and implementation of its Cemetery and Crematoria Enterprise Management System (CCEMS), met Board staff members to explore the possibility of utilising the same system within the MCB.

During the day MCB staff demonstrated and discussed various IT systems currently operating within the organisation and the visitors noted that MCB was significantly more advanced in its CRS and GIS Systems than the Necropolis. Nevertheless the business solution now being developed at Springvale appears a good solution to longer term needs and it was agreed that the MCB would maintain liaison so as to be well positioned should some form of software development partnership become a viable proposition in the future. The two organisations entered into a Memorandum of Understanding to this effect.

Offering families the option to view funerals as they occur over the internet, hardware upgrades to the funeral webcasting service offered at Pinnaroo and Karrakatta were finalised during the second half of 2008. The new hardware offers families an improved webcasting experience and takes advantage of the significant technological developments that have occurred since the service, the first of its kind in Australia, was launched in 1997.

OUTCOME THREE: Planning for Business Sustainability

During the 2007/2008 financial year the Board developed and adopted a Fraud and Corruption Control Plan. The exercise to roll out the principles involved in this plan to all staff, through a series of awareness training sessions was started during the 2007/2008 period and completed during the 2008/2009 period.

Fraud and corruption training has now been incorporated within the organisation's induction program so as to ensure that new employees are aware of the types of fraud and corrupt behaviour that might occur and to ensure that they are aware of their responsibilities with regard to reporting any instances of suspected fraud or corrupt behaviour.

The training material also reinforces the Board's zero tolerance position towards fraudulent and corrupt behavior.

Feedback from all of training sessions has been used to determine specific organisational risks and to develop strategies to manage those risks.

During the year, the Board continued with its exercise to develop costing models for all of its core business services. At June 30, the Board had received the draft costing models and it is intended that they will be finalised in the first half of the 2009/2010 financial year so as to assist with the preparation of the 2010/2011 budget.

It is anticipated that the models will enable the Board to identify and justify reasonable levels of cross-subsidisation across its core business services.

The licensing of Funeral Directors and Monumental Masons to conduct their business within cemeteries controlled by the Board is continually being reviewed, with the changes instigated during the last reporting period continuing to achieve desired outcomes in terms of licensing and compliance.

During the year the number of Funeral Director licences issued has slightly decreased due to a number of smaller businesses being bought out by larger companies. On the other hand, the number of individual branches has marginally increased.

With an increased focus upon policy and compliance, the Board has been able to monitor and provide greater assistance and guidance to Funeral Directors, Monumental Masons and their staff, ensuring greater consistency and adherence to legislative requirements and the policies, procedures and guidelines established by the Board.

The Board has actively contributed to the development of guidelines and forms for use by local government authorities and cemetery boards throughout Western Australia. Regular meetings of the Australian Funeral Directors Association (AFDA)/Metropolitan Cemeteries Board (MCB) Liaison Committee has engendered a consultative approach to addressing occupational safety and health and administrative issues.

To ensure that new staff have the greatest possible opportunity at succeeding within the organisation, the Human Resources section has introduced a three day induction program that seeks to welcome and begin equipping staff with the knowledge necessary to perform their tasks from the first day that employment commences. The formal induction program, in conjunction with the Corporate Training Plan are viewed as the organisation's two greatest opportunities to both welcome new staff to the MCB but to also ensure that the organisation is able to retain them thus lowering overall staff turnover.

In terms of expanding revenue sources available to the Board, the extraction of sand from Rockingham Regional Memorial Park has continued with a contract renewal to 2014. Revenue obtained from the sale of sand is used to assist in meeting the capital expenditure required in developing this new cemetery. Contracts of lease for land areas adjacent to Fremantle Cemetery and for the operation of café facilities at Pinnaroo, Karrakatta and Fremantle continued, with no significant alterations, during the review period.



OUTCOME FOUR: Influencing and Shaping our Environment

In achieving this outcome, one of the key strategies being implemented by the MCB is to identify trends and actions that are necessary to ensure sustainability.

The Cemetery Renewal Program continues to ensure the long term provision of burials and memorialisation within Karrakatta and may well be extended to other cemeteries controlled by the Board in the years to come. Realistic projections show that through renewal and by promoting the lift and deepen technique in those areas not suitable for renewal, the Board may well accommodate ongoing burials beyond its previous projection of 2033.

The Board continues to work with the Department of Planning and the WA Planning Commission to acquire land for future cemetery use. Negotiations for land parcels are progressing and seen as critical if the Board is to meet projected community need into the future.

Liaison with the Department of Planning has been extended to investigate further provision of future cemetery land for the southern and northern corridors, with a number of suitable land options under review. These land options provide the Board with the opportunity to develop a sustainable cemetery system based on a population of 2.34 million. These projections are based upon the continued practice of cemetery renewal.

To ensure the ongoing maintenance of close relationships with Government, the Board maintains its close liaison with the Board's Minister the Hon. John Castrilli MLA, Minister for Local Government and ensures that the Minister is abreast of important cemetery issues and initiatives.

In terms of corporate citizenship, the Board works closely in conjunction with ethnic and religious groups, the Royal WA Historical Society, WA Genealogical Society, Office of Australian War Graves, the National Trust WA, local governments and government departments and agencies.

Actively endeavouring to engage and exchange dialogue, the Board is a strong advocate of knowledge sharing and welcomes such opportunities. A knowledge sharing highlight of the year in review, the Board was pleased to host a delegation of visitors from the Korean city of Seocho in October 2008. The delegation, hosted by the City of Perth, were particularly interested in the various challenges faced by the Board in establishing crematorium facilities and advances in industry specific technology. The visit comprised a presentation from Chief Executive Officer, Peter MacLean followed by a detailed tour of the Karrakatta crematorium complex.

The Board also has a close working relationship with the Australian Funeral Directors Association (WA Division), Cemetery and Crematoria Association of Western Australia (CCAWA), Australasian Cemeteries and Crematoria Association (ACCA) and the International Cremation Federation (ICF).

Some outcomes from these relationships during the year under review include:



- A Memorandum of Understanding with the Office of Australian War graves covering the maintenance of official war graves at the Board's cemeteries
- A Memorandum of Understanding with the City of Rockingham covering the future maintenance and funeral services at the East Rockingham Pioneer Cemetery, including the closure of East Rockingham Pioneer Cemetery
- Assistance to cemetery boards and local governments throughout Western Australia on a wide range of matters pertaining to cemetery management and operations including, but not limited to, burial and memorial area design, training, industrial relations and occupational health and safety
- Active participation in the Cemeteries & Crematoria Association of WA, including the Director Planning and Operations, Peter Deague being elected as President
- Active participation in the Australasian Cemeteries & Crematoria Association and the International Cremation Federation of which Chief Executive Officer Peter MacLean is a Life Member and Vice-President respectfully
- Assistance to the Health Department WA, by the Board's Chief Executive Officer and Director Planning and Operations in pandemic and disaster planning. The Director Planning and Operations is the Board's representative on the State Government's Influenza Pandemic Advisory Committee.

The Board has also continued its involvement with five other cemetery management authorities across Australia in a project to establish benchmarks and key performance indicators of value to all cemetery and crematoria operators. This project continues to progress.

The Board has completed a water audit for Karrakatta. This review was for the use of ground water to irrigate memorial gardens and burial sections and to identify options for improvement. The water audit has been useful in defining vegetation types that do not rely on regular water to provide good visual appearance and to assist in strategic operational planning of new burial areas to reduce water consumption. Stage 2 of the plan is underway, which involves integrating with the cemetery renewal plan to ensure that redevelopment of Karrakatta and its irrigation needs are based on sustainable water options.

The Board has also completed stage one of the State Government's *Water Wise Ways for WA* initiative. The objectives of the MCB's Water Efficiency Management Plan are to identify inefficiencies and potential water conservation measures, prepare an action plan for implementing water conservation strategies, report on the implementation of water conservation actions within the agency's annual report and to demonstrate the Board's application of the State Government's sustainability code of practice.

In accordance with the Sustainable Energy Development Office (SEDO) requirements, the Board's energy usage of 15256GJ has been reported for the 2008/2009 period. This figure shows a slight increase from the previous periods consumption figure of 15255GJ.

Gas use across MCB sites has increased by 1.9% overall.



Given that the total number of cremations for this period increased by 1.58%, the 1.9% increase is particularly small and is complemented by a reduction of 3% in electricity usage.

During the review period the total number of funerals increased by 1.54%. This increase, when assessed against the energy consumption figures illustrates that the Board has been able to make a reduction in its total energy consumption despite increased demand for services.

FINANCIAL TARGETS

The Board ensures that its resources are effectively and efficiently managed in accordance with sound business principles to optimise performance. In support of this practice, the Board is committed to:

- Ensuring that professional and statutory principles, standards, policies and procedures are properly met
- Ensuring that realistic and useful budgets are developed and refined and that sound financial management principles are applied
- Ensuring that accurate financial information relating to the Board's activities is available on a timely basis
- Ensuring that Board investments are managed in a prudent manner.

Highlights

The Board achieved a net surplus of \$359,000 for the year ended June 30 2009 compared to a budget of \$3,211,000 and an actual figure of \$4,734,004 for the year ended June 30 2008. The reason for the significant reduction in the surplus in the current year is the charge for Impairment of some of the Board's Available-for-sale financial assets, amounting to \$3.67m. This charge has been taken to the Income Statement at June 30 2009. (See also Financial Statements notes 2 (f) – 'Impairment of assets,' 17 – 'Impairment of Assets,' 30 – 'Equity,' and 36 – 'Explanatory Statement').

A significant increase in core business income, over both budget and the previous year's actual, due mainly to increases in numbers of cremations carried out and through the mix of memorials sold. Numbers of burials and entombments carried out totaled 2,335 which compares with a budget estimate of 2,352 and the actual number carried out in the 2007/2008 financial year of 2,359. Cremations carried out totaled 7,739 which compares with a budget of 7,360 and the actual number carried out in the 2007/2008 financial year of 7,517. Sales of Mausoleum crypts exceeded budget by 20 crypts and also exceeded the total number sold in the previous financial year by 12 crypts. Sales of memorials of \$3.9m exceeded the budget of \$3.7m and the previous year's actual income of \$3.8m.

As at June 30 2009, the Board made an assessment of its available-for-sale financial assets, in accordance with the requirements of AASB 139. Based on this standard and on Treasurer's Instructions, the Board identified that a number of the shares in its Investment Portfolio, based on market prices at June 30 2009, were being carried at below their original cost. The Board has recognised the impairment of some of these shares through a charge taken to the Income Statement of \$3,670,636.

The Board, in conjunction with its financial advisers, considered each of the shares in its Investment Portfolio and does not believe that there is any objective evidence to indicate that any of the companies, in which the Board holds shares, is in any

financial difficulty. The Board further believes that over time, the value of these shares will return to or exceed their original cost. (See also Financial Statements Note 2 (f) and 17 – ‘Impairment of assets.’)

During the 2007/2008 financial year, the Board entered into a Memorandum of Understanding with the City of Rockingham regarding the sharing of responsibilities for the conduct of funeral services and for the maintenance of the East Rockingham Cemetery. As a part of this agreement, the Board is entitled to income from interments, memorials and 50% of income from Grants of Right of Burial. The Board's share of this income totalled \$143,000 for the year ended June 30 2009. Due to the closure of the East Rockingham Cemetery on July 1 2009, it is not envisaged that this income will be received in future years.

The Board did not receive any Government Grants or Consolidated Revenue funding during the financial year.

Financial Management

The Board operates along commercial lines and uses financial policies based on widely accepted business principles. As an agency of the Government of Western Australia, the Board must also apply social, environmental and economic principles to all facets of its operations.

The Board's mission is to *“enhance the celebration of lives by providing quality services, products and facilities”*. In fulfilling this mission, the Board must balance the triple bottom line factors, ensuring that the needs of current and future generations are met without compromising any of the three sustainability principles. The economic factor presents many complexities. Cost recovery is essential if the environmental and social values of the Board's six operating cemeteries are to be maintained. The Board must fund not only the day-to-day management of its cemeteries, but also all future infrastructure replacement, maintenance and development costs.

As part of its annual exercise to establish fees for services and charges for its products, the Board takes into account a wide range of factors including:

- costs of the provision of services and products for resale
- costs of maintenance of burial and memorial plots for a minimum of 25 and 50 years
- costs of provision of new facilities and the replacement of existing assets
- fees and charges of other cemeteries in other States of Australia and other countries; in terms of benchmarking
- the cultural, ethnic and religious needs and sensitivities of the diverse community
- the need to build up reserves during the life of each cemetery in order to meet the costs of continued maintenance once full capacity has been reached.

The annual fee-setting exercise has not taken into account any allowance for the purchase of new land or the development of new cemetery sites; nor do its existing fees include any component for the economic cost of existing land. In the past the



Board has not been required to fund land acquisition, but recently State Treasury has indicated that the Board will be required to fund the purchase and development of new cemeteries in the future.

Historically, the Board has chosen to apply common costs across all cemeteries and service types although some cemeteries are less economically viable than others. For example, earth, vault and mausoleum interment costs are the same for all cemeteries.

The Board is continuing with the development of costing models to establish the true costs of its individual Core Business services. The costing models are currently at final draft stage and are expected to be completed and implemented in the first half of the 2009/2010 financial year. It is envisaged that the costing models will be used in the development and support of all pricing decisions made in the formulation of the 2010/2011 budget.

These costing models will be used to assess the implications of the development of a new fee structure which will address such issues as full cost recovery across all services, *de facto* perpetuity of tenure, economic costs of land and the purchase of land and development of new cemeteries.

Fees and Charges 2008/2009

Fees and charges are set by the Board and published in the Government Gazette in accordance with Section 53 of the Cemeteries Act 1986. A new fee schedule was adopted with effect from July 1 2008. The Board resolved a general increase in its fees and charges of 3.02% in line with the annual increase in the Perth CPI. During the budget deliberations, the Board agreed to bring some of the fees and charges for the Fremantle Cemetery into line with those charged by the Board's other cemeteries. The Board decided that the differences between charges for Grants of Right of Burial should be equalised over a period of four consecutive years. As a result of this decision, the charges for Grants of Right of Burial were increased by between 12% and 13%. The Board also decided, in anticipation of the results of the costing exercise referred to above, to move progressively towards full cost recovery with the price of Interments. As a result of this decision, the price of Interments was increased by 12%.

Summary of Operating Results

A surplus of \$359,000 (2008/2009 \$4.7m) was achieved during the financial year after allowing for depreciation of \$2.3m (2007/2008 \$2.3m).

Income received from other non Core Business activities such as, investments, commissions on extractions of sand from the Rockingham Regional Memorial Park cemetery site, leasing of land, sale of assets and the Board's share of turnover from its sub-contracted management agreement for its cafes and condolence lounge catering, contributed \$1.8m (2007/2008, \$2.0m) to the Board's net surplus for the year.

Revenue received by the Board during the year for the provision of burial and cremation services and the sale of memorial products and mausoleum crypt spaces, was \$19.1m compared with a budget of \$18.0m and an actual figure of \$17.97m in the previous financial year. The main reason for the improvement in the actual figures is the increase in the number of cremations conducted by the Board and the number of mausoleum crypts sold during the year. The Board also received income under its Memorandum of Understanding with the City of Rockingham regarding the

sharing of responsibilities for the conduct of funeral services and for the maintenance of the East Rockingham Cemetery of \$143,000 (see also Note 36 'Explanatory statement' in the Financial Statements for further explanation of significant variances).

Total expenditure incurred on operating activities during the year amounted to \$16.86m compared to a budget of \$16.48m and an actual figure of \$15.3m in the previous financial year. (see Note 36 'Explanatory statement' in the Financial Statements for further explanation of significant variances).

Numbers of Funerals:

	<u>2008/2009</u>	<u>2007/2008</u>	<u>Increase/(Decrease)</u>
Burials & Entombments	2,335	2,359	(24)
Cremations	7,739	7,517	222
	-----	-----	-----
	10,074	9,876	198
	-----	-----	-----
Numbers of memorial products sold:			
Memorials	2,755	2,844	(89)
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Summary of Operating Results

Income from Core Business	<u>Burials</u>	<u>Cremations</u>	<u>Mausoleum</u>	<u>Memorials</u>	<u>Other Client Services</u>	<u>Total</u>
	\$.	\$.	\$.	\$.	\$.	\$.
Karrakatta	2,111,744	2,868,876	2,642,726	1,266,263	217,153	9,106,762
Fremantle	977,204	2,143,660	777,369	910,512	78,252	4,886,997
Pinnaroo	920,207	1,250,623	-	1,640,251	17,146	3,828,227
Midland	199,560	-	95,546	38,096	21,074	354,276
Guildford	286,053	-	252,408	32,880	22,566	593,907
Rockingham	88,473	-	-	50,763	2,958	142,194
East Rockingham	136,176	-	-	7,238	-	143,414
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	4,719,417	6,263,159	3,768,049	3,946,003	359,149	19,055,777
	=====	=====	=====	=====	=====	=====

Total expenses of \$16,861,892 (2007/2008, \$15,256,618) (inclusive of Costs of Sales) for the years comprised:-

	<u>2008/2009</u>	<u>2007/2008</u>
The main items of operating expenditure were:-		
Salaries and Wages	5,924,279	5,325,152
Salaries on-cost	1,021,536	928,306
Provision for Employee Entitlements	775,078	576,645
Casual Labour – Agencies	189,462	184,333
Mausoleum costs of Sales	1,608,650	1,577,291
Depreciation	2,304,083	2,259,663
Repairs and Maintenance	1,144,033	921,725
Memorialisation	957,617	906,984
Gardens and Grounds	600,193	545,459
Light, Power & Gas	383,451	331,047
Personnel	367,551	271,915
Insurances	223,027	139,071
Information Services	600,193	274,153

Total expenses continued.

Corporate Services	165,326	184,928
Office Expenses	155,627	156,977
Consultancy	170,870	106,820
Projects – (non capital)	251,700	273,044
Other Expenses	19,216	293,105

Total salaries expenditure (including on-costs, leave expenditure, fringe benefits tax and casual employment) represented 46.91% of total expenditure compared with 45.98% last year.

Capital Expenditure

During the year, the Board invested \$3.3m (2007/2008, \$4.6m) in new capital expenditure on physical assets for cemetery development, upgrading of facilities and on construction of Mausoleums.

Some of the significant items of capital expenditure were:-

Mausoleum Stages 5 and 6 – Karrakatta	240,000
Plant & Motor Vehicle Replacements – All sites	465,000
Cremators – Karrakatta and Fremantle	131,000
Upgrades of Reticulation systems - Karrakatta	402,000
Renewal areas – Karrakatta	603,000
Office accommodation – Pinnaroo	276,000
Landscaping improvements - Pinnaroo	130,000

SUMMARY OF KEY PERFORMANCE INDICATORS

Outcome

Funerals and memorial services that meet the needs and expectations of the community.

Effectiveness Indicator

Extent of customer satisfaction with services provided

	Target	09/08	08/07	07/06	06/05
Industry Score	85	78	77	89	84
Public Score	85	86	92	90	89

Note: Detailed audited Key Performance Indicators can be found within the Financial Statements along with discussion and the Auditor General's opinion.

Efficiency Indicator

The average cost per funeral and memorial service includes all operating expenses.

Over the past 5 years the average cost per funeral was:

	<u>Actual</u>	<u>Target</u>
2008/2009	\$1,673.80	\$1,696.89
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88
2005/2006	\$1,463.28	\$1,458.78
2004/2005	\$1,299.29	\$1,445.80

Qualitative Indicators of Performance

The Board had undertaken to assess its performance by the following qualitative measures. These indicators are NOT audited.

Output

Funerals and memorial services.

Output Quality

Proportion of funeral and memorial services provided by licensed funeral directors and monumental masons.

	<u>Target</u>	<u>Outcome</u> <u>2008/2009</u>	<u>2007/2008</u>
Funeral Services	95%	99.47%	99.46%
Memorials *	95%	99.96%	99.89%

Notes: 1. Licences to conduct funerals are issued to funeral directors. Single funeral permits are available to individuals other than funeral directors to conduct a funeral.

2. Approved monumental work can only be carried out by licensed monumental masons. Single monumental work permits are available to individuals other than monumental masons to carry out monumental work on a grave. * Memorials refer to headstones and inscription work.

Output Quantity

Number of funeral and memorial services.

	<u>Target/Budget</u>		<u>Actual Numbers</u>	
	<u>2008/2009</u>	<u>2007/2008</u>	<u>2008/2009</u>	<u>2007/2008</u>
Funeral Services	9,712	9,341	10,074	9,876
Memorial Services	-	-	2,755	2,844

Compared to the previous financial year, there has been an increase of 198 funeral services and a reduction of 89 memorial services carried out by the Board.

Output Timeliness

Extent to which allocated times for funeral and memorial services meet customer needs.

	<u>Target</u>	<u>Outcome</u> <u>2008/2009</u>	<u>2007/2008</u>
Industry Score	80%	47%	42%
Public Score	80%	73%	83%

The deterioration in the public assessment, from 83% in 2007/2008 to 73% in 2008/2009 is in keeping with the varied satisfaction levels that have been reported over several years. Nonetheless, the reduction and the ongoing below target variances in the satisfaction level from both industry and public respondents, is indicative of continued dissatisfaction with the appropriateness of allocated service times.

Applicable to both the industry and public scores, the downward trend needs to be assessed within an appropriate context. The Metropolitan Cemeteries Board (MCB) offers a variety of service time durations across its chapels. The determination as to the length of time allocated is made by the Funeral Director when booking a service. The assessment of the amount of time required for a service is therefore, in essence, a factor over which members of the industry group can exert their own determination. Whilst additional allocations of time can be reserved, many Funeral Directors opt not to reserve and pay for additional chapel time when the service is initially booked. Booking this time retrospectively can be difficult as other services have often been booked in the interim.

Whilst the Board appreciates that it is difficult to hasten proceedings once they are underway, services do need to start and conclude within their allocated time so as to ensure that mourners for other scheduled services are not left waiting. Funeral Directors who consistently fail to reserve sufficient time for their services are charged a late fee by the MCB. This guideline is now uniformly enforced across all sites.

There is also the reality that the larger chapels now tend to be in higher demand than the smaller ones. It is theorised that this increased demand for larger chapels is reflective of a trend whereby many services are held at the Funeral Directors' individual branch chapels and only tend to be staged at the cemetery if specifically requested by the family or if the individual branch chapel is unable to accommodate the anticipated number of mourners.

The planned construction of an additional large chapel at Pinnaroo Valley Memorial Park and discussions with the Australian Funeral Directors Association (AFDA) regarding the availability of chapel times at other sites are viewed as key strategies in improving the level of satisfaction with allocated service times during the forthcoming period.

Output Cost (see section in the Annual Report entitled Key Performance Indicators)

SIGNIFICANT ISSUES AND TRENDS

The Board has identified the following significant issues impacting upon MCB operations.

The availability of land for future cemetery use is an ongoing issue for the Board and it is absolutely imperative that additional land be set aside for cemetery use in the Perth metropolitan area.

At present, the Board does not have sufficient land to cater for the Perth metropolitan region, particularly at an estimated future population of 2.34 million by the year 2031. Providing land in all urban corridors is costly and retro-fitting cemeteries in established urban regions, verges on the impossible. An additional 250 hectares of land is required to provide a sustainable cemetery system for the Perth community.

A primary need has been identified in the south-east and north-west urban corridors. Land at Pinnaroo Valley Memorial Park has been set aside for the Bush Forever conservation initiative and no further land has, to date, been secured for the north-west urban corridor. *Bush Forever*, a State Government initiative, provides a framework for environmental planning for Perth that goes beyond biodiversity conservation. This initiative has identified over 51,000 hectares of 'regionally significant bushland' for protection and continues to have implications for the Board.



The initiative has also had a significant impact on the capacity of both Midland and Guildford cemeteries with significant parcels of undeveloped land being set aside for conservation purposes. Further to the south, local cemeteries at Jarrahdale and Serpentine are also nearing capacity.

The Board is working with the Department of Planning, the Western Australian Planning Commission and local governments in an endeavour to secure the land required to meet future cemetery needs.

Related to this need for land is the question of who is responsible for purchasing it. Traditionally, Crown land has been set aside for public cemeteries as a community service obligation. The Board has been advised that any future land allocation will, in all probability, require a funding contribution from the Board.

If that is so, then the cost will need to be factored into fees for cemetery services. This will be a significant impost and a high degree of transparency will be needed to justify the impact upon funeral costs.

The situation is exacerbated by the fact that today's users of MCB services also contribute to the maintenance of old cemeteries as they were developed and low fees levied prior to the introduction of "user pays" accounting principles.

Another issue pertaining to fees charged for cemetery services is the need for true cost recovery. Any cross subsidisation between service fees should be minimised or

preferably eliminated. The Board has embarked upon a costing review to equitably apportion costs and ensure transparency in fees and charges levied for MCB services and products.

Any increase in burial fees, if necessary, may be quite significant and will impact particularly on religious and ethnic groups where cremation is not an acceptable alternative to burial.

In planning for a sustainable future, the Board has developed a cemetery renewal plan for Karrakatta to 2034. This aims to provide land for burial and memorial gardens on a sustainable basis for an estimated population of 420,700 in the central urban corridor. Similar plans are being developed for Fremantle, Midland and Guildford cemeteries to ensure that cemetery facilities will provide for future generations within the Perth community.

An ongoing issue is the public acceptance of cemetery renewal as a reality of modern cemetery operations in Western Australia. Although the renewal process is a consultative one supported by the majority, there has been some resistance and adverse media attention to the program. This needs to be carefully managed by the Board to strike the balance between cemetery sustainability and capacity building and caring for the history of past interments.

Endeavouring to embrace sustainability principles as an operational norm, the Board has constructed a natural burial section at Rockingham Regional Memorial Park and plans to make this available to the community in the second half of 2009. A small pocket of Fremantle Cemetery has also been reserved for this purpose. This bushland, or natural burial section, will enable a burial to be carried out with minimal environmental disturbance including reduced CO2 emissions in comparison with those of a cremation. A popular trend in Europe, the availability of natural burials in Western Australia may, in time, become a localised trend.

Recognising the impact of reduced rainfall, the Board continues the trial of memorial gardens that are designed with water wise sustainability principles in mind. Whilst the Board appreciates that the enduring popularity of traditional options such as roses dictates a need to ensure that they are available for families at what is often a difficult time, there is also an intrinsic social responsibility to investigate alternatives that complement our dry climate. Two new gardens at Karrakatta have now been made available for memorialisation with each being designed to provide both colour and greenery whilst also being water wise. It is hoped that, over time, many families will view these new innovative gardens as a suitable environment in which to commemorate a loved one.

The issue of artificial tributes has become a significant cause for concern across all Board sites. The widespread placement of excessive artificial tributes (incorporating artificial flowers and trinket style items) creates enormous logistical issues for site maintenance but perhaps most importantly, provides the Board with the task of disposing of a mountainous level of plastic material, all of which is largely non-recyclable.

Whilst the Board appreciates that the placement of tributes is an important part of the grieving process for many families, it has become apparent that the ornamentation policy needs to be reviewed so as to investigate options that have reduced implications for the broader environment. A review of the flower and ornamentation policy, incorporating a significant community consultation component, is scheduled to take place in the second half of 2009.

DISCLOSURES & LEGAL COMPLIANCE

Other Financial Disclosures

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

Pricing policies of services provided

The Board has discretion over pricing for goods and services rendered and sets its schedule of fees and charges in accordance with section 53 of the Cemeteries Act 1986.

CAPITAL WORKS

Capital project incomplete

- An ongoing capital works project is cemetery renewal. Sections still under construction are Anglican WA, LA and parts of Anglican XC OC and NC. The estimated project cost is \$600,000.

Capital projects completed

- Contemplation Gardens at Karrakatta was completed during the review period. This memorial garden is designed on water wise principles and provides a wide range of attractive memorial options with water features. The total cost of the project was \$713,000.
- Major upgrade to the Karrakatta irrigation system to provide efficient use of this scarce resource. The total cost of the project was \$402,000.



Employment and Industrial Relations

Staff Profile

	2007-08	2008-09
Full-time permanent	81	91
Full-time contract	3	9
Part-time measured on a FTE basis	21	29
On secondment	1	Nil

*NOTE: The above figures are representative of FTE positions. It is not representative of the physical number of individuals employed by the organisation.

Employee Learning and Development

The Board views employee learning and development as an important element in creating a motivated and productive workplace and bases its success on an integrated and cross sector approach to training.

The Board has ceased its partnership with the West Coast College of TAFE but will continue its middle management training, offering a composite of Certificate IV in Training and Assessment and a full Certificate IV in Frontline Management to those new recruits who do not have these qualifications. In addition, the Board continues its provision of training in Occupational Health and Safety to middle management and the Construction Industry Blue Card to all operational employees.

A range of training courses have also been developed 'in house' to provide specialist

industry training opportunities and focussed learning outcomes. These include training programs on complaints handling process and skills, understanding grief, legislation, the funeral process and professional writing skills. Courses targeting professional development are also staged throughout the year. Topics have included grief management, customer service, leadership and a range of additional topics relating to human resources matters. These courses are generally presented through an external service provider.

In addition to providing staff with the opportunity to undertake a range of “off the shelf” training packages, the MCB has ensured that, where appropriate, staff are able to benefit from membership to professional associations and attendance at conferences, seminars and workshops in specialised functional areas.

The Board continues to foster and promote opportunities for work experience students, trainees and undergraduate and post graduate students to further enhance their learning.

Workers Compensation

Six compensation claims of a minor nature were recorded during the financial year. This compares with seven claims of a minor nature for the previous reporting period.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Metropolitan Cemeteries Board and Senior Officers.

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2008/2009 was \$6,501 (inc. GST).



OTHER LEGAL REQUIREMENTS

COMPLIANCE WITH PUBLIC SECTOR STANDARDS & ETHICAL CODES

OPSSC reporting under s31 of the Public sector Management Act 1994

1. Compliance issues that arose during the financial year 2008-2009 regarding the public sector standards, included:
 - Two breach claims lodged. One upheld.
2. Compliance issues that arose during the financial year 2008-2009 regarding the WA Code of Ethics included:
 - No compliance issues arose.
3. Compliance issues that arose during the financial year 2008-2009 regarding our own Agency Code of Conduct included:
 - No compliance issues arose.
4. Significant action taken to monitor and ensure compliance included:
 - Information about the Standards and Codes was reviewed and included on MCB intranet
 - An awareness raising workshop is to be provided to all employees in regard to this information
 - The Code of Conduct has been reviewed and rewritten with regard to Additional Employment and Conflict of Interest. All employees to be issued with new code of conduct with notation of receipt to be held on personnel file (signed off in induction)
 - Induction process to be developed with a formal program offered in staged modules to ensure employee awareness of the Code of Conduct Standards, Ethical Codes and Grievance procedures
 - A gift registry was maintained for items received by MCB employees that were valued at \$20.00 and over.

Electoral Act 1907 Section 175ZE

In compliance with Section 175ZE of the Electoral Act 1907, the MCB is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Details are as follows:

Expenditure with Advertising Agencies	\$0
Expenditure with Market Research Organisations	
Patterson Market Research	\$19,394
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	
Marketforce*	\$2,926
Adcorp*	\$20,562

* This expenditure through Marketforce and Adcorp, who manage the State Government's Master Media (campaign) advertising buying contract, represents all press advertising expenditure for the review period.

DISABILITY ACCESS & INCLUSION PLAN OUTCOMES

Disability Service Plan 2007

The Board's Disability Services Plan was reviewed and updated in line with Government legislative requirement in the later part of 2007 to ensure a high standard of facilities and accessible services for all. The plan continues to assist in overcoming any barriers that may exist in accessing our products and services.

Disability Access and Inclusion Plan

As the 2001 Disability Services Plan was a five year plan, it was required to be reviewed and re-registered with the Disability Services Commission during the review period. A new Disability Access and Inclusion Plan 2007-2011 has been developed, advertised and lodged accordingly.

This plan addresses 6 Outcomes. These are;

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Metropolitan Cemeteries Board.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Metropolitan Cemeteries Board.

Outcome 3: People with disabilities can access information from the Metropolitan Cemeteries Board as readily as other people are able to access it.

Outcome 4: People with disabilities receive the same level and quality of services from the staff of the Metropolitan Cemeteries Board as other people receive.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Metropolitan Cemeteries Board.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Metropolitan Cemeteries Board.



2008/2009 Outcomes:

In accordance with the Disability Action Inclusion Plan (DAIP), the MCB has completed the following projects during the financial year review period:-

- Construction of memorial gardens and entombment facilities that integrate DAIP principles
- Construction of a new amenities building for grounds staff at Karrakatta
- A number of access pathways at Karrakatta and Pinnaroo Valley
- Audio loops throughout all chapels have been either upgraded and tested or newly installed.

Projects planned for the forthcoming period in which DAIP principles will be applied include:

1. Review of written material, including internet exposure
2. Additional Pinnaroo Chapel (construction)
3. Karrakatta Mausoleum (Stage 6)
4. DAIP training for all staff.

RECORDS MANAGEMENT

The Board's revised Recordkeeping Plan was approved by the State Records Commission on October 5 2006 for a period of five years.

The MCB has implemented the following activities to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the Recordkeeping Plan:

- An online recordkeeping awareness training course has been conducted for all MCB staff except outside workers
- Records management staff train new staff and current staff on an ongoing basis as required
- Staff information sessions are conducted as required.

During the review period, the MCB has upgraded the TRIM Records Management from the TRIM Captura to the newer TRIM Context system. TRIM Context offers improved efficiencies over the Captura system including the ability to manage the complete information cycle, increased data security/integrity and improved integration with standard business software applications. The new program has ensured that the MCB continues to remain fully compliant with the requirements of the State Records Act.

New Board employees are required to complete an online recordkeeping awareness training course and receive one-on-one training in records management processes and systems from records management staff. This requirement is outlined within the Board's induction program.



Coverage of the training/information sessions as detailed here extends to all staff except outdoor workers who have no recordkeeping responsibilities. Records management staff are offered more frequent and specialised training so as to ensure that their skills remain current and abreast of industry developments.

A regular survey of staff is conducted each year to determine the overall satisfaction with the Board's records management processes and allows for staff to request further training if and when required.

COMPLAINTS HANDLING

The Metropolitan Cemeteries Board introduced a new complaints handling procedure on July 1 2007. A further review is currently underway to reflect internal changes and to ensure that they remain consistent with AS ISO 10002-2006.

During this review period further improvements have been made to reflect the requirements of AS ISO 10002-2006. All current staff have received training on the complaint handling guidelines process including information relating to Australian Standard on Complaints Handling and good practice for effective complaint handling. This training is included in the staff induction program and is focussed on a whole of organisation approach.

Further training sessions to develop skills and understanding support for staff in personally dealing with clients who wish to make a complaint are currently being conducted. These include complaints handling skills, grief management, understanding grief and customer service skills development.

The type and nature of complaints are monitored and statistics are presented to the MCB Board.

Improvements and changes in terms of products and services provided by the MCB have occurred through the conduct of a broad analysis of complaints and the areas of greatest influence. The identification of systemic issues forms an integral part of our business improvement process.

Numbers of complaints

There were 218 complaints recorded from July 1 2008 to June 30 2009. The majority of complaints handled by the MCB are resolved without further incident.

Three main areas of complaints recorded

Sixty eight percent of all complaints were directly linked to our operational activities, whereas twenty seven percent related to products and services with the remaining five percent involving administrative matters.



Table 1 – Total of complaints by category – 2008-2009

Accidents	1
Facilities	15
Grounds	74
Damage	44
Non-Approved Monuments	1
Other	15
Products/Services	55
Renewal	2
Vandalism /Theft	11
Total	218

There were 36 registered notations of appreciation mostly relating to the professional nature of rendered services and the caring nature of MCB staff.

GOVERNMENT POLICY REQUIREMENTS

Corruption Prevention

During the 2007/2008 financial year the Board developed and adopted a Fraud and Corruption Control Plan. The exercise to roll out the principles involved in this plan to all staff, through a series of awareness training sessions was started during the 2007/2008 period and completed during the 2008/2009 period.

Fraud and corruption training has now been incorporated within the organisation's induction program so as to ensure that new employees are aware of the types of fraud and corrupt behaviour that might occur and to ensure that they are aware of their responsibilities with regard to reporting any instances of suspected fraud or corrupt behaviour.

The training material also reinforces the Board's zero tolerance position towards fraudulent and corrupt behavior.

Feedback from all of training sessions has been used to determine specific organisational risks and to develop strategies to manage those risks.

Legislative Framework

The Metropolitan Cemeteries Board was created on October 1 1988 to manage cemeteries in the metropolitan area. The Board is a body corporate with perpetual succession and its responsibilities are described in the Cemeteries Act 1986. By-laws gazetted in 1992 set out administrative and general provisions for operating cemeteries under its control and the Board also has powers under the Cremation Act 1929.

Public Interest Disclosure

As required by the provisions of the *Public Interest Disclosure Act 2003*, the Chief Executive Officer of the MCB has complied with the obligations imposed pursuant to section 23(1) of the *Public Interest Disclosure Act 2003*. In this respect:

- The Director, Finance and Business Services and the CEO have been appointed as the Board's PID Officers and internal procedures relating to the Board's obligations have been published on the MCB's intranet site

- The MCB has adopted internal procedures that provide protection to people who make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure
- The Director Finance & Business Services has coordinated workshops to ensure all staff are familiar with the PID Act and associated procedures. New employees are provided with PID awareness training as part of the organisation's induction program.

As at June 30 2009, no Public Interest Disclosures have been made.

Risk Management

The Metropolitan Cemeteries Board has in place a Risk Management Plan comprising a matrix of identified risks and recommended treatment to minimise risk. The Plan was developed with the assistance of RiskCover and is reviewed yearly and monitored and reviewed by the Corporate Executive on a quarterly basis.

OCCUPATIONAL HEALTH AND SAFETY

Establish a management system that provides for the identification of hazards and the control of risks

Status of Action

In ensuring a safe working environment the MCB is committed to undertaking the following activities:

- Utilising the Worksafe Plan Status
- Conducting a comprehensive review of operations to assess compliance with all relevant legislation including Codes of Practice and Guidance Notes
- Review and preparation of detailed Procedure Manuals Status
- Development, implementation and monitoring of appropriate policies and practices
- Conducting or arranging relevant training and education to address gaps.

A full agency review will be undertaken by an external accredited provider in the later part of 2009. Review recommendations will be addressed during the forthcoming period and findings will be reported upon within the 2009/2010 Annual Report.

Timeframe

Ongoing.

Establish effective consultation mechanisms.

Status of Action

The MCB has, under its employ, the services of an Occupational Health and Safety Officer who is responsible for coordinating the organisations Health and Safety Committee. The committee meets every 6 weeks and comprises both elected employee representatives and members of the Board's senior management team. All papers including agendas, minutes, action plans and educational materials are made available to all staff. Copies of relevant journals and training guides are circulated to appropriate staff. A staff newsletter, *The Headstone*, incorporating health and safety issues and messages is prepared and distributed regularly.

Timeframe

Ongoing.

Undertake regular and comprehensive assessments of occupational safety and health management systems.

Status of Action

The Board has recognised the need for additional resourcing to assist with an ongoing and comprehensive review of its occupational safety and health management systems. An additional 0.4FTE has been made available to ensure that an OSH professional is available to provide competent and qualified advice to the Board's senior management team. In addition, the Health and Safety Committee has been charged with the responsibility of developing appropriate inspection documentation (including checklists). A schedule for completion of regular inspections is also being developed. Any identified areas of concern will be communicated in an appropriate format.

A comprehensive review of the MCB's Health and Safety Management system is ongoing and an Action Plan will be developed for identified areas requiring attention.

Timeframe

Ongoing provision of advice

Completion of review by October 2010.





Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Metropolitan Cemeteries Board.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Metropolitan Cemeteries Board
Financial Statements and Key Performance Indicators for the year ended 30 June 2009

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Metropolitan Cemeteries Board at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY
AUDITOR GENERAL
18 September 2009

Metropolitan Cemeteries Board
Certification of Financial Statements
For the year ended 30th June 2009

The accompanying financial statements of the Metropolitan Cemeteries Board have been prepared in compliance with the provisions of the Financial Management Act 2006 and from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009.

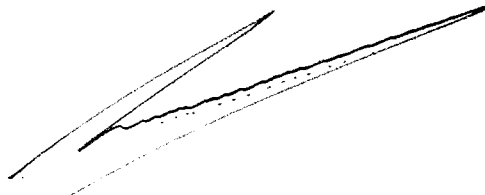
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



M KIDD
CHIEF FINANCE OFFICER

11th September 2009

METROPOLITAN CEMETERIES BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
INCOME			
Revenue			
Sales of mausoleum crypts	6.	3,768,049	3,693,490
Provision of services	7.	15,287,729	14,274,606
Interest revenue	8.	747,190	585,342
Dividend revenue	9.	746,807	853,978
Commission on sand extractions from Rockingham Regional Memorial Park		24,602	169,510
Other revenue	12.	218,308	209,793
<i>Gains</i>			
Gain on disposal of non-current assets	11.	58,958	24,765
Gain on sale of available-for-sale financial assets	10.	49,094	192,872
Total Income		<u>20,900,737</u>	<u>20,004,356</u>
EXPENSES			
Expenses			
Cost of sales	6.	1,588,513	1,542,808
Employee benefits expense	13.	7,889,833	6,999,207
Supplies and services	14.	3,198,054	2,834,955
Depreciation and amortisation expense	15.	2,304,085	2,259,662
Impairment of available-for-sale financial assets	17.	3,670,636	-
Other expenses	16.	1,890,620	1,633,870
Total expenses		<u>20,541,741</u>	<u>15,270,502</u>
PROFIT FOR THE PERIOD		<u>358,996</u>	<u>4,733,854</u>

The Income Statement should be read in conjunction with the accompanying notes.

METROPOLITAN CEMETERIES BOARD
BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009	2008
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	31 (a)	225,820	92,184
Inventories	18.	10,841,575	12,204,743
Receivables	19.	1,474,046	1,541,139
Other financial assets	20.	11,742,807	6,532,713
Total Current Assets		24,284,248	20,370,779
Non-Current Assets			
Available for sale financial assets	21.	12,015,575	13,758,555
Property, plant, equipment and vehicles	22.	44,920,697	43,092,697
Infrastructure	23.	13,937,251	19,302,678
Intangible assets	24.	-	78,720
Total Non-Current Assets		70,873,523	76,232,650
Total Assets		95,157,771	96,603,429
LIABILITIES			
Current Liabilities			
Payables	25.	1,985,977	1,492,771
Provisions	26.	1,024,203	1,019,540
Other current liabilities	27.	4,351	4,188
Pre-need agreements	28.	605,392	539,021
Total Current Liabilities		3,619,923	3,055,520
Non-Current Liabilities			
Provisions	26.	443,292	366,795
Pre-need agreements	28.	6,101,924	5,887,177
Grant renewals	29.	1,534,833	1,267,323
Total Non-Current Liabilities		8,080,049	7,521,295
Total Liabilities		11,699,972	10,576,815
NET ASSETS		83,457,799	86,026,614
Equity			
Contributed equity	30.	13,640,938	13,640,938
Reserves		30,061,737	32,989,548
Retained earnings		39,755,124	39,396,128
TOTAL EQUITY		83,457,799	86,026,614

The Balance Sheet should be read in conjunction with the accompanying notes.

**METROPOLITAN CEMETERIES BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Balance of equity at start of period		86,302,421	80,351,797
CONTRIBUTED EQUITY	30		
Balance at start of period		13,640,938	13,640,938
Balance at end of period		<u>13,640,938</u>	<u>13,640,938</u>
RESERVES			
Asset Revaluation Reserve	30		
Balance at start of period		33,757,593	30,159,093
Gains/(losses) from asset revaluations			
Land		960,300	3,598,500
Infrastructure		(5,628,240)	-
Buildings		401,172	-
Balance at end of period		<u>29,490,825</u>	<u>33,757,593</u>
Available-for-sale Financial Assets Revaluation Reserve	30		
Balance at start of period		(768,045)	1,613,685
Revaluation of shares		(2,331,679)	(2,188,858)
Transfer of profit to income statement		-	(192,872)
Impairment write-off		3,670,636	-
Balance at end of period		<u>570,912</u>	<u>(768,045)</u>
Total Asset Revaluation Reserve		<u>30,061,737</u>	<u>32,989,548</u>
RETAINED EARNINGS	30		
Balance at start of period		39,396,128	34,938,081
Change in accounting policy		-	(275,807)
Profit for the period		358,996	4,733,854
Balance at end of period		<u>39,755,124</u>	<u>39,396,128</u>
Balance of equity at end of period		<u>83,457,799</u>	<u>86,026,614</u>
Total income and expense for the period (a)		512,943	5,950,624

(a) The aggregate net amount attributable to each category of equity is: surplus \$358,996 plus net loss from asset revaluations of \$(4,266,768) and write down of available-for-sale investments of \$(2,331,679) and transfers to income statement of impairment of Available-for-sale Investments of \$3,670,636 (2008: surplus \$4,733,854 plus gains from asset revaluations of \$3,598,500 and write down of available-for-sale investments of \$(2,188,858) and transfers to income statement of gains on sales of available-for-sale financial assets \$192,872)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

METROPOLITAN CEMETERIES BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		15,841,792	14,733,229
Sales of mausoleum crypts		3,768,049	3,693,490
Receipts from commissions on sand sales		24,602	169,510
Interest received		636,073	306,810
Dividends received		943,354	1,157,819
Sale of share entitlements		49,094	-
GST receipts on sales		1,978,004	1,893,567
Other receipts		218,308	209,793
Payments			
Supplies and services		(4,299,227)	(6,479,493)
Employee benefits		(8,265,196)	(7,228,185)
GST payments on purchases		(844,379)	(920,751)
GST payments to taxation authority		(1,160,078)	(935,064)
Net cash provided by operating activities	31 (b)	<u>8,890,396</u>	<u>6,600,725</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale on non-current physical assets		159,482	115,831
Proceeds from sale of investments		-	1,759,660
Purchase of investments		(5,812,758)	(6,406,789)
Purchase of non-current physical assets		(3,103,484)	(2,753,492)
Net cash used in investing activities		<u>(8,756,760)</u>	<u>(7,284,790)</u>
Net increase/(decrease) in cash and cash equivalents		133,636	(684,065)
Cash and cash equivalents at the beginning of the period		92,184	776,249
CASH AND CASH EQUIVALENT ASSETS AT END OF PERIOD	31 (a)	<u>225,820</u>	<u>92,184</u>

The Cash Flow Statement should be read in conjunction with the accompanying notes.

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. Australian equivalents to International Financial Reporting Standards

General

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Board has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Board for the annual reporting period ended 30 June 2009.

2. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings, infrastructure and available-for-sale financial assets which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The judgments that have been made in the process of applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included at Note 3 - 'Judgments made by management in applying accounting policies'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(c) Income

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the term (Note 12 - 'Other Revenue').

Grants of Right of Burial

Revenue is recognised in full at the time that the grant is made to a client by the Board.

Interest

Revenue is recognised as the interest accrues.

Dividends

Revenue is recognised when the right to receive payment is established.

Cremation Agreements

This represents fees paid in advance for cremations. Amounts received are recognised as liabilities until such time as the service is performed when a transfer is made to revenue.

Grant Renewals

This represents the renewal fee for the second 25 years on a grant of right of burial. Amounts received are recognised as liabilities until completion of the first 25 years when they are taken up in full as revenue.

Mausoleum Grant Renewals

This represents the renewal fee for the second 25 years on a grant of right of burial. Amounts received are recognised as liabilities until completion of the first 25 years when they are taken up in full as revenue.

Burial Agreements

This represents fees paid in advance for burials. Amounts received are recognised as liabilities until such time as the service is performed when a transfer is made to revenue.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and investments.

(d) Property, Plant and Equipment, Vehicles and Infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment, vehicles and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment, vehicles and infrastructure costing less than \$5,000 are expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(d) Property, Plant and Equipment, Vehicles and Infrastructure (continued)

Subsequent measurement

After recognition as an asset, the Board uses the revaluation model for the measurement of land, buildings and infrastructure and the cost model is used for all other plant and equipment, vehicles, office equipment and cemetery renewal areas. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of office equipment, plant, equipment and vehicles and cemetery renewal areas are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the written-down current replacement cost.

Independent valuations of land are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Independent valuations of buildings are provided every three years by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of infrastructure has been determined by reference to the written-down current replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is valued on the basis of current use in a cemetery. Valuations are provided by the Western Australian Land Information Authority (Valuation Services) every three to five years.

When infrastructure is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to Note 23 - 'Infrastructure' for further information on revaluations.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 22 'Property, Plant and Equipment'.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated on the straight line basis, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 – 63 years
Plant and equipment	3 to 10 years except for Cremators which are depreciated over 15 years
Office equipment	3 to 5 years
Motor vehicles	3 to 7 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(d) Property, Plant and Equipment, Vehicles and Infrastructure (continued)

Infrastructure	7 to 57 years
Cemetery renewal areas	3 to 5 years

Cemetery Renewal Areas

This class of assets relates to areas of the cemetery which have previously been used for burials and which, under the Board's "Renewal" policy, have been redeveloped to enable further burials or memorialisation to take place. It is the policy of the Board that the costs associated with the redevelopment of these areas be capitalised and depreciated over the estimated useful life of the development.

(e) Intangible Assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing over \$5,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred of less than \$5,000 are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Board have a finite useful life and zero residual value. The expected useful life for the class of intangible assets is:

Software	3 to 5 years
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Refer to Note 24 - 'Intangible assets'

Research and Development

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(f) Impairment of Assets

Property, plant and equipment and vehicles, infrastructure, cemetery renewal areas and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Board is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(f) Impairment of Assets (continued)

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities may be impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(g) Financial Instruments

In addition to cash and cash equivalents and term deposits, the Board has four categories of financial instruments:

- Loans and receivables;
- Available-for-sale financial assets;
- Financial liabilities measured at amortised cost; and
- Held-to-maturity investments

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Term deposits
- Fixed interest securities
- Equity securities
- Preference shares

Financial Liabilities

- Payables

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement of available-for-sale financial assets is measured at fair value based on market bid prices at balance sheet date. Changes in fair value are recognised in equity. Subsequent measurement of loans and receivables and held-to-maturity investments is at amortised cost using the effective interest method

The fair value of short-term receivables, current term deposits and payables, carried at amortised cost, approximates their carrying amount.

See Note 2(k) - 'Investments and other financial assets'.

(h) Cash and Cash Equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include cash on hand.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory with the majority being valued on a first in first out basis.

Stock of Mausoleum crypts held for resale are valued at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(i) Inventories (continued)

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

(j) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. An allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See Note 2(g) - 'Financial Instruments' and Note 19 - 'Receivables'.

(k) Investments and Other Financial Assets

The Board classifies its investments into the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each balance sheet date. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

For the financial years presented, the Metropolitan Cemeteries Board did not hold any investments as held for trading assets. After initial recognition, investments classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investments is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Fair values of quoted investments are based on current bid prices.

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(l) Payables

Payables are recognised when the Board becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See Note 2(g) - 'Financial Instruments' and Note 25 - 'Payables'.

(m) Provisions

Provisions are liabilities of uncertain timing and amount. The Board only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance date and adjusted to reflect the current best estimate. See Note 26 - 'Provisions'.

(i) Provisions – Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

A liability for long service leave is recognised after an employee has completed three years of service. An actuarial assessment of long service leave was undertaken by PriceWaterhouseCoopers at 30 June 2009

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Board does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

(m) Provisions (continued)

(i) Provisions – Employee Benefits (continued) Provisions – Employee Benefits

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

One employee contributed to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members. Thirteen other employees who are not members of this scheme are non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund. The Board contributes to this accumulation fund in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The GSS Scheme and the WSS Scheme, where the current service superannuation charge is paid by the Board to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme and WSS Scheme are extinguished by the concurrent payment of employer contributions to the GESB. The Board has no liabilities under the Pension Scheme.

Local Government Superannuation Fund and other defined contribution plans

Employees of the Metropolitan Cemeteries Board are entitled, under the Government's superannuation choice legislation, to elect to have their contributions paid into qualifying superannuation funds of their choice.

The Metropolitan Cemeteries Board contributes to accumulation fund superannuation plans in respect of the majority of its employees. The superannuation expense for the reporting period is the amount of the statutory and non-statutory contribution obligation under the Local Government Superannuation Plan and other plans. The Board's legal or constructive obligation is limited to these contributions. Contributions for all employees are expensed for the period in which they are incurred.

(iii) Provisions – Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Board's 'Employment benefits expense' and the related liability is included in Employment on-costs provision. See Note 16 - 'Other expenses' and Note 26 - 'Provisions'.

(n) Superannuation Expense

The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due. See also Note 2(m) - 'Provisions – Employee Benefits' under Superannuation.

(o) Accrued Salaries

Accrued salaries (See Note 25 - 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Board considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(p) Leases

Lease income from operating leases, where the Board is a lessor, is recognised in income on a straight-line basis over the term. See also Note 12 - 'Other revenue'.

(q) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(r) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

3. Judgements made by management in applying accounting policies

(a) Impairment of available-for-sale financial assets

The Board follows the guidance of Australian Accounting Standard 139 – ‘Financial Instruments Recognition and Measurement’, in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgement. The Board evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(b) Inventories

The Board states its inventories at the lower of cost and net realisable value, where cost is calculated using the average cost method. Judgement has to be exercised on assessing the net realisable value of the inventories, which is the estimated selling price in the ordinary course of operation, less the cost of completion and selling expenses.

4. Key sources of estimation uncertainty

The key estimates and assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Impairment of Property, plant, equipment and vehicles and infrastructure

The Board assesses impairment at each reporting date by evaluating conditions specific to the Board that may lead to impairment of assets. Property, plant, equipment and vehicles and infrastructure consist of freehold land, buildings, plant, equipment and vehicles, office equipment, cemetery renewal areas, buildings and projects under construction and infrastructure. The value of these assets is assessed internally, annually with respect to the local market and also the condition and expected remaining life of the assets. No impairment of the assets has been recognised for the year ended 30 June 2009 (2008: nil).

(b) Estimation of useful lives of Property, plant, equipment and vehicles and infrastructure.

The Board determines the useful lives and related depreciation charges for its property, plant, equipment, vehicles and infrastructure. This estimate is based on the historical experience of the actual useful lives of the assets of similar nature and functions. It could change significantly as a result of technical innovations in response to severe industry cycles. The Board will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Board:

Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137];

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged.

Voluntary changes in Accounting Policy

The Board has applied a revision issued under TI 1101, for a change in its asset capitalisation threshold from \$1,000 to \$5,000 for items of property, plant and equipment and vehicles and intangible assets. This revision came into effect as at 1 July 2008. The retrospective adjustment was applied to the opening balance of retained earnings and Property, plant, equipment, and vehicles.

The Board applied the change in policy retrospectively to the opening balance of retained earnings and the impact on the financial statements has been as follows:

<u>Adjustments to:</u>	<u>Assets and accumulated depreciation</u>		<u>Retained earnings</u>
	Cost at 1/7/07	Accum depn to 1/7/07	Carrying amount at 1/7/07
Plant & equipment	352,280	197,885	154,395
Office equipment	325,932	204,520	121,412
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	678,212	402,405	275,807
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Except for the opening balance of retained earnings, comparative figures have not been restated to reflect this policy change, as the effect of changing the prior period depreciation and carrying values would not have been materially different if the change in accounting policy had always been applied.

5. Future impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Board has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

<u>Title</u>	<u>Operative for reporting periods beginning on/after</u>
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Board does not expect any financial impact when this Standard is first applied.	1 January 2009.
AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]. This standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. The Board does not expect any financial impact when the standard is first applied.	1 July 2009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)

	2009	2008
6. Trading profit		
Sales of mausoleum crypts	3,768,049	3,693,490
Cost of sales:		
Opening inventory	(10,020,214)	(11,531,367)
Transfer from works in progress on completion of new mausoleums	(1,934,381)	-
Adjustment to costs of sales	(5,226)	(31,655)
	<u>(11,959,821)</u>	<u>(11,563,022)</u>
Closing inventory	10,371,309	10,020,214
Cost of goods sold	<u>(1,588,513)</u>	<u>(1,542,808)</u>
Trading profit	<u>2,179,536</u>	<u>2,150,682</u>
7. Provision of services		
Burials	5,016,453	4,527,685
Cremations	6,388,571	5,996,603
Memorials	3,882,705	3,750,318
	<u>15,287,729</u>	<u>14,274,606</u>
8. Interest revenue		
Term deposits	554,350	361,208
Fixed interest securities	178,481	204,677
Bank accounts	14,359	19,457
	<u>747,190</u>	<u>585,342</u>
9. Dividend revenue		
Equity securities	344,534	376,284
Preference shares	193,857	226,482
Rebate of franking credits	208,416	251,212
	<u>746,807</u>	<u>853,978</u>
10. Net gain on sale of available-for-sale financial assets		
Carrying amounts of disposal of available-for-sale financial assets		
Equity securities	-	804,646
Preference shares	-	762,142
Proceeds from disposal of available-for-sale financial assets		
Equity securities – Sale of Rio Tinto Entitlements	49,094	1,009,660
Preference shares	-	750,000
Net gain	<u>49,094</u>	<u>192,872</u>
11. Gains on disposal of non-current assets		
Net book value of disposal of non-current assets	100,524	-
Plant equipment and vehicles	-	91,066
Proceeds from disposal of non-current assets		
Plant equipment and vehicles	159,482	115,831
Net gain	<u>58,958</u>	<u>24,765</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

	2009	2008
12. Other revenue		
Commission from Kiosks	92,053	81,682
Rental of leased land	109,000	109,000
Insurance recoveries	5,202	-
Miscellaneous income	12,053	19,111
	<u>218,308</u>	<u>209,793</u>
13. Employee benefits expense		
Wages and salaries (a)	6,147,132	5,541,094
Superannuation – defined contributions plans	988,145	890,138
Superannuation – defined benefits plans (see Note 2(m) – ‘Provisions’)	-	6,558
Long service leave (b)	213,135	62,732
Annual leave (b)	541,421	498,685
	<u>7,889,833</u>	<u>6,999,207</u>
(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.		
(b) Includes the superannuation contribution component.		
Employment on-costs such as workers compensation insurance are included at Note 16 - ‘Other Expenses’. The employment on-costs liability is included at Note 26 - ‘Provisions’.		
14. Supplies and services		
Communications	373,233	170,233
Consultants and contractors	746,480	759,333
Consumables	44,713	35,069
Materials	1,881,766	1,719,401
Travel	49,368	43,112
Other	102,494	107,807
	<u>3,198,054</u>	<u>2,834,955</u>
15. Depreciation expense		
Plant, equipment and vehicles	849,191	887,613
Office equipment	100,422	137,996
Buildings	609,978	605,271
Infrastructure	606,940	453,393
Cemetery renewal areas	58,834	40,448
Total depreciation	<u>2,225,365</u>	<u>2,124,721</u>
Amortisation expense		
Intangible assets	78,720	134,941
Total amortisation	<u>78,720</u>	<u>134,941</u>
Total depreciation and amortisation	<u>2,304,085</u>	<u>2,259,662</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

	2009	2008
16. Other expenses		
Building and infrastructure maintenance	634,906	566,834
Equipment repairs and maintenance	338,676	272,911
Employment on-costs ^(a) (see Note 13 - 'Employee benefits expense')	20,522	15,229
Board expenses	125,012	82,753
Kiosk operation expenses	12,183	5,492
Administration expenses	323,319	423,560
Other ^(b)	436,002	267,091
	<u>1,890,620</u>	<u>1,633,870</u>

(a) Includes worker's compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 26 - 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Audit cost, see Note 39 - 'Remuneration of Auditor'.

17. Impairment of assets

In assessing an impairment loss at balance sheet date for its available-for-sale financial assets, the Board analysed the potential indicators of impairment outlined in paragraphs 59(a) to 59(f) of AASB 139 "Measurement of Financial Instruments".

The Board used professional judgement in weighing up what was temporary or short term market volatility against longer term trends in assessing the likelihood that the Board would be able to recover its investments. The Board measured the impairment loss as the difference between the carrying amount and market price of financial instruments at 30 June 2009.

The breakdown of the impairment loss per class of available-for-sale financial assets was:

Equity securities	2,277,575	-
Preference shares	535,387	-
Fixed interest securities	857,674	-
	<u>3,670,636</u>	<u>-</u>

There were no indications of impairment to Buildings, Property, plant, equipment and vehicles, Infrastructure and Intangible assets at 30 June 2009.

The Metropolitan Cemeteries Board held no goodwill or intangible assets with an indefinite useful life during the reporting period and at the balance sheet date there were no intangible assets not yet available for use.

18. Inventories

Current

Inventories held for resale:

Mausoleum crypt stock - Stage 1 - at cost	3,794	7,588
Mausoleum crypt stock - Stage 3 - at cost	64,984	86,645
Mausoleum crypt stock - Stage 4 - at cost	1,780,220	2,876,935
Mausoleum crypt stock - Stage 5 - at cost	1,934,381	-
Mausoleum crypt stock - Fremantle - at cost	5,892,925	6,202,671
Mausoleum crypt stock - Midland - cost	171,360	214,199
Mausoleum crypt stock - Guildford - at cost	480,301	592,152
Vault stock - Midland - at cost	5,226	-
Ossuary Stock - at cost	38,118	40,024
	<u>10,371,309</u>	<u>10,020,214</u>

Inventories not held for resale:

Stores - at cost	227,002	204,716
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Mausoleum construction works in progress	243,264	1,979,813
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Total Inventory - Current	<u>10,841,575</u>	<u>12,204,743</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

	2009	2008
19. Receivables		
Current		
Receivables	1,078,919	1,101,627
Accrued revenue	344,552	398,581
	<u>1,423,471</u>	<u>1,500,208</u>
Allowance for impairment of receivables	-	-
	<u>1,423,471</u>	<u>1,500,208</u>
Prepayments	50,575	40,931
	<u>1,474,046</u>	<u>1,541,139</u>
 Credit risk		
Ageing of receivables past due but not impaired based on the information provided to senior management at the balance sheet date:		
Greater than 6 months	-	1,043
	<u>-</u>	<u>1,043</u>
The Board does not hold any collateral as security or other credit enhancements relating to receivables.		
See also Note 37 - 'Financial Instruments'.		
20. Other financial assets		
Current		
At cost:		
Held-to-maturity investments carried at amortised cost	11,742,807	6,532,713
	<u>11,742,807</u>	<u>6,532,713</u>
21. Available-for-sale financial assets		
At the beginning of year	13,758,555	13,510,199
Additions	588,699	4,196,874
Disposals (sale and redemptions)	-	(1,759,660)
Revaluation surplus/(deficit) transferred to equity	(2,331,679)	(2,188,858)
At end of year	<u>12,015,575</u>	<u>13,758,555</u>
 Equity securities	6,255,809	7,542,889
Preference shares	3,619,525	3,863,875
Fixed interest securities	2,140,241	2,351,791
	<u>12,015,575</u>	<u>13,758,555</u>
See also note Note 37 – 'Financial Instruments' and Note 17 – 'Impairment'		

(a) Listed securities

Listed securities comprise, equity securities, preference shares and fixed interest securities. All of these securities are available to be traded in active markets. The fair value of these securities is based on quoted market prices at the balance sheet date. The quoted market prices used for the listed securities held by the Board is the current bid price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

	2009	2008
22. Property, plant, equipment and vehicles		
Land		
At fair value (i)	19,270,000	18,309,700
	<u>19,270,000</u>	<u>18,309,700</u>
Buildings		
At fair value (ii)	21,073,949	21,393,721
Accumulated depreciation	-	(1,201,386)
	<u>21,073,949</u>	<u>20,192,335</u>
Buildings and projects under construction		
Construction costs	636,145	1,629,903
	<u>636,145</u>	<u>1,629,903</u>
Plant, equipment and vehicles		
At cost (iii)	5,167,491	5,116,755
Change in accounting policy	-	(154,395)
Accumulated depreciation	(2,840,674)	(2,401,151)
	<u>2,326,817</u>	<u>2,561,209</u>
Office equipment		
At cost	628,385	958,721
Change in accounting policy	-	(121,412)
Accumulated depreciation	(415,444)	(613,784)
	<u>212,941</u>	<u>223,525</u>
Cemetery renewal areas		
At cost	1,654,703	371,049
Accumulated depreciation	(253,858)	(195,024)
	<u>1,400,845</u>	<u>176,025</u>
	<u>44,920,697</u>	<u>43,092,697</u>

- (i) Freehold land was revalued as at 1 July 2008 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. All the land owned by the Board is used for cemetery purposes with the exception of 9.5 hectares of land adjacent to the Fremantle cemetery which is currently zoned and used for industrial purposes. Fair value of this land has been determined by the Western Australian Land Information Authority (Valuation Services) on the basis of its market value. Fair value of land used for cemetery purposes is valued by the Western Australian Land Information Authority (Valuation Services) on the basis of its current use.
- (ii) Buildings were revalued at 30 June 2009 by the Western Australian Land Information Authority (Valuation Services). Fair values were determined on the basis of their current use within a cemetery. Accumulated depreciation has been credited to the asset accounts prior to revaluation and the asset values restated to the revalued amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)

22. Property, plant, equipment and vehicles (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below:

Year ended 30 June 2009	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings	Buildings and projects under Construction	Total
Carrying amount at start of year	2,561,209	223,525	176,025	18,309,700	20,192,335	1,629,903	43,092,697
Additions	464,421	-	-	-	8,045	2,630,923	3,103,389
Transfers from / (out of) work in progress	246,429	94,309	1,283,654	-	1,082,375	(1,642,139)	(1,064,628)
Transfers to mausoleum stock	-	-	-	-	-	(1,934,381)	(1,934,381)
Disposals	(96,051)	(4,471)	-	-	-	-	(100,524)
Transfers to operating expenditure	-	-	-	-	-	(48,161)	(48,161)
Revaluation increments / (decrements)	-	-	-	960,300	401,172	-	1,361,472
Depreciation	(849,191)	(100,422)	(58,834)	-	(609,978)	-	(1,618,425)
Carrying amount at end of year	2,326,817	212,941	1,400,845	19,270,000	21,073,949	636,145	44,920,697
Year ended 30 June 2008							
Carrying amount at start of year	3,101,727	309,269	62,371	14,711,200	20,600,922	1,561,658	40,347,147
Change in accounting policy – write-off of assets less than \$5,000	(154,395)	(121,412)	-	-	-	-	(275,807)
Transfers between asset classes	-	-	-	-	-	7,000	7,000
Additions	347,326	142,666	-	-	-	2,253,310	2,743,302
Transfers from / (out of) Work in Progress	240,869	35,359	154,102	-	196,684	(2,187,895)	(1,560,881)
Disposals	(86,705)	(4,361)	-	-	-	-	(91,066)
Transfers to operating expenditure	-	-	-	-	-	(4,170)	(4,170)
Revaluation increments / (decrements)	-	-	-	3,598,500	-	-	3,598,500
Depreciation	(887,613)	(137,996)	(40,448)	-	(605,271)	-	(1,671,328)
Carrying amount at end of year	2,561,209	223,525	176,025	18,309,700	20,192,335	1,629,903	43,092,697

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)

23. Infrastructure

2009

2008

At fair value (i)	13,937,251	19,756,071
Accumulated depreciation	-	(453,393)
	<u>13,937,251</u>	<u>19,302,678</u>

- (i) Infrastructure assets were revalued at 30 June 2009 by the Western Australian Land Information Authority. Fair values were determined on the basis of the depreciated replacement cost of the assets. Accumulated depreciation has been credited to the asset accounts prior to revaluation and the asset values restated to the revalued amounts.

Reconciliation		
Carrying amount at start of year	19,302,678	18,192,000
Transfers from work in progress	869,753	1,564,071
Revaluation decrements	(5,628,240)	-
Depreciation expense	(606,940)	(453,393)
Carrying amount at end of year	<u>13,937,251</u>	<u>19,302,678</u>

24. Intangible assets

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(404,826)	(326,106)
	<u>-</u>	<u>78,720</u>

Reconciliation		
Carrying amount at start of year	78,720	213,661
Amortisation expense	(78,720)	(134,941)
Carrying amount at end of year	<u>-</u>	<u>78,720</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

25. Payables	2009	2008
Current		
Trade payables	1,452,182	910,997
GST payable	206,705	233,159
Accrued expenses	146,841	139,960
Accrued salaries	84,030	60,741
Retention monies held on capital projects	96,219	147,914
	<u>1,985,977</u>	<u>1,492,771</u>

See Note 37 - 'Financial instruments'.

26. Provisions		
Current		
Employee benefits provision		
Annual leave (i)	654,178	632,376
Long service leave (ii)	<u>357,042</u>	<u>376,189</u>
	1,011,220	1,008,565
Other provisions		
Employment on-costs (iii)	<u>12,983</u>	<u>10,975</u>
	12,983	10,975
	<u>1,024,203</u>	<u>1,019,540</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	<u>435,754</u>	<u>362,541</u>
	435,754	362,541
Other provisions		
Employment on-costs (iii)	<u>7,538</u>	<u>4,254</u>
	7,538	4,254
	<u>443,292</u>	<u>366,795</u>

(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	402,780	389,358
More than 12 months after balance sheet date	<u>251,398</u>	<u>243,018</u>
	654,178	632,376

(ii) Long service liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	357,042	72,889
More than 12 months after balance sheet date	<u>435,754</u>	<u>665,841</u>
	792,796	738,730

(iii) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers compensation premiums. The provision is measured at the present value of expected future payments. The associated expense is included at Note 16 - 'Other expenses'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

26. Provisions (continued)	2009	2008
<u>Movements in other provisions</u>		
Employment on-cost provision		
Carrying amount at start of year	15,229	14,635
Net additional provisions recognised	5,292	594
Carrying amount at end of year	<u>20,521</u>	<u>15,229</u>
27. Other current liabilities		
Current		
Income received in advance	4,351	4,188
	<u>4,351</u>	<u>4,188</u>
28. Pre-need agreements		
Current		
Cremation	472,208	434,758
Burial	133,184	104,263
	<u>605,392</u>	<u>539,021</u>
Non-current		
Cremation	4,935,684	4,791,878
Burial	1,166,240	1,095,299
	<u>6,101,924</u>	<u>5,887,177</u>
29. Grant Renewals		
Non-current		
Mausoleum grant renewals	637,170	583,896
Other grant renewals	897,663	683,427
	<u>1,534,833</u>	<u>1,267,323</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

	2009	2008
30. Equity		
Contributed equity		
Balance at start of year	13,640,938	13,640,938
Balance at end of year	<u>13,640,938</u>	<u>13,640,938</u>
Reserves		
Asset revaluation reserve		
Balance at start of year	33,757,593	30,159,093
Net revaluation increments/(decrements)		
Land	960,300	3,598,500
Infrastructure	(5,628,240)	-
Buildings	401,172	-
Balance at end of year	<u>29,490,825</u>	<u>33,757,593</u>
Available-for-sale financial assets revaluation reserve		
Balance at start of year	(768,045)	1,613,685
Revaluation of shares	(2,331,679)	(2,188,858)
Transfer of profit on sale to Income Statement	-	(192,872)
Impairment write-off	3,670,636	-
Balance at end of year	<u>570,912</u>	<u>(768,045)</u>
Balance of asset revaluation reserve at end of year	<u>30,061,737</u>	<u>32,989,548</u>
Retained earnings		
Balance at start of year	39,396,128	34,938,081
Change in accounting policy – write-off of assets less than \$5,000	-	(275,807)
Result for the period	358,996	4,733,854
Balance at end of year	<u>39,755,124</u>	<u>39,396,128</u>
Balance of equity at end of year	<u>83,457,799</u>	<u>86,026,614</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

31. Notes to the Cash Flow Statement

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2009	2008
Cash and cash equivalents	225,820	92,184
	<u>225,820</u>	<u>92,184</u>

(b) Reconciliation of profit to net cash flows provided by operating activities

Profit	358,996	4,733,854
Non-cash items:		
Profit on sale of property, plant, equipment and vehicles	(58,958)	(24,765)
Depreciation of non-current assets	2,304,085	2,259,662
Profit on sale of investments	-	(192,872)
Impairment write off on available-for-sale financial assets	3,670,636	-
Refund for write-off of asset less than \$5,000	95	-
(Increase)/decrease in assets:		
Other current assets	81,058	(153,337)
Current inventories	1,639,068	(341,047)
Increase/(decrease) in liabilities		
Current payables	291,920	(399,899)
Pre-need agreements	548,627	624,779
Current provisions	163	3,257
Employee provisions	81,160	53,342
Net GST receipts/(payments)		
Change in GST receivables/(payables)	(26,454)	37,751
Net cash provided by operating activities	<u>8,890,396</u>	<u>6,600,725</u>

32. Resources provided free of charge

During the year the Board did not receive any resources free of charge.

33. Commitments for Expenditure

Capital expenditure commitments
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	<u>237,000</u>	<u>222,000</u>
The capital commitments include amounts for:		
Buildings	98,000	-
Infrastructure	-	222,000
Plant and equipment	139,000	-
	<u>237,000</u>	<u>222,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

34. Contingent liabilities and contingent assets

As at 30 June 2009, the Board did not have any contingent liabilities or contingent assets.

35. Events occurring after the balance sheet date

The Metropolitan Cemeteries Board did not have any material events occurring after the balance sheet date.

36. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2009 and between actual results for 2009 and 2008. Significant variations are considered to be those greater than \$100,000.

Significant variances between actual and prior year actual – revenues and expenditures

	2009 Actual	2008 Actual	Variance
Provision of services	15,287,729	14,274,606	1,013,123
Interest revenue	747,190	585,342	161,848
Dividend revenue	746,807	853,978	(107,170)
Gain on sale of available-for-sale financial assets	49,094	192,872	(143,778)
Commission on sand extractions from Rockingham Regional Memorial Park	24,602	169,510	(144,908)
Employee benefits expense	7,889,833	6,999,207	(890,626)
Supplies and services	3,198,055	2,834,955	(363,100)
Impairment of available-for-sale financial assets	3,670,636	-	(3,670,636)
Other expenses	1,890,620	1,633,870	(256,750)

Provision of services

During the year, the Board carried out 2,335 burials and entombments and 7,739 cremations, compared to 2,359 burials and entombments and 7,517 cremations in the previous year. The overall increase in these funeral numbers combined with an increase in the sales of memorial products has resulted in the significant improvement in this area of the Board's core services.

Interest revenue

During the year, due mainly to the deterioration of the stock market, the Board decided to invest funds in Term Deposit rather than in equities. This strategy increased the amounts of interest earned during the year on this area of the Board's investment portfolio.

Dividend revenue

Due to the economic downturn, dividends on the Board's equity investments reduced in comparison to the previous year.

Gain on sale of available-for-sale financial assets

Due to the economic downturn, the Board did not sell any of its shareholdings. The only sale that occurred in the financial year related to the sale of the Board's entitlement to shares under a rights issue by Rio Tinto Limited.

Commission on sand extractions from Rockingham Regional Memorial Park

Due mainly to the economic downturn, the volume of sand extracted by the Board's contractors, from the Rockingham Regional Memorial Park cemetery development site at Baldivis, was reduced in comparison to the previous year.

Employee benefits expense

The increase can be attributed mainly to a combination of annual approved increases under the Government's wages policy, annual progressive step increases under the various awards and reclassification of some staff positions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

36. Explanatory statement (continued)

Supplies and services

This expenditure has increased since last year due to general increases across all of the Board's support services and programs.

Impairment of available-for-sale financial assets

In accordance with the provisions of AASB 139 the Board has recognised the impairment of some of the shares in its investment portfolio which have been classified as available-for-sale financial assets. (See also note Note 37 – 'Financial Instruments' and Note 17 – 'Impairment')

Other expenses

The increase relates mainly to additional costs of maintenance and administration of the Board's assets over the year.

Significant variances between estimate and actual results for the financial year

	2009 Estimates	2009 Actual	Variance
Provision of services	14,347,276	15,287,729	940,453
Interest revenue	1,023,537	747,190	(276,347)
Dividend revenue	108,000	746,807	638,807
Commission on sand extractions from Rockingham Regional Memorial Park	350,000	24,602	(325,398)
Other revenue	117,089	218,308	(101,219)
Employee benefits expense	7,782,654	7,889,833	107,179
Depreciation and amortisation expense	2,196,000	2,304,084	108,084
Impairment of available-for-sale financial assets	-	3,670,636	(3,670,636)
Other expenses	1,780,747	1,890,620	(109,873)

Provision of services

The Board experienced improvements in revenue from all of its core business areas during the year compared to the estimates. The number of cremations carried out during the year exceeded budget by 274. The Board also achieved improvements in sales of memorial products due to a wider range of memorial products being made available to clients.

Interest revenue

Due to the extended downturn in the financial markets and the associated reduction in interest rates, the Board failed to achieve its target for interest received during the year.

Dividend revenue

The budget set by the Board under estimated the dividends that would be earned on its investment portfolio and did not include an estimate for recoup of imputation credits on dividends received.

Commissions on sand extractions from Rockingham Regional Memorial Park

Due mainly to the economic downturn, the volume of sand extracted by the Board's contractors from the Rockingham Regional Memorial Park cemetery development site at Baldivis, did not reach the estimate.

Other revenue

Actual income exceeded estimates due mainly to an improvement in the contribution from the Board's café and condolence lounge contracts.

Net gain on sale of available-for-sale financial assets

The only sale that occurred in the financial year related to the sale of the Board's entitlement to shares under a rights issue by Rio Tinto Limited. The Board did not budget for any sales of available-for-sale financial assets.

Employee benefits expense

The over expenditure has arisen mainly due to an under estimate of the charge for annual and long service leave.

Depreciation and amortisation expense

The charge for depreciation was under estimated due mainly to a number of capital projects, included in work in progress at the time that the budget was finalised, being completed and capitalised during the early part of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

36. Explanatory statement (continued)

Impairment of available-for-sale financial assets

Impairment of the Board's available-for-sale financial assets was not contemplated at the time of the budget preparation.

Other expenses

The increase relates mainly to additional costs of maintenance and administration of the Board's assets over the year.

37. Financial Instruments

Financial risk management objectives and policies

Financial instruments held by the Board are cash and cash equivalents, term deposits, listed shares, fixed interest securities, receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below. Investment decisions are made by the Board's Finance and Internal Audit Committee on the basis of advice received from the Board's professional financial advisers. Risks associated with the investments are managed through the application of the guidelines set out in the Board's Investment Policy. See Note 3 – 'Financial risk management'.

(a) Market risk

i) Price risk

The Board is exposed to equity security price risk because of the investments held by the Board which are classified as available-for-sale. These securities are listed in Australia. The Board is not exposed to commodity risk. To manage its price risk arising from investment in equity securities, the Board diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board.

Sensitivity analysis

If prices for equity securities listed in Australia change by 20% (2008: 20%) with all other variables being held constant, the profit and equity will be:

	2009		2008	
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	\$'000	\$'000	\$'000	\$'000
Listed in Australia				
- increased by *	2,403	2,403	-	1,376
- decreased by	(2,403)	(2,403)	-	(1,376)

* The sensitivity of a price increase of + 20% in 2009/10 will result in a reversal to profit and loss of a proportion of the impairment loss raised in 2008/09.

ii) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the balance sheet. It is the risk, that changes in interest will affect the Board's income or the value of its holdings of financial instruments. The Board's exposure to interest rate risk for changes in interest rates arise mainly from its term deposits. Interest rate risk is managed by the Board on an on-going basis with the primary objective of limiting the extent to which net interest income could be affected by an adverse movement in interest rates.

The Board's policy is to obtain the most favourable interest rates available for its term deposits. They are placed where the interest rates are beneficial.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)

37. Financial Instruments (continued)

Sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Board's financial assets at the balance sheet date on the profit for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	2009			2008		
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Carrying amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	226			91		
- increased by *		2	2		-	-
- decreased by *		(2)	(2)		-	-
Term deposits	11,743			6,533		
- increased by		117	117		65	65
- decreased by		(117)	(117)		(65)	(65)

* The sensitivity to an interest rate change of $\pm 1\%$ calculated on the average balance of cash and cash equivalents held during the year. In 2007/08, this was less than \$1,000.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Board. For trade receivables, the Board adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security, where appropriate, to mitigate credit risk. For other financial assets, the Board adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management. The Board's trade receivables comprise 29 debtors (2008: 19 debtors) that represent 100% of trade receivables.

As the Board does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instrument presented on the balance sheet.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Board.

The Board's trade receivables not past due include receivables amounting to \$1,078,919 (2008: \$1,100,584) that would have been past due or impaired if the terms were not re-negotiated during the year.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

For the age analysis of trade receivables past due but not impaired, refer to Note 19 – 'Receivables'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)**

37. Financial Instruments (continued)

(c) Liquidity risk

The Board manages the liquidity risk by maintaining sufficient cash and term deposits to enable the Board to meet their normal operating commitments.

The following table details the exposure to the liquidity risk and interest rate risk as at the balance sheet date. The table is based on information provided to senior management of the Board. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Board does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Board does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

	Weighted Average Effective Interest Rate	Variable Interest Rate Less than 1 year \$000	Non-interest Less than 1 year \$000	bearing 3 – 5 years \$000	Contractual maturity Date Within 1 year \$000	Carrying Amount \$000
2009	%	\$000	\$000	\$000	\$000	\$000
<u>Financial Assets</u>						
Cash and cash equivalents	4.5%	225	-	-	-	225
Receivables	-	-	1,079	-	-	1,079
Other financial assets	5.8%	11,743	-	-	-	11,743
Available-for-sale financial assets	-	-	-	12,016	-	12,016
Other current assets	-	-	395	-	-	395
		11,968	1,474	12,016	-	25,458
<u>Financial Liabilities</u>						
Payables	-	-	1,986	-	-	-
		-	1,986	-	-	-
2008						
<u>Financial Assets</u>						
Cash and cash equivalents	6.33%	92	-	-	-	92
Receivables	-	-	1,102	-	-	1,102
Other financial assets	7.18%	-	-	-	6,533	6,533
Available-for-sale financial assets	-	-	-	13,758	-	13,758
Other current assets	-	-	439	-	-	439
		92	1,541	13,758	6,533	21,924
<u>Financial Liabilities</u>						
Payables	-	-	1,493	-	-	1,493
		-	1,493	-	-	1,493

(d) Fair Values

The carrying amount of the financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 2 (k) – ‘Investments and Other Financial Assets’.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (continued)

38. Remuneration of members of the Board and Senior Officers

Remuneration of members of the Board

The number, of members of the Board whose total fees, salaries, superannuation, non-monetary benefits and other benefits received for the financial year, which fell within the following bands, is:

	2009	2008
	\$	\$
\$0 - \$10,000	6	6
\$10,001 – \$20,000	1	1

The total remuneration of the members of the Board is:

56,615	53,600
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The total remuneration includes the superannuation expense incurred by the Board in respect of members of the Board.

No members of the Board are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers, other than senior officers reported as members of the Board, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, which fell within the following bands, is:

	2009	2008
	\$	\$
\$70,001 - \$80,000	1	-
\$110,001 - \$120,000	-	1
\$120,001 – \$130,000	-	1
\$130,001 – \$140,000	1	1
\$140,001 - \$150,000	1	-
\$200,001 - \$210,000	1	1

The total remuneration of senior officers is:

564,868	583,176
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The superannuation included here represents the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Board.

No senior officers are members of the Pension Scheme

39. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators	42,000	42,000
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40. Supplementary Financial Information

Write-Offs

Bad debt written off by the Board during the financial year	1,043	-
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The bad debt written-off during the year relates to an overpayment of an employee's wages in the 2005/06 financial year. The employee resigned from the Board shortly after this overpayment occurred. The Board together with a contracted debt collector made every effort to recover the debt but has been unsuccessful in locating the employee.

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Metropolitan Cemeteries Board's performance, and fairly represent the performance of the Metropolitan Cemeteries Board for the financial year ended 30 June 2009.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN PSM
CHIEF EXECUTIVE OFFICER

11th September 2009

KEY PERFORMANCE INDICATORS

A key component of MCB's focus on improving its service to the community is to ensure its performance is measured in a way that adds value to the overall planning and delivery of those services.

Outcome

Funerals and memorial services that meet the needs and expectations of the community.

Notes.

1. Funerals means burials, cremations and entombments.

Effectiveness Indicator (audited by Office of the Auditor General)

Extent of customer satisfaction with funeral and memorial services.

	2008/2009				
	Target	2008/2009	2007/2008	2006/2007	2005/2006
Industry	85%	78%	77%	89%	84%
Public	85%	86%	92%	90%	89%

Notes.

1. Levels of satisfaction among the public and industry remain relatively high.
2. The relatively stable satisfaction score for the public reflects an ongoing high level of satisfaction amongst this group over an extended timeframe.
3. Satisfaction amongst the industry group has risen marginally to 78% but is still lower than the rates recorded in earlier surveys. When considering this figure it is important to note that this does not necessarily suggest a large level of dissatisfaction. Out of the surveys conducted, 17% of Funeral Directors were dissatisfied, as were just 2% of Clergy/Celebrants, the simple average of these two figures equates to an average 10% dissatisfaction score; with the remainder neither one nor the other.
4. A total of 501 surveys were conducted. The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed. The industry section was completed by telephone interview. The public section was by mailed self completion.

Groups	Pop	Sample	ES	RR%	Error
Industry	125	125	106	85	±3.7%
Public	9,500	1,903	395	21	±4.9%

Groups = Customer Groups; Pop = Population; Sample = Sample Frame; ES = Effective Sample; RR% = Response Rate %; Error = Survey Error at 95% confidence level.

- The Industry group includes funeral directors and clergy. Community groups and suppliers were not surveyed.

- Family members of the deceased were surveyed for the Public group. Visitors and mourners were not included in the Public group as the survey was targeted at users of the services.

Efficiency Indicator (audited by Office of the Auditor General)

The average cost per funeral includes all operating expenses.

Over the past 5 years the average cost per funeral was:

	<u>Actual</u>	<u>Target</u>
2008/2009	\$1,673.80	\$1,696.89
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88
2005/2006	\$1,463.28	\$1,458.78
2004/2005	\$1,299.29	\$1,445.80

Notes.

1. Funeral services include cremations and interments in gravesites and the mausoleums.
2. Costs of funeral services include the provision and maintenance of grounds, chapels, crematorium, administration costs of the cemeteries, burial services, memorial products and the supply of information to customers.
3. The increase in the cost per funeral in 2008/2009 has arisen mainly due to increased costs of Salaries, Wages and on-costs and other operating costs. The increase in Salaries, Wages and on-costs can be attributed mainly to a combination of:
 - annual approved increases under the Government's wages policy
 - annual progressive step increases under the various awards combined with reclassification of some positions.

Despite the increase compared to the previous year, the cost per funeral for the current financial year has been limited to \$1,673.80, which is slightly below the Target figure of \$1,696.89.

METROPOLITAN CEMETERIES BOARD
BUDGETED FINANCIAL STATEMENTS (UNAUDITED)
For the Year Ending 30 June 2010

Index of Budget Statements:

Budgeted Income Statement for Metropolitan Cemeteries Board
Budgeted Balance Sheet for Metropolitan Cemeteries Board
Budgeted Cash Flow Statement for Metropolitan Cemeteries Board

Note: The budget Statements of Financial Performance, Financial Position and Cash Flows are un-audited and are not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2010

INCOME

	2010	2009
	\$	\$
Revenue		
Sales	3,304,780	3,768,049
Provision of Services	15,525,449	15,287,729
Interest revenue	1,048,620	747,190
Dividend revenue	108,000	746,807
Commission on Sand Extractions from Rockingham Regional Memorial Park	50,000	24,602
Other revenue	198,901	218,308
<i>Gains</i>		
Gains on disposal of non-current assets	34,809	58,958
Gains on sale of available-for-sale financial assets	-	49,094
Total Income	<u>20,270,559</u>	<u>20,900,737</u>

EXPENSES

Expenses		
Cost of Sales	1,437,990	1,588,513
Employees benefits expenses	8,649,070	7,889,833
Supplies and Services	5,003,910	3,198,055
Depreciation and amortisation expense	2,492,927	2,304,084
Impairment of available-for-sale financial assets	-	3,670,636
Other expenses	444,100	1,890,620
Total expenses	<u>18,027,997</u>	<u>20,541,741</u>

NET PROFIT

<u>2,246,562</u>	<u>358,996</u>
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Note: The budgeted Statement of Financial Performance is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED BALANCE SHEET
AS AT 30 JUNE 2010

	2010	2009
	\$	\$
Current Assets		
Cash and cash equivalents	18,093	225,820
Inventories	9,840,576	10,841,575
Receivables	716,350	1,474,046
Other Financial Assets	11,639,375	11,742,807
Other Assets	200,752	-
Total Current Assets	22,415,146	24,284,248
Non Current Assets		
Available for sale financial assets	13,775,156	12,015,575
Property, plant, equipment and vehicles	45,859,486	44,920,697
Infrastructure	20,306,560	13,937,251
Total Non-current Assets	79,941,202	70,873,523
Total Assets	102,356,348	95,157,771
Current Liabilities		
Payables	579,871	1,985,977
Provisions	977,575	1,024,203
Other current liabilities	292,948	4,351
Pre-need Agreements	1,333,225	605,392
Total Current Liabilities	3,183,619	3,619,923
Non-Current Liabilities		
Provisions	461,192	443,292
Pre-need Agreements	5,332,899	6,101,924
Grant Extensions	1,481,153	1,534,833
Total Non-Current Liabilities	7,275,244	8,080,049
Total Liabilities	10,458,863	11,699,972
NET ASSETS	91,897,485	83,457,799
Equity		
Contributed equity	13,640,938	13,640,938
Reserves	35,381,043	30,061,737
Retained earnings	42,875,504	39,755,124
TOTAL EQUITY	91,897,485	83,457,799

Note: The budgeted Statement of Financial Position is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED CASH FLOW STATEMENT
FOR THE YEAR ENDING 30 JUNE 2010

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES: -		
Receipts		
Sale of goods and services	15,525,446	15,841,792
Services – mausoleum	3,304,779	3,768,049
Receipts from commissions on sand sales	50,000	24,602
Interest received	867,465	636,073
Dividends received	289,155	943,354
Sale of share entitlements	-	49,094
GST receipts on sales	806,510	1,978,004
Other Receipts	79,500	218,308
Payments		
Supplies and services	(5,167,500)	(4,299,227)
Employees benefits	(8,998,280)	(8,265,196)
GST payments on purchases	(532,659)	(844,379)
GST payments to taxation authority	(273,851)	(1,160,078)
Net cash provided by operating activities	<u>5,950,565</u>	<u>8,890,396</u>
CASH FLOWS FROM INVESTING ACTIVITIES: -		
Proceeds from sale of non-current physical assets	-	159,481
Purchase of investments	(721,672)	(5,812,758)
Purchase of non-current physical assets	(5,228,893)	(3,103,483)
Net cash used in investing activities	<u>(5,950,565)</u>	<u>(8,756,760)</u>
Net increase/(decrease) in cash and cash equivalents	<u>-</u>	<u>133,636</u>
Cash and cash equivalents at the beginning of the period	18,093	92,184
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>18,093</u>	<u>225,820</u>

Note: The budgeted Statement of Cash Flows is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.