



METROPOLITAN
CEMETERIES BOARD

Annual Report 2003/2004



Gazebo Garden, Fremantle

Compassion, Respect & Understanding



Arbor Lane, Karrakatta

Locations and Contact Details

Head Office

Karrakatta Cemetery
Railway Road
Karrakatta WA

Postal Address:
PO Box 53
Claremont 6910, WA
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 6957
Telephone: (08) 9319 0400
Facsimile: (08) 9339 8992

Pinnaroo Valley Memorial Park
Whitfords Avenue
Padbury WA
Postal Address:
PO Box 362
Hillarys 6923 WA
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
(Opening 2007)

Hon. T.G. Stephens BA MLC
Minister for Local Government and Regional Development; the
Kimberley, Pilbara and Gascoyne
11th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

In accordance with Section 66 of the Financial Administration and Audit Act 1985, 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 2004.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

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 PSM
CHIEF EXECUTIVE OFFICER

27 August 2004

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Organisational Values and Goals

Our Vision

Compassion, Respect and Understanding.

Our Mission

To provide Quality Services and Facilities for Burials, Cremations and Commemoration.

Our Values

We are committed to:

Striving for customer service EXCELLENCE through continuous assessment, innovation and improvement

Acting ethically, with INTEGRITY, professionalism and courtesy

A safe and caring workplace where people can achieve with PRIDE,
TRUSTING, SUPPORTING and CO-OPERATING with each other
and the community

Caring for our ENVIRONMENT, past, present and future

Our Goals

To be a customer focused organisation

To be a leader in cemetery management

Highlights of 2003-2004

New management arrangements for Fremantle Cemetery

The management of Fremantle Cemetery was transferred to the Metropolitan Cemeteries Board effective 1 July 2003.

New Board appointments

A new Board was appointed effective 1 July 2003 for a 12-month term.

New organisational structure

A major project for the year was the development of a new organisational structure to meet the needs of the expanded organisation.

Stage 3 of Karrakatta Mausoleum

The third stage, including an enclosed chapel, was completed in April 2004.

Swan Region Mausoleum

Swan Region Mausoleum at Guildford Cemetery was completed and officially opened on 14 April 2004.

Mausoleum at Midland Cemetery

A new mausoleum at Midland Cemetery was completed and officially opened on 28 May 2004.

Fremantle Mausoleum

A ground-breaking ceremony for the construction of a mausoleum at Fremantle Cemetery took place on 3 March 2004.

New Memorial Gardens, Karrakatta

Two new memorial gardens, Arbor Lane and Bill Manners Walk, were created at Karrakatta Cemetery.



Father Sherman of St Patrick's Basilica takes part in the Mausoleum ground-breaking ceremony.

Medical Science Memorial Garden

A Medical Science Memorial Garden, for the commemoration of people who have donated their mortal remains for the purpose of scientific research, was officially opened on 1 August 2003, in a joint ceremony with the University of Western Australia School of Anatomy and Biology.

Homicide Victims' Memorial

The Board worked with the Homicide Victims' Support Group to create a special memorial at Pinnaroo Valley Memorial Park. Late in the year arrangements were underway to host a launch of the memorial by Attorney-General Jim McGinty.

Award for Funeral Webcasting

Funeral Webcasting won a Silver Award in the 2003 Government Technology Productivity Awards presented in Sydney on September 16.

Midland Cemetery Centenary

The Board marked the first grave used at Midland Cemetery on 24 April, 1904 with a commemoration plaque.

Cemetery Renewal

In pursuance of the Board's sustainability policies, two previously used burial sections at Karrakatta were redeveloped for new burials and memorials.

Operating Surplus

The Board achieved a net operating surplus of \$2,318,735 for the year ended 30 June 2004.



*The Medical Science
Memorial Garden,
Karrakatta*

Chairman's Report

The 2003/2004 financial year was not only a very busy one for the Metropolitan Cemeteries Board; it was also a year of historical note.

The Board assumed management of Fremantle Cemetery on 1 July 2003 and during the year also embarked on a significant multi-site capital works program. Both of these events presented many additional responsibilities over and above our normal day-to-day customer service and cemetery management duties.

The Government's decision to bring Fremantle Cemetery under the management of the Metropolitan Cemeteries Board follows a lengthy process which has seen many government functions consolidated in the past two to three years in order to reduce waste and duplication.

The concept of a single management board for all metropolitan cemeteries was first articulated in 1988, the year that the Metropolitan Cemeteries Board was formed. The establishment of the Board was the result of an extensive enquiry and subsequent recommendations from a wide-ranging interdepartmental and funeral industry review committee.

The committee's report extolled the virtues of a single authority which would not only manage and co-ordinate the activities of all operating cemeteries, but would also plan for new cemeteries as required in strategic locations and advise government on priorities for development. However, for various reasons, although the Metropolitan Cemeteries Board was established with the review committee objectives in view, management of Fremantle Cemetery was vested in a separate local board.

A more recent whole-of-government functional review taskforce clearly identified in its recommendations efficiencies to be gained, and duplications to be avoided, by vesting management of Fremantle Cemetery in the Metropolitan Cemeteries Board.

This government decision has added a new dimension to the Board's activities. Fremantle Cemetery is an important community landmark with a unique character and heritage values. The Metropolitan Cemeteries Board is committed to respecting and nurturing these values, with the assistance of the dedicated and continuing staff at the cemetery. We are also fortunate to have on our Board the specialised Fremantle expertise and local knowledge of Deputy Chair Jean Hobson, Board member Don Whittington, and myself - all of us being long-time local residents of the port city.



Ross Bowe

“Fremantle Cemetery is an important community landmark with a unique character and heritage values.”

The 2003/2004 Annual Report publishes a number of figures which clearly identify the savings and other tangible benefits already occurring as a result of the government's decision.

The other major initiative in the financial year was the development of three new mausoleum facilities and the commencement of a fourth. New mausoleums were opened at Midland and Guildford Cemeteries. A beautiful new third stage of Karrakatta Mausoleum, comprising an enclosed chapel, added another 520 crypts to that facility.

A tender was let and construction was well advanced for the first stage of a new mausoleum at Fremantle Cemetery. This project will provide 996 crypts initially in a variety of settings and configurations. Seldom, if ever, has the Board undertaken such a vigorous capital works program over several widely separated sites across the metropolitan area.

The imperative to ensure sufficient cemetery land in the metropolitan area presented another major challenge for the Board and we have worked closely with an interdepartmental working group to locate suitable land for cemeteries in the immediate and long term. Endeavours are being made to secure land adjacent to Guildford Cemetery and at Whitby Falls, south of Armadale.

The Board continues to innovate with new and enhanced information technology and communications infrastructure and services. During the year under review the Board has made significant progress in the redevelopment of a cemetery records system using web-based technology. Our Funeral Webcasting service has become increasingly popular and we have also brought online the Book of Remembrance facility and a memorial photography service.

In conclusion, I take this opportunity to thank all fellow Board members and the professional, loyal and dedicated staff we have across all of our cemetery sites.

It has been a busy and challenging year which included the need for an organisational restructure to accommodate changes. I am confident the Board is well-placed to continue and improve its exemplary record of service to the community of Western Australia.



Ross G. Bowe, Chairman

"The imperative to ensure sufficient cemetery land in the metropolitan area presented another major challenge for the Board"

Review of Operations

The Metropolitan Cemeteries Board's goals are:

To be a customer focused organisation

To be a leader in cemetery management

In the past the Board's annual reports have been structured to address these two goals, and a number of strategies within these goals. (These goals and strategies are stated in full on page 5 above).

This year, the annual report has been structured differently to comply with the 2003-2004 Western Australian Public Sector Annual Report Framework. In accordance with this Framework, the Board's agency-specific and obligatory reporting sections that follow are arranged to respond to the five goals within the State Government's "Better Planning, Better Services: A Strategic Planning Framework."

The Board considers that in pursuing its own stated goals, it is also contributing to the achievement of all of the whole-of-Government goals, and a number of the Strategic Outcomes contained within the Government's Strategic Planning Framework.

The reporting that follows will demonstrate the synergies that exist between the Board's long-standing agency goals, and the Government's more recently stated strategic goals relating to:

People and Communities
The Economy
The Environment
The Regions
Governance

"The reporting that follows will demonstrate the synergies that exist between the Board's long-standing agency goals, and the goals of the Government's Strategic Planning Framework."

Goal 1: People and Communities

“To enhance the quality of life and wellbeing of all people throughout Western Australia”

Strategic Outcome:

“A society that recognises the varying contribution of its diverse population, and is able to respond effectively to the needs of its diverse population.”

New Mausoleum Developments

In response to growing demand for above-ground entombment facilities, primarily from the Italian community, the Board completed three mausoleum developments during the year, and commenced a fourth. The projects were:

- stage three of Karrakatta Mausoleum, incorporating an enclosed chapel (completed April 2004)
- Swan Region Mausoleum, a 168-crypt garden mausoleum at Guildford Cemetery (officially opened 14 April 2004)
- a 48-crypt enclosed chapel at Midland Mausoleum (officially opened 28 May 2004).

Medical Science Memorial Garden

A new garden was created at Karrakatta Cemetery to commemorate the lives of people who have bequeathed their mortal remains to the University of Western Australia's medical science research programs.

The Medical Science Memorial Garden, located next to Lawn S near the cemetery's chapel complex, provides a dignified location for the placement of donors' ashes, with individual memorial plaques to be dedicated to each deceased person.

The project is a joint initiative of the Metropolitan Cemeteries Board and the University of Western Australia's School of Anatomy and Human Biology.

For many years the Board has provided cremation services for the School, and in many instances the ashes have been respectfully scattered over an old rose garden at Karrakatta.



Board member Joe O'Dea, Construction Manager Ken Lawson and Local Government Minister Tom Stephens at the Karrakatta Mausoleum Stage 3 building site.

The garden was officially launched in a ceremony on 1 August 2003.

Homicide Victims' Memorial

The Homicide Victims' Support Group WA approached the Metropolitan Cemeteries Board during the year with a request to establish a special memorial garden at Pinnaroo Valley Memorial Park.

The Group had received funding from the State Government to create this garden and will use it to commemorate friends and family members whose lives have been taken by others. The Metropolitan Cemeteries Board provided the land, along with landscaping materials and labour.

The garden, with a central memorial plinth and places for numerous individual plaques, was established near Sir Thomas Meagher Lake. It was scheduled to be opened by the Attorney-General of Western Australia on 31 July 2004.

Products and services are continually being improved and developed to meet the needs of a diverse community. Some highlights include:

Bill Manners Walk and Arbor Lane

Two new memorial gardens were created at Karrakatta Cemetery during the year.

Arbor Lane, situated near the main entrance off Railway Road, is an elegant paved pathway bordered by standard roses and gardenias.

Nearby is Bill Manners Walk, a shaded garden beneath a canopy of peppermint trees with a lush undergrowth of tropical ferns and flowering exotic plants. The garden allows great scope for personalisation of memorials with features such as statues and birdbaths.

These new gardens add to the Metropolitan Cemeteries Board's extensive range of memorialisation options at Karrakatta Cemetery.

Fremantle Cemetery Gazebo Garden

Fremantle Cemetery has opened a distinctive new memorial garden in the Lawn N burial area.

The Gazebo Garden, as it is known, is planted with grass trees (*xanthorrhoea*) and other native species. Large outcrops of



Bill Manners Walk

limestone rocks complement the limestone kerbing around the perimeter.

Repatriation of Aboriginal Remains

A graveside service at Karrakatta Cemetery marked the final journey of Maudie Yooringun to her original home at Fitzroy Crossing.

Maudie had been taken from the Kimberley in 1944 and died in Perth in 1962 at the age of 42. She was interred in a grave with three others and for many years her son, Frank, had wanted to bring his mother back home to the land of her people.

Frank's wishes were answered when permission was granted by Local Government Minister Tom Stephens to exhume Maudie and repatriate her remains to Gogo Station in the Kimberley. The repatriation is the subject of an ABC television documentary directed by Frank's niece, Mitch Torres.

Funeral Services staff at Karrakatta performed the exhumation. Maudie's remains were transported to Gogo Station where the Bishop for the Kimberley performed another service in conjunction with traditional Gooniyandi elements.

Strategic Outcome:

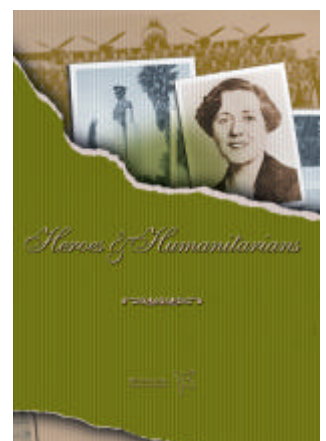
"A culturally rich, artistically inspired and intellectually stimulated society."

Historical Walk Trails

In 2003, prior to the transfer of its management to the Metropolitan Cemeteries Board, Fremantle Cemetery created and launched an Historical Walk Trail. This trail takes visitors past the graves of notable people who contributed to the history of Fremantle and the state as a whole. Fremantle Cemetery produced a trail guide booklet that included a map and profiles of the people featured along the trail.

The Metropolitan Cemeteries Board had also created two Karrakatta Cemetery historical walk trails, one in 1996 and one in 1998. A project to develop interactive online versions of the Karrakatta trails was underway prior to the transfer of management of Fremantle Cemetery.

After the transfer took place, a decision was made to develop online versions of all three walk trails, and republish the booklets. The booklets were given new titles, in order to create a sense of a "family" of publications. The three books are entitled: *Founders and Felons*



(Fremantle); *Statesmen and Scholars* (Karrakatta Trail I); and *Heroes and Humanitarians* (Karrakatta Trail II).

Midland Cemetery Centenary

On 24 April 2004 the Board marked the 100th anniversary of the first burial at Midland Cemetery. The grave is that of John Abraham Gates, formerly of Faversham, England, who lived in The Crescent, Midland. Gates was just 44 when he died.

Staff of the Metropolitan Cemeteries Board placed a permanent plaque on the grave in the Wesleyan E section.

Community Mural, Fremantle

For many years, the eastern boundary of Fremantle Cemetery has been enclosed by an unsightly concrete wall. Operations Manager Rod Walker suggested that the wall be used as the “canvas” for a large-scale mural, with a design in keeping with the character of the cemetery.

The Westrek Foundation, a youth project organisation that develops and manages meaningful work programs for young people, approached Fremantle Cemetery with a proposal to undertake a project at the cemetery. With the idea of a mural already under consideration, Fremantle Cemetery was able to offer this as a work project.

The Department of Employment and Workplace Relations was the other partner in the mural project. One of the Westrek participants, Chris Reimer, was a talented artist and together with project supervisor Damien Staude provided leadership and inspiration to the work team.

The resulting mural features images of Australian native flora and covers the entire 100 metre length of the wall. The Landscaping Division subsequently planted native species in front of the wall to “draw in” the eye and create a three-dimensional effect.

The mural is eye-catching and attractive, and is thought to be one of the biggest murals in Western Australia.

Goal 1: Obligatory Reporting

Disability Service Plan Outcomes

The Board continued to follow the principles of its Disability Service Plan 2001 in the provision of, and improvements to, infrastructure and services during 2003/2004.

The most significant capital works projects for the year were the four mausoleum developments. All four – Karrakatta Stage 3, the two new mausoleums at Guildford and Midland Cemetery and the future mausoleum at Fremantle Cemetery – incorporated the principles of universal access in their designs.

Work began on a plan to make Karrakatta Cemetery more readily navigable, through the use of colour-coded orientation markers and signs. New cemetery maps were also developed in-house to improve on their readability. These initiatives are intended to assist not only people with disabilities, but all visitors to the cemetery.

A number of promotional videos have been produced to inform the public about various services and products. In 2003/2004 these were all supertext captioned by the Australian Caption Centre for the benefit of the deaf and hard of hearing.

Cultural Diversity and Language Service Outcomes

The Board undertook a comprehensive range of marketing initiatives during the year to raise awareness and promote sales of the new mausoleum projects.

New brochures and leaflets were published in English and Italian, to target members of the Italian community, who are the primary market for mausoleum crypts.

A 30-second television commercial promoting the new mausoleums was produced and aired on SBS during March-May 2004. The presenter – Mr Enzo Sirna, who is President of the Italo-Australian Cultural and Welfare Centre – delivered the dialogue in Italian. English sub-titles also appeared. The commercials were placed wherever possible around Italian language programming and programs, such as European soccer, of interest to the Italian community.

“New brochures and leaflets were published in English and Italian, to target members of the Italian community, who are the primary market for mausoleum crypts.”

Youth Outcomes

Staff members from the Metropolitan Cemeteries Board hosted and guided numerous educational tours at cemeteries during the year. Tour participants included school groups.

The Board also provided support to a Community Art Project coordinated by the City of Nedlands. The project involved students from Quintillian and Moerlina schools painting murals at the Karrakatta train station pedestrian underpass.

The community mural at Fremantle Cemetery also involved young people from the Westrek Foundation.

Goal 2: The Economy

“To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.”

Strategic Outcome:

“Social infrastructure built and maintained to a high standard”.

Mausoleums

2003/2004 saw the completion of three mausoleum facilities and the commencement of a fourth.

Mausoleums are a unique form of social infrastructure, catering for the needs of a small sector of the community with deep religious convictions. The practice of above-ground entombment has been carried out for over 2000 years and continues to be a preferred option for many people, particularly those of Italian origin.

The original Western Australian mausoleum at Karrakatta Cemetery was built to a high standard, incorporating the finest granites, marbles, timber and other finishes. Every mausoleum to follow – Karrakatta Mausoleum Stage 3; Swan Region Mausoleum at Guildford Cemetery; and the new chapel-style mausoleum at Midland Cemetery – has been built to the same high standards.

Even though the Guildford and Midland mausoleums are far smaller in scale than Karrakatta and the future Fremantle Mausoleum, they have been constructed with painstaking care, and aesthetically landscaped to complement the surrounding environment.

Fremantle Mausoleum, which commenced construction in April 2004, will be built to a similar high standard, albeit in a very different style from the other three. The design is inspired by ancient mausoleums, with distinctive dome and pyramid roof forms. High quality materials and finishes will also be used at Fremantle.

Goal 2: Obligatory Reporting

The Board's obligatory reporting for this Goal is found in the Financial Statements, the latter section of this Report.



*Artist's impression,
Fremantle Mausoleum*

Goal 3: The Environment

“To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.”

Strategic Outcome:

“Effective waste avoidance, resource recovery and waste management”

Biomax Wastewater Treatment System

Like many older Perth suburbs, Karrakatta Cemetery is not connected to the metropolitan mains sewage system, relying instead on a septic tank system for its wastewater management at the administration building.

In December 2003 the Metropolitan Cemeteries Board replaced the outmoded septic tank system with a Biomax wastewater treatment system. The system processes waste from staff toilets, producing “grey water” for irrigation use in the adjacent gardens.

The Biomax system will generate sufficient water to irrigate 250 square metres of land surrounding the administration building. It provided a far more cost-effective option than connecting the administration building to the Water Corporation deep sewage infrastructure.

Mulching and Chipping

At all of its cemeteries, the Board collects and stores garden cuttings. The waste is processed to provide many tonnes of mulch for established and newly developed gardens. The more substantial prunings are “chipped” to provide ground cover, preserving moisture in the soil. The Board is self-sufficient in the provision of garden mulch.

Strategic Outcome:

“High level of urban air quality.”

Cremation Equipment

The Metropolitan Cemeteries Board operates cremators at Karrakatta and Fremantle Cemeteries and at Pinnaroo Valley Memorial Park. The Karrakatta and Pinnaroo cremators were installed in 1998-99 and 2002 respectively, and comply with



“The Biomax system will generate sufficient water to irrigate 250 square metres of land surrounding the administration building.”

European emission control standards.

In 2003/2004 the two cremators at Fremantle Cemetery were upgraded to meet these same stringent standards.

The electronic control systems for all of the Board's cremators are linked via the Internet to the manufacturer's plant in Geelong, Victoria. All aspects of the cremator operations – including emission levels - are monitored around the clock. In 2003/2004 the online monitoring system was upgraded to enable more sophisticated monitoring of the cremation process.

The cremation cycles were also adjusted to make use of more air and less fuel, thereby reducing the amount of gas burnt in the furnace and emitted into the atmosphere.

Vehicle Fleet

The Metropolitan Cemeteries Board has been progressively replacing existing petrol engine vehicles with LPG-fueled vehicles. 90 per cent of the fleet is now fueled by LPG – well in excess of the State Government's guidelines.

Strategic Outcome:

"Biological diversity understood and protected"

Midland and Guildford Biodiversity

Midland and Guildford Cemeteries have significant biodiversity values, and on both sites there are a number of endangered flora species. The Metropolitan Cemeteries Board, together with the Cemetery Working Group, is in the process of identifying ecologically sensitive parcels of land and developing good management practices to ensure the sustainability of this cemetery land.

Strategic Outcome:

"Ensure the effective and timely development, use, maintenance and renewal of physical resources"

Karrakatta Cemetery Renewal

The practice of cemetery renewal at Karrakatta Cemetery will ensure that the cemetery will continue to offer burial services for future generations to come.

In areas designated for renewal, the pathways between existing graves are developed to create new gravesites and memorial

locations. No human remains are disturbed. All headstones are photographed and their inscriptions recorded for historical records.

In 2003/2004 the renewal program concentrated on the areas Anglican DA and Roman Catholic DB.

At Anglican DA, concrete beams were constructed for the placement of lawn area style headstones. An automatic reticulation system was installed and lawn established. In total, 439 new graves were created.

At Roman Catholic DB, the renewal program resulted in the creation of a new memorial garden allowing for some 800 new rose memorials, seven special memorials and four memorial seats.

Strategic Outcome:

“State’s water needs met through equitable water management.”

Irrigation Upgrades

In 2004 the Board undertook upgrades to large irrigation mainlines in two areas of Karrakatta Cemetery. The upgrade program will prepare the irrigation system for the future possible use of “grey water”, in order to reduce the cemetery’s consumption of ground water resources.

At Karrakatta, Fremantle and Pinnaroo all water used on lawns and gardens is drawn from the Board’s own bores and water supply headworks. The Board complied with the 9am-6pm general public watering schedule wherever possible.

Goal 3: Obligatory Reporting

Waste Paper Recycling

The Board recycles waste paper generated at its Karrakatta and Pinnaroo locations, using the whole-of-government Collection, Removal and Purchase of Waste Paper Contract 109A1996. Staff are encouraged to place waste paper into the 240 litre bins supplied by the Department of Environmental Protection.

Energy Smart Government Policy

The Board achieved an annual energy saving of 25.28% for the previous financial year. This is well above the target figure of 1%. There are a number of reasons for the significant reduction in energy consumption. Firstly, the cremation process undertaken at the Pinnaroo Crematorium and Karrakatta Crematorium has been

revised and the new procedure is far more energy efficient. Secondly, the Karrakatta Stage 3 Mausoleum, Swan Region Mausoleum and Midland Mausoleum construction projects contributed significantly to energy consumption in the previous year however these projects are now finished and the result has been a decrease in energy consumption. In addition each mausoleum will use energy efficient LED technology for vigil lighting. The following table indicates MCB energy consumption (excluding Fremantle Cemetery) and the associated SEDO targets.

Year	Target Consumption (MJ)	Consumption (MJ)	Target Reduction Compared with Baseline (%)	Actual Reduction (%)	Target Annual Energy Reduction (%)	Annual Energy Reduction (%)	Cost
SEDO Baseline	7,377,278						
2002/03	7,008,414	7,041,764.58	5	4.55	5	4.55	\$258,148.60
2003/04	6,934,641	5,236,628.23	6	29.02	1	25.28	\$205,424.84
2004/05	6,787,096		8		2		
2005/06	6,639,550		10		2		
2006/07	6,492,005		12		2		

The figures in the following table indicate energy consumption for Fremantle Cemetery and will be used to negotiate a new baseline figure for the MCB.

Fremantle Cemetery	Consumption (MJ)	Cost
2003/04	2,744,790.38	\$62,927.56

Goal 4: The Regions

“Planning in partnership for a sustainable future.”

The Metropolitan Cemeteries Board has historically provided advisory and consultancy services to regional cemetery operators. In most instances regional cemeteries are managed by the local shire councils.

The Board is widely regarded as a centre of excellence in cemetery management in Western Australia and is always willing to share information on all matters such as technical, environmental, heritage and customer service.

It is often consulted by national and international cemetery operators for advice, and conversely remains abreast of trends and innovations in other places to ensure continuous improvement and best practice.

The Board also provides secretariat services for the Cemeteries and Crematoria Association of WA, a body formed in 2002. This entity provides a forum for information-sharing, in order to improve the level of services and amenity in cemeteries around the State, and achieve greater consistencies in service delivery.

Strategic Outcome:

“Enhanced Government decision-making based on a thorough understanding of regional issues.”

Cemeteries and Crematoria Association of WA

The Metropolitan Cemeteries Board hosted the second Annual General Meeting of the Cemeteries and Crematoria Association of WA on 7 May 2004. The day-long meeting was attended by cemetery representatives from around the State.

Individual addresses and a panel forum provided all participants with the opportunity to extend their knowledge about cemeteries and the funeral industry. Pieter Den Boer, Manager of Bunbury Cemetery and Crematorium, workshopped a session entitled, “Administration in Cemeteries”.

Bernardine Brierty (President of the Australian Funeral Directors Association - WA Division) spoke on “Women in Funerals” and “Funeral Directors’ Expectations of Cemeteries”.

James McKay, President of the Australasian Cemeteries and Crematoria Association, travelled to Perth for the meeting and participated in a panel discussion. The Annual General Meeting

“The Board is widely regarded as a centre of excellence in cemetery management in Western Australia and is always willing to share information on all matters such as technical, environmental, heritage and customer service.”

provided an opportunity for regional cemetery representatives to gain a national perspective on a number of issues affecting cemetery management today.

Strategic Outcome:

“Planning in partnerships for a sustainable future”

Advice to Regional Cemeteries

Regional shires request information and advice on a regular basis on a wide range of matters including legislation, record-keeping, general administration and maintenance. The Metropolitan Cemeteries Board always endeavours to assist with these enquiries and to share its experience and knowledge with regional cemetery managers.

During the year the Board sent staff to Manjimup, Lake Grace, Northcliffe and Serpentine to advise local cemetery managers and staff on matters such as record-keeping and cemetery planning.

Strategic Outcome:

“Effective government service delivery to regions that is responsive to the needs of diverse communities”

Online Services

The Metropolitan Cemeteries Board's primary service delivery is in the Perth area; however, through online technology the Board makes some of its services available to regional Western Australians and, indeed, people around the globe.

Funeral Webcasting, first introduced in 2002, allows bereaved families to arrange for funeral services to be webcast over the Internet for viewing in “real time” or on demand for a month afterward.

The online “Search by Name” facility, also available on the Board's website, allows people anywhere in the State and the world to find grave and memorial locations in the five cemeteries managed by the Board since 1899.

Other online services include “Today's Funerals”, the Book of Remembrance Online, and a new service allowing people to order photos of graves or memorials, to complement their family tree research.



Goal 5: Governance

“To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.”

Strategic Outcome:

“Coordinated, integrated, high-quality service delivery to the community”

Fremantle Cemetery Merger

In June 2002 the Premier Dr Geoff Gallop announced the formation of a task force to undertake a review into the effective delivery of government priorities. The formation of the Functional Review Taskforce followed the earlier Machinery of Government Review which gave a recommendation that consideration be given to a single cemetery board for all metropolitan cemeteries, including Fremantle.

Of the Functional Review's 89 recommendations, reported to government in December 2002, one was the recommendation to merge the then Fremantle Cemetery Board into the Metropolitan Cemeteries Board. It is understood that beyond other efficiencies to be gained by such a merger, there were prospective cost savings in the vicinity of \$600,000 per annum identified.

In May 2003 the Hon Minister for Local Government announced the adoption of this Functional Review Recommendation, and the management of Fremantle Cemetery was vested in the Metropolitan Cemeteries Board from 1 July 2003.

In the 2003/2004 financial year, the Board achieved significant savings and identified further cost efficiencies sustainable over future years. These cost savings include:

• Staff costs	\$270,000
• Reduction in loan interest	\$200,000
• Savings of Board expenses	\$ 47,000
• Savings in marketing consultancy	\$ 40,000
• Cemetery records system (FCB Budget 2003/04)	\$140,000

There will be further very significant savings in loan interest as the previous Fremantle Board was proposing to borrow up to \$5 million to construct a mausoleum. The Metropolitan Cemeteries Board will finance the Fremantle Mausoleum through internal funding.



Fremantle Cemetery

“In the 2003/2004 financial year, the Board achieved significant savings and identified further cost efficiencies sustainable over future years.”

Additionally, by reviewing and modifying the plans for the building, the Board has achieved a unit cost saving of at least \$3,000 per crypt space. Based on anticipated crypt sales of 100 per annum over the next decade, this is a further annual saving to the public of \$300,000.

Beyond these financial savings, the Board moved swiftly to implement many other improvements to the management and operation of Fremantle Cemetery in 2003/2004. These include:

- Integration of the Fremantle Cemetery website into the Metropolitan Cemeteries Board website;
- Installation of a state-of-the-art digital telephone system;
- New management arrangements for Fremantle Cemetery café and catering operations (these had been operating at a loss);
- Significant improvements in information technology including connection to the Metropolitan Cemeteries Board wide area network;
- Integration with the Board's more sophisticated accounting, human resources and intranet systems;
- Rationalisation of pre-need fees and administration charges across all metropolitan cemeteries;
- Upgrading preventative maintenance programs, particularly at the Crematorium; and
- Addressing human resource management and industrial relations issues.

In relation to the latter point, the Board commenced a major organisational restructure, assisted by an independent consultant. An environmental scan of the organisation was undertaken, with a series of focus groups convened to provide input to the process. A change management plan with a strong emphasis on communication and consultation was developed.

The new structure to emerge is expected to provide for:

- a greater strategic management focus in senior positions;
- better avenues for succession planning;
- more cohesive links across key operational areas;
- a more flexible and multi-skilled workforce in operational areas.

As at the end of the year, the new structure was being progressively rolled out, beginning with the new Planning and Operations Division. A recruitment plan was being formulated and implemented to fill the structure with permanent positions.

Importantly, as a result of the Government's decision to consolidate cemeteries management, there will be ongoing

economies of scale, better co-ordinated planning for cemeteries and crematoria over the whole of the metropolitan area, and enhanced services to the public through the expanded resources of the Metropolitan Cemeteries Board.

The Board acknowledges the contribution of the dedicated workforce at Fremantle Cemetery and commends their patience during a time of significant transition.

Strategic Outcomes:

“Appropriate and competitive pricing regimes for land, infrastructure, services and utilities”

“Whole-of-government approaches to planning decision-making and resource allocation.”

“Sustainability considerations inform planning and decision-making.”

Cemetery Working Group

The interdepartmental Cemetery Working Group is responsible for the long-term planning of cemetery infrastructure to ensure sufficient cemetery land is available for future generations.

In November 2003 the Cemetery Working Group received a comprehensive report compiled by the Department of Planning and Infrastructure, listing prospective new cemetery sites throughout the metropolitan area.

The Cemetery Working Group endorsed the Westralia Airports Corporation land at Guildford as a priority acquisition and Whitby Falls, south of Byford, for the longer term. It also supported the report's recommendation that Bungendore Park at Bedfordale be included as a priority for acquisition.

Historically, the Board has not been required to fund the purchase of land for cemeteries. It is hoped that the Western Australian Planning Commission may acquire the identified land and any “contributions” to land costs on the part of the Board will be deferred.

In 2003/2004 the Board embarked on a process to develop a viable method of costing the various business services it provides, with a view to recovering the future cost of land acquisition and development.

A long-standing issue for the Board is the impact of the Government's Bush Forever program on Guildford, Midland and Pinnaroo Cemeteries. The Metropolitan Cemeteries Board

continued during the year to make direct representation to Government in pursuance of preferred outcomes.

Strategic Outcome:

“Effective partnerships with Federal and Local Governments, the private sector and the wider community”

Preparedness Planning for Influenza Pandemic

The Department of Health, in response to a World Health Organisation recommendation, has convened a committee to undertake preparedness planning in the event of an influenza pandemic.

The Department has invited the Metropolitan Cemeteries Board to join the committee in order to provide advice on a number of issues, particularly the handling of large numbers of deaths and the prevention of further spread of disease from the bodies of the deceased.

In an initial meeting held during the year, the Board was able to provide burial and cremation capacity figures to assist with the overall scenario planning. While the rapid disposal of bodies may be necessary to reduce the spread of disease, it does not accommodate traditional customs and grieving needs. Therefore, the potential to use technology such as global positioning systems to locate bodies for funeral ceremonies at a later date has been identified as part of the total preparedness planning.

The Board will continue to participate in this committee and provide input relevant to its areas of responsibility and expertise.

Cemeteries Act Review

The Board submitted a comprehensive discussion paper to the Department of Local Government and Regional Development suggesting amendments to the *Cemeteries Act 1986*. The recommendations, if adopted, will result in a *Cemeteries Act* that would be more responsive to matters associated with newer trends in funeral services, such as mausoleums. It would also facilitate greater efficiencies in cemetery management in Western Australia.

Cemeteries and Crematoria Association of WA

The Board's secretariat services to the Cemeteries and Crematoria Association of WA, and its participation in CCAWA initiatives, have further strengthened its partnerships with local governments since the Association was formed in 2002.

Consulting with Local Governments

In 2003/2004 the Board continued to provide consulting and advisory services to regional local governments, particularly in Manjimup, Lake Grace, Northcliffe, Dalwallinu and Serpentine.

The Board held cemetery liaison meetings with the City of Nedlands and City of Rockingham to discuss issues of common interest.

Australian Standards

As a leader in cemetery management and a proactive member of the Australasian Cemeteries and Crematoria Association, the Board has contributed significantly to Australian Standards for memorialisation and mausoleums. The Board also participated in a national “groundwater in cemeteries” study.

At the Association’s 2003 conference in Adelaide, Chief Executive Officer Peter MacLean and Planning and Operations Manager Peter Deague presented papers on international cremation trends and futures/scenario planning in cemeteries.

ACCA Memorialisation Sub-Committee

The Metropolitan Cemeteries Board is represented on the Memorialisation sub-committee of the Australasian Cemeteries & Crematoria Association. The sub-committee was formed to investigate local and national trends in memorialisation. It is hoped that knowledge gained through the sub-committee’s efforts will help the cemetery industry to better understand community attitudes toward, and needs for, memorialisation.

The industry will then be in a more informed position to respond with strategies designed to increase the memorialisation rate and expand the range of memorial options in cemeteries.

Strategic Outcome:

“Increased use of information and communications technology to provide better services to the community”

New Online Services

The introduction of the Book of Remembrance Online, and a new service enabling people to order photos of graves or memorials via the Board’s website, further expanded online service delivery in 2003/2004.

During the year the website was extensively redeveloped to provide a more comprehensive and navigable structure. The new



website now incorporates the former Fremantle Cemetery website information.

Strategic Outcome:

“Reduced incidence of qualifications issued by the independent watchdogs”

Annual Reporting

The Metropolitan Cemeteries Board was named in an Auditor General of Western Australia report released in December 2003 as “an exemplar better practice agency” for the timeliness and quality of its 2002-03 financial statements and performance indicators.

The Auditor General’s report listed the Board as one of a small number of agencies which “have developed the commendable practice of submitting their finalised, but sometimes uncertified, financial statements and performance indicators to Audit well in advance of the statutory deadline.”

The timely submission of statements enables the Auditor General to commence the audit process earlier, thus providing the agency with added confidence when it subsequently certifies the financial statements and performance indicators.

Goal 5: Obligatory Reporting

The Metropolitan Cemeteries Board

Reporting to the Minister for Local Government, the Hon Tom Stephens MLC, the Board comprises a Chairman and six members. Board membership remained constant during the year. The following Board members served during 2003/2004:

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. Since 1994 he has undertaken consultancy projects for a number of clients including the Northern Territory Government. He has served as chairman of Bankwest Holdings and the Western Australian Treasury Corporation and was a board member of Gold Corporation, the WA Coastal Shipping Commission, the State Government Insurance Commission and the Urban Lands Council. He is currently Chairman of Racing and



Ross Bowe

Wagering Western Australia and a board member of Landcorp.

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.



Jean Hobson

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 Committee and has represented MCB on many delegations.



Joe O'Dea Jr

Mr Ken Colbung AM, MBE

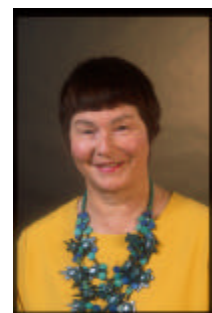
Ken Colbung is a community and spiritual leader of the Nyoongah Aboriginal people. He grew up at Moore River and later at Sister Kate's Home in Queens Park. He served in the Army for 15 years, seeing active service in Korea. Mr Colbung has extensive experience in Aboriginal cultural matters and has held appointments on a number of bodies serving these, as well as general community interests. As a board member of 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.



Ken Colbung

Dr Leonie Beth Liveris

Dr Liveris holds a Doctor of Philosophy (Religious Studies/History) from Edith Cowan University. She is the author of *Memories Eternal*, the history of Karrakatta Cemetery commissioned for Karrakatta centenary celebrations in 1999. Her other writings include *The Dismal Trader: The Undertaker Business in Perth*; *Orthodox Women as Writers*; and *Feminist Ecclesiology: An Orthodox Perspective from Australia*. Dr Liveris is a consultant historian for the board's Memorial Assessment and Advisory Committee. She has served on many boards and committees associated with women's interests and theology.



Leonie Liveris

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



Jeanette Berinson

Mr Donald Whittington

Mr Donald Whittington was the founder and Managing Director of Whittingtons Herbs and Spices and has been actively developing a herbs and spices industry in WA since 1975. He was a Councillor of the City of Fremantle for nine years, including three years as Deputy Mayor. As a Councillor, Mr Whittington was Chairperson of Planning and Development for six years and a deputy member of the Metropolitan Regional Planning Authority for three years.



Donald Whittington

Meetings

A total of six ordinary meetings were held during 2003/2004. Attendances by Board members at these meetings were as follows:

	Max No. of Meetings	No. Attended
Ross Bowe	6	6
Jean Hobson	6	6
Don Whittington	6	6
Joe O'Dea Jr	6	6
Ken Colbung	6	4
Jeanette Berinson	6	5
Dr Leonie Liveris	6	4

Board Remuneration

Board members receive an annual fee of \$4,000, while the Chairman, in recognition of the additional time required to fulfil Board business requirements, receives a payment of \$10,000 annually.

Declarations of Interest

Board members have disclosed pecuniary interests as required.

Legislative Framework

The Metropolitan Cemeteries Board was created on 1 October 1988 to manage cemeteries in the metropolitan area, excluding the Fremantle Cemetery. 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 *Cremations Act 1929*.

Equal Employment Opportunity Outcomes

During the year the Board reviewed the Equal Employment Opportunity Plan and identified some priority areas to address.

Indigenous Australians will be a priority focus in the coming year. Cross-cultural training for staff will take place in the first instance, and the possibility of providing a job share opportunity for an indigenous Australian will be investigated.

Wider cross-cultural training will also be run concurrently with the indigenous-specific training.

Information Statement

During the year there were no requests for access to documents under the Freedom of Information Act 1992.

Reporting on Record-Keeping Plans

A record-keeping plan was developed in 2003/2004 and submitted to the State Records Commission. The plan was approved by the Commission on 9 March 2004.

The plan will assist the Board in meeting its compliance requirements under the *State Records Act 2000*. During the year Corporate Executive Team briefing sessions were held to familiarise managers with the requirements. Staff training sessions were also conducted.

Compliance With HR Management Standards

The Metropolitan Cemeteries Board has adopted guidelines and processes supporting the Public Sector Standards in Human Resource Management as described in section 31(1) of the Public Sector Management Act.

Policies and supporting guidelines are available in the human resource manual. They are gradually being reviewed and made

available to employees via the Intranet.

The Chief Executive Officer has overall responsibility for compliance with the Public Sector Standards and Code of Ethics. All managers have responsibility to ensure staff within their respective divisions are fully aware of their responsibilities in this regard.

Additionally, the requirement for all employees to carry out their duties in a manner consistent with ethical codes is reflected in all Metropolitan Cemeteries Board Codes of Conduct and duty statements.

The Corporate Development Manager undertakes a monitoring and advisory role in relation to compliance with the Standards. A partnership role operates between the Corporate Development Manager and the Corporate Executive in all areas of human resource management relating to the Standards.

In the area of recruitment, application packages are provided for each position advertised by the Metropolitan Cemeteries Board and are constantly being reviewed and enhanced. In addition, a representative of the Organisational Development Manager participates on every selection panel.

During 2003/2004 work continued on the design of a comprehensive package that will provide for a new classification structure (incorporating a skills schedule) for the Board's outside workforce.

To undertake this task, a working group was formed comprising a union representative, Corporate Development Manager, an independent human resources consultant and a cross-section of staff.

The new package uses the relevant components of the nationally-endorsed Funeral Industry Training Package and will ultimately provide not only recognition of prior learning for staff for the purposes of a classification structure, but also an opportunity to obtain relevant qualifications.

Compliance with Codes of Ethics and Codes of Conduct

The Board's Code of Conduct is subject to ongoing review. In 2003/2004 the Code was re-issued to all staff and every employee was required to read and sign it.

Following the merger with Fremantle Cemetery, it came to the Board's notice that claims of misconduct had been lodged at that Cemetery by a range of staff. The Board appointed an external

"The new package uses the relevant components of the nationally-endorsed Funeral Industry Training Package and will ultimately provide not only recognition of prior learning for staff for the purposes of a classification structure, but also an opportunity to obtain relevant qualifications."

investigator to look into the management practices at Fremantle Cemetery.

The Board is now working with the consultant to design and deliver customised ethics and appropriate conduct training right across the organisation.

Public Interest Disclosures

In 2003/2004 all staff were made aware of the requirements of the new Public Interest Disclosures Act. A brochure about the new legislation was placed on the staff Intranet.

A Public Interest Disclosures Officer was appointed during the year and work commenced on the design and implementation of new procedures and forms for use by Board staff in relation to the Act.

Advertising and Sponsorships

Media Decisions*	\$117,043
Market Force	\$ 4,397
Frog Management – Video for TV Commercial	\$ 1,975

** This expenditure through Media Decisions, which manages the State Government's Master Media (campaign) advertising buying contract, represents press and television advertising purchased during 2003/2004. The Board arranged for two television advertising campaigns, for mausoleums and Funeral Webcasting, during the final quarter of the year on commercial stations and SBS.*

STATEMENT OF COMPLIANCE WITH WRITTEN LAW

The functions of the Metropolitan Cemeteries Board are set out in Section 24 of the Cemeteries Act 1986. The Board administers in accordance with provisions of the Cemeteries Act 1986 and, in the performance of its functions, complied with the following laws:

Corporations (Western Australia) Act, 1990 ('Corporations Law')
Cremation Act, 1929
Disability Services Act 1993
Equal Opportunity Act, 1984
Financial Administration and Audit Act, 1992
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
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)

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2004

We 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 2004.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN PSM
CHIEF EXECUTIVE OFFICER

23rd August 2004



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Metropolitan Cemeteries Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended June 30, 2004.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it 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 performance indicators.

D D R PEARSON
AUDITOR GENERAL
August 27, 2004

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.

	Target	2003/2004	2002/2003	2001/2002	2000/2001
Industry Score	85%	98%	99%	91%	92%
Public Score	85%	90%	91%	90%	92%

Notes.

1. The figures shown in 2002/2003 differ from those provided in the Annual Report 2002/2003. Figures in Table 1 represent percentage ratings, whilst figures provided in last year's annual report indicated index scores.
2. A total of 460 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	174	174	137	78	±3.9%
Public	8,936	2,250	441	20	±4.5%

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 and memorial service includes all operating expenses.

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

2003/2004	\$1,317.35
2002/2003	\$1,413.72
2001/2002	\$1,372.08
2000/2001	\$1,351.58
1999/2000	\$1,184.43

Over the past 5 years the average cost per funeral and memorial service was:

2003/2004	\$1,006.97
2002/2003	\$1,013.87
2001/2002	\$1,002.35
2000/2001	\$1,007.78
1999/2000	\$823.68

Notes.

1. Burials includes interments in gravesites and the mausoleums.
2. 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. A decrease in the cost per funeral in 2003/2004 has been achieved as a result of a combination of an increase in the number of funerals and net savings in operating costs following the takeover of the Fremantle Cemetery operations on 1st July 2003.

METROPOLITAN CEMETERIES BOARD

Financial Statements

for the year ended 30 June 2004

Board Objective

Ensure that the Board's resources are effectively and efficiently managed in accordance with sound business principles to optimise performance.

In support of this, 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 \$2,318,735 for the year ended 30 June 2004.
- On 1 July 2003, the Board took over the operations of the former Fremantle Cemetery Board and from that date the Board assumed responsibility for the income and expenditure of the Fremantle cemetery. The takeover of the administration was achieved without any increase in the numbers of staff employed in the MCB's existing Corporate Service activities.
- The takeover added approximately \$2.8m of income and \$2.3m of expenditure to the Board's operations. A summary of the assets and liabilities taken over by the Board is included at note 25 of the Financial Statements.
- The Board budgeted an amount of \$200,000 for one-off costs associated with the takeover. The actual costs amounted to \$298,000 mainly due to the additional costs of the premium which the Board was required to pay on the repayment of the \$2m loan taken over from the former Fremantle Cemetery Board.
- During April and May, the Board completed the construction of three new Mausoleums at Karrakatta, Midland and Guildford at a total cost of \$4.6m and commenced construction of a Mausoleum at Fremantle. The income from the three new Mausoleums amounted to \$1.9m. The Fremantle Mausoleum is scheduled for completion in the July 2005 at a total estimated cost of \$7.2m.
- The Board did not receive any Government Grants or Consolidated Revenue funding during the financial year.
- During the year, the Board commenced an exercise in conjunction with the Valuer General, to ascertain the Fair Values of all of its individual assets. At 30 June 2004, all of the Board's land and buildings assets and the majority of its infrastructure assets have been included at Fair Value. The exercise has resulted in a net increase in the value of the Board's non-current assets of \$6.1m, which has been taken up in Revaluation Reserves. (see note 25(b))

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 "To provide quality services and facilities for Burial, Cremation and Commemoration". 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 cemeteries – five existing and one under development - 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.
- the cultural, ethnic and religious needs and sensitivities of the diverse community; and
- 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 in 2003/2004 Treasury has indicated that the Board may be required to fund the purchase and development of new cemeteries in the future.

The Board is now developing costing models to establish the true costs of its individual Core Business services. These new models will enhance the current fee-setting processes and enable the Board to gauge the levels of cost recovery for its wide range of services and products.

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

In addition, this costing model exercise may be used to develop 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.

The Board is not alone in facing these issues; cemetery trusts and boards around Australia operate under similar circumstances.

Fees and Charges 2003/2004

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 1 July 2003.

Summary of Operating Results

Total revenue received by the Board during the year, prior to adjustment for costs of sales, was \$14,178,871 compared with \$9,457,231 in the previous financial year. The two main reasons for the increase in revenue can be attributed to the sales of crypts in the three new Mausoleums at Karrakatta (Stage 3), Midland and Guildford and to the takeover of the Fremantle cemetery operations. Income from sales of Mausoleum crypts increased by \$1.3m and revenue from Fremantle contributed additional Core Business income during the year of \$2.8m.

Numbers of Funerals:

	2003/2004	2002/2003		
	<u>Total Including Fremantle</u>	<u>Excluding Fremantle</u>	<u>Increase</u>	<u>Fremantle</u>
Burials	2,158	1,721	437	454
Cremations	6,845	4,318	2,527	2,284

Total Fees for Service, prior to adjustment for cost of sales, amounted to \$13m compared to \$8.7m in the previous year. This represents an increase of 49.4% over the previous year. Fremantle's contribution to this total was \$2.8m.

Summary of Operating Results (continued)

Summary of income net of refunds from the five operating cemeteries for the year:-

Note: The Board carried out one interment at its new cemetery development site at Baldivis, near Rockingham. This cemetery is not scheduled to start full operations until 2007.

	BURIALS	CREMATIONS	MAUSOLEUM	MEMORIALS	OTHER CLIENT SERVICES	TOTAL
Karrakatta	1,532,498	2,210,190	2,071,980	886,111	157,574	6,858,353
Pinnaroo	578,032	891,602	-	899,409	22,245	2,391,288
Midland	126,880	-	100,000	23,186	11,273	261,339
Guildford	215,671	-	419,008	17,253	19,705	671,637
Fremantle	664,535	1,528,478	-	526,193	52,388	2,771,594
Rockingham	1,722	-	-	-	211	1,933
	-----	-----	-----	-----	-----	-----
	3,119,338	4,630,270	2,590,988	2,352,152	263,396	12,956,144
	=====	=====	=====	=====	=====	=====
Percentage of total	24.1%	35.7%	20.0%	18.2%	2.0%	100.0%

Total expenses of \$11,860,144 (inclusive of Costs of Sales) for the year comprised:-

Expenditure by location was as follows:-

Karrakatta	7,446,877
Pinnaroo	1,499,072
Midland	174,204
Guildford	364,610
Fremantle	2,327,633
Rockingham	47,748
	<u>11,860,144</u>

The main items of operating expenditure were:-

Salaries and Wages	4,085,998
Salaries on-cost	669,207
Provision for Employee Entitlements	402,213
Depreciation	1,635,770
Repairs and Maintenance	832,205
Memorialisation	545,755
Mausoleum costs of Sales	979,975
Gardens and Grounds	363,065
Corporate Expenses	187,303
Consultancies and Projects	160,392
Light, Power & Gas	260,816
Personnel	377,645
Information Services	255,602
Office Expenses	169,114
Insurances	186,184
Marketing & Advertising	132,833
Fremantle Integration Costs	297,816
Loan Interest Repayments	141,661
Other Expenses	176,590

Total salaries expenditure (including on-costs and leave expenditure) represented 43.48% of total expenditure compared with 44.37% last year.

Summary of Operating Results (continued)

Operating Surplus

A surplus of \$2,318,735 (2002/2003 \$918,385) was achieved during the financial year after allowing for depreciation of \$1,635,773 (2002/2003 \$1,522,509).

Non-operating income from interest and dividends, profit on sale of investments and assets, commissions on sand extracted from the Rockingham Regional Memorial Park new cemetery development site, cafés and condolence lounges, leased land and other sundry receipts, contributed \$1,222,733 (2002/2003 \$786,102) to the net surplus for the year.

Capital Expenditure

During the year, the Board invested \$6,300,229 in capital expenditure on physical assets for cemetery development and upgrading of facilities. This figure includes items taken up into Work in Progress in the previous year. The main items of capital expenditure were:-

Mausoleum Stage 3 – Karrakatta	2,005,710
Mausoleum Stage – Guildford	980,949
Mausoleum Stage – Midland	506,138
Mausoleum – Fremantle – Work in progress	1,370,462
Motor Vehicle Replacements	264,792
Computer facilities	481,050
Cemetery Renewal - Karrakatta	121,253
Infrastructure - Karrakatta	235,327

Qualitative Indicators of Performance

In addition to the Key Performance Indicators detailed earlier in the Annual Report, the Board had undertaken to assess its performance by the following qualitative measures. These performance measures have, in previous years, been included in the section in the Annual Report on Key Performance Indicators.

Output

Funerals and memorial services.

Output Quality

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

2003/2004	Target	Outcome
Funeral Services	95%	98.99%
Memorials *	95%	99.78%

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 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.

2003/2004	Number
Funeral Services	9,003
Memorial Services	2,775

The increase in the number of funeral services and memorials has been achieved largely as a result of the takeover of Fremantle Cemetery operations from 1st July 2003.

Output Timeliness

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

2003/2004	Target	Outcome
Industry Score	80%	71%
Public Score	80%	78%

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

Metropolitan Cemeteries Board

Certification of Financial Statements

For the year ended 30th June 2004

The accompanying financial statements of the Metropolitan Cemeteries Board have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 and from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2004 and the financial position as at 30 June 2004.

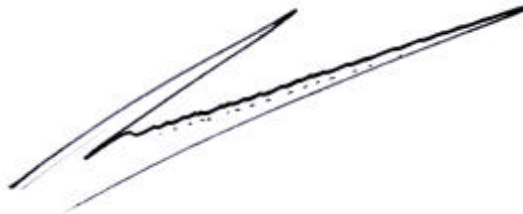
At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



M KIDD
PRINCIPAL ACCOUNTING OFFICER

10th August 2004



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion,

- (i) the controls exercised by the Metropolitan Cemeteries Board provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Board at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements 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.

D D R PEARSON
AUDITOR GENERAL
August 27, 2004

METROPOLITAN CEMETERIES BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2004

REVENUE	Note	2004	2003
		\$	\$
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Trading profit	2.	1,628,368	876,615
Goods and services	3.	10,365,155	7,400,852
<i>Revenue from non-operating activities</i>			
Proceeds on disposal of non-current assets	4.	200,749	125,114
Net Profit on sale of shares		185,439	71,042
Interest revenue		579,198	450,766
Dividend revenue		118,102	108,144
Commission on sand extractions from Rockingham Regional Memorial Park		74,411	111,376
Other revenues from ordinary activities	5.	202,040	21,522
Total revenues from ordinary activities		13,353,462	9,165,431
EXPENSES			
Expenses from ordinary activities			
Employees expenses	6.	5,157,419	3,788,632
Administration expenses	10.	1,197,199	839,376
Supplies and services	7.	2,399,133	1,768,629
Depreciation charges	8.	1,635,773	1,522,509
Costs of disposal of non-current assets	4.	102,845	87,569
Borrowing cost expense	9.	141,661	-
Other expenses from ordinary activities	11.	400,697	240,331
Total expenses from ordinary activities		11,034,727	8,247,046
NET PROFIT		2,318,735	918,385
Net increase in asset revaluation reserve		6,355,083	71,127
Total changes in equity other than those resulting from transactions with WA State Government as owners		8,673,818	989,512

METROPOLITAN CEMETERIES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2004

	Note	2004 \$	2003 \$
Current Assets			
Cash assets	25 (a)	37,422	28,754
Inventories	12.	4,023,663	313,177
Receivables	13.	799,446	559,314
Other financial assets	14.	8,302,668	8,981,420
Other assets	15.	188,425	42,529
Total Current Assets		13,351,624	9,925,194
Non Current Assets			
Other financial assets	14.	3,130,161	2,208,817
Property, plant, equipment and vehicles	16.	30,597,137	16,814,027
Infrastructure	17.	10,346,745	3,335,828
Total Non-Current Assets		44,074,043	22,358,672
Total Assets		57,425,667	32,283,866
Current Liabilities			
Payables	18.	915,730	654,396
Interest bearing liabilities	19.	-	-
Provisions	20.	495,635	475,523
Other liabilities	21.	508,476	128,245
Pre-need agreements	22.	583,404	255,389
Total Current Liabilities		2,503,245	1,513,553
Non-Current Liabilities			
Provisions	20.	537,875	393,435
Interest bearing liabilities	19.	-	-
Pre-need agreements	22.	4,284,706	2,730,346
Grant extensions	23.	631,789	493,236
Total Non-Current Liabilities		5,454,370	3,617,017
Total Liabilities		7,957,615	5,130,570
NET ASSETS		49,468,052	27,153,296
Equity	24.		
Contributed equity		13,640,938	-
Reserves		12,821,766	6,466,683
Retained profits		23,005,348	20,686,613
TOTAL EQUITY		49,468,052	27,153,296

The Statement of Financial Position should be read in conjunction with the accompanying notes.

METROPOLITAN CEMETERIES BOARD
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 June 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES: -			
Receipts			
Sale of goods and services		10,850,104	7,853,543
Goods and services – Mausoleum		2,590,987	1,270,276
Receipts from commissions on sand sales		74,411	111,376
Interest received		583,625	467,473
Dividends received		118,102	108,144
GST receipts on sales		1,402,741	932,709
Other receipts		202,040	21,522
Payments			
Supplies and services		(3,361,219)	(2,885,496)
Employees costs		(5,468,127)	(3,606,881)
GST payments on purchases		(985,277)	(484,448)
GST payments to taxation authority		(434,821)	(440,323)
Borrowing costs		(141,661)	-
Net cash provided by operating activities	25 (b)	5,430,905	3,347,895
CASH FLOWS FROM INVESTING ACTIVITIES: -			
Proceeds from sale on non-current physical assets		200,749	125,114
Net drawdown / (purchase) of investments		125,210	(1,760,088)
Purchase of non-current physical assets		(6,299,567)	(2,349,913)
Proceeds from sale of investments		1,072,769	623,746
Net cash used in investing activities		(4,900,839)	(3,361,141)
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Repayment of WATC loan taken over from Fremantle		(2,050,724)	-
Net cash used in financing activities		(2,050,724)	-
Net (decrease) in cash held		(1,520,658)	(13,246)
Cash assets at the beginning of the financial year		28,754	42,000
Cash transferred from other sources	25 (a)	1,529,327	
Cash assets at the end of the financial year	25 (a)	37,423	28,754

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2004

1. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets which, as noted, are measured at fair value.

(b) Depreciation of non-current assets

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.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are within the ranges set out below:

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
Infrastructure	7 to 57 years

The estimated remaining useful lives of the infrastructure and building assets taken over from the former Fremantle Cemetery Board have been extended as a result of the exercise carried out by the Valuer General at 1 July 2003 to establish the Fair Values of these assets.

(c) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employees benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on the national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation

The Metropolitan Cemeteries Board contributes to an accumulation fund superannuation plan in respect 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. Contributions for all employees are expensed for the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

(c) Employee benefits (Continued)

Employee benefit on costs

Employee benefit on costs, are recognized and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognized as liabilities and expenses. (See Notes 6 & 20)

(d) Cremation Agreements

This represents fees paid in advance for cremations.

(e) Grant Extensions

This represents the renewal fee for the second 25 years on a grant of right of burial.

(f) Mausoleum Grant Extensions

This represents the renewal fee for the second 25 years on a grant of right of burial.

(g) Burial Agreements

This represents fees paid in advance for burials.

(h) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

(i) Accrued Salaries

Accrued salaries 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. The Metropolitan Cemeteries Board considers the carrying amount approximates net fair value.

(j) Payables

Payables, including accruals not yet billed, are recognised when the Metropolitan Cemeteries Board becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value.

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.

(l) Investments

Investments are included at market value at balance date. The interest and dividend income are brought to account on an accrual basis. Any revaluation increments and decrements are reflected through the asset revaluation reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

(m) Resources Received Free of Charge or For Nominal Value

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

(n) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Metropolitan Cemeteries Board has passed control of the goods or other assets or delivery of the service to the customer.

(o) Revaluation of Land, Buildings, Infrastructure, Plant & Equipment, Motor Vehicles and Office Equipment

The Board has engaged the services of the Valuer General's Office to establish fair values for its land, buildings, infrastructure, plant & equipment, motor vehicles and office equipment. Fair values were obtained on all of the land, buildings, infrastructure, plant & equipment, motor vehicles and office equipment taken over from the Fremantle Cemetery Board at 1 July 2003 and those values were taken up by the Metropolitan Cemeteries Board at 1 July 2003. The exercise to obtain fair values for all other items of land, buildings, infrastructure, plant & equipment, motor vehicles and office equipment owned by the Metropolitan Cemeteries Board was carried out at 30 June 2004. This exercise was not completed for all assets by 30 June 2004 and will be completed in the 2004/2005 financial year. Increments arising from the adoption of fair values have been taken to Asset Revaluation Reserves. Decrements have been offset against previous increments relating to the same class of assets and the balance charged against profits.

The transitional provisions in AASB 1041 (8.12)(b) have been applied to land, buildings, infrastructure, plant & equipment, motor vehicles and office equipment, (See notes 16 and 17) resulting in some of the items being carried at cost and some at fair value. All building assets are carried at fair value at 30 June 2004.

(p) Acquisition of Assets

The cost method of accounting is used for all acquisition of assets. Cost is measured as the fair value given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets costing less than \$1,000 are expensed in the year of acquisition.

(q) Intangible assets and expenditure carried forward

(i) Software

Significant costs associated with the development of the Board's Client Records computer software have been included in capital works in progress and will be capitalised on completion of the project.

(ii) Web site costs

Costs in relation to the web site controlled by the Metropolitan Cemeteries Board are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over the period of expected benefit. Generally, costs in relation to feasibility studies during the planning phase of the web site and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in the building or enhancing of the web site, to the extent that they represent probable future economic benefits controlled by the Metropolitan Cemeteries Board that can be measured, are capitalised as an asset and amortised over the period of the expected benefits which is estimated as three years.

(r) Comparative Figures

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

(s) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004

	2004	2003
	\$	\$
2. Trading profit		
Sales of mausoleum crypts	2,590,987	1,270,276
Cost of sales:		
Opening inventory	(226,425)	(574,341)
Transfer from works in progress on completion of new mausoleums	(4,577,349)	-
Adjustment to costs of sales	(48,306)	-
	(4,852,080)	(574,341)
Closing inventory	3,889,461	180,680
Cost of goods sold	(962,619)	(393,661)
Trading profit	1,628,368	876,615
3. Goods and services		
Burials	3,349,177	2,580,603
Cremations	4,701,141	3,097,760
Memorials	2,314,837	1,722,489
	10,365,155	7,400,852
4. Net profit / (loss) on disposal of non-current assets		
<i>Profit on disposal of non-current assets</i>		
Buildings	-	-
Plant and equipment	102,904	4,785
Motor vehicles	14,664	33,287
Infrastructure	-	-
Computers	1,730	2,105
<i>Loss on disposal of non-current assets</i>		
Buildings	-	-
Plant and equipment	(17,584)	(2,145)
Motor Vehicles	-	(487)
Infrastructure	-	-
Computers	(3,810)	-
Net profit	97,904	37,545
5. Other revenues from ordinary activities		
Rentals from Kiosks	96,641	-
Rental of leased land	96,000	-
Insurance recoveries	-	343
Miscellaneous income	9,399	11,694
Share of kiosk profit under management agreement	-	9,485
	202,040	21,522
6. Employee expenses		
Wages and salaries	4,085,998	3,018,411
Superannuation	625,068	478,102
Long service leave (1)	23,681	88,413
Annual leave (1)	378,532	173,770
Other related expenses	44,140	29,936
	5,157,419	3,788,632

(1) These employee expenses include superannuation, workers compensation premiums and other employment costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 20 – Provisions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

	2004	2003
7. Supplies and services		
Consultants and contractors	638,864	562,154
Materials	1,122,435	937,119
Repairs and maintenance	209,302	175,696
Travel	24,300	22,898
Integration costs associated with the takeover of the Fremantle operations	297,817	-
Other	106,415	70,762
	<u>2,399,133</u>	<u>1,768,629</u>
8. Depreciation expense		
Plant, equipment and vehicles	637,617	512,762
Buildings	453,791	356,016
Infrastructure	544,365	653,731
	<u>1,635,773</u>	<u>1,522,509</u>
9. Borrowing costs expense		
Interest paid on WA Treasury Corporation debenture loan	141,661	-
	<u>141,661</u>	<u>-</u>
10. Administration expense		
Communications	116,934	106,325
Consumables	55,037	52,672
Maintenance	62,242	46,083
Other staff costs	485,702	422,689
Other administration expense	477,284	211,607
	<u>1,197,199</u>	<u>839,376</u>
11. Other expenses from ordinary activities		
Building and infrastructure maintenance	297,488	155,894
Board expenses	66,774	68,222
Kiosk operation expenses	36,435	16,215
	<u>400,697</u>	<u>240,331</u>
12. Inventories		
Current		
Inventories held for resale:		
Mausoleum crypt stock - Stage 1 - at cost	-	22,764
Mausoleum crypt stock - Stage 2 - at cost	14,356	157,916
Mausoleum crypt stock - Stage 3 - at cost	2,424,038	-
Mausoleum crypt stock - Midland	501,407	-
Mausoleum crypt stock - Guildford	905,343	-
Vault stock - Midland - at cost	-	10,452
Ossuary Stock	44,317	45,745
	<u>3,889,461</u>	<u>236,877</u>
Inventories not held for resale:		
- Stores	<u>134,202</u>	<u>76,300</u>
Total Inventory - Current	<u>4,023,663</u>	<u>313,177</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

	2004	2003
13. Receivables		
Current		
Trade debtors	799,446	559,314
	<u>799,446</u>	<u>559,314</u>
14. Other financial assets		
Current		
At cost:		
Term deposits	7,956,151	8,082,324
	<u>7,956,151</u>	<u>8,082,324</u>
At market valuation 30 June:		
Income securities	346,517	899,096
	<u>346,517</u>	<u>899,096</u>
	<u>8,302,668</u>	<u>8,981,420</u>
Non-current		
At market valuation 30 June:		
Shares in ASX Top 100 shares	3,130,161	2,208,817
	<u>3,130,161</u>	<u>2,208,817</u>
15. Other assets		
Current		
Prepayments	164,289	29,641
Accrued income	24,136	12,888
	<u>188,425</u>	<u>42,529</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

	2004	2003
16. Property, plant, equipment and vehicles		
Plant, equipment and vehicles		
At cost	594,017	3,413,320
Accumulated depreciation	(278,556)	(1,680,972)
At fair value (ii)	2,867,600	-
Accumulated depreciation	(109,927)	-
	<u>3,073,134</u>	<u>1,732,348</u>
Office equipment		
At cost	1,237,238	1,150,974
Accumulated depreciation	(845,253)	(979,030)
	<u>391,985</u>	<u>171,944</u>
Leased office equipment		
At capitalised cost	-	45,010
Accumulated depreciation	-	(45,010)
	<u>-</u>	<u>-</u>
Freehold land		
At cost	65,975	241,727
At fair value (ii)	8,665,000	2,184,500
	<u>8,730,975</u>	<u>2,426,227</u>
Buildings		
At cost	-	12,674,396
Accumulated depreciation	-	(3,660,430)
At fair value (ii)	16,632,000	1,740,476
Accumulated depreciation	(71,707)	-
	<u>16,560,293</u>	<u>10,754,442</u>
Buildings and projects under construction		
Construction costs	1,840,750	1,729,066
	<u>1,840,750</u>	<u>1,729,066</u>
	<u>30,597,137</u>	<u>16,814,027</u>

- (i) The revaluation of freehold land was performed in July 2003 and June 2004 in accordance with an independent valuation by the Valuer General's Office. The valuation was made in accordance with a regular policy of annual revaluation.
- (ii) Buildings and plant, equipment & vehicles were valued at fair value in accordance with independent valuations by the Valuer General for the assets taken over from Fremantle Cemetery Board at 1 July 2003 and for the majority of the assets of the Metropolitan Cemeteries Board at 30 June 2004. The remainder of the assets which were not able to be valued by the Valuer General at 30 June 2004 will be progressively revalued to fair value during the 2004/2005 financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

16. Property, plant, equipment and motor vehicles (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below:

Year ended 30 June 2004	Plant equipment and vehicles	Office equipment	Freehold land	Buildings	Buildings and projects under construction	Total
Carrying amount at start of year	1,732,348	171,944	2,426,227	10,754,442	1,729,066	16,814,027
Taken over at fair value from Fremantle Cemetery Board at 1 July 2003	893,988	8,400	6,905,000	4,415,000	73,724	12,296,112
Additions	556,319	133,520	-	-	5,609,728	6,299,567
Transfers from / (out of) Work in Progress	208,505	200,260	-	93,067	(927,735)	(425,903)
Transfers to Mausoleum stock	-	-	-	-	(4,577,349)	(4,577,349)
Disposals	(99,434)	(3,411)	-	-	-	(102,845)
Transfers to operating expenditure	-	-	-	-	(66,684)	(66,684)
Revaluation increments / (decrements)	274,162	26,623	(600,252)	1,729,808	-	1,430,341
Depreciation	(492,753)	(145,352)	-	(432,024)	-	(1,070,129)
Carrying amount at end of year	3,073,135	391,984	8,730,975	16,560,293	1,840,750	30,597,137
Year ended 30 June 2003						
Carrying amount at start of year	1,832,487	163,334	2,050,591	11,600,987	119,259	15,766,658
Additions	295,919	122,865	5,136	11,341	1,913,991	2,349,252
Transfer of Planning costs to Infrastructure assets				(634,002)		(634,002)
Transfers from / (out of) Work in Progress	75,742	14,277		132,132	(304,184)	(82,033)
Disposals	(82,662)	(4,908)	-	-	-	(87,570)
Revaluation increments	-	-	370,500	-	-	370,500
Depreciation	(389,138)	(123,624)	-	(356,016)	-	(868,778)
Carrying amount at end of year	1,732,348	171,944	2,426,227	10,754,442	1,729,066	16,814,027

17. Infrastructure

	2004	2003
At cost	610,599	5,873,733
Accumulated depreciation	(41,825)	(4,480,833)
At fair value (i)	9,833,000	1,942,928
Accumulated depreciation	(55,029)	-
	10,346,745	3,335,828

(i) Infrastructure assets were valued at fair value by the Valuer General for the assets taken over from Fremantle Cemetery Board at 1 July 2003 and for the majority of the assets of the Metropolitan Cemeteries Board at 30 June 2004. The remainder of the infrastructure assets which were not able to be valued by the Valuer General at 30 June 2004 will be progressively revalued to fair value during the 2004/2005 financial year.

	2004	2003
Carrying amount at start of year	3,335,828	3,272,862
Taken over from Fremantle Cemetery Board at fair value at 1 July 2003	2,485,000	-
Additions	-	662
Transfers from work in progress	425,903	82,033
Transfer of planning costs from building assets	-	634,002
Revaluation increments	4,665,658	-
Depreciation expense	(565,644)	(653,731)
Carrying amount at end of year	10,346,745	3,335,828

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

18. Payables	2004	2003
Current		
Trade payables	777,411	602,731
Other creditors	-	12,864
GST payable	87,197	33,257
Retention monies held on capital projects	51,122	5,478
Withholding tax payable	-	66
	<u>915,730</u>	<u>654,396</u>
19. Interest-bearing liabilities		
Current		
WA Treasury Corporation loan taken over from Fremantle Cemetery Board	193,394	
Repayment of WATC loan	<u>(193,394)</u>	-
	-	-
Non-current		
WA Treasury Corporation loan taken over from Fremantle Cemetery Board	1,857,330	
Repayment of WATC loan	<u>(1,857,330)</u>	-
	-	-
20. Provisions		
Current		
Annual leave	329,438	318,396
Long service leave	145,674	143,238
Superannuation	20,523	13,889
	<u>495,635</u>	<u>475,523</u>
Non-current		
Annual Leave	106,649	-
Long service leave	431,226	393,435
	<u>537,875</u>	<u>393,435</u>
Employee Entitlements		
The aggregate employee entitlements liability recognised and included in the financial statements is as follows:		
Provision for employee benefits:		
Current	495,635	475,523
Non-current	<u>537,875</u>	<u>393,435</u>
	<u>1,033,510</u>	<u>868,958</u>

- (1) 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 liability for such on-costs is included here. The associated expense is included under Long service leave and Annual leave (under Employee expenses) at Note 6.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

	2004	2003
21. Other liabilities		
Current		
Accrued expenses	86,747	39,878
Accrued salaries	190,324	88,367
Income received in advance	231,405	-
	<u>508,476</u>	<u>128,245</u>
22. Pre-need agreements		
Current		
Cremation	502,483	212,267
Burial	80,921	43,122
	<u>583,404</u>	<u>255,389</u>
Non-current		
Cremation	3,566,809	2,198,812
Burial	717,897	531,534
	<u>4,284,706</u>	<u>2,730,346</u>
23. Extensions of grants of right of burial		
Non-current		
Mausoleum grant extensions	328,890	290,031
Other grant extensions	302,899	203,205
	<u>631,789</u>	<u>493,236</u>
24. Equity		
(a) Contributed equity		
Opening balance		
Capital contributions (i) & (ii)	13,640,938	-
	<u>13,640,938</u>	<u>-</u>
(i) Capital contributions have been designated as contributions by owners and have been credited directly to equity in the Statement of Financial Position.		
(ii) The activities formerly reported under the Fremantle Cemetery Board have been transferred to the Metropolitan Cemeteries Board effective from 1 July 2003.		
Assets transferred to Metropolitan Cemeteries Board		
Cash	1,529,327	
Receivables	219,241	
Accrued Interest	15,676	
Inventory (not for resale)	10,713	
Land (at fair value)	6,905,000	
Buildings (at fair value)	4,415,000	
Infrastructure (at fair value)	2,485,000	
Property, plant and equipment and motor vehicles	967,712	
Office equipment	8,400	
Investments	1,000,000	
Liabilities transferred to the Metropolitan Cemeteries Board		
Payables	69,319	
Pre-need agreements	1,515,088	
Provisions	179,878	
Borrowings (WATC debenture loan)	2,050,724	
Other current liabilities	100,120	
	<u>13,640,938</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

24 Equity (continued)

	2004	2003
(b) Reserves		
Asset revaluation reserve (i)		
Opening balance	6,466,683	6,395,556
Net revaluation increments / (decrements)		
Land	(600,252)	370,500
Buildings	1,729,808	-
Infrastructure	4,665,658	-
Plant & Equipment	216,874	-
Motor Vehicles	57,683	-
Office equipment	26,228	-
Net revaluation of share portfolio at market prices on 30 June	259,084	(299,373)
Closing balance	<u>12,821,766</u>	<u>6,466,683</u>
 (c) Retained profits		
Opening balance	20,686,613	19,768,228
Net profit	<u>2,318,735</u>	<u>918,385</u>
Closing balance	<u>23,005,348</u>	<u>20,686,613</u>

- (i) The revaluation reserve is used to record increments and decrements on the revaluation of shares in the Board's portfolio and also in non-current assets as described in policy note 1 (o)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

25. Notes to Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2004	2003
Cash Assets	37,422	28,754
Bank Overdraft	-	-
Cash transferred from other sources (i)	-	-
	<u>37,422</u>	<u>28,754</u>

(i) Net assets taken over from the Fremantle Cemetery Board on 1 July 2003 on the takeover of the Fremantle cemetery operations included a cash balance of \$1,529,327.

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

Profit from ordinary activities	2,318,735	918,385
Non-cash items:		
Profit on sale of property, plant and equipment	(97,904)	(37,545)
Depreciation of non-current assets	1,635,773	1,522,509
Profit from sale of investments	(185,439)	(71,042)
(Increase) / decrease in assets:		
Other current assets	(386,029)	(51,796)
Current inventories	921,771	414,578
Increase / (decrease) in liabilities		
Current accounts payable	207,400	6,330
Pre-need agreements	505,840	524,417
Current provisions	363,565	20,737
Employee provisions	164,551	93,385
Net GST receipts / (payments)		
Change in GST receivables / (payables)	(17,358)	7,937
Net cash provided by operating activities	<u>5,430,905</u>	<u>3,347,895</u>

26. Resources provided free of charge

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

2004 **2003**

27. Commitments for Expenditure

(a) 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	5,700,000	2,400,000
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28. Explanatory Statement

- (i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for the significant variations between actual results with the corresponding items in the preceding year are detailed below. Significant variations are considered to be those greater than \$50,000.

	2004 Actual	2003 Actual	Variance
Trading profit	1,628,368	876,615	751,753
Goods and services	10,365,155	7,400,852	2,964,303
Proceed on disposal of non-current assets	200,749	125,114	75,635
Net profit on sale of shares	185,439	71,042	114,397
Interest revenue	579,198	450,766	128,432
Other revenues from ordinary activities	202,040	21,522	180,518
Employees expenses	5,157,419	3,788,632	(1,368,787)
Administration expenses	1,197,199	839,376	(357,823)
Supplies and services	2,399,133	1,768,629	(630,504)
Depreciation charges	1,635,773	1,522,509	(113,264)
Borrowing cost expense	141,661	-	(141,661)
Other expenses from ordinary activities	400,697	240,331	(160,366)

General

One of the main changes which has affected the Board's operations in 2003/2004 compared to 2002/2003 has been the takeover of the Fremantle cemetery operations from the former Fremantle Cemetery Board. The assets and liabilities along with the responsibility for the operations of the Fremantle cemetery were transferred to the Metropolitan Cemeteries Board from 1 July 2003. The takeover has added income from an additional 2,284 Cremations and 454 Burials as well as additional income from the sale of Memorials. The other main reason for the significant increase in the Board's income for the year has been the opening of the Board's three new Mausoleums at Karrakatta (Stage 3), Midland and Guildford. The impact of this has been explained in the note on Trading Profit below.

In addition to the income from Fremantle cemetery, the Board has incurred additional costs associated with the cemetery operations. Whilst the Board believes that it will be able to achieve significant long term savings in operating costs as a result of the amalgamation of the Fremantle operations with those of the Metropolitan Cemeteries Board, there have been a number of one off costs associated with the amalgamation process which have impacted the costs in the current financial year. Some of the main costs have been outlined in the explanations given in the following notes.

Trading profit

Trading profit relates to sales of Mausoleum Crypts. During the year, the Board has completed the construction of three new mausoleums at Karrakatta (Stage 3), Midland and Guildford. The Midland and Guildford projects were constructed in response to a demand from local residents of the Swan region. Sales in the year have increased significantly over the previous year as a result of the demand for crypts in these new projects. The majority of the sales in the year have been for crypts purchased pre-need.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

28. Explanatory Statement (continued)

Goods and services

Goods and services relates to income received from the Board's main services of Burials, Cremations and Memorials. As a result of this takeover on the Fremantle cemetery operations, the Board has added on to its revenue all of the Burials, Cremations and Memorials carried out at the Fremantle cemetery.

Proceeds on disposal of non-current assets

The majority of the income from disposals of non-current assets has been derived from the trade-in of motor vehicles and items of plant and equipment which have been replaced as a part of the Board's policy of scheduled replacement of vehicles and plant and equipment. Some items taken over from Fremantle have been traded in over the year which has contributed to the increase in income from this source.

Net profit on sale of shares

During the year the Board revised the weightings on some of the shares in its investment portfolio through a sale of some of its shares and the purchase of other shares believed to have better potential to meet the Board's long term growth objectives.

The net result of the sale of the shares provided the Board with a profit of \$185,000.

Interest Revenue

The Board earns interest on funds which it has invested in Term Deposits. On 1 July 2003, the Board, as part of the takeover of the assets and liabilities of the Fremantle Cemetery Board, received \$2.5 million in cash and Term Deposits. These additional funds, which were invested along with the Board's existing funds, combined with a small increase in interest rates during the year have contributed to the increase in Interest Revenue for the year.

Other revenues from ordinary activities

The Fremantle Cemetery Board received income from the lease of part of its land which has been included for the first time in the revenue of the Board. The Board has also received a full year's rental income on its cafeteria and condolence lounge catering facilities at Karrakatta, Pinnaroo and Fremantle.

Employees expenses

Employee expenses have increased by 36% over the previous financial year. The increase can be attributed to a combination of an increase in the number of staff employed by the Board and a number of redundancy payouts of senior staff, both as a result of the takeover of the Fremantle cemetery operations and also from a restructure carried out within the Metropolitan Cemeteries Board following the takeover.

An increase under the Government's wages policy, annual progressive step increases under the various awards, combined with a number of position reclassifications, has also contributed to the increase in these costs for the year.

Administration expenses

During the year the Board undertook a television advertising campaign to create public awareness of the Board's Webcasting facilities and of its new Mausoleum facilities. This campaign added \$125,000 to the current year's Administration costs.

It has been the Board's policy, following the takeover of the Fremantle cemetery operations and the subsequent restructure of the Metropolitan Cemeteries Board organisation, to take on some staff through employment agencies rather than fill some of the vacancies which have arisen in permanent staff positions. As a result, these costs have increased significantly during the year. Whilst this has increased administration costs, it has been offset to some extent by savings in the actual costs of salaries.

As part of the integration of the Board's systems into the Fremantle cemetery operations, it has been necessary to upgrade the internet facilities enabling communications between the Board's cemetery sites and also to upgrade the Board's website capabilities. The additional costs associated with the upgrade of these facilities have produced significant improvements in the range of information that is available to the public through the Board's website and to the Board's staff through the Intranet facilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

28. Explanatory Statement (continued)

Supplies and services

In addition to the extra costs that have been incurred as a result of the takeover of the Fremantle cemetery operations, there have been a number of specific increase in costs that have had a material effect on the variance between this year's and last year's costs.

Included in this years expenses are the one off costs associated with the integration of the Fremantle cemetery operations with the Metropolitan Cemeteries Board operations. These costs which in total amounted to \$298,000 included negotiated severance payments to certain members of senior staff, costs of the premium paid by the Board on the early repayment of the Fremantle loan and consultancy costs associated with the reorganisation and integration process.

During the year the Board also carried out a program of additional maintenance to the Fremantle cremators which had not been included in the budget and were additional to the costs incurred in the previous year.

Depreciation charges

Depreciation charges have increased due to the takeover of the Fremantle cemetery non-current assets from 1 July 2003. These assets were taken over at fair value and have been depreciated on the fair values for the full year. The total fair value of these depreciable non-current assets taken over on 1 July 2003 was \$7.9 million. Metropolitan Cemeteries Board non-current assets have been depreciated on the historic costs for the full year and the charge for depreciation has not changed significantly from the previous year.

Borrowing cost expense

As part of the takeover of the Fremantle Cemetery Board operations, the Board assumed responsibility for a Debenture Loan of \$2 million. Prior to the takeover of Fremantle, the Board did not have any borrowings. The costs shown for the year of \$141,661 represent the interest paid on the loan. In May 2004, the Board repaid the balance of the loan along with an early payment premium.

Other expenses from ordinary activities

These costs relate to maintenance of the Board's buildings and infrastructure. In the previous financial year, the Board's expenditure was significantly under budget as a result of certain planned maintenance projects not being carried out. In the current financial year, the Board has had to carry out some of these deferred projects in addition to its normal planned maintenance program for the current year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

28. Explanatory Statement (continued)

- (ii) Significant variations between estimated revenues and expenditures for the financial year and actual revenues and expenditures for the current financial year.

Details and reasons for the significant variations between estimated and actual results are detailed below.
Significant variations are considered to be those greater than \$50,000.

	2004 Estimates	2004 Actual	Variance
Trading profit	2,396,435	1,628,368	(768,067)
Goods and services	10,016,540	10,365,155	348,615
Commission on sand extractions from Rockingham Regional Memorial Park	500,000	74,411	(425,589)
Interest revenue	424,000	579,198	155,198
Employee expenses	4,999,943	5,157,419	(157,476)
Administration expenses	919,761	1,197,199	(277,438)
Integration costs of Fremantle operations	200,000	297,817	(97,817)
Depreciation	2,135,535	1,635,773	499,762

General

The takeover of the operations of the former Fremantle Cemetery Board came into effect on 1st July 2003. The announcement of the takeover was made in May 2003. Due to the short period of time between the announcement of the takeover and the actual takeover date, it was necessary to incorporate the estimates adopted by the Fremantle Cemetery Board for the 2003/2004 financial year without any in-depth analysis of the operations being able to be carried out. As a result of this, comparisons with budget may not, for the current year under review, reflect the patterns of expenditure or indicate any savings which may become evident in subsequent financial years.

Trading profit

The Board estimated sales of Mausoleum crypts in its three new projects on the basis of the completion of the projects in January 2004. The new Mausoleums were actually completed in April and May 2004. This delay in completion was the reason for income from the sale of Mausoleum crypts falling short of the budget for the year by \$1 million.

Goods and services

The number of Burials and Cremations has increased over those budgeted this year and over the actual numbers achieved last year. In addition, the number of Memorials has also increased as a result of a public awareness campaign on Memorialisation, undertaken during the year.

Commission on sand extractions from Rockingham Regional Memorial Park

The Board is developing a new cemetery site at Baldivis. As part of the development and landscaping of the cemetery, the Board is removing a very significant quantity of sand overburden. The Board has entered into an agreement with an earth-moving company to pay a commission on the volume of sand removed. The volumes of sand extracted from the site depend on the contractors requirements for projects in the area.

The budget assumed, on the advice of the contractor, that sand extraction would be needed to meet the requirements of at least one major construction project which was supposed to start during the financial year but did not. It is expected this project will commence in the 2004/2005 financial year.

Interest received

The projects for the completion of construction of the three new Mausoleums at the Board's cemeteries at Karrakatta, Midland and Guildford, which comprised the major portion of the Board's capital works program for the year, did not take place as quickly as had been assumed in the budget. As a result of this, funds have been able to be kept on interest bearing deposits for a longer period than was assumed in the budget. In addition to this, there was a small improvement during the year on actual interest rates paid on Term Deposits compared to those used in the budget.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

28. Explanatory Statement (continued)

Administration expenses

During the year the Board undertook a television advertising campaign to create public awareness of the Board's Webcasting facilities and of its new Mausoleum facilities. This campaign added \$125,000 to the current year's Administration costs. This cost was not included in the Board's original estimates for the year and was approved as an un-budgeted expenditure.

In anticipation of a need to restructure the whole organisation following the takeover of the Fremantle cemetery operations, the Board budgeted for costs associated with the employment of a number of staff through agencies to fill temporary positions. The reorganisation exercise was not able to be completed during the year which has resulted in more staff being required to be employed through agencies, on temporary contracts, for longer periods, than originally anticipated.

Additional un-budgeted costs associated with improvements to the Board's internet and intranet facilities resulted in significant increases in service costs of these facilities.

Integration costs associated with the takeover of the Fremantle operations

The Board made provision in its estimates for the 2003/2004 financial year for the expected costs associated directly with the exercise of taking over the operations of the Fremantle cemetery. These estimates included allowances associated with the severance of certain members of senior staff and a restructuring exercise to address other Human Resource and organisational issues associated with the takeover. The actual costs associated with these two exercises fell short of the budget and achieved a saving for the Board. The over expenditure in this area was incurred due to the unbudgeted costs associated with the Board's decision to repay the loan of \$2 million which was taken over from the former Fremantle Cemetery Board. The premium associated with the early repayment of this loan was considered by the Board to be a cost directly associated with the takeover of the Fremantle operations and was therefore included under this heading.

Depreciation

The depreciation on the Fremantle non-current assets was estimated for budget purposes on the historic costs of the assets. Australian Accounting Standards and Treasurer's Instructions require assets taken over to be valued, by the company receiving the assets, at Fair Value. The revision of the assets to Fair Value did not result in a significant net increase in the value of the assets, however the revision of the estimated useful lives of many of the major assets in the infrastructure and building groups, which were determined by the Valuer General, resulted in significant increases in the depreciable lives of those assets. The effect of this was to decrease the actual depreciation charge for the year on the Fremantle non-current assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

29. Financial Instruments

(a) Interest rate risk exposure

The following table details the Board's exposure to interest rate risk as at the reporting date:

Year ended 30 June 2004

	Weighted Average Effective Return	Variable interest rate	Fixed Interest Rate Maturities			Non interest bearing	Total
	%	\$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	\$'000	\$'000
Financial Assets							
Cash Assets	4.75%	37					37
Receivables			799				799
Investments	(c)	347	7,956			3,130	11,433
Other						188	188
Total Financial Assets		384	8,755			3,318	12,457
Financial Liabilities							
Payables						916	916
Total Financial Liabilities						916	916
Net Financial Assets		384	8,755			2,402	11,541

Year ended 30 June 2003

Financial Assets	4.90%	928	8,642			2,251	11,821
Financial Liabilities						654	654

(b) Net 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 1 to the financial statements.

(c) Weighted average effective return

The percentage returns on the investments held by the Board during the years were as follows:

2003/2004	Term Deposits	5.3%	Shares in ASX Top 100 companies	4.3%	Income Securities	6.7%
2002/2003	Term Deposits	4.9%	Shares in ASX Top 100 companies	4.9%	Income Securities	6.6%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

30. Remuneration and retirement benefits of members of the Board and Senior Officers

The number of members of the Board whose total fees, salaries, superannuation and other benefits received or due and receivable for the financial year fall within the following bands are: -

	2004	2003
	#	#
\$0 - \$10,000	7	7
The total remuneration of the members of the Metropolitan Cemeteries Board is:	\$34,000	\$37,060

Retirement Benefits of Members of the Board

The following amounts in respect of retirements benefits were paid or became payable for the financial year:

	2004	2003
	\$	\$
Contributions to Government Employees Superannuation Act Scheme		
Contributions to other superannuation funds	3,060	3,060
	<u>3,060</u>	<u>3,060</u>

The superannuation included here represents the superannuation expense incurred by the Metropolitan Cemeteries Board in respect of the 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 members of the Board, whose total fees, salaries, superannuation and other benefits due and receivable, for the financial year, fell within the following bands are:-

	2004	2003
	#	#
\$290,001 - \$300,000	1	-
\$150,001 - \$160,000	1	1
\$130,001 - \$140,000	1	-
\$110,001 - \$120,000	-	1
\$90,001 - \$100,000	2	-
\$80,001 - \$90,000	2	1
\$70,001 - \$80,000	1	2
\$60,001 - \$70,000	-	1
\$50,001 - \$60,000	-	1
\$40,001 - \$50,000	1	2

The total remuneration of senior officers is:	\$1,079,735	\$718,721
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During the year negotiated severance payments were made to two members of senior staff as a result of the takeover of the Fremantle cemetery operations and following a restructure of the Metropolitan Cemeteries Board.

31. Remuneration of Auditor

The total fees paid or due and payable to the Auditor General is as follows:

Auditing the accounts, financial statements and performance indicators	22,000	13,500
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2004 (continued)**

32. The Impact of Adopting International Accounting Standards

For reporting periods beginning on or after 1 January 2005, the Metropolitan Cemeteries Board must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the Metropolitan Cemeteries Board's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Metropolitan Cemeteries Board has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

Regulatory bodies that promulgate Australian GAAP and IFRS have significant ongoing projects that could affect the differences between Australian GAAP and IFRS described below and the impact of these differences relative to the Metropolitan Cemeteries Board's financial reports in the future. The potential impacts on the Metropolitan Cemeteries Board's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred, have not been quantified as at the transition date of 1 July 2004 due to the short timeframe between finalisation of the IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The key potential implications of the conversion to IFRS on the Metropolitan Cemeteries Board are as follows:

- financial instruments must be recognised in the statement of financial position and most financial assets must be carried at fair value;
- revaluation increments and decrements relating to revalued property, plant and equipment and intangible assets will be recognised on an individual asset basis, not a class of assets basis;
- intangible assets:
 - internally generated intangible assets (except development phase expenditure in certain circumstances) will not be recognised
 - intangible assets can only be revalued if there is no active market
- impairments of assets will be determined on a discounted basis, with strict tests for determining whether cash-generating operations have been impaired;
- changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

METROPOLITAN CEMETERIES BOARD
BUDGETED FINANCIAL STATEMENTS (UNAUDITED)
For the Year Ending 30 June 2005

Index of Budget Statements:

Budgeted Statement of Financial Performance for Metropolitan Cemeteries Board
Budgeted Statement of Financial Position for Metropolitan Cemeteries Board
Budgeted Statement of Cash Flow for Metropolitan Cemeteries Board

Note: The budget Statements of Financial Performance, Financial Position and Cash Flows are unaudited 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 2005

REVENUE

	2005	2004
	\$	\$
Revenues from ordinary activities		
<i>Revenues from operating activities</i>		
Trading Profit	2,186,164	1,628,368
Goods and Services	10,385,465	10,365,155
<i>Revenue form non-operating activities</i>		
Proceeds on disposal of non-current assets	260,000	200,749
Net Profit on sale of shares	-	185,439
Interest revenue	434,743	579,198
Dividend revenue	139,000	118,102
Commission on Sand Extractions from Rockingham Regional Memorial Park	200,000	74,411
Other revenues from ordinary activities	174,001	202,040
Total Revenues from Ordinary Activities	<u>13,779,373</u>	<u>13,353,462</u>

EXPENSES

Expenses from Ordinary Activities		
Employees expenses	5,370,570	5,157,419
Administration Expenses	1,112,988	1,197,199
Supplies and Services	2,532,587	2,399,133
Depreciation Charges	1,841,741	1,635,773
Costs of disposal of non-current assets	144,747	102,845
Borrowing cost expense	-	141,661
Other expenses from ordinary activities	385,740	400,697
TOTAL EXPENSES	<u>11,388,373</u>	<u>11,034,727</u>

NET PROFIT	2,391,000	2,318,735
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Net increase in asset revaluation reserve		6,355,083
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TOTAL CHANGES IN EQUITY	<u>2,391,000</u>	<u>8,673,818</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 STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	2005	2004
	\$	\$
Current Assets		
Cash Assets	62,521	37,422
Inventories	1,662,244	4,023,663
Receivables	600,000	799,446
Other Financial Assets	4,883,976	8,302,668
Other Assets	289,868	188,425
Total Current Assets	7,498,609	13,351,624
Non Current Assets		
Other Financial Assets	2,843,784	3,130,161
Property, plant, equipment and vehicles	37,687,076	30,597,137
Infrastructure	5,381,989	10,346,745
Total Non-current Assets	45,912,849	44,074,043
Total Assets	53,411,458	57,425,667
Current Liabilities		
Payables	470,000	915,730
Provisions	536,097	495,635
Other liabilities	1,980,700	508,476
Pre-need Agreements	480,000	583,404
Grant Extensions		
Total Current Liabilities	3,466,797	2,503,245
Non-Current Liabilities		
Provisions	472,705	537,875
Pre-need Agreements	4,044,710	4,284,706
Grant Extensions	583,750	631,789
Total Non-Current Liabilities	5,101,165	5,454,370
Total Liabilities	8,567,962	7,957,615
NET ASSETS	44,843,496	49,468,052
Equity		
Contributed equity	13,640,938	13,640,938
Reserves	6,657,125	12,821,766
Retained profits / (accumulated losses)	24,545,433	23,005,348
TOTAL EQUITY	44,843,496	49,468,052

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

At the time of preparation of the 2005 budget, the Fair Values of non-current assets had not been ascertained and have therefore not been reflected in the 2005 figures shown above.

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF CASH FLOW
FOR THE YEAR ENDING 30 JUNE 2005

	2005	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES: -		
Receipts		
Sale of Goods and Services	11,563,444	10,850,104
Goods and Services – Mausoleum	4,548,531	2,590,987
Receipts from Commissions on Sand Sales	200,000	74,411
Interest Received	521,225	583,625
Dividends Received	125,000	118,102
GST receipts on sales	1,004,282	1,402,741
Other Receipts	68,000	202,040
Payments		
Supplies and Services	(4,824,295)	(3,361,219)
Employees Costs	(5,689,014)	(5,468,127)
GST payments on purchases	(674,016)	(985,277)
GST payments to taxation authority	(330,266)	(434,821)
Borrowing Costs	-	(141,661)
Net cash from operating activities	<u>6,512,891</u>	<u>5,430,905</u>
CASH FLOWS FROM INVESTING ACTIVITIES: -		
Proceeds from sale of non-current physical assets	260,000	200,749
Net drawdown of investments	3,049,405	125,210
Purchase of non-current physical assets	(9,822,296)	(6,299,567)
Proceeds from sale of investments	-	1,072,769
Net cash used in investing activities	<u>(6,512,891)</u>	<u>(4,900,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Repayment of WATC loan taken over from Fremantle	-	(2,050,724)
	-	(2,050,724)
Net increase/(decrease) in cash held	<u>-</u>	<u>(1,520,658)</u>
Cash assets at the beginning of the financial year	62,521	28,754
Cash transferred from other sources		1,529,327
Cash assets at the end of the financial year	<u>62,521</u>	<u>37,423</u>

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