



METROPOLITAN
CEMETERIES BOARD

Annual Report 2007-2008

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

Locations and Contact Details

Head Office

Karrakatta Cemetery
Railway Road
Karrakatta WA

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

Other Locations

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

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

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

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

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

STATEMENT OF COMPLIANCE

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

In accordance with the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Metropolitan Cemeteries Board for the financial year ended 30 June 2008.

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

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



R G BOWE
CHAIR



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN AM PSM JP
CHIEF EXECUTIVE OFFICER

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From the Chairman

A Year in Review Executive Summary



On 12th September 2007 the Hon. Minister for Local Government, Ljiljanna Ravlich MLC, officially opened Rockingham Regional Memorial Park, the first new cemetery to be opened in the Perth metropolitan area in the past 30 years.

This attractive new facility provides for traditional and lawn burials and for a range of memorial options after cremation.

The Memorial Park was developed in close liaison with the City of Rockingham and enabled Council to revert the East Rockingham Pioneer Cemetery to limited burials in the future. The Board also entered into a Memorandum of Understanding with the City of Rockingham whereby the Board will undertake the burial function at East Rockingham and Council accepts responsibility for future maintenance.

At Karrakatta Cemetery redevelopment took place in nine sections used many years ago for burials.

This redevelopment work under our cemetery renewal program will provide a considerable number of new graves for traditional monumental and lawn area burials, cremation memorial areas and 208 new garden crypts in attractive new mausoleum settings.

Also at Karrakatta, work is nearing completion for new workshops, plant and machinery storage facilities and staff amenities.

At Pinnaroo Valley Memorial Park the highlight during the year under review was the substantial redevelopment of Sir Thomas Meagher Memorial Lake and adjacent areas to provide an extremely attractive setting for a very broad range of cremation memorials.

At Rockingham, areas have been identified for natural or green field burials in response to evidence that such environmentally friendly developments are proving popular in other parts of the world.

At Fremantle Cemetery, the Board opened the Cherub Garden, an area set aside for the memorialisation of children. Further enhancement of the Sainsbury Memorial Gardens took place and a commencement has been made to essential maintenance and redevelopment of the Lakes Memorial area.

In liaison with Monumental Masons, the Board developed a comprehensive policy document to ensure that all monumental work conforms with Australian standards, the Cemeteries Act 1986 and Board By-Laws and does not present a risk to members of the public or employees of the Board.

The Board also entered into a Memorandum of Agreement with the Office of Australian War Graves (OAWG) for the future management of official war graves and graves of the war dead at all public cemeteries in the Perth metropolitan area. The OAWG has indicated that this is the first Memorandum of its kind at cemeteries in Australia and will be used as a model with other cemetery management authorities.

Discussions were also held with the National Trust WA and the Heritage Council WA with a view to agreements being developed covering historical graves and heritage issues.

A comprehensive review of the Cemeteries Act 1986 continued during the year and the Board made detailed submissions to the process. Under current legislation the Board upgraded processes for the licensing of Funeral Directors.

Corporate governance issues addressed by the Board during the year included the adoption of an internal audit charter, an external quality assessment of the Board's internal audit program and the adoption of a fraud and corruption control plan.

The Board continued to work closely with the Department of Planning and Infrastructure with a view to identifying and securing additional land for future cemetery use. In these endeavours, the Board has been well supported by our Minister, Hon Ljiljanna Ravlich MLC and the Minister for Planning and Infrastructure, Hon Alannah MacTiernan MLA.

These are some of the highlights in a busy year in which the Board received 9876 funerals at the six cemeteries it manages during the year ended 30th June 2008. This is the highest number of Perth metropolitan funerals recorded in any year.

I take this opportunity to sincerely thank the Minister, the Board and our dedicated staff for the high quality community service and facilities presented for the benefit of the public at all of the cemeteries and crematoria under the Board's jurisdiction.



Ross G Bowe
Chairman

Operational Structure

The Metropolitan Cemeteries Board (MCB) is a fully self supporting statutory authority. The Board manages six cemetery and memorial park sites throughout metropolitan Perth – Fremantle, Karrakatta, Midland and Guildford Cemeteries; Pinnaroo Valley and Rockingham Regional Memorial Parks.

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

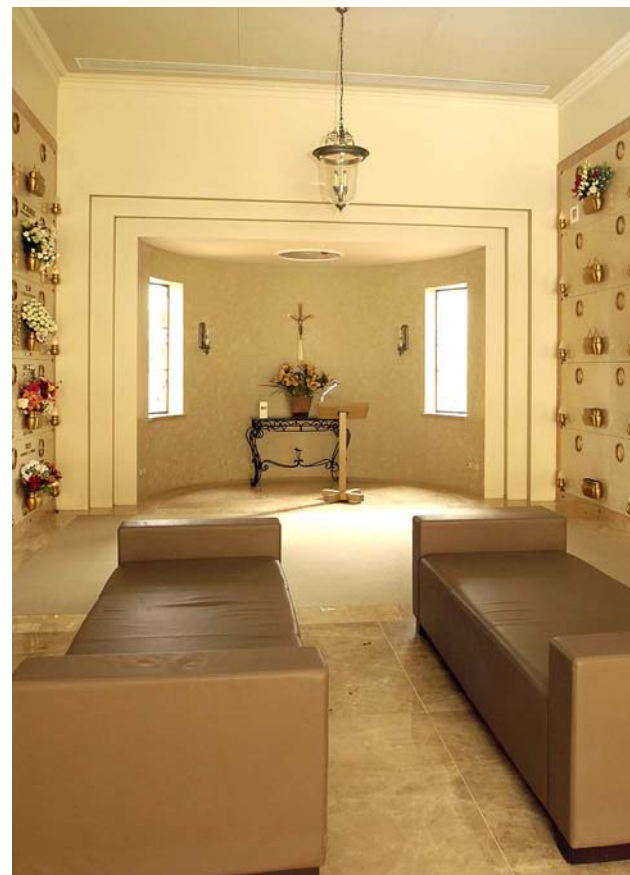
ACTS AND BY LAWS:

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

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

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

- Cemeteries Act 1986
- Corporations (Western Australia) Act, 1990 ('Corporations Law')
- Cremation Act, 1929
- Disability Services Act, 1993
- Equal Opportunity Act, 1984
- Financial Management Act, 2006
- Industrial Relations Act, 1988 (Federal)
- Industrial Relations Act, 1979 (Employment Acts, State)
- Library Board of Western Australia Act
- Metropolitan Cemeteries Board By-Laws
- Minimum Conditions of Employment Act, 1993
- Occupational Safety and Health Act, 1984
- Official Corruption Commission Act, 1988-94
- Public and Bank Holidays Act, 1972
- State Records Act, 2000
- Public Sector Management Act, 1994
- State Supply Commission Act, 1991
- Workers' Compensation and Assistance Act, 1981
- Workplace Agreements Act 1993
- Workplace Relations Act 1996 (Federal).



Board Members

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

The following Board members served during 2007/2008:

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. 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 Wagering Western Australia and a Board member of Landcorp. Mr. Bowe is also a member of the Board's Finance and Internal Audit Committee.



Deputy Chair

Mrs. Jean Hobson

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



Mr. Joe O'Dea Jnr

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



Mr. Ken Colbung AM, MBE

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



Dr Leonie Beth Liveris

Dr Liveris has previously served on the Board and is Chairperson and Consultant Historian for the Monument Assessment and Advisory Committee. She serves on the committee for the Professional Historians Association (WA) and is an Adjunct Research Fellow at Curtin University. Dr Liveris holds a Master of Philosophy degree from Murdoch University and Doctor of Philosophy degree from Edith Cowan University. She is the author of *The Dismal Trader* (1991) and *Memories Eternal; the history of Karrakatta Cemetery* (1999) commissioned for the Karrakatta centenary celebrations in 1999.



Mrs. Jeanette Berinson

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



Mr. Donald Whittington

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

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



Meetings

A total of six ordinary meetings were held during 2007/2008. Attendances by Board members at these meetings were as follows:

Ordinary Meetings Attended

Ross Bowe	6
Jean Hobson	6
Don Whittington	5
Joe O'Dea Jnr	5
Ken Colbung AM MBE	3
Jeanette Berinson	6
Leonie Liveris	6

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

Board Remuneration

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

Declarations of Interest

Board members have disclosed pecuniary interests as required.

Our Vision

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

Our Mission

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

Our Values

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

Integrity

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

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

Customer Service Excellence

Serving our customers stands above all other values and requires:

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

Inspired People

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

- Mutual trust and respect
- Empowerment and employee engagement
- A culture of innovation, learning and continuous improvement.

Sustainability

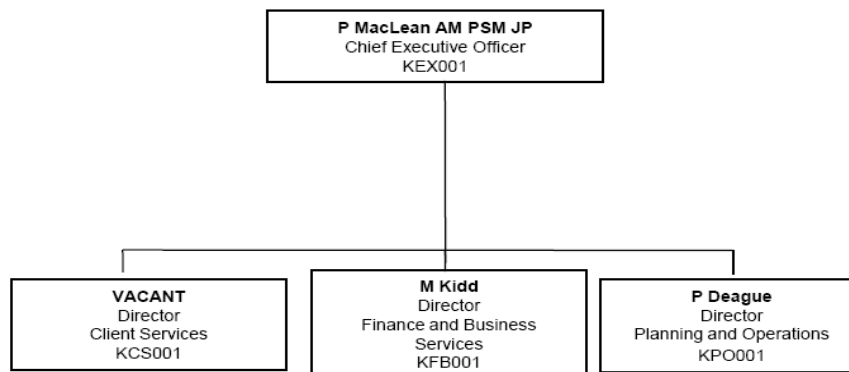
We are committed to sustainable operations that will allow us to meet the needs of future



generations by:

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

There are approximately 133 individuals employed by the MCB*. A simplified organisational chart is presented below.



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



Performance Management Framework

Outcome Based Management

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

The five year strategic plan, adopted in 2007, was developed utilising the Governments strategic management framework – ***Better Planning; Better Futures***.

The MCB Vision is:

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

The strategic outcomes identified by the MCB are:

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

These outcomes can be related to the goals and strategic outcomes incorporated in the State Government's *Better Planning; Better Futures* (BP/BF) strategic outcomes. These goals and their linkage to the MCB's identified strategic outcomes are as follows.

Goal 1 – Better Services

Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.

Key measures under MCB Outcome 1 are:

- products and services satisfaction
- understanding of customer needs.

MCB Outcome 2 also compliments this *Better Planning; Better Futures* goal in terms of our capability to meet identified needs.

Goal 2 – Jobs and Economic Development

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

The MCB has related strategies including:

- training MCB staff to deliver excellent services to their customers and ensure they possess the skills and knowledge to perform their tasks to a high level. Supporting documentation includes the MCB Training Plan and Induction Program
- build a culture of innovation, learning and continuous improvement. Supporting documentation includes the Training Plan and the Performance Review and Development Plan (PRDP)
- attract and retain quality staff through development of the Wellness Program and Induction Program



- ensure the right staff at the right place for the future through reviewed Job Descriptions and the PRDP

Better Planning; Better Futures Strategic Outcome 2.2 provides for a strong research and development capability.

MCB strategic outcomes have been developed with alignment in mind and include:

- to better understand our customer needs through research
- promote and gain knowledge through a range of active networking mechanisms
- undertake environmental scanning to recognise the value of strategic possibilities
- identify trends that are necessary to ensure sustainability
- undertake financial research and development and modelling to better position the organisation to meet its objectives.

Better Planning; Better Futures Strategic Outcome 2.3 provides for a level and mix of infrastructure that promotes economic growth.

This fits with MCB Outcome 2, building and expanding our capability and particularly the associated strategy to maintain and construct quality facilities to meet MCB operational needs.

Goal 3 – Lifestyle and 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

MCB's Strategic Outcome 4, Influencing and Shaping our Environment and a key strategy to plan for future operational sustainability, aligns closely to Goal 3

Goal 4 – Regional Development

Planning in partnership for a sustainable future

Although the MCB jurisdiction is confined to the management of Perth metropolitan cemeteries and crematoria, the Board provides extensive advisory and consultative services to country cemetery Boards and Local Governments with cemetery management responsibilities. The Board's Director of Planning and Operations is also the President of the Cemeteries and Crematoria Association of Western Australia which provides advice, training and guidance to all Cemetery Managers throughout the State.



Goal 5 – Governance and Public Sector Improvement

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

The Strategic Outcomes under this goal are included in MCB strategies to:

- train MCB staff to deliver excellent services to their customers. MCB Training Policy and Strategic Outcomes reflected into a Training Plan
- build a culture of innovation, learning and continuous improvement. Performance
- Review and Development Plan linked to the Training Plan
- attract and retain quality staff through excellent induction and a positive workplace culture. Wellness Program
- ensure policies, guidelines and procedures are regularly reviewed to reflect changing needs through review and evaluation of all programs via open and accountable management.
- maintain sound financial management practices that balance core responsibilities and business sustainability
- provide two-way stakeholder mechanisms to provide and promote knowledge and information dissemination.

AGENCY PERFORMANCE

Report on Operations

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

All MCB Divisions have developed operational plans and are now well on the way to achieving goals aligned to the strategic plan.

This report on operations for the year ended 30 June 2008 is presented under the key outcomes identified in the strategic plan. These outcomes are:

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

OUTCOME ONE: Excelling in Customer Service

During the year the Board received 9876 funerals at the six cemeteries under MCB management.

This figure includes cremations, burials and mausoleum entombments.

In addition to these core services, the Board assisted families in the provision of 539 burial memorial plaques and 2844 memorials arranged after cremation.

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

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

During the year under review the Board continued to pursue its whole of organisation training and development framework.

A Training and Development Policy has been developed and a whole of organisation Training Plan supports this document. A Training Committee has been established to oversee all learning and development throughout the MCB. This committee recommends training improvement, reviews the appropriateness of training provided to ensure that the training reflects the requirements of the Strategic Plan. The committee monitors and reports to the Corporate Executive on specific divisional training concerns and activity.



In recognition of the Active Ageing Strategy, the Board is in the process of developing strategies to achieve greater retention of mature employees. As part of the whole of Government Workforce Plan, the MCB intends to develop its own Workforce Plan including employment of minority groups and a succession planning framework.

In line with best practice theory, a comprehensive procedure for complaints handling was developed and introduced during the review period. Training of all MCB staff in complaint handling procedures consistent with the procedure commenced in May 2008. The reclassification of maintenance matters as standard maintenance requests has resulted in a reduction in the number of matters warranting investigation and has allowed the organisation the opportunity to improve/review existing systems and processes.

In addition to actively pursuing strategies to excel within the customer service domain, the MCB continued the range of community events staged at the cemeteries. The traditional annual masses to commemorate Easter Sunday and All Souls Day were held at Karrakatta Mausoleum and were complimented by the Rosary to commemorate the Feast of the Annunciation at Fremantle Mausoleum. In November 2007, the Board also held its first All Souls Day mass at Fremantle Mausoleum and is planning to make this an annual event.

The Board also continued its involvement with the City of Fremantle's annual Heritage Festival and staged free tours of the Fremantle Cemetery Heritage Trail for the 2008 event. Given the popularity of the tours at the 2007 festival, an additional tour was added for the 2008 event. Numbers at the tours continue to increase and it is evident that many members of the community genuinely enjoy this annual opportunity to enhance their historical knowledge. As this has now become a regular occurrence, the Board utilised the services of a trained Historian to undertake the role of Tour Guide.

Recognising the important historical nature of the industry in which the Board operates, the process of compiling oral histories from the veterans of the local cemetery services industry is an ongoing project. During the review period, Mr Albert McClurg, previously the Administrator of Fremantle Cemetery, was the subject of an in-depth interview. Albert's wife Margaret, having lived and worked onsite at the cemetery for many years, was also interviewed and their combined interviews provide a unique insight into cemetery life at Fremantle over a 30 year duration.

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

In pursuance of a strategy to ensure policies, guidelines and procedures are regularly reviewed to reflect changing needs, the Board has played an active role during the year in the continuing review of the Cemeteries Act 1986. This process, now in its final stages, is being undertaken by the Department of Local Government and Regional Development. Once completed, it is envisaged that a review of the MCB By-Laws will commence.

To ensure that the Board could continue meeting customer expectations with regard to diverse memorial options, the range of memorials offered by the MCB is constantly monitored and subject to continuous improvement. The opening of a children's memorial garden at Fremantle Cemetery, the upgrade of Sir Thomas Meagher Lake at Pinnaroo Valley Memorial Park and water wise landscaping for new memorial gardens at Karrakatta are evidence of the ongoing memorial development processes that occur at all MCB cemeteries.

At the base of the memorials development procedure is critical customer knowledge that the MCB has garnered through undertaking a major community research project in 2005. Customer insights gained from this extensive research exercise are still value-adding to the

organisation's business planning and are complemented by the findings from the customer satisfaction survey that the MCB undertakes on an annual basis. The practical application of research findings into the organisation's product development process has ensured that the Board continues to remain responsive to client needs and delivers *best of industry* products and services

OUTCOME TWO: Building and Expanding our Capability

Key strategies in achieving these outcomes include:

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

A key initiative is the Cemetery Renewal program at Karrakatta.

Under Division 4 of the Cemeteries Act 1986, the Board may redevelop portions of the cemetery for re-use for any of the purposes authorised under the Act.

During the year under review the ongoing programme of redevelopment continues to ensure that Karrakatta can meet community needs and included works completed in the Anglican KA, GA, HA and XC sections. Works are nearing completion in Roman Catholic IA for a garden mausoleum and memorial garden development. In addition to monuments retained in situ or relocated after assessment, the Board has been able to accommodate the retention of all headstones that are in good condition. These headstones are now incorporated in landscaping features.



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

Improved communications with clients and improved public awareness have resulted in fewer issues being raised regarding the cemetery renewal program. Negotiated outcomes achieved by working closely with affected families have resulted in a greater public acceptance of the need for cemetery renewal.

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

One means of efficiently using land in existing cemeteries has been the establishment of mausoleums in the Perth metropolitan area, particularly at Karrakatta where the mausoleum

was built as an outcome of the cemetery renewal initiative. Above ground crypts have proved effective and popular alternatives to earth burial.

Work has now been completed on stage five of the Karrakatta Mausoleum with the construction of garden crypts incorporated in a landscape setting. Although separate to the existing mausoleum, the new garden crypts continue the architectural language of the original Karrakatta Mausoleum and, in the future, will provide a link to the proposed mausoleum development in the adjacent Roman Catholic JA section.

To be known as *Contemplation Gardens*, the new memorial gardens surrounding the stage five crypts are the first major memorial garden development to be constructed at Karrakatta since 2004 and will present a range of innovative memorial options for families to consider.

Designed to service the needs of the growing population within the South West corridor, the newly completed Rockingham Regional Memorial Park was opened by the Hon. Ljiljana Ravlich on September 12 2007.

The first stage of the new cemetery that has been made available to the community incorporates a lawn style burial section and a range of memorial gardens. A large gazebo has also been constructed and has been made available to families as a location for ceremonies prior to burial.

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



Guided by the principles outlined within the Memorandum of Understanding (MOU) between the MCB and the City of Rockingham, the pioneer cemetery will only accept burials from those families holding a Grant of Right of Burial issued prior to the proposed closure of the cemetery in 2009. Once the cemetery is officially closed, Rockingham Regional Memorial Park will replace the East Rockingham Cemetery in servicing the cemetery needs in the rapidly developing Rockingham and Peel regions.

Another element of planning for the future has been the Board's ongoing involvement in whole of government pandemic/disaster planning. The Board's Director of Planning and Operations represents the MCB on the State Co-coordinating Committee.

Redevelopment of the Sir Thomas Meagher Lake at Pinnaroo Valley was completed during the review period. The redevelopment of the lake has provided the Board with both an improved irrigation reserve for the park and a range of new memorial options for families. Of particular note, the new Sir Thomas Meagher Boardwalk memorial provides families with a visually impressive waterside memorial location in the centre of idyllic Pinnaroo Valley.

The niche wall precinct and waterways at Cassia Court were also upgraded to provide new memorial options and final preparatory walks for a new memorial option, *The Leaves of Life*, were also completed under the watchful eye of a sandstone sculptor who was specifically commissioned for the project.

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

At Fremantle Cemetery, works to repair significant leaks within the decorative waterways of the Lakes memorial gardens have been completed.

Cherub Garden, a newly developed memorial garden for children, was also made available for memorialisation.

During the review period, the Board continued discussions with the City of Mandurah and the Shire of Mundaring with a view to the MCB assuming operational responsibility for cemeteries under their jurisdiction. Business cases are being prepared in conjunction with both organisations and will form the basis upon which both proposals will be assessed.

In pursuance of strategies to attract and retain quality staff, the Board refined the Cemetery Worker classification schedule and provided Certificate IV in Frontline Management to all of its middle management along with requisite units in the Cert. IV in Training and Assessment which has continued the recognition of leadership skills and similar qualities. In addition to these strategies, the MCB has undertaken to recruit utilizing Visa 457 provisions, refined its advertising and reviewed its Job Descriptions to simplify recruitment. In support of core strategies to attract and retain employees, the Board has introduced a comprehensive induction program and a formal Performance Review Development Plan (PRDP), during the review period.

Recognising the important role technology plays in building and expanding our capability, the organisation has finalised contractual arrangements for the ongoing support, maintenance, and enhancement of the Cemetery Records System (CRS). The five year contract, awarded to CSG WA, has afforded the opportunity for the organisation to have the equivalent of one full time technician based at the Karrakatta office.

Given that all daily MCB operations are processed through the system, the addition of a permanent technician on-site has reduced system down time and improved service response times considerably.

Recognising the ongoing importance of technology in the Board's operations, software allowing storage and cataloguing of digitised records was significantly upgraded enabling users across sites to look-up, view and print these documents via a web browser.

Offering families the option to view funerals as they occur over the internet, the funeral webcasting service offered at Pinnaroo and Karrakatta received significant upgrades to hardware during the review period. The revised hardware, still being installed as at June 30, will offer families an improved webcasting experience. The improved facilities will be



relaunched over the forthcoming financial year to ensure that Funeral Directors are well advised and confident in their recommendation of the option to the recently bereaved.

Advice was received from the Hon. Minister for Local Government that all members of the MCB Board had been reappointed from July 1 2007 until June 30 2010.

OUTCOME THREE: Planning for Business Sustainability

During the year a Fraud and Corruption Control Plan was developed in accordance with AS 8001 – 2003 and DR 06651. The Plan was endorsed by the Board in December 2007 and was rolled out to all staff through a series of awareness training sessions which were carried out at each of the Board's main cemeteries. The purpose of these sessions was to make all staff aware of the types of fraud and corrupt behaviour that might occur and to inform all staff of their responsibilities to report any instances of suspected fraud or corrupt behaviour. The awareness sessions also emphasised the Board's commitment to a zero tolerance to fraudulent and corrupt behaviour and its intention to embed this philosophy into the culture of the organisation. Feedback from these sessions has been collated by the training contractor and will be assessed by the Corporate Executive in the second half of 2008. It is intended that the risks identified during this exercise will be incorporated into a general risk assessment exercise which will be conducted during the 2008/2009 financial year. The results of both of these exercises will be entered onto the new RiskCover database program and will become the basis of the Board's new Risk Management Plan.

During the year, the Board has continued with its exercise to develop costing models for all of its core business services. In the latter part of the year, the Board employed the services of a firm of accountants to review the work that had been done to date and to make recommendations on how the existing costing models could be improved and how models for the remaining services could be developed. At 30 June, the Board had received the draft report from the consultants. It is intended that the recommendations arising out of the consultant's report be implemented during the first half of the 2008/2009 financial year, with a view to having all of the models in operation in time to assist with the preparation of the 2009/2010 budget.

It is anticipated that the models will assist the MCB to identify and quantify levels of cross-subsidisation in its core business services. This identification and quantification will assist the Board in making informed decisions to justify some degree of cross-subsidisation across some of its core business services and support the case for the removal of existing cross-subsidisation across some of its other services.

As a consequence of an extensive review of Funeral Director licencing, significant changes have been implemented during the process and a range of new conditions are now attached to the granting of a Funeral Directors licence. Within the revised licencing conditions, a code of conduct consistent with those of the Australian Funeral Directors Association (AFDA) and the National Funeral Directors Association (NFDA) has been formally incorporated for the first time.

In terms of expanding revenue sources available to the Board, the extraction of sand from Rockingham Regional Memorial Park has continued. Revenue obtained from the sale of sand is utilised to assist in meeting the capital expenditure required in developing this new cemetery. Contracts of lease for land



areas adjacent to Fremantle Cemetery and for the operation of café facilities at Pinnaroo, Karrakatta and Fremantle continued, with no significant alterations, during the review period.

OUTCOME FOUR: Influencing and Shaping our Environment

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

The cemetery renewal program comes under this category and had it not been for this initiative Karrakatta Cemetery would have closed for new burials in 2004. As it is, a cemetery renewal program has been projected to the year 2033 and it is probable that the scope will be extended well beyond that date in the future

The Board continues to work with the Department for Planning and Infrastructure and the Hon. Alannah MacTiernan MLA, Minister for Planning and Infrastructure, to acquire land for future cemetery use. Negotiations for land parcels are progressing.

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

To ensure the ongoing maintenance of close relationships with Government, the Board maintains its close liaison with the Hon. Ljiljanna Ravlich MLC, the Minister to whom the MCB reports and ensures that the Minister is abreast of important cemetery issues and initiatives.

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

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

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

- A Memorandum of Understanding with the Office of Australian War Graves covering the maintenance of official war graves at the Board's cemeteries.
- A Memorandum of Understanding with the City of Rockingham covering the future maintenance and funeral services at the East Rockingham Pioneer Cemetery
- Assistance to Cemetery Boards and Local Governments throughout Western Australia on a wide range of matters pertaining to cemetery management and operations
- Active participation in the Cemeteries & Crematoria Association of WA, including the Director Planning and Operations, Peter Deague being elected as President and the former Director Client Services, Diana Salvaris, as a Director of the Association
- Active participation in the Australasian Cemeteries & Crematoria Association and the International Cremation Federation of which Chief Executive Officer Peter MacLean is a Life Member and Vice-President respectfully

- Assistance to the Health Department WA, by the Board's Chief Executive Officer and Director Planning and Operations in the department's review of the cremation forms completed by medical practitioners.

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

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

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

FINANCIAL TARGETS

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

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

Highlights

The Board achieved a net surplus of \$4,734,000 for the year ended 30 June 2008 compared to a budget of \$2,567,000 and an actual figure of \$4,032,004 for the year ended 30 June 2007.

A significant increase in core business income over both budget and the previous year's actual, can be largely attributed to an increase in the number of funerals carried out and an increase in the number of memorials sold.

The number of burials and entombments carried out totalled 2,359 which compares with a budget estimate of 2,334 and the actual number carried out in the 2006/2007 financial year of 2,283. Cremations carried out totalled 7,517 which compares with a budget of 7,007 and the actual number carried out in the 2006/2007 financial year of 7,112. Sales of Mausoleum crypts exceeded budget by 38 crypts but fell short of the total number



sold in the previous financial year by 29 crypts. Sales of memorials of \$3.8m exceeded the budget of \$3.1m and the previous year's actual income of \$3.3m.

In September 2007, the Board officially opened Rockingham Regional Memorial Park, (RRMP) at Baldivis, south of Perth. During the year, the cemetery offered burial and memorial facilities as an alternative to the facilities at the East Rockingham Pioneer Cemetery. With East Rockingham Pioneer Cemetery scheduled to be closed during the 2008/2009 period, it is intended that RRMP will become the primary cemetery servicing the region. In order to facilitate this closure and the transfer of operations to RRMP, the Board has entered into a Memorandum of Understanding with the City of Rockingham regarding the sharing of responsibilities at the East Rockingham site.

As part of its normal year end procedures, the Board valued its share portfolio of 'available-for-sale financial assets' at market prices at 30 June 2008. Due to the downturn in the Australian stock market, the Board was required to reduce the valuations of its portfolio holdings of shares in Australian Securities Listed (ASX) Top 100 companies. This adjustment was reflected through Equity in the Revaluation Reserve account. (See Note 2 (f) - 'Impairment of assets' and Note 37 - 'Financial instruments'). Whilst a number of the shares in the portfolio at 30 June 2008 are valued below their original cost, Management and the Board, in conjunction with their financial advisers, have considered each of the shares and do not believe that there is any objective evidence to indicate that any of the shares may be impaired. Management further believes that the downturn in the stock market is of a temporary nature and has no reason to believe that any of the shares is likely to remain below cost for a prolonged period of time or that any of the companies, in which shares are held, are in any financial difficulty.

During the year the Board, as part of its investment portfolio restructuring, sold a number of shares and raised a net profit on sale of \$193,000. The proceeds from these sales were reinvested during the year.

The Board utilised the provisions of AASB 108 – 'Accounting Policies, Changes in Accounting Estimates and Errors' and Treasurer's Instruction 954 – 'Revaluation of Non-current Physical Assets' to revert from fair value to cost, as a basis for carrying non-current physical assets in the classes of 'Plant and equipment' and 'Vehicles'. In order to justify this change of accounting policy, the Board established that the difference between the carrying amounts based on depreciation of the assets at fair value and at cost was not material.

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



Financial Management

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

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

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

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

The annual fee-setting exercise has not taken into account any allowance for the purchase of new land or the development of new cemetery sites; nor do its existing fees include any component for the economic cost of existing land. In the past the Board has not been required to fund land acquisition, but recently State Treasury has indicated that the Board will be required to fund the purchase and development of new cemeteries in the future.

The Board is continuing with the development of 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 chosen to apply common costs across all cemeteries and service types although some cemeteries are less economically viable than others. For example, earth, vault and mausoleum interment costs are the same for all cemeteries.

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 2007/2008

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 2007. The Board resolved a general increase in its fees and charges of 4.36% in line with the annual increase in the Perth CPI. During the budget deliberations, the Board agreed to bring some of the fees and charges for the Fremantle Cemetery into line with those charged by the Board's other cemeteries. The Board decided that the differences between charges for Grants of Right of Burial should be equalised over a period of three consecutive years. As a result of this decision, the charges for Grants of Right of Burial were increased by between 11.8% and 12.5%.

Summary of Operating Results

A surplus of \$4.7m (2006/2007 \$4.0m) was achieved during the financial year after allowing for depreciation of \$2.3m (2006/2007 \$2.1m).

Income received from other non Core Business activities such as, investments, commissions on extractions of sand from the Rockingham Regional Memorial Park cemetery site, leasing of land, sale of assets and the Board's share of turnover from its sub-contracted management agreement for its cafes and condolence lounge catering, contributed \$2.0m (2006/2007, \$2.2m) to the Board's net surplus for the year.

Revenue received by the Board during the year for the provision of burial and cremation services and the sale of memorial products and mausoleum crypt spaces, was \$17.97m compared with a budget of \$16.4m and an actual figure of \$16.6m in the previous financial year. The main reason for the improvement in the actual figures is the increase in the number of funerals conducted by the Board and the number of memorials and mausoleum crypts sold during the year. (see also Note 36 'Explanatory statement' in the Financial Statements for further explanation of significant variances).

Total expenditure incurred on operating activities during the year amounted to \$15.3m compared to a budget of \$15.3m and an actual figure of \$14.7m in the previous financial year. (see Note 36 'Explanatory statement' in the Financial Statements for further explanation of significant variances)

Numbers of Funerals:

	<u>2007/2008</u>	<u>2006/2007</u>	<u>Increase</u>
Burials & Entombments	2,359	2,274	85
Cremations	7,517	7,112	405
	-----	-----	-----
Total funerals	9,876	9,386	490
	-----	-----	-----

Numbers of Memorial products sold:

Memorials	2,844	2,902	(58)
	-----	-----	-----

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

	BURIALS	CREMATIONS	MAUSOLEUM	MEMORIALS	SERVICES	TOTAL
	\$.	\$.	\$.	\$.	\$.	\$.
Karrakatta	2,062,898	2,539,194	2,521,219	1,234,299	212,343	8,569,953
Fremantle	928,643	1,951,746	788,155	915,417	75,167	4,659,128
Pinnaroo	751,045	1,390,492	-	1,562,140	16,251	3,719,928
Midland	192,971	-	241,702	36,190	18,528	489,391
Guildford	233,025	-	142,414	29,263	21,412	426,114
Rockingham	29,344	-	-	26,600	384	56,328
East Rockingham	40,573	-	-	6,680	-	47,253
	-----	-----	-----	-----	-----	-----
	4,238,499	5,881,432	3,693,490	3,810,589	344,085	17,968,095
	=====	=====	=====	=====	=====	=====
Percentage of total	23.6%	32.7%	20.6%	21.2%	1.9%	100.0%
Previous year 2006/2007	\$3,615,589	\$5,323,660	\$4,021,799	\$3,311,445	\$313,558	\$16,586,051

Total expenses of \$15,256,618 (2006/2007, \$14,815,506) (inclusive of Costs of Sales) for the years comprised:-

	<u>2007/2008</u>	<u>2006/2007</u>
The main items of operating expenditure were:-		
Salaries and Wages	5,325,152	4,828,587
Salaries on-cost	928,306	838,067
Provision for Employee Entitlements	576,645	691,712
Casual Labour – Agencies	184,333	445,224
Mausoleum costs of Sales	1,577,291	1,629,876
Depreciation	2,259,663	2,074,423
Repairs and Maintenance	921,725	865,766
Memorialisation	906,984	871,650
Gardens and Grounds	545,459	448,125
Light, Power & Gas	331,047	324,247
Personnel	271,915	305,944
Insurances	139,071	162,475
Information Services	274,153	233,852
Corporate Services	184,928	214,122
Office Expenses	156,977	145,296
Consultancy	106,820	127,050
Projects – (non capital)	273,044	273,632
Other Expenses	293,105	269,146

Total salaries expenditure (including on-costs, leave expenditure, fringe benefits tax and casual employment) represented 45.98% of total expenditure compared with 46.13% last year.

Capital Expenditure

During the year, the Board invested \$4.6m (2006/2007, \$6.1m) in new capital expenditure on physical assets for cemetery development, upgrading of facilities and on construction of Mausoleums.

Some of the significant items of capital expenditure were:-

Mausoleum Stages 5 and 6 – Karrakatta	1,889,000
Plant & Motor Vehicle Replacements	347,000
Cremators	208,000
Sir Thomas Meagher Lake Development - Pinnaroo	489,000
Renewal areas – Karrakatta	969,000
Office accommodation – Karrakatta	284,000

KEY PERFORMANCE INDICATORS

Outcome

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

Effectiveness Indicator

Extent of customer satisfaction with services provided

	Target	07/08	07/06	06/05	05/04
Industry Score	85	77	89	84	86
Public Score	85	92	90	89	88

Notes.

1. Levels of satisfaction among the public and industry remain relatively high. A slight increase of 2% in satisfaction amongst the public group has brought overall satisfaction amongst the MCB's client base to its highest recorded figure of 92%.
2. Satisfaction amongst the industry group has dropped to 77% from a peak of 89% in the 2006/07 period. When considering this figure it is important to note that this does not necessarily suggest a large level of dissatisfaction as 18% of industry respondents indicated that they were neither satisfied nor dissatisfied. Only 4% of industry respondents indicated that they were dissatisfied with the overall performance of the MCB.
3. A total of 502 surveys were conducted. The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed. The industry section was completed by telephone interview. The public section was by mailed self completion.

Groups	Pop	Sample	ES	RR%	Error
Industry	125	125	106	85	±3.7%
Public	9,500	1,903	396	21	±4.9%

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

- The Industry group includes funeral directors and clergy. Community groups and suppliers were not surveyed.
- Family members of the deceased were surveyed for the Public group. Visitors and mourners were not included in the Public group as the survey was targeted at users of the services.

Efficiency Indicator

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

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

	<u>Actual</u>	<u>Target</u>
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88
2005/2006	\$1,463.28	\$1,458.78
2004/2005	\$1,299.29	\$1,445.80
2003/2004	\$1,317.35	\$1,439.64

Notes.

1. Funerals include cremations and 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. The small decrease in the cost per funeral in 2007/2008 has arisen as a result of a combination of an increase in the numbers of funerals carried out by the Board during the year and a small overall decrease in the operating costs of the Board's operating activities.

Qualitative Indicators of Performance

In addition to the Key Performance Indicators, the Board had undertaken to assess its performance by the following qualitative measures.

Output

Funerals and memorial services.

Output Quality

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

	<u>Target</u>	<u>Outcome</u>	
		<u>2007/2008</u>	<u>2006/2007</u>
Funeral Services	95%	99.46%	99.56%
Memorials *	95%	99.89%	99.93%

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.

	<u>Target/Budget</u>		<u>Actual Numbers</u>	
	<u>2007/2008</u>	<u>2006/2007</u>	<u>2007/2008</u>	<u>2006/2007</u>
Funeral Services	9,341	9,718	9,876	9,386
Memorial Services	-	-	2,844	2,902

Compared to the previous financial year, there has been an increase of 490 funeral services and 58 memorial services carried out by the Board.

Output Timeliness

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

	<u>Target</u>	<u>Outcome</u>	
		<u>2007/2008</u>	<u>2006/2007</u>
Industry Score	80%	42%	50%
Public Score	80%	83%	79%

Although satisfaction with allocated service times declined amongst the industry respondents, from 50% in 2007 to 42% in 2008, the satisfaction amongst the families of the deceased increased by 7% and at 86% is now above the target of 80%.

With regard to the industry score, the downward trend needs to be assessed within an appropriate context. The Metropolitan Cemeteries Board offers a variety of service time durations across its chapels. The determination as to the length of time allocated is made by the Funeral Director when booking a service. The assessment of the amount of time required for a service is therefore, in essence, a factor over which members of the industry group can exert their own determination. Whilst additional allocations of times can be reserved, many Funeral Directors opt not to do this. Funeral Directors who consistently fail to reserve sufficient time for their services are charged a late fee by the MCB. This guideline is now uniformly enforced across all sites.

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

SIGNIFICANT ISSUES AND TRENDS

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

As indicated earlier in this report, it is imperative that additional land be set aside for cemetery use in the Perth metropolitan area. The Board simply does not have sufficient land to cater for the Perth metropolitan region, particularly at an estimated future population of 2.34 million. Providing land in all urban corridors is costly and retro-fitting cemeteries in established urban regions, verges on the impossible. An additional 250 hectares of land is required to provide a sustainable cemetery system for the Perth community.

A primary need has been identified in the south-east and north west corridors where much of the land undeveloped at Guildford and Midland cemeteries has been lost to the *Bush Forever* conservation initiative. Further to the south, local cemeteries at Jarrahdale and Serpentine are nearing capacity.

The Board is working with the Department for Planning and Infrastructure and Local Governments in the area in an endeavour to secure the land required to meet future cemetery needs.

Land should also be set aside at the northern end of the north-west corridor.

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

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

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

Another issue pertaining to fees charged for cemetery services is the need for true cost recovery. Any cross subsidisation between service fees should be minimised or preferably eliminated. The Board has embarked upon a costing review to equitably apportion costs and ensure transparency in fees and charges levied for MCB services and products.

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

In planning for a sustainable future, the Board has developed a cemetery renewal plan for Karrakatta to 2033. This aims to provide land for burial and memorial gardens on a



sustainable basis for an estimated population of 420,700 in the central urban corridor. Similar plans will need to be developed for the Board's other cemeteries to ensure that cemetery facilities are provided for future generations within the Perth community.

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

DISCLOSURES & LEGAL COMPLIANCE

Other Financial Disclosures

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

Pricing policies of services provided

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

CAPITAL WORKS

Capital project incomplete

- An ongoing capital works project is cemetery renewal. Sections still under construction are Anglican WA, LA, OC and NC, at an estimated cost of \$900,000
- The Board commenced work on Stage 5 of the Mausoleum complex at Karrakatta cemetery. Works finalised as at June 30 carried a value of approximately \$1.8m.

Capital projects completed

The new Sir Thomas Meagher lake system at Pinnaroo Valley Memorial Park was completed. The lakes enhance the ambience of the cemetery and provide a wide range of attractive waterside memorial options. The cost of the project was \$1.5m

Employment and Industrial Relations

Staff Profile

	2006-07	2007-08
Full-time permanent	85	81
Full-time contract	6	3
Part-time measured on a FTE basis	17	21
On secondment	1	1

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

Employee Learning and Development

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



Using its training budget to attract further dollars for training, the Board has established a partnership with the West Coast College of TAFE to continue its middle management training, offering a composite of Certificate IV in Training and Assessment and a full Certificate IV in Frontline Management. In addition the College has provide initial training in Occupational Health and Safety to middle management and the Construction Industry Blue Card to all operational employees.

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

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

Workers Compensation

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

GOVERNANCE DISCLOSURES

Contracts with Senior Officers

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

Insurance premiums paid to indemnify members of the Board

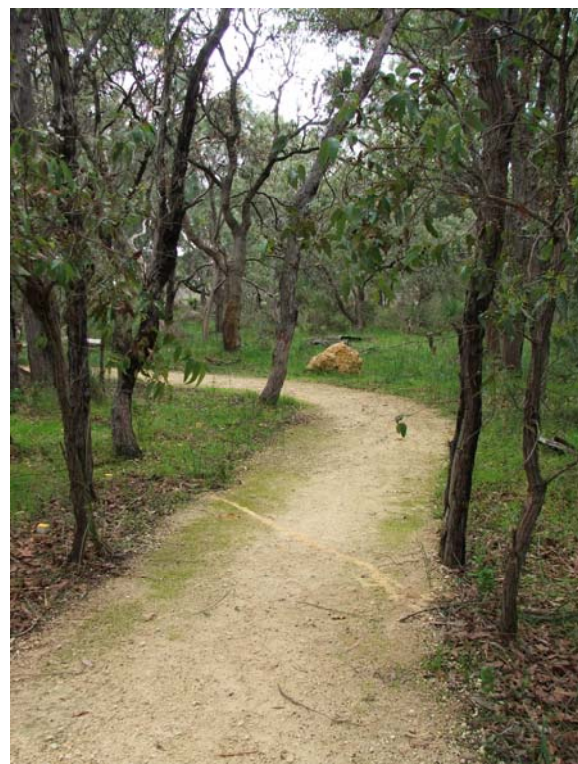
An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2007/2008 was \$6,876.

OTHER LEGAL REQUIREMENTS

COMPLIANCE WITH PUBLIC SECTOR STANDARDS & ETHICAL CODES

OPSSC reporting under s31 of the Public Sector Management Act 1994

1. Compliance issues that arose during the financial year 2007-2008 regarding the public sector standards, included:
 - No breach claims lodged
2. Compliance issues that arose during the financial year 2007-2008 regarding the WA Code of Ethics included:
 - No compliance issues arose.
3. Compliance issues that arose during the financial year 2007-2008 regarding our own Agency Code of Conduct included:
 - No compliance issues arose.
4. Significant action taken to monitor and ensure compliance included:



- Information about the Standards and Codes was reviewed and included on MCB intranet
- An awareness raising workshop is to be provided to all employees in regard to this information
- Additional Grievance Officers to be appointed
- These Officers to be trained
- The Code of Conduct has been reviewed and rewritten with regard to Additional Employment and Conflict of Interest. All employees to be issued with new Code of Conduct with notation of receipt to be held on Personal File (signed off in induction)
- Induction process to be developed with a formal program offered in staged modules to ensure employee awareness of the Code of Conduct Standards, Ethical Codes and Grievance procedures
- A gift registry was maintained for items received by MCB employees that were valued at \$20.00 and over.

Electoral Act 1907 Section 175ZE

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

Details are as follows:

Expenditure with Advertising Agencies	\$0
Expenditure with Market Research Organisations	
Patterson Market Research	\$9,618
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	
Media Decisions OMD	\$5,445
Marketforce*	\$22,000

* This expenditure through Media Decisions OMD and Marketforce, who manage the State Government's Master Media (campaign) advertising buying contract, represents all press advertising expenditure for the review period. No electronic media advertising was undertaken.

DISABILITY ACCESS & INCLUSION PLAN OUTCOMES

Disability Service Plan 2007

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

Disability Access and Inclusion Plan 2007

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

This plan addresses six Outcomes. These are;

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

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

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

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

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

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



RECORDS MANAGEMENT

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

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

- An online recordkeeping awareness training course has been conducted for all MCB staff except outside workers

- Records management staff train new staff and current staff on an ongoing basis as required
- Staff information sessions are conducted as required.

Coverage of the training/information sessions as detailed here extends to all staff except outdoor workers who have no recordkeeping responsibilities. Records management staff are offered more frequent and more specialised training where required.

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

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

The Recordkeeping Plan was audited by the Office of the Auditor General (OAG) during the review period and a report on compliance was tabled in Parliament during May 2008.

COMPLAINTS HANDLING

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

In the period May to July the majority of MCB personnel have attended training sessions on complaint handling guidelines with further training proposed in personally dealing with clients who wish to make a complaint.

The type and nature of complaints are monitored with statistics presented quarterly to the meeting of Directors.

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

Numbers of complaints

There were 177 complaints recorded from 1 July 2007 to 30 June 2008. The majority of complaints handled by the MCB are resolved without further incident.

Three main areas of complaints recorded

Eighty percent of all complaints were directly linked to our operational activities, particularly localised grounds maintenance issues, whereas fifteen percent related to products and services with the remaining five percent involving administrative matters.

Table 1 – Total of complaints by category

Accidents	2
Facilities	10
Grounds	89
Damage	13
Non-Approved Monuments	2
Non-complaint	1
Other	12
Products/Services	27
Renewal	1
Vandalism /Theft	20
Total	177

GOVERNMENT POLICY REQUIREMENTS

Corruption Prevention

The Board adopted its Fraud and Corruption Control Plan in December 2007. During the second half of the 2007/2008 financial year all of staff received formal training on the contents of the Plan. The awareness training included information on:

- what was considered to be fraudulent or corrupt behaviour
- some of the risks specific to the cemetery industry
- the Board's Fraud and Corruption Control Plan
- the importance of the PID Act, the Board's Code of Conduct and the Corruption and Crime Commission.

The training also emphasised the following important points:

- the Board's commitment to a zero tolerance policy for acts of fraud or corruption
- the need to report all instances of perceived fraudulent or corrupt behaviour
- the Board's commitment to investigate and report on all reported instances of alleged fraud or corruption
- the Board's commitment to protect the identity and rights of both the complainant and the accused, as far as possible.

It is intended that a follow up questionnaire is sent out to all staff to assess their levels of understanding of the issues arising from the training and also to gauge their levels of acceptance of the Board's Fraud and Corruption Control Plan.

It is further intended that all staff will receive refresher training on an annual basis along with regular reminders of the importance fraud and corruption issues to the Board. All new staff will receive appropriate training on induction.

Substantive Equality – Equal Employment Opportunity (EEO)

The requirement to include within annual reports information on equal employment opportunities has been removed. The Office of the Director of Equal Opportunity in Public Employment (DEOPE) has put in place an alternative reporting framework. DEOPE will be collecting this information directly from agencies and will report the information in their annual report. Agencies should note that the removal of the requirement for this information to be included in annual reports in no way affects the obligations on agencies under Part IX, section 146 of the *Equal Opportunity Act 1984* to report to DEOPE.

Legislative Framework

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

Public Interest Disclosure

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

- The Director, Finance and Business Services and the CEO have been appointed as the Board's PID Officers and internal procedures relating to the Board's obligations have been published on the MCB's intranet site
- The MCB has adopted internal procedures that provide protection to people who make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure.

As at 30 June 2008, no Public Interest Disclosures have been made.

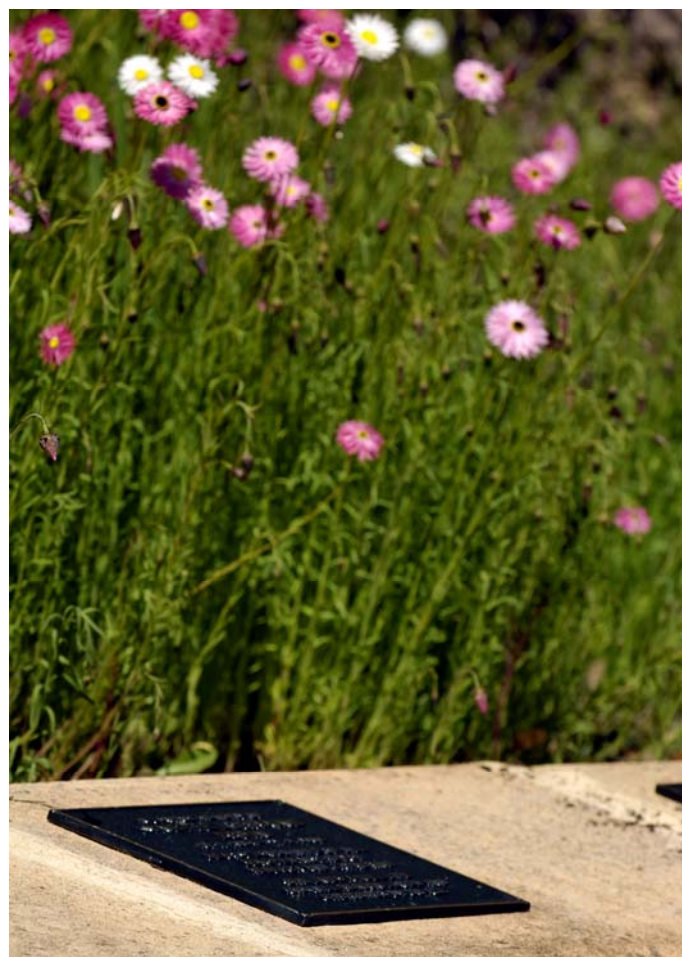
Risk Management

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

Sustainability

The MCB's Sustainability Action Plan has been developed to reflect sustainability principles and actions in strategic and business plans and budgets, consistent with *Better Planning; Better Futures*.

As stipulated within the Annual Report framework for 2007/2008, the agency is required to report in the form of a qualitative summary of the progress undertaken to address the targets and priority areas set out within the plan.



ACTION PLAN PROGRESS 2007-2008:

STRATEGIC PLANNING:

Align outcomes and activities with all relevant goals and strategic outcomes articulated in Better Planning: Better Services —A Strategic Planning Framework for the Western Australian Public Sector

Status of Action

The MCB's corporate achievements address the Government's goals regarding people and communities, the economy, the environment, the region and governance.

Timeframe

Completed.

Reflect State Sustainability Strategy actions within strategic and business plans and budgets as appropriate

Status of Action

The MCB has decided on a mandatory sustainability review process for all strategic and business planning. The Board has integrated such a process within operations.

Timeframe

Completed.

ANNUAL REPORTING

Prepare annual reports in accordance with the Annual Reporting Framework

Status of Action

Annual reports are prepared in accordance with the framework and audited appropriately by the Office of the Auditor General.

Timeframe

Ongoing.

Provide progress reports on the delivery of actions for which the agency is responsible within the State Sustainability Strategy.

Status of Action

The MCB has a Sustainability Officer, who monitors the Board needs and follows direction from the Corporate Executive (Senior Management Team) to ensure progress is achieved.

Timeframe

Ongoing.

PROCUREMENT

Comply with State Supply Commission (SSC) policies and guidelines.

Status of Action

The MCB follows SSC policies and guidelines in the procurement process with particular focus on value for money, buy local policy and quality and this is aligned with consideration to the environmental impact of purchases of goods and services, and with the disposal of goods. This has been reviewed and an innovative process chart developed to ensure consistency in procurement practices by MCB staff.

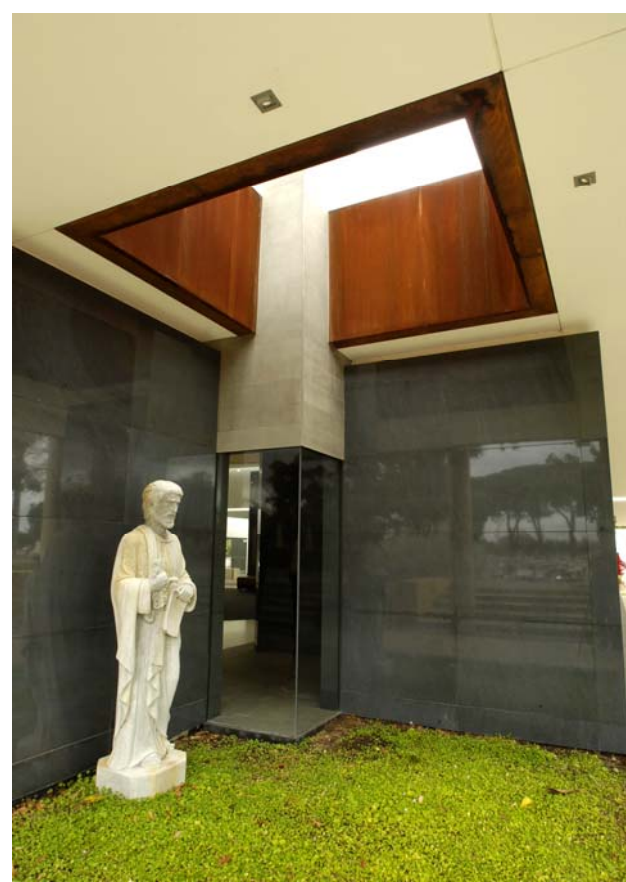
Timeframe

Achieved and ongoing.

SERVICE DELIVERY

Work collaboratively to:

- Ensure co-ordinated, integrated, high-quality service delivery to the community;



- Provide whole-of-government approaches to planning decision making and resource allocation; and
- Forge effective partnerships with federal and local governments, the private sector and the wider community.

Status of Action

Through the annual capital works development programs the MCB will continue to coordinate cemetery service delivery and introduce sustainability principles into that delivery.

Timeframe

Ongoing.

ENVIRONMENTAL PERFORMANCE

Waste

Undertake a waste audit of Karrakatta, Fremantle and Pinnaroo offices utilising consultants from the Government's Waste Audit Consultancy panel contract to assess and determine waste management, recycling and disposal options.

Status of Action

The MCB will undertake an internal audit of waste to determine relevant strategies for reduction in waste output.

Timeframe

Completed and ongoing.

Set targets for waste reduction and recycling

Status of Action

Targets will be set for waste reduction and recycling using recommendations from the waste audit. Performance will be monitored against targets and action will be taken as required to meet them.

Timeframe

Ongoing.

Energy

Undertake steps 1 to 5 of the Energy Smart Government Ten Steps to implement guide to energy management.

Status of Action

The MCB has achieved the targets set by SEDO and will continue to meet energy reduction requirements. Steps 1 to 5 have been completed.

Timeframe

Achieved and ongoing.

Agencies are encouraged to undertake steps 6 to 10 of the Energy Smart Government "Ten Steps to Implement" guide to energy management.

Status of Action

The MCB has implemented steps 6 to 10.

Timeframe

Completed.

Support the Government's commitment to purchase the equivalent of 5 per cent of its electricity from cost-effective renewable sources by 2006/07.

Status of Action

The MCB is pursuing options in this regard.

Timeframe

Timeframe for Achievement = December 2008.

Comply with those provisions relating to energy efficiency in the Department of Housing and Works Office Accommodation Policies.

Status of Action

The Commission has set internal targets to minimise energy use. The MCB will monitor performance against targets and take action as required to meet them.

Timeframe

Ongoing.

Water

Comply with those provisions relating to water efficiency in the Department of Housing and Works Office Accommodation Policies.

Status of Action

The MCB will set targets to maximise water efficiency. The MCB will monitor performance against targets and take action as required to meet them. The MCB will also seek advice on options regarding water usage at all cemeteries.

Timeframe

Completed.

By 1 July 2005, conduct a water audit of government tenancies greater than 1000 square meters using a qualified auditor. Agencies in existing government tenancies of less than 1000 square meters are encouraged to assess their water efficiency using a qualified auditor.

Status of Action

The MCB has completed its water audit program to minimise the use of water at all cemeteries.

Timeframe

Audit completed and under regular review.

VEHICLES AND TRAVEL

Undertake a survey of staff travel and audit of workplace accessibility for workplaces with 100 or more staff.

Status of Action

The MCB will undertake an audit of workplace accessibility.

Timeframe

Timeframe for Achievement = December 2008.

Identify actions to reduce unnecessary solo car journeys and promote travel alternatives such as cycling, walking, public transport, car-pooling, telework and develop a green transport plan for workplaces with 100 or more staff.

Status of Action

The MCB has an effective car pooling scheme during work hours and alternative modes of travel have been communicated to staff. Operational staff have the use of bicycles at Karrakatta Cemetery and this has extended to other cemeteries.

Timeframe

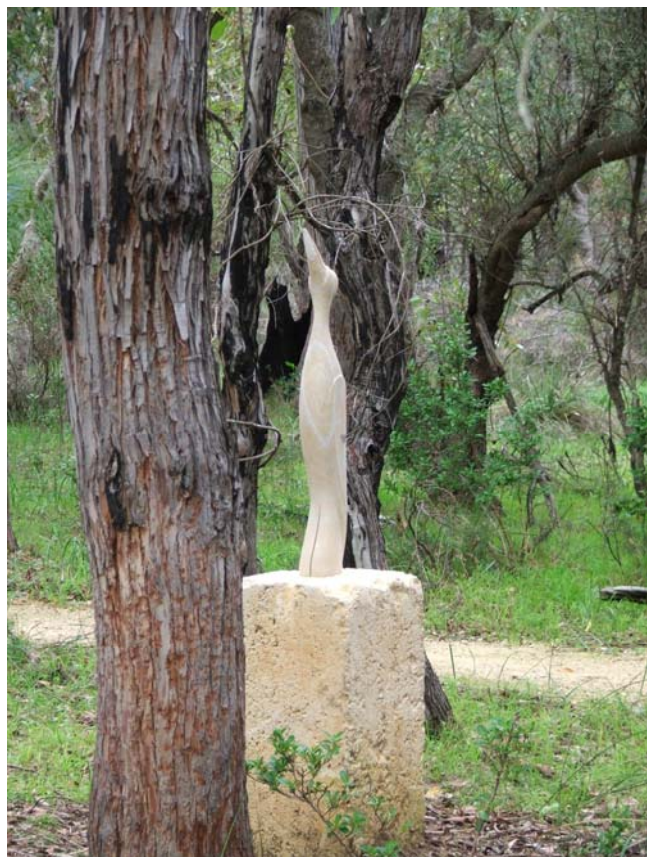
Completed and also under regular review.

Comply with the Government's commitment to offset greenhouse gas emissions of the Government's vehicle fleet.

Status of Action

The MCB aims to reduce vehicle use through different initiatives and has already converted a large number of vehicles to LPG and is upgrading vehicles to Euro 4 emission engines

Timeframe



Ongoing; reviewed when purchasing vehicles.

LAND DEVELOPMENT

Agencies involved in land development ensure these initiatives are consistent with sustainability principles and practices and work in a collaborative manner to provide optimum sustainability outcomes for land development initiatives.

Status of Action

By adopting a sustainability process applicable to all capital works and project outputs managed by the MCB, all land developments will be consistent with sustainability principles.

Timeframe

Ongoing & constantly reviewed.

Ensure that all reasonable steps are taken to avoid, minimise or mitigate any likely adverse impacts (direct or indirect) of future development, land disposal programs or existing uses on regionally significant bushland within a Bush Forever site. This shall include demonstration that all feasible alternatives have been considered to avoid or minimise any direct loss and the consideration of reasonable mitigation strategies to offset any loss, where appropriate and practical.

Status of Action

The MCB has developed a management plan in consultation and negotiation with the Department for Planning and Infrastructure. Midland, Guildford and Pinnaroo are all affected by Bush Forever and therefore a management plan has been developed for these sites. New developments will not impact on Bush Forever sites.

Timeframe

Pinnaroo = completed. Midland and Guildford = negotiated outcomes under review.

As part of the development of Sustainability Action Plans, relevant agencies develop a 'strategic package' of initiatives to identify their future requirements and conservation outcomes for lands affected by Bush Forever.

Status of Action

The MCB will ensure that sustainability assessment forms an integral part of its strategic planning and that new initiatives are developed according to sustainability principles. Bush Forever sites will be conserved at the relevant cemeteries.

Timeframe

Ongoing.

CAPACITY BUILDING FOR SUSTAINABILITY

As part of sustainability action planning and implementation provide opportunities for employees to participate in sustainability awareness raising and training initiatives and develop staff communications and engagement program.

Status of Action

Ongoing awareness of available training programs. Communications and engagement program have been finalised and incorporate mechanisms for employees to have input. Information made available to all staff through a variety of internal communications channels.

Timeframe

Completed.



SUSTAINABILITY THROUGH DIVERSITY

Support employees in understanding and respecting diversity through anti-racist, equal opportunity and cross-cultural awareness training programs and utilising means to redress where legislation permits.

Status of Action

The MCB takes an equal opportunity approach to recruitment and staff management. This approach is also encouraged in all dealings with the public, both internal and external.

Timeframe

Complete.

Support and foster opportunities for interaction, partnerships and alliances between individuals and groups.

Status of Action

MCB has established a key industry liaison group for the purpose of enhancing communication and addressing concerns in a timely manner. Formal and informal mechanisms are utilised to ensure input from industry and community groups is received and acted upon appropriately. Records are kept of such consultations.

Timeframe

Ongoing.

Create opportunities for staff to participate in relevant training on a regular basis to improve understanding and awareness of equal opportunity and multicultural issues.

Status of Action

Relevant training opportunities to be sourced and regularly communicated to staff. Staff to approach line management regarding attendance at training courses. Participation to be encouraged by management and staff released to participate whenever practicable.

Timeframe

Completed and ongoing.

OCCUPATIONAL HEALTH AND SAFETY

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

Status of Action

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

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

Timeframe

Ongoing.

Establish effective consultation mechanisms.

Status of Action

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

Timeframe

Ongoing.

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

Status of Action

The Health and Safety Committee has been charged with the responsibility of developing appropriate inspection documentation (including checklists). A schedule for completion of regular inspections is also being developed. Any identified areas of concern will be communicated in an appropriate format.

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

Timeframe

Ongoing.



METROPOLITAN CEMETERIES BOARD

Audited Financial Statements and Performance Indicators for the year ended
30 June 2008.



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

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

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

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

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

Summary of my Role

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

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

Metropolitan Cemeteries Board

Financial Statements and Key Performance Indicators for the year ended 30 June 2008

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Metropolitan Cemeteries Board at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2008.



GLEN CLARKE
ACTING AUDITOR GENERAL
22 September 2008

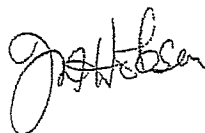
Metropolitan Cemeteries Board
Certification of Financial Statements
For the year ended 30th June 2008

The accompanying financial statements of the Metropolitan Cemeteries Board have been prepared in compliance with the provisions of the Financial Management Act 2006 and from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2008 and the financial position as at 30 June 2008.

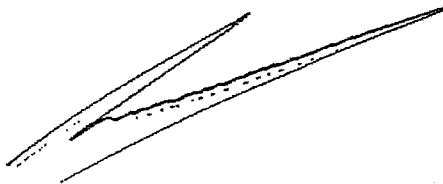
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



M KIDD
CHIEF FINANCE OFFICER

18th September 2008

METROPOLITAN CEMETERIES BOARD
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
INCOME			
Revenue			
Sales of mausoleum crypts	6.	3,693,490	4,021,799
Provision of services	7.	14,274,606	12,564,252
Interest revenue	8.	585,342	394,940
Dividend revenue	9.	853,978	838,929
Commission on sand extractions from Rockingham Regional Memorial Park		169,510	137,492
Other revenue	12.	209,793	199,625
Gains			
Gain on disposal of non-current assets	11.	24,765	-
Gain on sale of available-for-sale financial assets	10.	192,872	657,975
Total Income		20,004,356	18,815,012
EXPENSES			
Expenses			
Cost of sales	6.	1,542,808	1,604,065
Employee benefits expense	13.	6,999,207	6,788,955
Supplies and services	14.	2,834,955	2,640,225
Depreciation and amortisation expense	15.	2,259,662	2,074,421
Loss on disposal of non-current assets	11.	-	33,813
Other expenses	16.	1,633,870	1,641,529
Total expenses		15,270,502	14,783,008
PROFIT FOR THE PERIOD		4,733,854	4,032,004

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

METROPOLITAN CEMETERIES BOARD
BALANCE SHEET
AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	31 (a)	92,184	776,249
Inventories	17.	12,204,743	11,863,694
Receivables	18.	1,541,139	1,387,803
Other financial assets	19.	6,532,713	4,322,798
Total Current Assets		20,370,779	18,350,544
Non-Current Assets			
Available for sale financial assets	20.	13,758,555	13,510,199
Property, plant, equipment and vehicles	21.	43,368,504	40,347,147
Infrastructure	22.	19,302,678	18,192,000
Intangible assets	23.	78,720	213,661
Total Non-Current Assets		76,508,457	72,263,007
Total Assets		96,879,236	90,613,551
LIABILITIES			
Current Liabilities			
Payables	25.	1,492,771	1,859,089
Provisions	26.	1,019,540	948,029
Other current liabilities	27.	4,188	931
Pre-need agreements	28.	539,021	471,451
Total Current Liabilities		3,055,520	3,279,500
Non-Current Liabilities			
Provisions	26.	366,795	384,964
Pre-need agreements	28.	5,887,177	5,527,821
Grant renewals	29.	1,267,323	1,069,469
Total Non-Current Liabilities		7,521,295	6,982,254
Total Liabilities		10,576,815	10,261,754
NET ASSETS		86,302,421	80,351,797
Equity			
Contributed equity	30.	13,640,938	13,640,938
Reserves		32,989,548	31,772,778
Retained earnings		39,671,935	34,938,081
TOTAL EQUITY		86,302,421	80,351,797

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

**METROPOLITAN CEMETERIES BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Balance of equity at start of period		80,351,797	61,265,473
CONTRIBUTED EQUITY	30		
Balance at start and end of period		<u>13,640,938</u>	<u>13,640,938</u>
RESERVES			
Asset Revaluation Reserve	30		
Balance at start of period		30,159,093	15,849,579
Gains from asset revaluations			
Land		3,598,500	2,785,000
Infrastructure		-	7,024,013
Buildings		-	4,500,501
		-	-
Balance at end of period		<u>33,757,593</u>	<u>30,159,093</u>
Available-for-sale Financial Assets Revaluation Reserve	30		
Balance at start of period		1,613,685	868,879
Revaluation of securities		(2,188,858)	1,402,781
Transfer of profit to income statement		(192,872)	(657,975)
Balance at end of period		<u>(768,045)</u>	<u>1,613,685</u>
Total Asset Revaluation Reserve		<u>32,989,548</u>	<u>31,772,778</u>
RETAINED EARNINGS	30		
Balance at start of period		34,938,081	30,906,077
Profit for the period		4,733,854	4,032,004
Balance at end of period		<u>39,671,935</u>	<u>34,938,081</u>
Balance of equity at end of period		<u>86,302,421</u>	<u>80,351,797</u>
Total income and expense for the period (a)		5,950,624	19,086,324

- (a) The aggregate net amount attributable to each category of equity is: profit \$4,733,854 plus gains from asset revaluations of \$3,598,500 and write down of available-for-sale financial assets of \$2,188,858 and transfers to income statement of gains on sales of available-for-sale financial assets of \$192,872 (2007: profit \$4,032,004 plus gains from asset revaluations of \$14,309,514 and available-for-sale financial assets of \$1,402,781 and transfers to income statement of gains on sales of available-for-sale financial assets \$657,975)

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

**METROPOLITAN CEMETERIES BOARD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		14,733,229	13,206,032
Sales of mausoleum crypts		3,693,490	4,021,799
Receipts from commissions on sand sales		169,510	137,492
Interest received		511,487	156,810
Dividends received		953,142	858,860
GST receipts on sales		1,893,567	1,738,639
Other receipts		209,793	199,626
Payments			
Supplies and services		(6,479,493)	(4,385,866)
Employee benefits		(7,228,185)	(7,022,059)
GST payments on purchases		(920,751)	(1,040,486)
GST payments to taxation authority		(935,064)	(582,204)
Net cash provided by operating activities	31 (b)	<u>6,600,725</u>	<u>7,288,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale on non-current physical assets		115,831	97,580
Proceeds from sale of investments		1,759,660	3,628,322
Purchase of investments		(6,406,789)	(4,495,141)
Purchase of non-current physical assets		(2,753,492)	(6,069,597)
Net cash used in investing activities		<u>(7,284,790)</u>	<u>(6,838,836)</u>
Net (decrease)/increase in cash and cash equivalents		(684,065)	449,807
Cash and cash equivalents at the beginning of the period		776,249	326,442
CASH AND CASH EQUIVALENT ASSETS AT END OF PERIOD	31 (a)	<u>92,184</u>	<u>776,249</u>

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

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

1. Australian equivalents to International Financial Reporting Standards

General

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Board for the annual reporting period ended 30 June 2008.

2. Summary of significant accounting policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

(c) Income

Revenue Recognition

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

Sale of goods

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

Provision of services

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

Lease income

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

Grants of Right of Burial

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

Interest

Revenue is recognised as the interest accrues.

Dividends

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

Cremation Agreements

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

Grant Renewals

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

Mausoleum Grant Renewals

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

Burial Agreements

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

Gains

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

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

Capitalisation/Expensing of assets

Items of property, plant and equipment, vehicles and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment, vehicles and infrastructure costing less than \$1,000 are expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

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

Subsequent measurement

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

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

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

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

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

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

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

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

Refer to Note 22 - 'Infrastructure' for further information on revaluations.

Derecognition

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

Depreciation

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

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

Buildings	40 – 63 years
Plant and equipment	3 to 10 years except for Cremators which are depreciated over 15 years
Office equipment	3 to 5 years
Motor vehicles	3 to 7 years
Infrastructure	7 to 57 years
Cemetery renewal areas	3 to 5 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

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

Cemetery Renewal Areas

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

(e) Intangible Assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing over \$1,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$1,000 are immediately expensed directly to the Income Statement.

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

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

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

Software	3 to 5 years
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Refer to Note 23 - 'Intangible assets'

Research and Development

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

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

Web site costs

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

(f) Impairment of Assets

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

(g) Financial Instruments

In addition to cash and bank balances, the Board has four categories of financial instruments:

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

These have been disaggregated into the following classes:

Financial Assets

- Cash and Cash Equivalents
- Receivables
- Term Deposits
- Fixed Interest Securities
- Equity Securities
- Preference Shares

Financial Liabilities

- Payables

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

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

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

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

(h) Cash and Cash Equivalents

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

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

(i) Inventories

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

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

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

(j) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. An allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See Note 2(g) - 'Financial Instruments' and Note 18 - 'Receivables'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

(k) Investments and Other Financial Assets

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

After initial recognition, investments classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investments is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

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

The Board assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. See also Note 3 - 'Judgements made by management in applying accounting policies'.

(l) Payables

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

(m) Provisions

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

(i) Provisions – Employee Benefits

Annual Leave and Long Service Leave

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

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

A liability for long service leave is recognised after an employee has completed three years of service. An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers in 2006 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

(m) Provisions (continued)

(i) Provisions – Employee Benefits (continued)

Superannuation (continued)

Local Government Superannuation Fund and other defined contribution plans

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

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

(ii) Provisions – Other

Employment On-Costs

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

(n) Superannuation Expense

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

(o) Accrued Salaries

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

(p) Leases

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

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

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

(r) Comparative Figures

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

3. Judgements made by management in applying accounting policies

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

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

(b) Inventories

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

4. Key sources of estimation uncertainty

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

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

The Board assesses impairment at each reporting date by evaluating conditions specific to the Board that may lead to impairment of assets. Property, plant, equipment and vehicles and infrastructure consist of freehold land, buildings, plant, equipment and vehicles, office equipment, cemetery renewal areas, buildings and projects under construction and infrastructure. The value of these assets is assessed internally, annually with respect to the local market and also the condition and expected remaining life of the assets. No impairment of the assets has been recognized for the year ended 30 June 2008 (2007: nil).

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

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

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Board:

AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Board's exposure to risks, including enhanced disclosure regarding components of the Board's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

Changes in Accounting Policy

Change in Accounting Policy from Fair Value to Cost

During the current financial year, the Board has changed its accounting policy in respect of the valuation methodology used for Plant, Equipment and Vehicles. These assets, which were previously measured at fair value, are now measured at cost.

Reasons for this change are as follows:

- cost efficiency where cost savings could be better spent on improving services; and
- historical costs of the plant, equipment and vehicles provide users with more relevant and reliable information, as the assets are not held for sale. Moreover, the depreciation charge to the income statement based on historical cost better reflects the economic benefits derived.

This has not resulted in a change in the carrying amount of plant, equipment and vehicles in the current reporting period as their fair value approximates cost.

Comparative figures have not been restated to reflect this policy change, as the effect of changing prior period's depreciation and carrying values would not have been materially different if the change in accounting policy had always been applied.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

5. Disclosure of changes in accounting policy and estimates (continued)

Future impact of Treasurer's Instructions (TI) not yet applicable

The Board has not applied a revision issued under TI 1101, for the change in the asset capitalization threshold from \$1,000 to \$5,000 for items of property, plant and equipment and vehicles and intangible assets. This revision is applicable to the Board, effective from 1 July 2008 and will result in a change in the Board's asset capitalisation policy.

Had the Board adopted the revision in the period of initial application, the impact on the financial statements would have been as follows:

<u>Adjustments to:</u>	<u>Assets and accumulated depreciation</u>		<u>Retained earnings</u>	<u>Income statement</u>	
	Cost at 1/7/07	Accum depn to 1/7/07	Carrying amount at 1/7/07	Additions during year	Depreciation charged in year ended 30/6/08
Plant & equipment	337,635	145,587	192,048	17,339	53,361
Office equipment	292,693	158,416	134,277	38,289	51,155
	<u>630,328</u>	<u>304,003</u>	<u>326,325</u>	<u>55,628</u>	<u>104,516</u>

Future impact of Australian Accounting Standards not yet operative

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

<u>Title</u>	<u>Operative for reporting periods beginning on/after</u>
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Board does not expect any financial impact when this Standard is first applied.	1 January 2009.
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments' and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007).	1 July 2008
AAS B 2007-9 Amendments to Australian Accounting Standards arising from review of AASs 27, 29 and 31 [AASB3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007)	1 July 2008
Interpretation 4 'Determining whether an Arrangement contains a Lease' (February 2007)	1 January 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' (December 2007).	1 July 2008

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

5. Disclosure of changes in accounting policy and estimates (continued)

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 only apply to government departments. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise, there will be no financial impact.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2008	2007
	\$	\$
6. Trading profit		
Sales of mausoleum crypts	3,693,490	4,021,799
Cost of sales:		
Opening inventory	(11,531,367)	(8,656,583)
Transfer from works in progress on completion of new mausoleums	-	(4,349,328)
Adjustment to costs of sales	(31,655)	(129,521)
	(11,563,022)	(13,135,432)
Closing inventory	10,020,214	11,531,367
Cost of goods sold	(1,542,808)	(1,604,065)
Trading profit	2,150,682	2,417,734
7. Provision of services		
Burials	4,527,685	3,896,912
Cremations	5,996,603	5,390,033
Memorials	3,750,318	3,277,307
	14,274,606	12,564,252
8. Interest revenue		
Term deposits	361,208	171,557
Fixed interest securities	204,677	204,117
Bank accounts	19,457	19,266
	585,342	394,940
9. Dividend revenue		
Equity securities	376,284	307,551
Preference shares	251,212	205,732
Rebate of franking credits	226,482	325,646
	853,978	838,929
10. Net gain on sale of available-for-sale financial assets		
Carrying amounts of disposal of available-for-sale financial assets		
Equity securities	804,646	1,622,956
Preference shares	762,142	999,353
Fixed interest securities	-	348,038
Proceeds from disposal of available-for-sale financial assets		
Equity securities	1,009,660	2,303,648
Preference shares	750,000	994,674
Fixed interest securities	-	330,000
Net gain	192,872	657,975
11. Gain/(Loss) on disposal of non-current assets		
Net book value of disposal of non-current assets		
Plant equipment and vehicles	91,066	131,393
Proceeds from disposal of non-current assets		
Plant equipment and vehicles	115,831	97,580
Net gain / (loss)	24,765	(33,813)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

	2008	2007
12. Other revenue		
Commission from Kiosks	81,682	78,720
Rental of leased land	109,000	99,250
Miscellaneous income	19,111	21,655
	<u>209,793</u>	<u>199,625</u>
13. Employee benefits expense		
Wages and salaries (a)	5,541,094	5,307,106
Superannuation – defined contributions plans	896,696	804,772
Long service leave (b)	62,732	161,930
Annual leave (b)	498,685	515,147
	<u>6,999,207</u>	<u>6,788,955</u>
(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.		
(b) Includes the superannuation contribution component.		
Employment on-costs such as workers compensation insurance are included at Note 16 - 'Other Expenses'. The employment on-costs liability is included at Note 26 - 'Provisions'.		
14. Supplies and services		
Communications	170,233	113,548
Consultants and contractors	759,333	738,379
Consumables	35,069	33,615
Materials	1,719,401	1,579,297
Travel	43,112	31,300
Other	107,807	144,086
	<u>2,834,955</u>	<u>2,640,225</u>
15. Depreciation expense		
Plant, equipment and vehicles	887,613	790,150
Office equipment	137,996	141,685
Buildings	605,271	596,115
Infrastructure	453,393	368,141
Cemetery renewal areas	40,448	43,389
Total depreciation	<u>2,124,721</u>	<u>1,939,480</u>
Amortisation expense		
Intangible assets	134,941	134,941
Total amortisation	<u>134,941</u>	<u>134,941</u>
Total depreciation and amortisation	<u>2,259,662</u>	<u>2,074,421</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

	2008	2007
16. Other expenses		
Building and infrastructure maintenance	566,834	504,140
Equipment repairs and maintenance	272,911	318,881
Employment on-costs ^(a) (see Note 13 - 'Employee benefits expense')	15,229	14,636
Board expenses	82,753	62,279
Kiosk operation expenses	5,492	2,487
Administration expenses	423,560	459,402
Other ^(c)	267,091	279,704
	<u>1,633,870</u>	<u>1,641,529</u>
(a) Includes worker's compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 26 - 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
(b) Audit cost, see Note 39 - 'Remuneration of Auditor'.		
17. Inventories		
Current		
Inventories held for resale:		
Mausoleum crypt stock - Stage 1 - at cost	7,588	11,381
Mausoleum crypt stock - Stage 3 - at cost	86,645	92,061
Mausoleum crypt stock - Stage 4 - at cost	2,876,935	3,879,320
Mausoleum crypt stock - Fremantle - at cost	6,202,671	6,527,904
Mausoleum crypt stock - Midland - cost	214,199	321,299
Mausoleum crypt stock - Guildford - at cost	592,152	657,947
Ossuary Stock - at cost	40,024	41,455
	<u>10,020,214</u>	<u>11,531,367</u>
Inventories not held for resale:		
Stores - at cost	204,716	201,615
Mausoleum construction works in progress	1,979,813	130,712
Total Inventory - Current	<u>12,204,743</u>	<u>11,863,694</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

	2008	2007
18. Receivables		
Current		
Receivables	1,101,627	896,991
Accrued revenue	398,581	459,115
	<u>1,500,208</u>	<u>1,356,106</u>
Allowance for impairment of receivables	-	-
	<u>1,500,208</u>	<u>1,356,106</u>
Prepayments	40,931	31,697
	<u>1,541,139</u>	<u>1,387,803</u>
 Credit risk		
Ageing of receivables past due but not impaired based on the information provided to senior management at the balance sheet date:		
Greater than 6 months	1,043	1,043
	<u>1,043</u>	<u>1,043</u>
The Board does not hold any collateral as security or other credit enhancements relating to receivables.		
See also Note 37 - 'Financial Instruments'.		
19. Other financial assets		
Current		
Held-to-maturity investments carried at amortised cost:		
Term deposits	6,532,713	4,322,798
	<u>6,532,713</u>	<u>4,322,798</u>
The Board holds term deposits which have a fixed rate of interest. The weighted average interest rate on these deposits is 7.18% per annum (2007: 6.5% per annum). They have maturity dates ranging from 3 to 4 months from the reporting date.		
20. Available-for-sale financial assets		
At the beginning of year	13,510,199	12,687,568
Additions	4,196,874	3,063,195
Disposals (sale and redemptions)	(1,759,660)	(3,628,322)
Capital repayment	-	(15,023)
Revaluation surplus/(deficit) transferred to equity	(2,188,858)	1,402,781
At end of year	<u>13,758,555</u>	<u>13,510,199</u>
Listed securities		
Equity securities	7,542,889	7,317,705
Preference shares	3,863,875	3,410,925
Fixed interest securities	2,351,791	2,781,569
	<u>13,758,555</u>	<u>13,510,199</u>

(a) Listed securities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)

	2008	2007
21. Property, plant, equipment and vehicles		
Land		
At fair value (i)	18,309,700	14,711,200
	<u>18,309,700</u>	<u>14,711,200</u>
Buildings		
At fair value (ii)	21,393,721	21,197,036
Accumulated depreciation	(1,201,386)	(596,114)
	<u>20,192,335</u>	<u>20,600,922</u>
Buildings and projects under construction		
Construction costs	1,629,903	1,561,658
	<u>1,629,903</u>	<u>1,561,658</u>
Plant, equipment and vehicles		
At cost (iii)	5,116,755	4,762,389
Accumulated depreciation	(2,401,151)	(1,660,662)
	<u>2,715,604</u>	<u>3,101,727</u>
Office equipment		
At cost	958,721	893,207
Accumulated depreciation	(613,784)	(583,938)
	<u>344,937</u>	<u>309,269</u>
Cemetery renewal areas		
At cost	371,049	216,947
Accumulated depreciation	(195,024)	(154,576)
	<u>176,025</u>	<u>62,371</u>
	<u>43,368,504</u>	<u>40,347,147</u>

- (i) Freehold land was revalued as at 1 July 2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. All the land owned by the Board is used for cemetery purposes with the exception of 9.5 hectares of land adjacent to the Fremantle cemetery which is currently zoned and used for industrial purposes. Fair value of this land has been determined by the Western Australian Land Information Authority (Valuation Services) on the basis of its market value. Fair value of land used for cemetery purposes is valued by the Western Australian Land Information Authority (Valuation Services) on the basis of its current use.

Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided as at 1 July 2007 were compliant with fair value at 30 June 2008.

- (ii) Independent valuations of buildings are provided every three years by the Western Australian Land Information Authority (Valuation Services), with the last valuation at 1 July 2006. The Board has assessed internally the carrying value of the buildings as at 30 June 2008 and believes that the fair value of the revalued asset does not differ materially from its carrying amount. This assessment is made with respect to the local market and also the condition and expected remaining useful life of the buildings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

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

(iii) Plant & Equipment and Vehicles – changed from fair value to cost

The Board carried out an exercise to compare the current depreciation and carrying amounts of those assets, currently measured at fair value, in the class of Plant and Equipment and Vehicles, which were re-valued by the Western Australian Land Information Authority (Valuation Services) at 30 June 2004, with the depreciation and carrying amounts of the same assets based on the depreciation rates charged on their original costs. The exercise established that there was no material difference between the depreciation charges and the carrying amounts of the assets in the classes of Plant and Equipment and Vehicles based on original costs or on fair values.

Based on the results of this exercise, the Board has reverted to cost as the basis for carrying the assets in the class of Plant and Equipment and Vehicles.

Reconciliations

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

Year ended 30 June 2008	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings	Buildings and projects under construction	Total
Carrying amount at start of year	3,101,727	309,269	62,371	14,711,200	20,600,922	1,561,658	40,347,147
Additions	347,326	142,666	-	-	-	2,263,500	2,753,492
Transfers from / (out of) work in progress	240,869	35,359	154,102	-	196,684	(2,191,085)	(1,564,071)
Disposals	(86,705)	(4,361)	-	-	-	-	(91,066)
Transfers to operating expenditure	-	-	-	-	-	(4,170)	(4,170)
Revaluation increments	-	-	-	3,598,500	-	-	3,598,500
Depreciation	(887,613)	(137,996)	(40,448)	-	(605,271)	-	(1,671,328)
Carrying amount at end of year	2,715,604	344,937	176,025	18,309,700	20,192,335	1,629,903	43,368,504
Year ended 30 June 2007							
Carrying amount at start of year	3,237,971	286,005	105,760	11,926,200	16,235,295	2,601,311	34,392,542
Transfers between asset classes	115,844	-	-	-	-	-	115,844
Additions	465,286	78,277	-	-	-	5,526,034	6,069,597
Transfers from / (out of) Work in Progress	201,752	89,089	-	-	461,241	(2,032,607)	(1,280,525)
Transfers to mausoleum stock	-	-	-	-	-	(4,349,328)	(4,349,328)
Disposals	(128,976)	(2,416)	-	-	-	-	(131,392)
Transfers to operating expenditure	-	-	-	-	-	(183,752)	(183,752)
Revaluation increments / (decrements)	-	-	-	2,785,000	4,500,501	-	7,285,501
Depreciation	(790,150)	(141,686)	(43,389)	-	(596,115)	-	(1,571,340)
Carrying amount at end of year	3,101,727	309,269	62,371	14,711,200	20,600,922	1,561,658	40,347,147

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

22. Infrastructure **2008** **2007**

At fair value (i)	19,756,071	18,192,000
Accumulated depreciation	(453,393)	-
	<u>19,302,678</u>	<u>18,192,000</u>

- (i) Independent valuations of infrastructure are performed every three to five years, with the last valuation performed by professional valuers, Jones Lang LaSalle at 30 June 2007. The Board has assessed internally the carrying value of the infrastructure as at 30 June 2008 and believes that the fair value of the revalued asset does not differ materially from its carrying amount. This assessment is made with respect to the local market and also the condition and expected remaining useful life of the infrastructure.

Reconciliation		
Carrying amount at start of year	18,192,000	10,502,159
Transfers between asset categories	-	(115,844)
Transfers from work in progress	1,564,071	1,149,813
Revaluation increments	-	7,024,013
Depreciation expense	(453,393)	(368,141)
Carrying amount at end of year	<u>19,302,678</u>	<u>18,192,000</u>

23. Intangible assets

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(326,106)	(191,165)
Accumulated impairment losses	-	-
	<u>78,720</u>	<u>213,661</u>

Reconciliation		
Carrying amount at start of year	213,661	348,602
Amortisation expense	(134,941)	(134,941)
Carrying amount at end of year	<u>78,720</u>	<u>213,661</u>

24. Impairment of assets

There were no indications of impairment to Buildings, Property, plant, equipment and vehicles, Infrastructure and Intangible assets at 30 June 2008.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

	2008	2007
25. Payables		
Current		
Trade payables	910,997	1,135,634
GST payable	233,159	195,408
Accrued expenses	139,960	129,893
Accrued salaries	60,741	111,046
Retention monies held on capital projects	147,914	287,108
	<u>1,492,771</u>	<u>1,859,089</u>

See Note 37 - 'Financial instruments'.

26. Provisions		
Current		
Employee benefits provision		
Annual leave (i)	632,376	596,401
Long service leave (ii)	376,189	341,457
	<u>1,008,565</u>	<u>937,858</u>
Other provisions		
Employment on-costs (iii)	10,975	10,171
	<u>10,975</u>	<u>10,171</u>
	<u>1,019,540</u>	<u>948,029</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	362,541	380,500
	<u>362,541</u>	<u>380,500</u>
Other provisions		
Employment on-costs (iii)	4,254	4,464
	<u>4,254</u>	<u>4,464</u>
	<u>366,795</u>	<u>384,964</u>

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

Within 12 months of balance sheet date	389,358	367,204
More than 12 months after balance sheet date	243,018	229,197
	<u>632,376</u>	<u>596,401</u>

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

Within 12 months of balance sheet date	72,889	71,234
More than 12 months after balance sheet date	665,841	650,723
	<u>738,730</u>	<u>721,957</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

26. Provisions (continued)	2008	2007
<u>Movements in other provisions</u>		
Employment on-cost provision		
Carrying amount at start of year	14,635	14,210
Net additional provisions recognised	594	425
Carrying amount at end of year	<u>15,229</u>	<u>14,635</u>
27. Other current liabilities		
Current		
Income received in advance	4,188	931
	<u>4,188</u>	<u>931</u>
28. Pre-need agreements		
Current		
Cremation	434,758	377,893
Burial	104,263	93,558
	<u>539,021</u>	<u>471,451</u>
Non-current		
Cremation	4,791,878	4,550,167
Burial	1,095,299	977,654
	<u>5,887,177</u>	<u>5,527,821</u>
29. Grant Renewals		
Non-current		
Mausoleum grant renewals	583,896	519,937
Other grant renewals	683,427	549,532
	<u>1,267,323</u>	<u>1,069,469</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

	2008	2007
30. Equity		
Contributed equity		
Balance at start of year	13,640,938	13,640,938
Balance at end of year	13,640,938	13,640,938
Reserves		
Asset revaluation reserve		
Balance at start of year	30,159,093	15,849,579
Net revaluation increments/(decrements)		
Land	3,598,500	2,785,000
Infrastructure	-	7,024,013
Buildings	-	4,500,501
Balance at end of year	33,757,593	30,159,093
Available-for-sale financial assets revaluation reserve		
Balance at start of year	1,613,685	868,879
Revaluation of securities	(2,188,858)	1,402,781
Transfer of profit on sale to Income Statement	(192,872)	(657,975)
Balance at end of year	(768,045)	1,613,685
Balance of asset revaluation reserve at end of year	32,989,548	31,772,778
Retained earnings		
Balance at start of year	34,938,081	30,906,077
Result for the period	4,733,854	4,032,004
Balance at end of year	39,671,935	34,938,081
Balance of equity at end of year	86,302,421	80,351,797

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

31. Notes to the Cash Flow Statement

(a) Reconciliation of cash

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

	2008	2007
Cash and cash equivalents	92,184	776,249
	<u>92,184</u>	<u>776,249</u>

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

Profit	4,733,854	4,032,004
Non-cash items:		
(Gain)/loss on sale of property, plant, equipment and vehicles	(24,765)	33,813
Depreciation of non-current assets	2,259,662	2,074,421
(Gain)/loss on sale of investments	(192,872)	(657,975)
(Increase)/decrease in assets:		
Other current assets	(153,337)	(220,025)
Current inventories	(341,047)	1,451,234
Increase/(decrease) in liabilities		
Current payables	(399,899)	(245,619)
Pre-need agreements	624,779	582,472
Current provisions	3,257	68,884
Employee provisions	53,342	53,485
Net GST receipts/(payments)		
Change in GST receivables/(payables)	37,751	115,949
Net cash provided by operating activities	<u>6,600,725</u>	<u>7,288,643</u>

32. Resources provided free of charge

During the year there were no resources provided free of charge.

33. Commitments for Expenditure

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

Within 1 year	<u>222,000</u>	<u>316,000</u>
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The capital commitments include amounts for:

Infrastructure	<u>222,000</u>	<u>316,000</u>
	<u>222,000</u>	<u>316,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

34. Contingent liabilities and contingent assets

As at 30 June 2008, the Board did not have any contingent liabilities or contingent assets.

35. Events occurring after the balance sheet date

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

36. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2008 and between actual results for 2007 and 2008. Significant variations are considered to be those greater than \$100,000.

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

	2008 Actual	2007 Actual	Variance
Sales of mausoleum crypts	3,693,490	4,021,799	(328,309)
Provision of services	14,274,606	12,564,252	1,710,354
Interest revenue	585,342	394,940	190,402
Net gain on sale of available-for-sale financial assets	192,872	657,975	(465,103)
Employee benefits expense	6,999,207	6,788,955	(210,252)
Supplies and services	2,834,955	2,640,225	(194,730)
Depreciation and amortisation expense	2,259,662	2,074,421	(185,241)

Sales

Numbers of crypts sold at both the Karrakatta and Fremantle Mausoleum facilities are down on the numbers sold in the previous financial year.

Provision of services

During the year, the Board carried out 2,359 burials and entombments and 7,517 cremations, compared to 2,283 burials and entombments and 7,112 cremations in the previous year. The increase in these funeral numbers combined with an increase in the sales of memorial products has resulted in the significant improvement, in this area, of the Board's core services.

Interest revenue

During the year, due mainly to the deterioration of the stock market in the second half of the year, the Board reduced its holdings of equities and transferred funds into Term Deposits. This strategy increased the amounts of interest earned during the year on this area of the Board's investment portfolio.

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

In the previous financial year, the Board chose to realise some significant gains on several shares in its portfolio which had been held for many years. Due mainly to the deterioration of the stock market during the current financial year, similar gains were not achievable.

Employee benefits expense

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

Supplies and services

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

Depreciation and amortisation

At 30 June 2007, the Board revalued its Infrastructure assets. This exercise resulted in a net increment in the infrastructure values of \$7.02m. Depreciation on the revalued assets was charged from 1 July 2007.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

36. Explanatory statement (continued)

Significant variances between estimate and actual results for the financial year

	2008 Estimates	2008 Actual	Variance
Sales of mausoleum crypts	3,092,209	3,693,490	601,281
Provision of services	13,325,860	14,274,606	948,746
Interest revenue	693,701	585,342	(108,359)
Dividend revenue	108,000	853,978	745,978
Commission on sand extractions from Rockingham Regional Memorial Park	530,000	169,510	(360,490)
Net gain on sale of available-for-sale financial assets	-	192,872	192,872
Cost of sales	1,334,460	1,542,808	(208,348)
Employee benefits expense	7,498,333	6,999,207	499,126
Supplies and services	2,667,348	2,834,955	(167,607)
Depreciation and amortisation expense	1,807,090	2,259,662	(452,572)
Other expenses	2,039,858	1,633,870	405,988

Sales

Strong sales of crypts from the Board's Stage 4 Mausoleum at Karrakatta accounted for the majority of the improvement in revenue over the budget.

Provision of services

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

Interest revenue

Due mainly to the deterioration of the stock market during the second half of the year, the Board increased its holdings of Term Deposits above the weighting guidelines set in its investment policy. This enabled additional interest to be earned on the funds invested in Term Deposits.

Dividend revenue

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

Commissions on sand extractions from Rockingham Regional Memorial Park

Due to a reduction in the volume of sand extracted from the cemetery development site by the contractor during the year, the actual commissions fell short of the estimated income.

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

The Board maintains an investment portfolio to meet its long term financial commitments and does not trade in shares. It is therefore not the policy of the Board to make any budget estimates for the sale of shares.

Costs of sales

Costs of sales have increased due to the increase in the actual number of mausoleum crypts sold during the year.

Employee benefits expense

The decrease in cost can be attributed mainly to a combination of; the difficulty of recruiting required staff for advertised positions which led to an actual saving in the cost of salaries and wages and an over estimate in the budget for the cost of long service leave.

Supplies & services

Additional expenditure was incurred mainly on memorial products and on additional internal audit work.

Depreciation and amortisation expense

Revaluations of Building and Infrastructure assets in the previous financial year resulted in increments in fair values of \$4.5m and \$7.02. The additional depreciation charges resulting from these increases were not included in the budget.

Other expenses

The decrease relates mainly to savings in the costs of maintenance and administration of the Board's assets over the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

37. Financial Instruments

Financial risk management objectives and policies

Financial instruments held by the Board are cash and cash equivalents, held-to-maturity investments, available for sale financial assets, receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below. Investment decisions are made by the Board's Finance and Internal Audit Committee on the basis of advice received from the Board's professional financial advisers. Risks associated with the investments are managed through the application of the guidelines set out in the Board's Investment Policy.

(a) Market risk

i) Price risk

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

Sensitivity analysis

If prices for equity securities listed in Australia change by 10% (2007: 10%) with all other variables being held constant, the profit and equity will be:

	2008		2007	
	<u>Profit</u>	<u>Equity</u>	<u>Profit</u>	<u>Equity</u>
	\$'000	\$'000	\$'000	\$'000
Listed in Australia				
- increased by	-	1,376	-	1,351
- decreased by	-	(1,376)	-	(1,351)

ii) Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)

37. Financial Instruments (continued)

Sensitivity analysis

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

	2008			2007		
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Carrying amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	91			776		
- increased by *		-	-		-	-
- decreased by *		-	-		-	-
Term deposits	6,533			4,323		
- increased by		65	65		43	43
- decreased by		(65)	(65)		(43)	(43)

* The sensitivity to an interest rate change of $\pm 1\%$ calculated on the average balance of cash and cash equivalents held during the year is less than \$1,000 in both years.

(b) Credit risk

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

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management. The Board's trade receivables comprise 19 debtors (2007: 21 debtors) that represent 80% of trade receivables.

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

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

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

The Board's trade receivables not past due include receivables amounting to \$1,100,584 (2007: \$895,948) that would have been past due or impaired if the terms were not re-negotiated during the year.

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

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

For the age analysis of trade receivables past due but not impaired, refer to Note 18 – 'Receivables'

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

37. Financial Instruments (continued)

(c) Liquidity risk

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

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

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

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

	Weighted Average Effective Interest Rate	Variable Interest Rate Less than 1 year \$000	Non-Interest bearing Less than 1 year \$000	3 – 5 years \$000	Contractual Maturity Date Within 1 year \$000	Carrying Amount \$000
2008	%					
<u>Financial Assets</u>						
Cash and cash equivalents	6.33%	92	-	-	-	92
Receivables	-	-	1,102	-	-	1,102
Other financial assets	7.18%	-	-	-	6,533	6,533
Available-for-sale financial assets	-	-	-	13,758	-	13,758
Other current assets	-	-	439	-	-	439
		92	1,541	13,758	6,533	21,924
<u>Financial Liabilities</u>						
Payables	-	-	1,493	-	-	1,493
		-	1,493	-	-	1,493
<u>2007</u>						
<u>Financial Assets</u>						
Cash and cash equivalents	6.4%	776	-	-	-	776
Receivables	-	-	929	-	-	929
Other financial assets	6.5%	-	-	-	4,323	4,323
Available-for-sale financial assets	-	-	-	13,510	-	13,510
Other current assets	-	-	459	-	-	459
		776	1,388	13,510	4,323	19,997
<u>Financial Liabilities</u>						
Payables	-	-	1,618	-	-	1,618
		-	1,618	-	-	1,618

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (continued)**

37. Financial Instruments (continued)

(d) Fair Values

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

38. Remuneration of members of the Board and Senior Officers

Remuneration of members of the Board

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

	2008	2007
	\$	\$
\$0 - \$10,000	6	6
\$10,001 – \$20,000	1	1
The total remuneration of the members of the Board is:	53,600	36,070

The total remuneration includes the superannuation expense incurred by the Board in respect of members of the Board.

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

Remuneration of Senior Officers

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

	2008	2007
	\$	\$
\$90,001 - \$100,000	-	1
\$110,001 - \$120,000	1	3
\$120,001 – \$130,000	1	-
\$130,001 – \$140,000	1	-
\$200,001 - \$210,000	1	-
\$250,001 - \$260,000	-	1
The total remuneration of senior officers is:	583,176	693,344

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

No senior officers are members of the Pension Scheme

39. Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	42,000	37,000
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METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

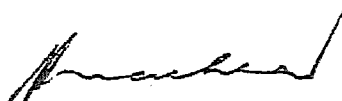
I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Metropolitan Cemeteries Board's performance, and fairly represent the performance of the Metropolitan Cemeteries Board for the financial year ended 30 June 2008.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN PSM
CHIEF EXECUTIVE OFFICER

18th September 2008

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.

	2007/2008				
	Target	2007/2008	2006/2007	2005/2006	2004/2005
Industry	85%	77%	89%	84%	86%
Public	85%	92%	90%	89%	88%

Notes.

1. Levels of satisfaction among the public and industry remain relatively high. A slight increase of 2% in satisfaction amongst the public group has brought overall satisfaction amongst the MCB's client base to its highest recorded figure of 92%.
2. Satisfaction amongst the industry group has dropped to 77% from a peak of 89% in the 2006/07 period. When considering this figure it is important to note that this does not necessarily suggest a large level of dissatisfaction as 18% of industry respondents indicated that they were neither satisfied nor dissatisfied. Only 4% of industry respondents indicated that they were dissatisfied with the overall performance of the MCB.
3. A total of 502 surveys were conducted. The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed. The industry section was completed by telephone interview. The public section was by mailed self completion.

Groups	Pop	Sample	ES	RR%	Error
Industry	125	125	106	85	±3.7%
Public	9,500	1,903	396	21	±4.9%

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

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

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

Efficiency Indicator (audited by Office of the Auditor General)

The average cost per funeral includes all operating expenses.

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

	<u>Actual</u>	<u>Target</u>
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88
2005/2006	\$1,463.28	\$1,458.78
2004/2005	\$1,299.29	\$1,445.80
2003/2004	\$1,317.35	\$1,439.64

Notes.

1. Funeral services include cremations and interments in gravesites and the mausoleums.
2. Costs of funeral services include the provision and maintenance of grounds, chapels, crematorium, administration costs of the cemeteries, burial services, memorial products and the supply of information to customers.
3. The small decrease in the cost per funeral in 2007/2008 has arisen as a result of a combination of an increase in the numbers of funerals carried out by the Board during the year and a small overall decrease in the operating costs of the Board's operating activities.

METROPOLITAN CEMETERIES BOARD
BUDGETED FINANCIAL STATEMENTS (UNAUDITED)

For the Year Ending 30 June 2009

Index of Budget Statements:

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

Note: The budget Statements of Financial Performance, Financial Position and Cash Flows are 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 2009

INCOME

	2009	2008
	\$	\$
Revenue		
Sales	3,668,671	3,693,490
Provision of Services	14,347,276	14,274,606
Interest revenue	1,023,537	585,342
Dividend revenue	108,000	853,978
Commission on Sand Extractions from Rockingham Regional Memorial Park	350,000	169,510
Other revenue	117,089	209,793
<i>Gains</i>		
Gains on disposal of non-current assets	76,706	24,765
Gains on disposal of other assets	-	192,872
Total Income	19,691,279	20,004,356

EXPENSES

Expenses		
Cost of Sales	1,525,271	1,542,808
Employees benefits expenses	7,782,654	6,999,207
Supplies and Services	4,576,239	2,834,955
Depreciation and amortisation expense	2,196,000	2,259,662
Other expenses	400,012	1,633,870
Total expenses	16,480,176	15,270,502

NET PROFIT

3,211,103	4,733,854
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Note: The budgeted Statement of Financial Performance is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED BALANCE SHEET
AS AT 30 JUNE 2009

	2009 \$	2008 \$
Current Assets		
Cash and cash equivalents	49,016	92,184
Inventories	10,898,311	12,204,743
Receivables	801,134	1,541,139
Other Financial Assets	8,058,836	6,532,713
Other Assets	236,638	-
Total Current Assets	20,043,935	20,370,779
Non Current Assets		
Available for sale financial assets	16,039,882	13,758,555
Property, plant, equipment and vehicles	41,405,791	43,368,504
Infrastructure	20,387,140	19,302,678
Intangible assets	-	78,720
Total Non-current Assets	77,832,813	76,508,457
Total Assets	97,876,748	96,879,236
Current Liabilities		
Payables	257,290	1,492,771
Provisions	859,877	1,019,540
Other current liabilities	705,002	4,188
Pre-need Agreements	1,263,804	539,021
Total Current Liabilities	3,085,973	3,055,520
Non-Current Liabilities		
Provisions	446,454	366,795
Pre-need Agreements	5,055,215	5,887,177
Grant Extensions	1,215,703	1,267,323
Total Non-Current Liabilities	6,717,372	7,521,295
Total Liabilities	9,803,345	10,576,815
NET ASSETS	88,073,403	86,302,421
Equity		
Contributed equity	13,640,938	13,640,938
Reserves	31,749,087	32,989,548
Retained earnings	42,683,378	39,671,935
TOTAL EQUITY	88,073,403	86,302,421

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

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

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES: -		
Receipts		
Sale of goods and services	14,347,276	14,733,229
Services – mausoleum	3,668,670	3,693,490
Receipts from commissions on sand sales	350,000	169,510
Interest received	848,653	511,487
Dividends received	282,884	953,142
GST receipts on sales	828,695	1,893,567
Other Receipts	77,000	209,793
Payments		
Supplies and services	(4,750,510)	(6,479,493)
Employees benefits	(8,124,189)	(7,228,185)
GST payments on purchases	(509,762)	(920,751)
GST payments to taxation authority	(318,933)	(935,064)
Net cash provided by operating activities	6,699,784	6,600,725
CASH FLOWS FROM INVESTING ACTIVITIES: -		
Proceeds from sale of non-current physical assets	-	115,831
Proceeds from sale of investments	791,730	1,759,660
Purchase of investments	(1,810,929)	(6,406,789)
Purchase of non-current physical assets	(5,680,585)	(2,753,492)
Net cash used in investing activities	(6,699,784)	(7,284,790)
Net increase/(decrease) in cash and cash equivalents	-	(684,065)
Cash and cash equivalents at the beginning of the period	49,016	776,249
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	49,016	92,184

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