



METROPOLITAN
CEMETERIES BOARD



METROPOLITAN CEMETERIES BOARD Annual Report 2010-2011

Celebrating lives lived



Locations and Contact Details

Head Office

Karrakatta Cemetery
Railway Road
Karrakatta WA

Postal Address:
PO Box 53
Claremont WA 6910
Telephone: 1300 793 109
Facsimile: (08) 9384 9273
Email: mcb@mcb.wa.gov.au

Other Locations

Fremantle Cemetery
Cnr Carrington Road and Leach Highway
Palmyra
Postal Address:
PO Box 222
Palmyra WA 6957
Telephone: 1300 793 109
Facsimile: (08) 9339 8992

Pinnaroo Valley Memorial Park
Whitfords Avenue
Padbury WA
Postal Address:
PO Box 362
Hillarys WA 6923
Telephone: 1300 793 109
Facsimile: (08) 9401 3144

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

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

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

STATEMENT OF COMPLIANCE

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

In accordance with the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Metropolitan Cemeteries Board for the financial year ended 30 June 2011.

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.



Dr. LEONIE LIVERIS
CHAIR



JOE O'DEA JNR
DEPUTY CHAIRPERSON



PETER DEAGUE
CHIEF EXECUTIVE OFFICER

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From the Chair

A Year in Review Executive Summary

Having received 10,193 funerals comprising 7,980 cremations, 2,104 burials and 109 entombments, it gives me a great sense of satisfaction to see the Metropolitan Cemeteries Board (MCB) continually moving forward in its delivery of excellent cemetery facilities.

In the far southern corridor, families continue to adopt Rockingham Regional Memorial Park as their own with the number of burials and memorials at the site continuing to increase.

The park, growing in a manner akin to Pinnaroo Valley in the 1970s, is slowly becoming a focal point of the region with new memorial gardens being established during the review period. In response to increased community demand, arrangements are now being finalised to enable an onsite presence to assist families through the difficult task of selecting burial plaques or memorial locations.

At Rockingham's current administrative centre, Fremantle Cemetery, both a rose garden and a traditional memorial garden were constructed during the review period.

The natural burial area at Fremantle has found a local niche with a number of families opting for this unique environmentally sensitive form of commemoration. Funeral Directors have been particularly supportive of the concept and the Board will continue to observe with interest to see if the broader community adopts the natural burials concept.

Planning for the re-engineering of the cortege route is also well advanced and, once completed, will lessen congestion issues and shorten the considerable distance between the car park and the chapels for those with mobility issues.

Construction of Stage Six of the Karrakatta Mausoleum is well advanced with completion scheduled for September 2011. Continuing the open air Mediterranean style of earlier mausoleum projects at Karrakatta, the new development provides 788 crypt spaces, a chapel, family rooms and a central cloister area for the conduct of funeral and memorial services.

Also at Karrakatta, the cemetery renewal program continues to ensure the ongoing viability of the State's most popular working cemetery well into the future with landscaping completed during the review period in a number of sections. Roads and paths have also been upgraded to service these renewal sections.

The storm of March 2010 caused substantial damage at Karrakatta with the administration building, chapels, condolence lounges and gardens all sustaining significant damage. This has impacted on works during the reporting period and still has an impact with damage to the Dench Chapel. Works have been scheduled during 2011 to repair the foundations to the chapel. The Norfolk Island Pines, a significant landscape feature at Karrakatta, have still not fully recovered resulting in some being removed for safety reasons.

Demand for chapel bookings at Pinnaroo Valley Memorial Park continues to be particularly high and Board staff and Funeral Directors welcome the pending completion of the second chapel. With construction now well advanced, the new chapel will reflect the thematically Australian architecture adopted for Pinnaroo and will be a mirror image of the existing chapel. Offering seating for up to 120 mourners, the chapel will offer families greater flexibility for the scheduling of services at the increasingly busy memorial park.



In preparation for the new facilities and to cope with present needs, the capacity of the car park adjacent to the crematorium facilities has been doubled.

At Guildford cemetery a burial area for the Jewish community was completed. This work was carried out in liaison with the Perth Chevra Kadisha and the Temple David community. With Karrakatta's ability to accommodate the requirements of the Jewish community almost exhausted, there will be a transition from Karrakatta to Guildford for future Jewish funerals.

The Board has also secured land adjacent to the Guildford cemetery which was previously leased to the Perth Pistol Club. This land has been cleared and made suitable for a works depot whilst the remainder will be utilised for the purposes of burial areas and memorials gardens.

Negotiations advanced during the year for much needed additional land for future cemetery use. The Board appreciates the assistance of the WA Planning Commission, the Department of Planning and the Ministers for Local Government and for Planning for their support in reserving land for future cemeteries near Whitby Falls and in the Whiteman Park area.

Throughout the year, regular liaison meetings were held with our Minister and the Board is most grateful for the Minister's interest and support in all matters pertaining to metropolitan cemeteries.

The recent costing review highlighted some degree of cross subsidisation in services and this will be progressively addressed over a number of years.

From July 2010, the Minister appointed four new board members being Dr. Ricki Smith, Brenda Robbins, Tony Evans and Janice Bowra. With much pleasure I thank the new board members for their valuable contribution over the year and the wealth of experience they bring to the board.

I also take the opportunity to especially thank board members Don Whittington and Deputy Chairman Joe O'Dea Jnr for their continuing support to the MCB and commitment to the industry.

During the year, our long serving Chief Executive Officer, Peter MacLean retired. Peter Donald MacLean AM PSM JP officially retired from the MCB on the January 28 2011 after 46 years of service to the Public Sector in Western Australia of which 34 were spent as the Chief Executive Officer for the Metropolitan Cemeteries Board.

Peter's achievements at the Metropolitan Cemeteries Board are extensive; examples being the development of the Pinnaroo Valley Memorial Park, reviewing the establishment of the Cemeteries Act 1986, the incorporation of Fremantle Cemetery in 2003 and the development of Rockingham Regional Memorial Park.



In response to community need, Peter initiated and supported the development of mausoleums in metropolitan Perth, spearheaded the revolution of facilities and options available to people in

Perth for burial, cremation and memorialisation and was integral in the establishment of the cemetery renewal program which has assisted in the sustainability of cemeteries for the Perth metropolitan region.

Peter MacLean was a recipient of the Public Service Medal in 1985 and the Order of Australia in 2007, Peter has been a past Director and President of the Australasian Cemeteries and Crematoria Association (ACCA) and was Awarded Life Membership in 2004. Peter was also awarded the ACCA Emeritus Fellow Award in January 2011 to signify his status in the industry. Peter was a Director and Vice President of the International Cremation Federation with a particular focus on the Asia-Pacific region.

On the 22 March 2011, The Public Sector Commissioner, Mal Wauchope announced that the Governor approved the appointment of Mr. Peter Deague to the Chief Executive Officer position for a period of five years.

Peter held the position of Director of Planning and Operations at the MCB since 1998, and during that time has brought to the cemetery his extensive experience of working in Local Government and with the Commonwealth War Graves Commission in England and France. He has formal qualifications in horticulture, occupational health and safety, business and a Masters degree in future studies. As Director of Planning and Operations, Peter was responsible for strategic planning for cemetery land for the future, the crematoria and mausoleums, all construction and landscape environment of the cemeteries, and the budget and allocation of duties for daily operations.

Peter brings his considerable past experience at the MCB and an excellent understanding of the complexities of both the contemporary and future needs of the cemeteries in Western Australia that will be invaluable in keeping the Board and the industry very well informed. Peter has taken a keen interest and commitment to the cemetery industry and is Vice President of the Cemeteries and Crematoria Association of Western Australia (CCAWA) and an elected Director of the Australasian Cemeteries and Crematoria Association (ACCA).



Peter has a commitment for the cemeteries of today, planning new cemeteries for the future, an appreciation of the dedicated MCB staff and the obligation of continuing the excellent essential services of the MCB for the Western Australian community.

I take this opportunity to thank our Minister, the Honourable John Castrilli MLA, my fellow Board members, our new Chief Executive Officer and all of the dedicated staff at the Metropolitan Cemeteries Board for their support, dedication and commitment to the provision of cemetery facilities of the highest possible calibre.

A handwritten signature in cursive script that reads "Leonie Liveris".

Dr. Leonie Liveris
Chair

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; Heritage; Citizenship and Multicultural Interests. 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 Administration and Audit Act, 1992
- Industrial Relations Act 1988 (Federal)
- Industrial Relations Act 1979 (Employment Acts, State)
- Library Board of Western Australia Act
- Metropolitan Cemeteries Board Bylaw
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act, 1984
- Corruption and Crime Commission Act, 2003
- Public and Bank Holidays Act, 1972
- State Records Act 2000
- Public Sector Management Act 1994
- State Supply Commission Act 1991
- Workers' Compensation and Injury Management Act 1981
- WorkCover Workers Compensation Code of Practice (Injury Management) 2005
- Workplace Agreements Act 1993
- Workplace Relations Act 1996 (Federal).

Board Members

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

The following Board members served during 2010/2011:

Chair

Dr. Leonie Liveris

Dr. Leonie Liveris is an Adjunct Senior Research Fellow at Curtin University of Technology. She is an independent consultant historian for the renewal and heritage of cemeteries and the Chairperson of the Monument Assessment and Advisory Committee. She has served on various state and national government boards and committees including multicultural affairs, hospital boards and the sexual assault advisory committee. She is the author of *The Dismal Trader, Memories Eternal - 100 Years of Karrakatta Cemetery* and *Monuments and Masons*. She is an occasional consultant for the International Orthodox Women's Network (Geneva) and has numerous publications in this area of research. She holds a BA (Hons), MPhil and PhD in history. Her present professional historical research relates to the roles and participation of women in the rites and practices of funerals and cemetery customs in various religions and cultures.



Deputy Chair

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. Donald Whittington

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

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



Ms. Brenda Robbins

Brenda Robbins practices as a barrister at Sir Clifford Grant Chambers in a variety of areas of law. Prior to her legal career she held a number of senior executive positions (including as CEO) in the Western Australian Government. She has served on numerous Boards including the Senate of the University of Western Australia, the Legal Aid Commission and the Australian Institute of Management (including a term as President). She is currently a Director of Keystart Pty Ltd (a government-owned financial services provider) and CASE for Refugees (a community legal centre).



Mr. Anthony (Tony) Evans

Tony has extensive commercial experience in the resources, property, education and not-for-profit sectors. He has served on a number of boards and governing councils including the Joint Accreditation System of Australia and New Zealand, the Royal Automobile Club of WA, Swan River Trust, Perth Primary Care Network Limited and Challenger TAFE.



Ms. Janice Bowra

Janice Bowra has served on many committees including sporting, cultural and professional organisations. Currently she is a serving member on the State Division of the Federation of Business and Professional Women, Australia. She is also a member of the Murdoch University Senate where she has served for over eight years, and where she is also a member of their Legislation Committee, and the Audit and Risk Management Committee. Her career includes that of Objects Conservator at the Maritime Museum and Occupational Hygienist in a private consultancy. She also has experience in safety and quality in the health system and wide experience in the legal profession as a paralegal and associate in the courts. She is currently working at the Disabilities Services Commission in quality management and policy development. She holds a Bachelor of Science, and Masters Degrees in Business Administration and Public Health.



Dr. Renate (Ricki) Smith

Ricki has almost 20 years experience in sales, marketing, public relations and strategic planning. Ricki is a Board Member for a number of companies including the Black Swan Theatre Company, the Energy Industry Ombudsman of Western Australia, United Way Western Australia and United Way Australia and the Murdoch University Veterinary Hospital. She is a Fellow of the Australian Institute of Company Directors.



Meetings

A total of seven ordinary meetings were held during 2010/2011. Attendances by Board members at these meetings were as follows:

Ordinary Meetings Attended

Dr. Leonie Liveris	7
Joe O'Dea Jnr	6
Don Whittington	7
Brenda Robbins	6
Janice Bowra	7
Tony Evans	6
Ricki Smith	5

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 fulfill 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 144 individuals employed by the MCB*. A simplified organisational chart is presented below.



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

Performance Management Framework

Outcome Based Management

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

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

The MCB Vision is:

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

The strategic outcomes identified by the MCB are:

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

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

Government Goal 1: State Building – Major Projects

Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.

MCB Strategic Linkages:

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

Associated activities:

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

Government Goal 2: Financial and Economic Responsibility
Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.

MCB Strategic linkages:

Outcome 3 – Planning for business sustainability

Associated activities:

- Ensure policies, guidelines and procedures are regularly reviewed to reflect changing need.
- Evaluation of all programs, initiatives and services via open and accountable management.
- Maintain sound financial management practices that balance core responsibilities and business sustainability.
- Provide two-way stakeholder mechanisms to provide and promote knowledge and information dissemination between the Board, its industry peers and the broader community.
- Undertake financial research and development and modeling to better position the organisation to meet its objectives.
- Licensing of Funeral Directors and Monumental Masons so as to ensure a robust yet responsible regulatory environment that is considerate of all stakeholder needs
- Commencement of a strategic workforce planning strategy to ensure our future workforce needs are met.



Government Goal 3: Outcomes Based Service Delivery
Greater focus on achieving results in key service delivery areas for the benefit of all West Australians.

MCB Strategic linkages:

Outcome 2 – Excelling in customer services

Outcome 3 – Planning for business sustainability

Associated activities:

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

Government Goal 4: Stronger Focus on the Regions

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and rural areas.

MCB Strategic linkages:

Outcome 1 – Excelling in customer services

Outcome 4 – Influencing and shaping our environment

Associated activities

- Provision of extensive advisory and consultative services to country cemetery Boards and municipalities with cemetery management responsibilities.
- The Board's Chief Executive Officer is the vice president of the Cemeteries and Crematoria Association of Western Australia (CCAWA) which provides advice, training and guidance to all Cemetery Managers throughout the State. The Director Client Services is a board member of CCAWA.
- The Board plays a strong role in the Australasian Cemeteries and Crematoria Association (ACCA) and encourages the active exchange of knowledge and ideas at both a State and national level. The Chief Executive Officer has been elected to the Board as a Director.
- Continue to provide human resources support to regional Local Government and regional cemeteries boards.

Government Goal 5: Social and Environmental Responsibility

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the State.

MCB Strategic linkages:

Outcome 3 – Planning for business sustainability

Outcome 4 – Influencing and shaping our environment

Associated activities:

- Integration of sustainability principles into the delivery of key services.
- Maintain sound financial management practices that balance core responsibilities and business sustainability.
- Ongoing analysis and review of pricing methodologies and the formulation of costing models.

- Develop two-way stakeholder mechanisms to provide and promote knowledge and information dissemination.
- Identify trends that are necessary to ensure sustainability
- Establishment of a Sustainability Officer position.

Review of Key Performance Indicators

During 2010/11 the Board undertook a review of its reportable performance indicators as part of outcomes based management reporting. This review was in response to a recommendation from external auditors.

The Deputy Under Treasurer approved the Board's proposed changes which will be effective from the 2011/12 reporting period. The new performance indicators will be reported upon within the 2011/12 Annual Report.

New Key Performance Indicators - Overview

The new performance indicators retain the reportable outcome of –

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

In reviewing the indicators it was felt that this indicator was still pertinent and still aligns with the current mission of the Board –

To provide cremation, burial and memorialisation services of the highest quality, delivered in a way that shows care for people and sensitivity to their values and beliefs.

The overall key effectiveness indicator has not changed, i.e. 'Extent of customer satisfaction with services provided'. However, the information informing this indicator has been changed to be more detailed, more relevant and more reflective. The information to inform this indicator is as follows:

1.1.1 *Number of complaints received on customer service issues*

1.1.2 *Time taken to resolve complaints*

1.1.3 *Number of funerals performed with no incident*

1.1.4 *Satisfaction rating on:*

Facilities

- *Cleanliness*
- *Appropriateness for differing religious and cultural beliefs*
- *Presentation of the grounds*
- *Presentation of the buildings.*

Customer Service Experience

- *Communication of information*
- *Level of compassion*
- *Level of professionalism*

- *Response time on phone calls/emails/personal enquiries etc.*

Pricing, Products and Services

- *Range of products (memorials) providing choice*
- *Range of prices*
- *Memorial interview and appointment time availability*
- *Funeral and memorial service time availability.*

The Board has removed the following unaudited outputs –

- *Proportion of funeral and memorial services provided by licensed Funeral Directors and Monumental Masons.*
- *Number of funeral and memorial services.*
- *Extent to which allocated times for funeral and memorial services meet customer needs.*

The above unaudited outputs were based upon survey ratings from Funeral Directors and were highly variable by way of their own actions. The fact that the Board plays a regulatory role and is responsible for the licencing of Funeral Directors rendered several of the outputs null and void as effectiveness indicators.

Surveying of clergy and celebrants will continue as part of the annual effectiveness indicator assessments.

The Board will continue its existing activities of active liaison with Funeral Directors via the Australian Funeral Directors Association (approximately 80% of the market) and the remaining independent Funeral Directors.



Report on Operations

AGENCY PERFORMANCE

Report on Operations

During the year the Board continued with the implementation of the strategic plan that was adopted in 2007. Now in its fifth year, the plan continues to provide the broad strategic management framework for the organisation and will do so until 2012.

Recognising the importance of an effective strategic plan to both organisational efficiency and ongoing excellence, Board staff have already commenced a review of the existing plan with a view to evolving the organisation's commitment to strategic planning and developing a new plan that will provide the blueprint for strategic direction beyond 2012.

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

This report on operations for the year ended 30 June 2011 is presented under the key outcomes identified in the strategic plan. These outcomes are:

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

OUTCOME ONE: Excelling in Customer Service

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

As indicated through the annual customer satisfaction survey undertaken by the Board, the level of customer satisfaction with services has remained high with a community satisfaction rating of over 90%. These results are due to the combined effort of administrative and operational staff; working together to meet the needs of the Board's customers.

During the year the Board received 10,193 funerals at the six cemeteries under its management. Decreasing slightly, this figure includes cremations, burials and mausoleum entombments.

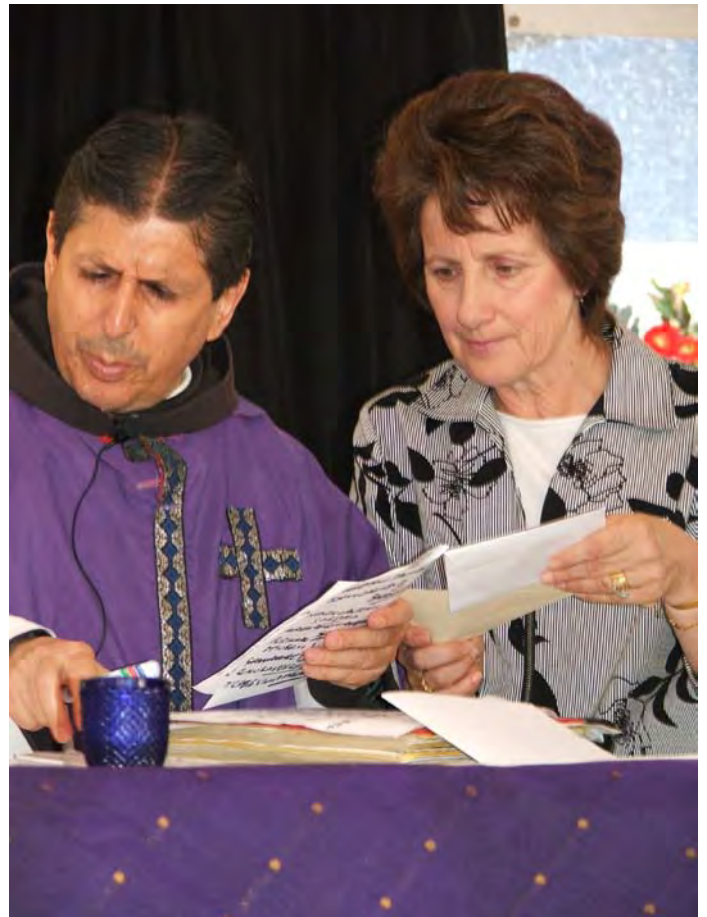
In addition to these core services, the Board assisted families in the provision of 559 burial memorial plaques and 2,841 cremation memorials.

The Board continues its strong focus on excelling in customer services demonstrated by its commitment to ensuring frontline staff receive training in customer service

In addition to complaints handling procedures training, a skills based training session has been developed to complement the complaints handling guidelines. Staff attending this training program are given the opportunity to develop cognitive and practical skills in handling complaints. New staff receive training as part of their induction program.

During the review period, the Board continued to deliver a range of community engagement events for the people of Western Australia. The traditional annual masses to commemorate Easter Sunday and All Souls Day were held at Karrakatta Mausoleum and were complemented by the Rosary to commemorate the Feast of the Annunciation and an All Souls Day mass at Fremantle Mausoleum.

The Karrakatta masses are large scale spiritual events and have continued to attract over 700 attendees to each event for over a decade. The Fremantle events have also become popular, particularly the All Souls Day mass which attracts approximately 300 visitors.



The reality that many families appear to value the opportunity to come together and celebrate these important spiritual occasions within the cemeteries is clearly demonstrated by their ongoing patronage.

In what has become an annual occurrence, the Board, once again, staged a free tour as part of the City of Fremantle's Heritage Festival. Whilst tours in previous years have focused predominantly upon the Heritage Trail, the 2011 tour saw a slight change of theme with the focus placed upon the meaning behind the many features, symbols and inscriptions on monuments. MCB Board member, Don Whittington, hosted the tour with a record attendance figure of approximately 150 people. With the attendance figure being this high it has been recommended that additional tours will need to be scheduled for future festivals and that individuals may be required to book in advance to ensure that group sizes remain manageable.

As part of its commitment to the Western Australian community, the Board continues to host a number of school visits to the cemetery sites. The visits, which tend to be focused on either the historical nature of the cemeteries or the different forms of commemoration, are generally guided tours in which students have the opportunity to ask questions and learn about the cemetery environment.

During the review period, the Board received a request from the Women and New Born Health Service at King Edward Memorial Hospital to offer assistance in the provision of alternate cremation facilities whilst the hospital's cremator was repaired. The Acting Executive Director of the Women and New Born Health Service Division at the Department of Health wrote to Board Chairperson Dr. Leonie Liveris expressing appreciation for services rendered by MCB staff.

The Board is proud of its ongoing ability to deliver important community initiatives and to be able to make a social contribution to the State and the lives of its people. The Board exhibits a constant awareness of its historical guardianship responsibilities and believes that community engagement activities and projects dedicated to the preservation of social history are vital initiatives with deliverables that enable this guardianship role to be suitably performed.

To ensure that the Board can continue meeting customer expectations with regard to diverse memorial options, the range of memorials offered by the MCB is constantly monitored and subject to continuous improvement. Underpinning the memorials development process, market research, coupled with constant monitoring of feedback from families and the data attained through the Board's annual customer satisfaction survey are all utilised in the formative product planning processes. This practical application of research findings into the organisation's product development processes has ensured that the Board continues to remain responsive to client need and delivers *best of industry* products and services.

The Board continues to liaise with key community groups with specific cultural requirements and has had ongoing dialogue with senior representatives of the WA Jewish, Muslim, Macedonian and Russian communities. Designed to discuss issues and workshop ideas, these meetings are highly consultative and serve to improve the relationship between the Board and these communities.

Since being made available in April 2010, there have been seven at-need and three pre-purchased natural burial plots selected at Fremantle Cemetery which, although not a high number, indicates that there is a niche group of individuals within the community to whom natural burials are of appeal. Although there has been nominal interest shown in the trial natural burial area at Rockingham Regional Memorial Park, given that the area reserved for the trial is not required for alternate cemetery use at this point, the trial will continue. Whilst the future popularity of natural burials is difficult to predict, the Board views the availability of the option as providing families with diverse options to suit their personal preferences.

Over the years, the Board has received a wide variety of feedback regarding artificial flowers, tributes and their placement at the cemeteries under its management. The views have been extremely broad, with members of the community holding sometimes passionate opinions at either end of the spectrum.

Given the increasingly large volume of floral and other tributes, and varying concerns expressed by the community, the Board committed to undertaking a review of the policy in order to provide clarity for families, and to meet their needs, as well as the Board's need to maintain the cemeteries. The challenge in



approaching the review has been to ensure that the personal needs of families wishing to place tributes are respected, whilst, at the same time, respecting the diverse range of views on the subject, the safety of visitors/staff, and the impact on the environment and cemetery operations.

As the policy had not been comprehensively reviewed since 1986, it was also felt that a review of the policy was overdue and that, with the intent of developing a new policy truly reflective of community need, extensive community consultation would be required.

A highly emotive topic, the Board has been highly committed to conducting a fair and appropriate review and appointed an external company to undertake a thorough research process based on best practice community consultation guidelines. In conducting the review effectively, there have been a number of stages and varying opportunities for community input.

A Flower and Ornament Policy Review Reference Group was established in the early stages of the process and included representatives from several community groups to whom dealing with grief was a defining commonality. The group also included a representative from the Office of Australian War Graves, a Funeral Director and a member of the MCB Board. This Reference group played a formative role in finalising a discussion paper that was made available for a six week public comment period at the beginning of June 2011.

The research component of the review included a number of in-depth interviews with groups identified as being of particular importance (e.g. those who have suffered the loss of an infant) and two community surveys. The first survey comprised a mailed questionnaire that was sent to a random sample of families across all cemetery sites who had utilised the Board's services in recent months and was complemented by a random telephone survey into homes across metropolitan Perth.

Although a discussion paper exploring all of the issues associated with ornamentation in cemeteries was still



being offered for public comment at June 30, the preliminary findings from the community questionnaires has already highlighted very definite community preferences with approximately 80% of respondents indicating satisfaction with the policy as it currently stands.

A final recommendation regarding the policy will be made to the Board in the first half of the forthcoming period and will have demonstrated community need as its basis.

A sad indictment of today's society, crime within the cemetery grounds continues to be cause for concern. Perhaps most alarmingly is the apparent public perception that some level of social decency would render the cemeteries immune to criminal activity. The reality is that the cemeteries are like public open space and, accordingly, face the same issues with crime as beaches, parks and shopping centres.

For many potential thieves the cemeteries are the perfect target; mourners leaving vehicles unattended for long periods providing opportunity for the criminally minded to strike. The Board has pursued a number of strategies to minimise the problem and has increased warning signage, partnered with the local police in the staging of covert operations and has requested an increased police patrol presence within the grounds.

All Board staff have received '*Eyes on the Street*' awareness training so that each individual, whether they be on a lawn mower or digging a grave, will be watching for any suspicious behaviour. Descriptions, licence plate numbers and reports of individuals lingering without specific intent are reported to the Police immediately.

Karrakatta now has a CCTV system in operation and although there are doubts as to its tangible ability to reduce crime, there is the apparent reality that visitors find the presence of CCTV reassuring. Consequently, arrangements for the installation of trial CCTV systems at Pinnaroo, Fremantle, Midland and Guildford will be progressed during 2011. Whilst it is logistically impossible to monitor every aspect of the considerable girth that is the geography of the cemeteries, it is hoped that the CCTV presence will further help to deter criminal activity.

Local Police conduct patrols through all cemetery sites and have been of tremendous assistance in helping the Board tackle crime. At Karrakatta, a Driveway Attendant position has been introduced on a trial basis. Whilst the primary focus of the role is to provide a concierge like presence in Karrakatta's busy drive way, the attendant also monitors the car parks immediately adjacent to the main entrance in an effort to reduce opportunities for thieves to prey on cemetery visitors' vehicles.



The Board has also written to Local Government authorities neighbouring its cemeteries to enlist their support in minimising the opportunity for crime in the cemeteries by way of an increased presence of Rangers and, where applicable, security patrols within the grounds. Responses received from all Councils has been heartening. Administrative staff also maintain close liaison with the Nyoongar Patrol who, at the request of Board staff, have increased patrols in Midland cemetery. This has had a positive impact and resulted in a reduction in the level of anti-social behaviour at the site.

Its first significant evolution in over ten years, the Board's website was redeveloped during the review period. The new site provides a contemporary web presence that showcases the Board's products, services and corporate information whilst still providing an excellent entry point for cemetery based genealogical researchers.

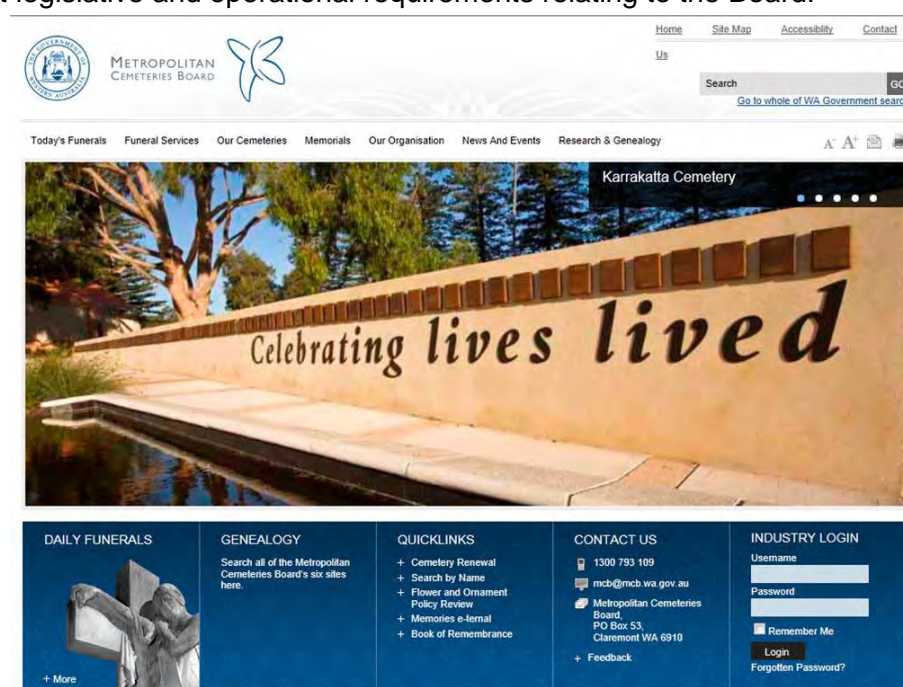
Recognising the funerary industry's ongoing transition to online systems for both reference purposes and the booking of services, the new site includes a password protected industry section for Funeral Directors and Monumental Masons. This secure section of the site includes access to the funeral bookings diary and an online resource bank of administrative and training information.

Well received by industry representatives, the amount of information hosted and the number of administrative functions performed by the online portal will be expanded as time progresses.

A key driver for the redevelopment of the site; it is now fully compliant with the Public Sectors Commission's Website Governance Framework.

Having completed the internet project, Board staff used the same template system to redevelop the internal, or intra-net, site. Utilising the same content management system and framework enabled the overall cost of the project to be reduced significantly whilst ensuring a visual and functional consistency across the two sites.

The Board continues to provide training workshops for Funeral Directors with a goal of providing this important group of stakeholders with an improved understanding of the important legislative and operational requirements relating to the Board.



OUTCOME TWO: Building and Expanding our Capability

Key strategies in achieving these outcomes include:

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

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

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

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

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

During the year under review, the program has seen the completion of the second stage of a water wise gardens memorial garden development in the former Anglican XC section and construction of a new memorial rose garden in the former Anglican WA section.

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

Renewal also results in the transformation of old and somewhat neglected sections of the cemetery to attractive landscapes meeting current and future needs. It is a most effective means of ensuring cemetery sustainability and with the completion of currently active



renewals projects, over 15 percent of Karrakatta reserve will have been redeveloped for additional cemetery services.

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

To ensure an ongoing supply of entombment options at Karrakatta, work has continued on the construction of Karrakatta Mausoleum – Stage Six. The new complex will link to the existing mausoleum complex via the pathway established as part of the Contemplation Gardens memorial area.

Given the popularity of the open-air Mediterranean styled mausoleums at Karrakatta and the ongoing receipt of positive feedback with regard to this architectural approach, stage six continues the established design language. A number of families have already registered their interest in perusing the new facility. Construction is scheduled to be completed by September 2011. Satisfactory outcomes have been negotiated with families impacted by mausoleum development.

Beyond renewal, it is important that additional new land be identified and set aside 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 and Whiteman Park, now to be known as Swan Valley Memorial Park, has been secured for future cemetery use and will, in time, be developed.

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



The first stage of the new cemetery that was made available to the community incorporated a lawn style burial section and several memorial gardens. The natural burial trial area was added as an option in 2010 and, although not particularly popular at this point in time, will be retained for the foreseeable future. As time has progressed, the demand for memorial options at Rockingham has increased considerably and a second memorials garden development, *Balrarnald Path*, has now been made available for families.

The new path, incorporating the popular *Ground Niche* memorials, also includes a red granite niche wall and a number of memorial seats. Response to the natural Australian styled water wise plantings at the site has been positive and, as such, will provide the botanical blue-print for subsequent developments.

In response to the increased volume of families wishing to utilise Rockingham and the geographic distance from Fremantle Cemetery as its administrative hub, plans are being

finalised so that a Client Services staff member will be able to attend the site and guide families through the difficult task of burial plot or memorial location selection.

As an outcome of the Memorandum of Understanding between the Board and the City of Rockingham regarding the development of the Rockingham Regional Memorial Park, the Board continues to assume operational responsibility for conducting the few remaining burials that are scheduled within the nearby East Rockingham Pioneer Cemetery. Responsibility for the maintenance of the pioneer cemetery remains with the City of Rockingham.

At Pinnaroo Valley Memorial Park, construction of the second chapel and condolence lounge is well under way. The new building, a duplicate of the existing 120 seat chapel and lounge, is scheduled for completion by February 2012. With the existing chapel operating at full capacity, Funeral Directors have been strong advocates of the development as it will increase the number of available service times at the memorial park considerably. To complement the natural bush land environment that has become the signature element for all developments at Pinnaroo Valley, the new chapel, as with the existing, will make extensive use of the natural elements of stone and wood in its construction.



The Sir Thomas Meagher Lake memorial area continues to be popular with families seeking a location for commemoration of a loved one with a waterside vista. The lake, redeveloped in 2008, also provides the park with a considerable reserve of water for irrigation purposes. With refurbishment for memorialisation of many of the older waterways in the park complete and the Banksia Court lakes area almost at full capacity, the Sir Thomas Meagher area is now the primary source of water side memorials within the park.

The Magpie Loop trial area for memorialisation continues to provide what could be a rare insight into the response of families to memorial areas that offer a level of environmental consciousness. Magpie Loop is a unique area in that it is entirely tribute free with families who choose to establish a memorial doing so with the knowledge that the placement of tributes, both real and artificial, is not permitted. Whilst the Board appreciates that the placement of tributes is an important part of the grieving process for many families, the positive response to Magpie Loop over the past several years is indicative of the reality that there are a number of families; although admittedly, a small niche group, who prefer this style of memorialisation.

At Fremantle Cemetery, the third stage of the Sainsbury Gardens memorial area has been completed and will be made available to the community in the forthcoming period. As has been the case with several of the recent garden developments at Karrakatta, the new Fremantle gardens have focused upon water wise plantings designed to provide year round greenery.

Also at Fremantle, a new rose memorial garden has been completed and will also be made available in the forthcoming period. Whilst the Board acknowledges the high levels of maintenance coupled with what are generally higher water requirements of roses, the operational reality is that there is still a very strong and definite community preference for roses at the older traditional cemetery sites.



So as to maximise the utilisation of water, the new rose garden features the same below the surface reticulation system that was successfully trialed in the Sainsbury Rose Gardens stage 2 at Fremantle. This system minimises the atmospheric evaporation of water and most importantly, fosters the development of thriving rose bushes.

Plans to modify the cortege route and waiting area at Fremantle have been progressed. Concept plans have now been developed and preliminary construction work costings have been provided by the City of Fremantle. Construction and design documentation will be finalised within the forthcoming period with a construction timetable to follow.

Although the proposal will alter the way that funeral processions congregate and move through the cemetery, the changes will provide a logical solution to the current illogical disparity that the geography of the car park, waiting area and cortege route presents. Of particular import for those with mobility issues, the new route will be significantly shorter than the current route and will also use the car park as the initial congregation point.

In complement to the proposal to modify the cortege route, initial plans for the construction of a new café at Fremantle are being finalised.

At Karrakatta, trials of water wise gardens have continued and, although the traditional roses experience enduring popularity, many families have opted for the increased landscaping and lush greenery provided by water wise plantings.

Stage two of the Killara Gardens memorial area has been completed as has a new rose garden. Both gardens will be offered to families for memorialisation in the forthcoming months.

Works to expand the administration building at Karrakatta are ongoing and due to be completed by September 2011. The first significant additions to the administration building for many years, the works have essentially comprised re-engineering of the disused works compound and the addition of a second storey to this part of the building.

The storm of March 2010 caused substantial damage at Karrakatta with the administration building, chapels, condolence lounges and gardens all sustaining significant damage. This has impacted on works during the reporting period and still has an impact with damage to the Dench Chapel. Works have been scheduled during 2011 to repair the foundations to the chapel. The Norfolk Island Pine trees, being a significant landscape feature at Karrakatta have still not fully recovered from the storm and it has been with a sense of deep regret that some trees have now been removed.

Developed following liaison with the Perth Chevra Kadisha and the Temple David community, a new burial area for the Jewish community has been made available at Guildford cemetery. With Karrakatta's ability to accommodate the requirements of the Jewish community almost exhausted, there will be a transition from Karrakatta to Guildford for future Jewish funerals.

The Board has also taken possession of land adjacent to the Guildford cemetery which was previously leased to the Perth Pistol Club. This land has been cleared and made suitable for a works depot whilst the remainder will be utilised for the purposes of burial areas and memorials gardens.

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

The Board continues a high level of planning for the future and is, at present, reviewing its Business Continuity Plan.



OUTCOME THREE: Planning for Business Sustainability

The Board continues with its ongoing delivery of the Fraud and Corruption Plan training. This training has been integrated into the organisations induction program so as to ensure that new employees, as is the case with existing employees, are fully aware of their obligations.

The Board has completed an exercise to develop a costing model to establish the true costs of its individual core business and non-discretionary services. The Board has adopted the model as a management tool to assist the Board and Management to assess and justify the appropriate fees and charges for its non-discretionary core business activities. The preliminary results indicated by the costing model were used by the Board in the determination of some of the fees and charges set for the 2010/2011 estimates. The Board will continue to refine the costing model over the coming years with a view to assessing and justifying reasonable levels of cross subsidisation across its activities and to address any residual areas of over and under recovery of costs through a series of adjustments to its non-discretionary charges. The Board, when considering adjustments to charges, will consider cultural, religious, ethnic and other non-financial impacts that these changes may have on its customers and stakeholders. The Board will also give consideration to the time over which any adjustments to charges should reasonably be made.



The Board continues to encourage further progress following the review of the Cemeteries Act 1986 in 2006 and believes there is a genuine need for additional reform that can only be suitably addressed through legislative amendments.

Reiterating its long standing position, the Board believes a more modern approach is warranted in light of a number of identified shortcomings within the current Act and to encapsulate changes that have occurred both within the funerary industry and in the administration and control of cemeteries under the control of Local Government authorities and cemeteries boards. The need for provisions in the form of regulations of State-wide application is also required given the inadequacy of some local laws and by-laws to ensure consistency and best practice.

The Board appreciates that in the short term a number of required changes could be accommodated by amendment to the Metropolitan Cemeteries Board By-laws 1992 or through the introduction of regulations to meet local needs. Given the limitations of the current Act however, a number of key changes remain unable to be addressed until such time as the Act itself is amended. The Board is currently in consultation with the Department of Local Government and discussing ways in which some short term solutions may be realised.

The Board will continue to work with the Minister for Local Government and the Department of Local Government to gain support for reform.

Throughout the reporting period, the Board has met numerous times with representatives from the Department of Health as part of the ongoing review of the Cremation Act 1929 and Cremation Regulations 1954. Given the cross-over between the Cemeteries Act, the Cremations Act and the business responsibilities of the Board and the department, this productive consultation has highlighted the need for a number of planned administrative changes to the relevant forms and processes that will allay operational and safety concerns.

Of particular concern are the processes for identifying and removing pacemakers and other battery-operated devices prior to cremation. This is currently being revised with a view to developing fail safe measures to ensure that these items, potentially hazardous during the actual cremation process, are removed prior to arrival at the cemetery. The department has now prepared new draft guidelines which the Board has been invited to comment upon.

The licensing of Funeral Directors and Monumental Masons to conduct their business within cemeteries controlled by the Board is continually being reviewed within the scope of the existing legislation. These changes continue to achieve desired outcomes in terms of licensing and compliance.

Under the provisions of the *Cemeteries Act 1986* there are currently 23 Funeral Directors licensed to operate within cemeteries controlled by the Metropolitan Cemeteries Board. However, the number of licences issued does not reflect the true number of people who operate as Funeral Arrangers in the employ of these Funeral Directors.

Only one new Funeral Directors licence was issued in the review period. Board staff found it necessary to meet with two of the Funeral Directors on matters of compliance as part of the organisation's ongoing commitment in maintaining the integrity of those operating within the funeral industry.



The number of Monumental Masons has increased by one to a total of 15 that are now licensed by the Board. Once again, in ensuring the integrity of the industry and those licensed by the Board it was necessary to meet with one Monumental Mason on issues of compliance.

With an increased focus upon industry stakeholder engagement and communication, the Board has been able to not only build stronger relationships but ensure greater adherence to legislative requirements, and compliance with the policies, procedures and guidelines established by the Board.

Further consolidating the important relationship between the Board and the funeral industry, the Australian Funeral Directors Association (WA division) has invited the Board to become a formal part of its industry Continuing Professional Development program. As a consequence, the time that Funeral Directors spend in Board training sessions can now be

counted in the accumulation of credits for full accreditation as part of the development program. This agreement will be formally recognised with a Memorandum of Understanding between the Board and the Australian Funeral Directors Association (WA division).

In December 2010, the Board was issued with improvement notices from Work Safe WA for safety issues within monumental burial areas at Karrakatta Cemetery.

Reflective of the challenges associated with retrofitting modern health and safety legislation to the built reality of an older cemetery, the notices related directly to access and egress issues created as a by-product of site modifications that many families in the older monumental sections have been making to their grave sites for many years. Examples of modifications tend to include path or paving modifications and the placing of the tradition Orthodox tribute boxes in non-designated locations.

Whilst the Board appreciates that many families gain a great level of personal satisfaction from improving their site, the reality is that such modifications will now be, progressively, removed from the grounds so as to ensure that legislation is adhered to and that the cemetery environment is as safe as practicable. A project team has now been established and will be progressively working through the worst affected areas.

Most importantly, families who are affected by the clean ups are asked to assist by way of removing their own items. Prior to clean ups commencing, areas are sign posted and audited. Although often difficult to make contact, Board staff write to many families to advise of the pending clean up so as to both enlist a level of support but to, more importantly, minimise the shock of discovering the removal of items without forewarning.



As the largest authority responsible for the management of cemeteries in Western Australia, the Board continues to provide guidance to other Local Government authorities and cemetery boards on the interpretation of legislation and on policy and procedural issues relating to cemetery management and operations. In the past twelve months there has been a noticeable increase in the number of requests received and in the complexity of the issues raised reflecting changes in community attitudes and needs and perceived anomalies in the current legislation. Whilst not under the Board's direct responsibility to provide this support, the Board is pleased to give this assistance to the regional areas.

As has been the case for many years, the Board has actively contributed to the development of guidelines and forms for use by Local Government authorities and cemetery boards throughout the State and continues to play a key role as an industry hub for liaison and reference in Western Australia.

Regular liaison meetings between the Australian Funeral Directors Association (AFDA) and the Board have proven to be a valuable opportunity to discuss and resolve occupational

safety and health and administrative issues or explore joint opportunities to ensure a high level of services to families.

The Board's Human Resources Division has commenced development of its Workforce Plan. The plan, which will incorporate strategies to increase the Board's capacity to retain and develop its workforce, will place specific focus upon targeted mobility initiatives, talent management and succession planning.

Investigations into the expansion of the Human Resource Management Information System to include an integrated training and development module has commenced. This expansion will assist in managing the career development of employees and will provide valuable data to assist in effectively planning for our future workforce needs.

The Human Resources Division continues to work towards positioning the Board as an employer of choice and has developed a range of innovative attraction and retention strategies.

The position of Sustainability Officer has also been created to identify and progress sustainable practices and initiatives.

The extraction of sand from Rockingham Regional Memorial Park will be completed in December 2011. Revenue obtained from the sale of sand is used to assist in meeting the capital expenditure required in developing this new cemetery. Contracts of lease for land areas adjacent to Fremantle Cemetery and for the operation of café and condolence lounge catering facilities at Pinnaroo, Karrakatta and Fremantle continued during the review period.



OUTCOME FOUR: Influencing and Shaping our Environment

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

The Cemetery Renewal Program continues to ensure the long term provision of burials and memorialisation within Karrakatta and may well be extended to other cemeteries controlled by the Board in the years to come. Realistic projections show that through renewal and by promoting the lift and deepen technique in those areas not suitable for renewal; the Board may well accommodate ongoing burials beyond its previous projection of 2036.

Cemetery sustainability options for other cemetery sites; particularly Fremantle, Midland and Guildford, will need to be investigated if the sites are to be able to meet localised community demand in the future.

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

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

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

In liaison with the Gngangara Aboriginal Community, a preliminary master plan has been developed and submitted to the Minister for comment. This has the opportunity to provide a purpose built burial ground for the Nyoongar people. This proposal is under review by the Department of Indigenous Affairs to consider broader issues for the Nyoongar people.

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

Actively endeavouring to engage and exchange dialogue, the Board is a strong advocate of knowledge sharing and continues to welcome such opportunities.

The Board also has a close working relationship with the Australian Funeral Directors Association (WA Division); Cemeteries and Crematoria Association of Western Australia (CCAWA) with the Board's Chief Executive Officer being the Deputy President of CCAWA and a Board member of ACCA. The Board's Director Client Services is a Board member of CCAWA.

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

- Assistance to cemetery boards and local governments throughout Western Australia on a wide range of matters pertaining to cemetery management and operations including, but not limited to, burial and memorial area design, training, industrial relations and occupational health and safety
- Active participation in the Australasian Cemeteries & Crematoria Association and the International Cremation Federation of which former Chief Executive Officer Peter MacLean is a Life Member and Vice-President respectively
- New Chief Executive Officer, Peter Deague, is a current Board member of ACCA and Vice President of CCAWA.
- The Board's Director Client Services is a Board member of CCAWA.
- Assistance to the Health Department WA, by the Board's Chief Executive Officer in pandemic and disaster planning. The Chief Executive is the Board's representative on the State Government's Influenza Pandemic Advisory Committee.

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

The Board continues to work closely with Honouring Indigenous War Graves Incorporated in preserving graves and recognising the contributions made by indigenous members of our armed forces during times of war. As with war graves within Board cemeteries, Indigenous War Graves are not impacted by the cemetery renewal program and will be retained.

More recently, the Board has agreed to the erection of a memorial wall on which a number of bronze plaques are to be placed memorialising those Aboriginal soldiers who lost their lives and were buried in France.

The monumental wall is to be erected at Karrakatta in the gardens surrounding the Aboriginal and Torres Strait Islander People's Keeping Place due to the cultural significance of this area and its relevance to members of our indigenous community.

Following consultation with the Department of Indigenous Affairs and members of the Aboriginal community the Board has agreed to upgrade the landscaping surrounding the Keeping Place and this area will be named Ken Colbung Grove as a dedication to the memory of the late Ken Colbung AM MBE, a respected Aboriginal Elder and a member of the Metropolitan Cemeteries Board from 1988 to 2010.

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. The staged development of the plan 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 two of the State Government's *Water Wise Ways for WA* initiative. The MCB's Water Efficiency Management Plan for all cemetery sites identifies inefficiencies and potential water conservation measures and has incorporated the preparation of an action plan for implementation.

Highlighting the Board's commitment to water wise initiatives, the redeveloped bore and newly installed reticulation mainline have reduced the need for scheme water in the reticulation of memorial gardens, verge plantings and new lawn areas at Guildford Cemetery. Also at Guildford, time clocks have been installed at the scheme main to assist in managing the usage of water resources after hours. Spring loaded taps have been installed across the cemetery and, where possible, computerised logging programs are being utilised to assist site supervisors in monitoring usage and managing any problems or inefficiencies effectively.

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 \$4,146,000 for the year ended 30 June 2011 compared to a budget of \$2,714,000 and an actual figure of \$4,176,000 for the year ended 30 June 2010.

During the year the Board carried out 2,213 Burials and Entombments compared to a budget estimate of 2,249 and the actual number carried out in the 2009/2010 financial year of 2,378. Cremations carried out totalled 7,980 which compares with a budget of 7,842 and the actual number carried out in the 2009/2010 financial year of 7,838. Sales of Mausoleum crypts fell short of budget by 22 crypts, but was in line with the total number sold in the previous financial year. Sales of memorials of \$4.49m exceeded the budget of \$4.34m and exceeded the previous year's actual income of \$4.38m.

At 30 June 2011, the Board made an assessment of its Available-for-sale financial assets, in accordance with the requirements of AASB 139. Based on this Standard and on Treasurer's Instructions, the Board identified that a number of the shares in its Investment Portfolio, based on market prices at 30 June 2011, were being carried at below their original or previously impaired cost. At 30 June 2011 the Board recognised the Impairment of some of these shares through a charge taken to the Statement of Comprehensive Income of \$89,000. In the previous financial year the Board recognised an Impairment write-off of \$339,000.

The Board, in conjunction with their financial advisers, considered each of the shares in its Investment Portfolio and does not believe that there is any objective evidence to indicate that any of the companies, in which the Board holds shares, is in any financial difficulty. The Board further believes that over time, the value of these shares will return to or exceed their original cost. (See also Financial Statements Note 2 (f) and 17 – 'Impairment of assets.')

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 *"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 State Treasury has indicated that the Board may be required to fund the purchase and development of new cemeteries in the future.



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

The Board has completed an exercise to develop a costing model to establish the true costs of its individual Core Business, non-discretionary services. The Board has adopted the model as a management tool to assist the Board and Management to assess and justify the appropriate fees and charges for its non-discretionary Core Business activities. The preliminary results indicated by the costing model were used by the Board in the determination of some of the fees and charges set for the 2010/2011 estimates.

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

Fees and Charges 2010/2011

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 2010. The Board resolved a general increase in its fees and charges of 2.23% in line with the annual increase in the Perth CPI. The Board also decided, based on the results indicated by the costing exercise referred to above, to move progressively towards full cost recovery over a number of years for its Grants of Right of Burial. As a result of this decision, the prices of Grants of Right of Burial were increased by 15%. In further recognition of the results of the costing exercise, the Board agreed to hold the charges for Interments and Cremations at the same levels as the previous year. The Board also recognised that, whilst it was committed to achieving full cost recovery on all of its Core Business non-discretionary charges over a period of years, all future adjustments to non-discretionary charges, outside the annual CPI movement, would take into account cultural, religious, ethnic or other non-financial impacts that these changes might have on its customers and stakeholders. The Board would also give consideration to the time over which any adjustments to charges should reasonably be made.

Summary of Operating Results

A surplus of \$4.15m (2009/2010 \$4.18m) was achieved during the financial year after allowing for depreciation of \$2.17m (2009/2010 \$2.13m).

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 \$2.87m (2009/2010, \$2.3m) to the Board's net surplus for the year. The Board also recognised an impairment charge against its available-for-sales financial assets, through the Statement of Comprehensive Income of \$89,000 (2009/2010, \$339,000).

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 \$20.07m compared with a budget of \$19.97m and an actual figure of \$19.4m in the previous financial year. The improvement in the actual operating income compared to the previous year was achieved from increases across all of the Board's Core Business services. Total expenditure incurred on operating activities during the year amounted to \$18.71m compared to a budget of \$19.14m and an actual figure of \$17.11m in the previous financial year. (see Note 37 '*Explanatory statement*' in the Financial Statements for further explanation of significant variances)

Numbers of Funerals:

	<u>2010/2011</u>	<u>2009/2010</u>	<u>Increase/(Decrease)</u>
Burials & Entombments	2,213	2,378	(165)
Cremations	7,980	7,838	142
	-----	-----	-----
	10,193	10,216	(23)
	-----	-----	-----
Numbers of memorial products sold:			
Memorials	2,841	2,901	(60)
	-----	-----	-----

Income from Core Business services

	<u>Burials</u>	<u>Cremations</u>	<u>Mausoleum</u>	<u>Memorials</u>	<u>Other</u>	<u>Total</u>
	<u>\$.</u>	<u>\$.</u>	<u>\$.</u>	<u>\$.</u>	<u>Client Services</u>	<u>\$.</u>
Karrakatta	2,277,214	2,978,158	2,388,617	1,485,883	207,653	9,337,525
Fremantle	1,197,279	2,184,242	835,451	1,065,235	79,279	5,361,486
Pinnaroo	1,051,591	1,386,635	-	1,859,761	19,037	4,317,024
Midland	196,666	-	-	47,305	20,363	264,334
Guildford	322,256	-	60,158	45,278	30,671	458,363
Rockingham	173,332	-	-	83,906	10,047	267,285
East Rockingham	65,316	-	-	2,112	-	67,428
	-----	-----	-----	-----	-----	-----
	5,283,654	6,549,035	3,284,226	4,589,480	367,050	20,073,445
	=====	=====	=====	=====	=====	=====

Total operating expenses of \$18,708,570 (2009/2010, \$17,110,412) (inclusive of Costs of Sales) for the years comprised:-

	<u>2010/2011</u>	<u>2009/2010</u>
The main items of operating expenditure were:-		
Salaries and Wages	6,725,780	6,497,500
Salaries on-cost	1,096,789	1,055,999
Provision for Employee Entitlements	1,157,880	716,057
Casual Labour – Agencies	249,478	202,267
Mausoleum costs of Sales	1,365,388	1,304,666
Depreciation	2,174,752	2,128,788
Repairs and Maintenance	1,538,727	1,414,063
Memorialisation	964,044	942,034
Gardens and Grounds	726,419	559,452
Light, Power & Gas	459,538	397,188
Personnel	344,418	296,860
Insurances	306,313	247,792
Information Services	521,526	506,223
Corporate Services	180,475	174,040
Office Expenses	194,564	159,333
Consultancy	218,828	161,007
Projects – (non capital)	162,904	61,195
Other Expenses	320,747	285,948

Total salaries expenditure (including on-costs, leave expenditure, fringe benefits tax and casual employment) represented 49.34% of total expenditure compared with 49.51% last year.

Capital Expenditure

During the year, the Board invested \$7.8m (2009/2010, \$3.3m) 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 6 – Karrakatta (project in progress)	3,582,000
Construction of second chapel at Pinnaroo (project in progress)	1,454,000
Plant & Motor Vehicle Replacements – All sites	716,000
Landscaping improvements and burial area development - Fremantle	654,000
Renewal areas – Karrakatta	248,000
Office extensions - Karrakatta	493,000
Landscaping improvements - Guildford	262,000
Landscaping improvements - Pinnaroo	175,000



SUMMARY OF KEY PERFORMANCE INDICATORS

Note: The information on the Key Performance Indicators below is intended to be a summary only and the detailed audited Key Performance Indicators are located within the Financial Statements along with the Auditor General's opinion and the Board's Certification of Performance Indicators.

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.

	2010/2011 Target	2010/2011	2009/2010	2008/2009	2007/2008
Industry	85%	71%	74%	78%	77%
Public	85%	90%	89%	86%	92%

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>
2010/2011	\$1,835.67	\$1,896.34
2009/2010	\$1,674.86	\$1,802.80
2008/2009	\$1,673.80	\$1,696.89
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88

Qualitative Indicators of Performance

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

Output

Funerals and memorial services.

Output Quality

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

	<u>Outcome Target</u>	<u>2010/2011</u>	<u>2009/2010</u>
Funeral Services	95%	99.51%	99.37%
Memorials *	95%	99.96%	100.00%

Notes:

1. Licences to conduct funerals are issued to funeral directors. Single funeral permits are available to individuals other than funeral directors to conduct a funeral.
2. Approved monumental work can only be carried out by licensed monumental masons. Single monumental work permits are available to individuals other than monumental masons to carry out monumental work on a grave.
3. Memorials refer to headstones and inscription work.

Output Quantity

Number of funeral and memorial services.

	<u>Target/Budget</u>		<u>Actual Numbers</u>	
	<u>2010/2011</u>	<u>2009/2010</u>	<u>2010/2011</u>	<u>2009/2010</u>
Funeral Services	10,091	10,000	10,193	10,216
Memorial Services	-	-	2,841	2,901

Compared to the previous financial year, there has been a reduction of 23 funeral services and also a increase of 60 memorial services carried out by the Board.

Output Timeliness

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

	<u>Outcome Target</u>	<u>2010/2011</u>	<u>2009/2010</u>
Industry Score	80%	45%	46%
Public Score	80%	76%	76%

Outcomes regarding the appropriateness of allocated service times are still falling short of the 80% target. Whilst the score from the public has not changed from the previous year and remains relatively close to the 80% target, the industry score is still low and is indicative of a continued dissatisfaction with the appropriateness of allocated service times amongst this group.

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

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

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

The Board has recognised that the availability of service times at Pinnaroo Valley is not sufficient and, consequently, the construction of an additional large chapel at Pinnaroo has commenced. The new chapel will be made available in the forthcoming period.

Once completed, the significant increase in capacity at Pinnaroo should, in turn, improve the industry assessment of available service times.

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

SIGNIFICANT ISSUES AND TRENDS

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

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

At present, the Board does not have sufficient land to cater for the Perth metropolitan region, particularly at an estimated future population of 2.34 million by the year 2031. Providing land in all urban corridors is costly and retro-fitting cemeteries in established urban regions verges on the impossible. An additional 248 hectares of land is required to provide a sustainable cemetery system for the Perth community.

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

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

The Board is working with the Department of Planning, the Western Australian Planning Commission and local governments in an endeavour to secure the land required to meet future cemetery needs. Although additional land parcels have been identified, the need for ongoing land is perpetual and, in complement, so is the need to continually identify and secure new parcels of land to meet this ongoing need.

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

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

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

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

The review has highlighted the reality that burial services exhibit a significant under recovery and, for the forthcoming period, the Board has moved closer, albeit is still significantly short, of cost recovery for this service. If the Board opts to move towards full cost recovery and

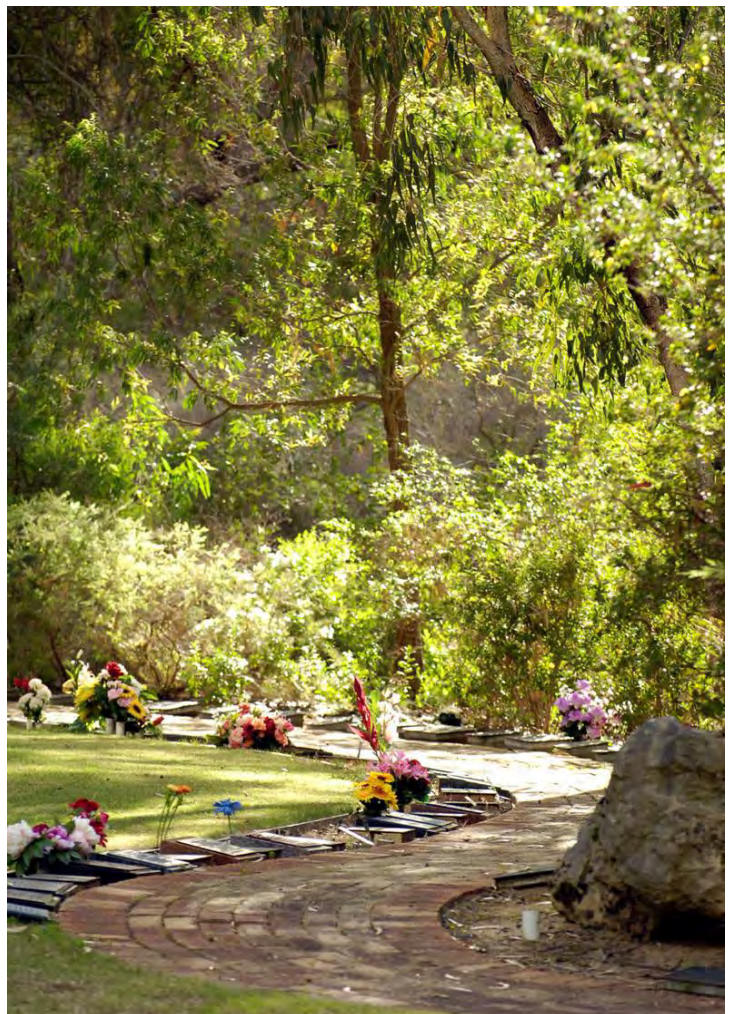
eliminate cross subsidisation, the operational reality being that the cost of burial will increase considerably. The impact of this increase, particularly for those groups with specific religious and/or cultural requirements, needs to be given consideration.

In planning for a sustainable future, the Board has developed a cemetery renewal plan for Karrakatta to 2036. This aims to provide land for burial and memorial gardens on a sustainable basis for an estimated population of 420,700 in the central urban corridor. Similar plans are being developed for Fremantle, Midland and Guildford cemeteries to ensure that cemetery facilities will provide for future generations within the Perth community.

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

Endeavouring to embrace sustainability principles as an operational norm, the Board has constructed natural burial sections at Rockingham Regional Memorial Park and Fremantle Cemetery thus making this service available in metropolitan Perth for the first time. These natural burials are designed to have minimal environmental impact with the burial area, over time, being re-vegetated. With graves being unmarked, the landscaped environment is designed to be, in its entirety, a commemoration to those departed.

Recognising the impact of reduced rainfall, the Board continues the trial of memorial gardens that are designed with water wise sustainability principles in mind. Whilst the Board appreciates that the enduring popularity of traditional options such as roses dictates a need to ensure that they are available for families at what is often a difficult time, there is also an intrinsic social responsibility to investigate alternatives that complement our dry climate. Several new water wise gardens have already been established at Karrakatta and Fremantle cemeteries whilst new cemetery sites, such as Rockingham Regional Memorial Park, are being developed, from the outset, with water wise principles in mind.



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

Whilst the Board appreciates that the placement of tributes is an important part of the

grieving process for many families, it has become apparent that the ornamentation policy needs to be reviewed . A review of the flower and ornamentation policy, incorporating a significant community consultation component, has already commenced and will be finalised during the forthcoming period.

Whilst the environmental issues associated with artificial tributes are very real, the Board's primary focus needs to be that of responding to demonstrated community need. It has already become apparent that striking the balance between community need and corporate environmental responsibility will be difficult terrain to negotiate.

The age and design of some areas of the Board's cemeteries has caused some challenges in relation to the safe access and egress to full monumental areas for both Funeral Directors and members of the public. During the review period the Board was issued with six WorkSafe Improvement Notices relating to access and egress issues within Karrakatta's older burial areas.

Whilst the Board has made significant progress in remediating issues, it has become apparent that the need to fit modern health and safety legislation to older cemetery developments is an emerging issue.

The Board continues to work in collaboration with WorkSafe and the Funeral Industry in implementing improvements.



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, and part of Anglican XC. The estimated project cost is \$600,000.
- Karrakatta Mausoleum Stage Six. The estimated project cost is \$7.8 million
- Pinnaroo Chapel construction. The estimated project cost is \$6.3 million
- Construction of a Jewish burial section at Guildford Cemetery

Capital projects completed

- Sainsbury Gardens Stage 3
- Fremantle rose garden
- Niche wall construction at Fremantle and Rockingham.

Employment and Industrial Relations

Staff Profile

	2009-10	2010-11
Full-time permanent	102	107
Full-time contract	6	4
Part-time measured on a FTE basis	20	16.8
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.

The Board's program of offering employees to complete the Certificate IV in Frontline Management continues to be supported by employees. This year seven employees received their certificate in Frontline Management at a graduation ceremony.

In addition, the Board continues its provision of training in Occupational Health and Safety to middle management and the Construction Industry training to all operational employees.

The Board has strong focus on developing staff and provides opportunities for staff to participate in training programs and information sessions relating to a variety of topics, These topics ranges from lawn care and sustainability, machinery operation and maintenance, ethics and integrity, risk management and computer related training courses.

Courses targeting at developing the leadership capabilities of staff have also been a focus.

The Board supports the benefit for staff received from membership to professional associations and attendance at conferences, seminars and workshops in specialised functional areas.

The Board continues to foster and promote the provision of providing traineeships to school based students. This has been extended to include Indigenous Traineeships in identified positions.

Workers Compensation

Twelve new workers compensation claims were received in addition to the four carried over from the previous year. One claim was reopened during the review period. Of these cases, five claims have been finalised, the remainder are progressing towards finalisation and or settlement. All staff members (with one exception) have returned to either full or partially restricted pre-injury duties. Regular claim reviews are held with Risk Cover.

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 2010/2011 was \$3349.50 (inc. GST).

OTHER LEGAL REQUIREMENTS

COMPLIANCE WITH PUBLIC SECTOR STANDARDS & ETHICAL CODES

OPSSC reporting under s31 of the Public sector Management Act 1994

1. Compliance issues that arose during the financial year 2010-2011 regarding the public sector standards and the new Commissioner's Instructions, , included:
 - No breach claims lodged.
2. Compliance issues that arose during the financial year 2010-2011 regarding the WA Code of Ethics included:
 - No compliance issues arose.
3. Compliance issues that arose during the financial year 2010-2011 regarding our own Agency Code of Conduct included:
 - No compliance issues arose.

4. Significant action taken to monitor and ensure compliance included:

- With amendments made to the *Public Sector Management Act 1994* (the Act) proclaimed on 1 December 2010 and the establishment of the new independent statutory role of Public Sector Commissioner, the staff of the Human Resource Branch, attended information sessions introducing the two new Commissioner's Instructions including the Amendments to the Public Sector Management (Breaches of Public Sector Standards) Regulations 2005 in order to ensure appropriate changes were made to the Board's internal processes.
- The Human Resource Branch undertook a review of the recruitment and selection process to ensure legislative changes were reflected.

5.

- All employees receive a copy of the Board's Code of Conduct and Email and Internet Policies at the commencement of their employment. Upon appointment, new employees are required to complete a declaration that they have read and understand the Code and policies, this is then placed on their personnel file and discussed at the Induction.
- A gift registry continues to be maintained for items received by MCB employees that were valued at \$20.00 and over.
- New employees attend Induction: Your Guide to Ethics and Integrity in the WA Public Sector.

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	\$24,451
Research Solutions	\$28,045
Expenditure with Polling Agencies	\$0
Expenditure with Direct Mail Agencies	\$0
Expenditure with Media Advertising Agencies	
Adcorp*	\$39,874

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

Disability Access and Inclusion Plan 2007 – 2011

The Human Resource Branch facilitated the review of the Board's Disability Services Plan 2007 – 2011. A working group was established to review the existing plan and to develop a new plan for 2011-2015.

The Board's Disability Access and Inclusion Plan 2007-2011 addresses 6 Outcomes: These are;

Outcome 1: People with a disability 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 a disability have the same opportunities as other people to access the buildings and other facilities of the Metropolitan Cemeteries Board.

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

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

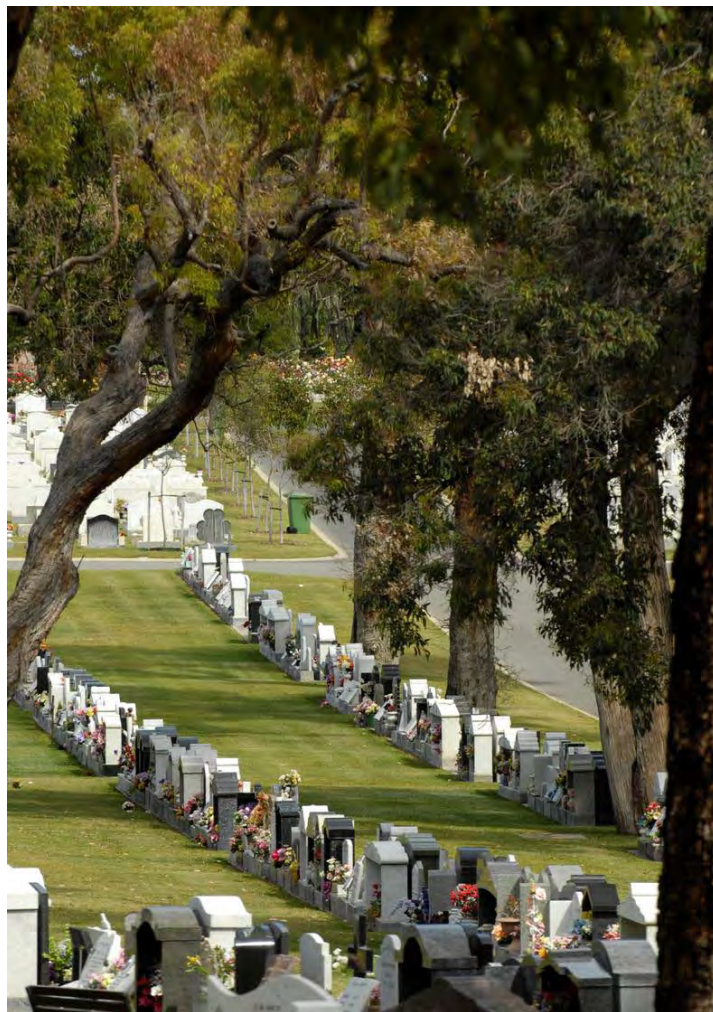
Outcome 5: People with a disability have the same opportunities as other people to make complaints to the Metropolitan Cemeteries Board.

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

The review highlighted where the Board had made significant progress together with identifying areas for further improvement.

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

- Increased the allocation of disabled car bays
- Access designed into new building at Karrakatta
- Installed pathway from bus stop to chapel at Pinnaroo
- Enhanced the chapels' audio loops
- Utilised matting to enable wheelchair access to old sections at Fremantle Cemetery
- Wheelchairs available at each site
- Purpose built disabled toilets at the entry and in the new building at Karrakatta
- Inter and intranet sites redeveloped and incorporate contemporary accessibility web design functionalities.



Disability Access and Inclusion Plan 2011 – 2015

The Board is committed to overcoming barriers that may exist in accessing our products and services for the people of Western Australia. A new Disability Access and Inclusion Plan 2011-2015 has been developed during the review period. The new plan was developed by a working group representative of our workforce and included feedback received through our public consultative process. The working group will be responsible for the ongoing review and monitoring of the plan.

The new plan now incorporates Outcome 7 – People with disabilities have the same opportunities as other people to seek employment with the Board. The Board's new Strategic Workforce Plan, where specific disability outcomes are established, will assist in the more strategic integration of the desired outcomes for disability access and inclusion.

The working group is also responsible for the ongoing monitoring of the plan to ensure its efficiency and effectiveness in ensuring the Board's services are accessible to all Western Australians.



RECORDS MANAGEMENT

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

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

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

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

Coverage of the training/information sessions as detailed here extends to all staff except outdoor workers who have no recordkeeping responsibilities. Records management staff

are offered more frequent and specialised training so as to ensure that their skills remain current and abreast of industry developments.

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

COMPLAINTS HANDLING

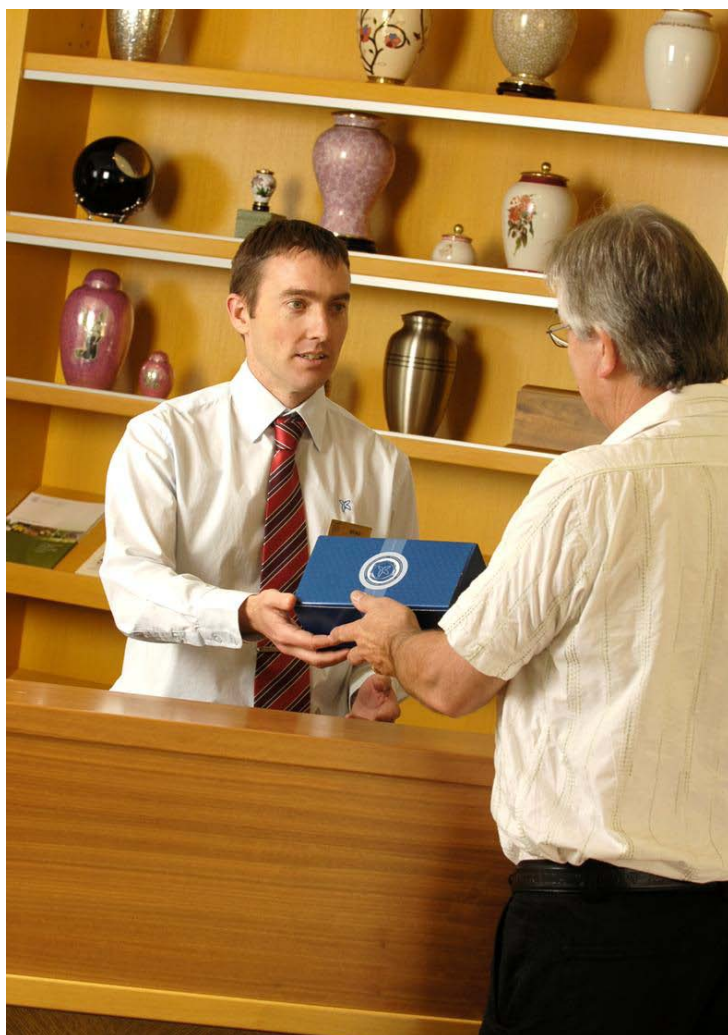
The Metropolitan Cemeteries Board introduced a new complaints handling procedure on July 1 2007 and has continued to adopt the Australian Standard, currently AS ISO 10002-2006.

Over the 2010-2011 period improvements to the complaints handling system include an increased level of reporting to clients regarding general cemetery maintenance issues. This has ensured a greater level of communication and early resolution.

An ongoing commitment to customer focus has been underpinned through new staff induction training in the Complaints Handling system, skills training in complaints handling and customer service. Regular refresher training for all staff is ongoing and focuses on the whole of organisation team approach to reinforce best practice and effective complaint handling.

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

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



Numbers of complaints

There were 177 complaints recorded from July 1 2010 to June 30 2011. All responses to complaints were completed and forwarded to the client within fifteen (15) working days from the date on which the complaint was received. In the event of an unavoidable delay interim responses were provided to the client.

The majority of complaints handled by the MCB are resolved without further incident.

Three main areas of complaints recorded

Seventy three percent of all complaints were directly linked to our operational activities, whereas twenty one percent related to products and services with the remaining six percent involving administrative matters.

Table 1 – Total of complaints by category – 2010-2011

Facilities	16
Grounds	87
Damage	18
Non-Approved Monuments	0
Other	7
Products/Services	46
Renewal	2
Vandalism /Theft	1
Total	177

There were 56 registered notations of appreciation mostly relating to the professional and dignified nature of rendered services and the caring and respectful nature of MCB staff; beautiful cemetery gardens and surrounds and dedication of staff to restore Karrakatta grounds and facilities after the damage was incurred during the March 2010 hail storm.

GOVERNMENT POLICY REQUIREMENTS

Legislative Framework

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

Risk Management

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

Occupational Safety & Health including Workers Compensation and Injury Management

The Board aims to establish a single strategic approach to occupational safety and health, workers compensation and injury management.

The intention of the injury management system is to achieve compliance with regulatory requirements, as well as establishing a best practice model for managing safety, health and workers' compensation. The Board acknowledges that effective injury management ranks



along side the traditional areas of productivity and quality as an essential component in the overall efficiency of the organisation.

The Board has policies and procedures in place to effectively manage workplace safety as advocated in the *Occupational Safety and Health Act 1984* and is committed to the prevention of occupational injuries and diseases, and to ensuring that effective rehabilitation services are available to employees.

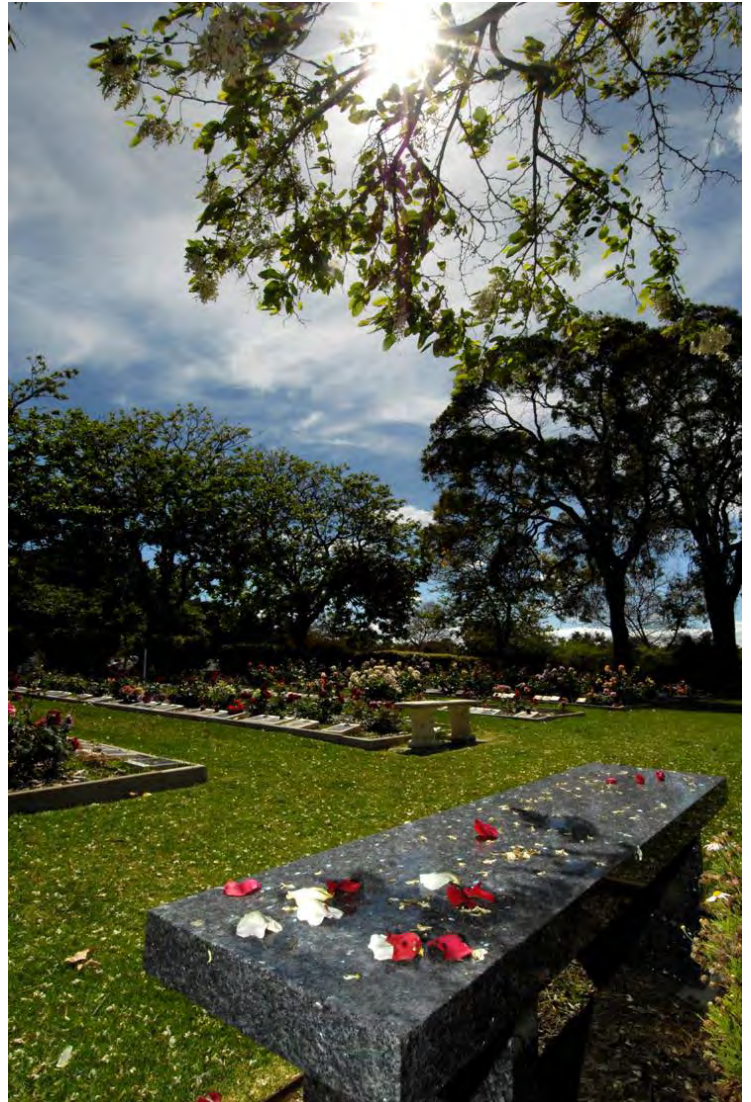
The Board also acknowledges and actively promotes the philosophy of consultation and cooperation between employer and employee, recognising that the encouragement and the development of this alliance will lead to the Board achieving best practice in injury management.

The Board has nine newly elected OS&H Workplace Representatives who are members of the OS&H Committee. The Committee meets bi-monthly and provides the formal mechanism for consultation with employees on all OS&H matters. The contact details and work location of Committee members have been communicated to all employees and are utilised by employees and management in the discussion and resolution of occupational, safety and health matters.

The Board carries out all its injury management obligations set out under the *Workers Compensation and Injury Management Act 1981* and the *WorkCover Workers' Compensation Code of Practice (Injury Management) 2005*. While adherence to the Act and code of practice is a minimum standard requirement, this will achieve a self-regulated, pro-active and innovative approach to injury management, which will enable the Board to strive towards successful management of injury management.

The Board is committed to achieving effective Occupational Health and Safety Management Systems for all its activities as an integral part of our business, continuous improvement in Risk Management but also in fulfilling its obligation of auditing requirements. In February 2011, the Board contracted the Industrial Foundation for Accident Prevention (IFAP) to conduct an independent assessment of the Board's occupational safety and health management systems. The criterion was based upon compliance of WorkSafe Plan Assessment. The final report has documented findings, and includes recommendations to improve upon the work being done by the Board in this area. These recommendations are currently being worked through and implemented where applicable via a priority approach.

In December 2010, the Board was issued with six WorkSafe Improvement Notices. The notices primarily related to access and egress to some areas on the Board and the handling



of large and heavy coffins. In response to the issuing of the notices, the Board is working collaboratively with WorkSafe and established a working group consisting of Funeral Industry representatives and senior staff of the Board to develop solutions which would provide a mutually agreed solution to the issues raised. The Board has closed off two of the notices as solutions have been developed and implemented, leaving four outstanding. The working group continues to work in collaboration with WorkSafe and the Funeral Industry in developing strategies to address the remaining notices.

Performance & Targets - Summary

Indicator	Actual 2009-10	Actual 2010 - 11	Targets
Number of fatalities	Zero (0)	Zero (0)	Zero (0)
Lost Time Injury/Disease (LTI/D) incidence rate	3.8%	13%	(Zero or 10% reduction on previous year)
Lost time injury severity rate	Zero (0)	Zero (0)	(Zero improvement on the previous year)
Percentage of injured workers returned to work within 28 weeks	100%	100%	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities	Less than 50% (0)	95%	Greater than 50% (100%)

Workers Compensation & Rehabilitation Claims 2010-2011

Client Services	4
Planning and Operations	13

Total Claims **17**

Workers Compensation Nature of Injury 2010-2011

Lower limbs	3
Multiple locations	2
Trunk (includes back)	7
Upper limbs	4
Head	1
Total	17

The Board has a large percentage (48%) of employees who are 45 years of age and older. It would appear that the vast majority of injuries are being sustained by older workers and general outdoors cemetery workers.

Sprains and strains in the back, shoulders and arms were the most common injuries. The MCB has undertaken strategies to mitigate the risks in this area through the development and implementation of policy and procedures together with the implementation of a revised risk assessment process. Training in manual handling and safe work practices has also been provided for all staff

Employee Rehabilitation Performance 2010-11

- Return to work Injury management programs and working guidelines are provided in house through the Human Resources Branch and external approved rehabilitation providers for individual employees on workers compensation.
- All employees with supervisory responsibilities have received mandatory injury management training.
- Human Resources participate in ongoing liaison with treating medical practitioners and treatment providers for injured or sick employees
- The Board provides alternative or restricted duties and alternative positions for sick and injured employees
- The Board also supports those employees who suffer non-work related injuries/sickness in continuing employment.

Occupational Safety and Health Occurrences

Reported Incidents	60	=	45% increase in reported incidents
Reported Hazards	23	=	100% increase in reported hazards

The increase shown in reported incidents and hazards can be contributed to an improved Accident/Incident and Hazard reporting system.

Occupational Injury and Illness Prevention Performance 2010-11

- Ongoing induction of new staff in OS&H
- Audit inspections
- Compulsory OS&H and Injury Management training for managers and supervisors
- Policy and guidelines published on the Intranet
- Election of new Safety and Health representatives.
- Newly established OS&H Representatives and Management Committee.
- Launch of new Burial and Cremation Manuals for employees.
- Improved Accident/Incident and Hazard reporting system implemented.

SUBSTANTIVE EQUALITY

The Board continues to work towards providing services to the people of Western Australian which recognises the different needs of our diverse community.





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD

Report on the Financial Statements

I have audited the accounts and financial statements of the Metropolitan Cemeteries Board.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Metropolitan Cemeteries Board at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Metropolitan Cemeteries Board

Report on Controls

I have audited the controls exercised by the Metropolitan Cemeteries Board. The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the Metropolitan Cemeteries Board are sufficiently adequate to 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Metropolitan Cemeteries Board. The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the Metropolitan Cemeteries Board are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY
AUDITOR GENERAL
2 September 2011

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The accompanying financial statements of the Metropolitan Cemeteries Board have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2011 and the financial position as at 30 June 2011.

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.



Dr LEONIE LIVERIS
CHAIRMAN



JOE O'DEA (jnr)
BOARD MEMBER



M KIDD
CHIEF FINANCE OFFICER

26th August 2011

METROPOLITAN CEMETERIES BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Revenue			
Sales of mausoleum crypts and vaults	6.	3,297,237	3,145,736
Provision of services	7.	16,776,208	16,213,336
Interest revenue	8.	1,021,988	669,292
Dividend revenue	9.	1,190,116	807,804
Commission on sand extractions from Rockingham Regional Memorial Park		91,263	47,798
Other revenue	12.	370,102	706,885
Gains			
Gain on disposal of non-current assets	11.	94,234	37,834
Gain on sale of available-for-sale financial assets	10.	105,176	-
TOTAL INCOME		<u>22,946,324</u>	<u>21,628,685</u>
EXPENSES			
Cost of sales	6.	1,354,250	1,293,821
Employee benefits expense	13.	9,201,709	8,448,899
Supplies and services	14.	3,717,495	3,313,234
Depreciation and amortisation expense	15.	2,174,753	2,128,788
Impairment of available-for-sale financial assets	17.	89,496	339,129
Other expenses	16.	2,262,825	1,928,895
TOTAL EXPENSES		<u>18,800,528</u>	<u>17,452,766</u>
PROFIT FOR THE PERIOD		<u>4,145,796</u>	<u>4,175,919</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		1,200,000	(1,596,000)
Changes in available-for-sale financial asset revaluation reserve		1,063,316	894,145
Total other comprehensive income		<u>2,263,316</u>	<u>(701,855)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>6,409,112</u>	<u>3,474,064</u>

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

METROPOLITAN CEMETERIES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	32(a)	60,741	96,331
Inventories	18.	11,943,962	9,719,657
Receivables	19.	2,182,474	1,850,134
Other financial assets	20.	13,080,000	12,046,502
Total Current Assets		27,267,177	23,712,624
Non-Current Assets			
Available for sale financial assets	21.	18,423,375	17,511,181
Property, plant, equipment and vehicles	22.	47,468,043	43,812,531
Infrastructure	23.	13,862,140	14,059,640
Intangible assets	24.	36,802	-
Total Non-Current Assets		79,790,360	75,383,352
Total Assets		107,057,537	99,095,976
LIABILITIES			
Current Liabilities			
Payables	26.	2,902,291	2,095,480
Provisions	27.	1,410,028	909,013
Other current liabilities	28.	17,030	10,623
Pre-need agreements	29.	604,243	607,696
Total Current Liabilities		4,933,592	3,622,812
Non-Current Liabilities			
Provisions	27.	354,559	510,672
Pre-need agreements	29.	6,515,834	6,275,122
Grant renewals	30.	1,912,577	1,755,507
Total Non-Current Liabilities		8,782,970	8,541,301
Total Liabilities		13,716,562	12,164,113
NET ASSETS		93,340,975	86,931,863
Equity			
Contributed equity	31.	13,640,938	13,640,938
Reserves		31,623,198	29,359,882
Retained earnings		48,076,839	43,931,043
TOTAL EQUITY		93,340,975	86,931,863

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

**METROPOLITAN CEMETERIES BOARD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Contributed Equity	Asset Revaluation Reserves	Available-for- sale investments financial asset Revaluation Reserve	Accumulated Surplus	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2009	13,640,938	29,490,825	570,912	39,755,124	83,457,799
Total comprehensive income for the year	-	(1,596,000)	894,145	4,175,919	3,474,064
Balance at 30 June 2010	13,640,938	27,894,825	1,465,057	43,931,043	86,931,863
Balance at 1 July 2010	13,640,938	27,894,825	1,465,057	43,931,043	86,931,863
Total comprehensive income for the year	-	1,200,000	1,063,316	4,145,796	6,409,112
Balance at 30 June 2011	13,640,938	29,094,825	2,528,373	48,076,839	93,340,975

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

METROPOLITAN CEMETERIES BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		17,213,118	16,204,108
Sales of mausoleum crypts		3,297,237	3,145,736
Receipts from commissions on sand sales		91,263	47,798
Interest received		963,723	711,116
Dividends received		969,817	795,966
GST receipts on sales		2,075,088	2,021,966
Other receipts		370,102	472,284
Payments			
Supplies and services		(4,390,298)	(4,846,606)
Employee benefits		(9,327,623)	(8,898,586)
GST payments on purchases		(1,399,240)	(858,194)
GST payments to taxation authority		(1,011,499)	(1,133,624)
Net cash provided by operating activities	32 (b)	<u>8,851,688</u>	<u>7,661,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale on non-current physical assets		152,727	102,696
Purchase of investments		(1,526,524)	(5,244,285)
Purchase of non-current physical assets		(8,173,310)	(2,649,864)
Proceeds from sale of investments		659,829	-
Net cash used in investing activities		<u>(8,887,278)</u>	<u>(7,791,453)</u>
Net decrease in cash and cash equivalents		(35,590)	(129,489)
Cash and cash equivalents at the beginning of the period		96,331	225,820
CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD	32 (a)	<u>60,741</u>	<u>96,331</u>

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

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. Australian Accounting Standards

General

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Board has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended [but not operative] have been early adopted by the Board for the annual reporting period ended 30 June 2011.

2. Summary of significant accounting policies

(a) General statement

The financial statements constitute general purpose financial statements that have 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 Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had 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, except for 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 statements are presented in Australian dollars and all values are rounded to the nearest dollar.

Note 3 - 'Judgments made by management in applying accounting policies' discloses judgments that have been made in the process of applying the Board's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 - 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(c) Income

Revenue recognition

Revenue is recognised and 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 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.

Pre-need Agreements

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

Cremation Agreements

These represent 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

These represent 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

These represent 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

These represent 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

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and investments.

(d) Property, plant and equipment, vehicles and infrastructure

Capitalisation/expensing of assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(d) Property, plant and equipment, vehicles and infrastructure (continued)

Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and the historical cost for all other plant and equipment, vehicles, office equipment and cemetery renewal areas. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of office equipment, plant, equipment and vehicles and cemetery renewal areas are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and building 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.

In the absence of market-based evidence, 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, i.e. the depreciated replacement cost.

Land is independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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 end of the reporting period.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Valuations are provided by the Western Australian Land Information Authority (Valuation Services) every 3 to 5 years. Land under infrastructure is valued on the basis of current use in a cemetery.

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

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

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

Derecognition

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

Asset Revaluation Reserve

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(d) Property, plant and equipment, vehicles and infrastructure (continued)

Depreciation

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

Depreciation is calculated using the straight line method, 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

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.

Land is not depreciated.

(e) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised 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 which is reviewed annually) on the straight line basis. 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	5.5 years
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Refer to Note 24 - 'Intangible assets'

Development costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(e) Intangible assets (continued)

Computer Software

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

Website costs

Website 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 the end of each reporting period. 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 the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The Board assesses at the end of each reporting 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 Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through the Statement of Comprehensive Income.

(g) Financial instruments

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

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

Financial instruments 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(g) Financial instruments (continued)

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement of available-for-sale financial assets is measured at fair value based on market bid prices at the end of the reporting period. 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 and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

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

(h) Cash and cash equivalents

Cash and 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 Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise 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 for each particular class of inventory, with the majority being measured 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 at original invoice amount less an allowance for any uncollectable amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written-off against the allowance account. The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See Note 2(g) - 'Financial Instruments' and Note 19 - 'Receivables'.

(k) Investments and other financial assets

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

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

Fair values of quoted investments are based on current bid prices at the end of the reporting period.

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

(l) Payables

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. See Note 2(g) - 'Financial Instruments' and Note 26 - 'Payables'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(m) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See Note 27 - 'Provisions'.

Provisions – employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

The provision for annual leave is classified as a current liability as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long Service Leave

A liability for long service leave is recognised after an employee has completed three years of service. An actuarial assessment of long service leave was undertaken by PriceWaterhouseCoopers as at 30th June 2011.

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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 reporting period. Conditional long service leave provisions are classified as non-current liabilities because the Board has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of the employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

One eligible employee contributes to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Eleven employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Superannuation Scheme (GESBS). Both of these schemes are accumulation schemes. The Board makes concurrent contribution to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

The Board has no liabilities under the Pension Scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(m) Provisions (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.

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 included as part of "Other expenses" and are not included as part of the Board's 'Employment benefits expense'. The related liability is included in 'Employment on-costs' in Note 27 "Provisions".

See Note 16 - 'Other expenses' and Note 27 - '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 26 - '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 its net fair value.

(p) Leases

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

(q) Resources received free of charge or for nominal cost

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

(r) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made Wholly to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by the owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

(s) 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

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Board evaluates these judgements regularly.

Impairment of available-for-sale financial assets

The Board follows the guidance of Australian Accounting Standard 139 – ‘Financial Instruments Recognition and Measurement’, in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgement. The Board evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. Impairment of available-for-sale financial assets of \$89,496 (2010: \$339,129) has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2011.

Inventories

The Board states its inventories at the lower of cost and net realisable value, where cost is calculated using the average cost method. Judgement has to be exercised on assessing the net realisable value of the inventories, which is the estimated selling price in the ordinary course of operation, less the cost of completion and selling expenses. Neither write off nor provision for inventory obsolescence has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2011 (2010: nil).

4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of Property, plant, equipment and vehicles and infrastructure

The Board assesses impairment at each reporting date by evaluating conditions specific to the Board that may lead to impairment of assets. Property, plant, equipment and vehicles and infrastructure consist of freehold land, buildings, plant, equipment and vehicles, office equipment, cemetery renewal areas, buildings and projects under construction and infrastructure. The value of these assets is assessed internally, annually with respect to the local market and also the condition and expected remaining life of the assets. No impairment of the assets has been recognised for the year ended 30 June 2011 (2010: nil).

Estimation of useful lives of Property, plant, equipment, vehicles and infrastructure and intangible assets

The Board determines the useful lives and related depreciation/ amortisation charges for its property, plant, equipment, vehicles and infrastructure and intangible assets. 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/ amortisation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

5. Disclosure of changes in accounting policy and estimates

Changes in accounting estimates

During the year, the Board revised the estimated useful life of its intangible asset – Client Records System Software to 5.5 years. This has resulted in a write back of amortization charge on the intangible asset of \$36,802 for the year ended 30 June 2011.

Future impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. Consequently, the Board has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Board. Where applicable, the Board plans to apply these Australian Accounting Standards from their application dates.

		Operative for reporting periods beginning on/after
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]. The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> requires modification to the disclosure of categories of financial assets. The Board does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	1 Jan 2013
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039, & 1052] The Standard introduces a number of terminology changes. There is no financial impact on the Board resulting from the application of this revised Standard.	
AASB 1053	Application of Tiers of Australian Accounting Standards This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Board. However it may affect disclosures in the financial statements of the Board if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	1 July 2013
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities. The Standard is not expected to have any financial impact on the Board. However this Standard may reduce some note disclosures in financial statements of the Board. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	1 July 2013
AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 104] (October 2010) This Standard introduces a number of terminology changes as well as minor presentation changes to the notes to the Financial Statements. There is no financial impact on the Board resulting from the application of this revised Standard.	1 Jan 2011

AASB 9	Financial Instruments	1 Jan 2013
	<p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Board is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]</p> <p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p>	1 Jan 2013

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

	2011	2010
	\$	\$
6. Trading profit		
Sales of mausoleum crypts	3,297,237	3,145,736
Cost of sales:		
Opening inventory	(9,112,678)	(10,371,309)
Transfer from works in progress on completion of new mausoleums	-	(35,190)
Adjustment to costs of sales	-	-
	<u>(9,112,678)</u>	<u>(10,406,499)</u>
Closing inventory	7,758,428	9,112,678
Cost of goods sold	<u>(1,354,250)</u>	<u>(1,293,821)</u>
Trading profit	<u>1,942,987</u>	<u>1,851,915</u>
See also note Note 2(i) – ‘Inventories’ and Note 18 – ‘Inventories’		
7. Provision of services		
Burials	5,602,686	5,299,321
Cremations	6,770,491	6,614,695
Memorials	4,403,031	4,299,320
	<u>16,776,208</u>	<u>16,213,336</u>
8. Interest revenue		
Term deposits	814,009	498,261
Fixed interest securities	193,021	158,412
Bank accounts	14,958	12,619
	<u>1,021,988</u>	<u>669,292</u>
9. Dividend revenue		
Equity securities	407,409	368,518
Preference shares	342,154	219,032
Rebate of franking credits	440,553	220,254
	<u>1,190,116</u>	<u>807,804</u>
10. Net gain on sale of available-for-sale financial assets		
Proceeds from disposal of available-for-sale financial assets		
Equity securities	659,829	-
Cost of disposal of available-for-sale financial assets		
Equity securities	(554,653)	-
Net gain	<u>105,176</u>	<u>-</u>
11. Gains on disposal of non-current assets		
Proceeds from disposal of non-current assets		
Plant equipment and vehicles	152,727	102,696
Cost of disposal of non-current assets	(58,493)	(64,862)
Plant equipment and vehicles	<u>94,234</u>	<u>37,834</u>
Net gain		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

	2011	2010
	\$	\$
12. Other revenue		
Commission from Kiosks	95,051	93,872
Rental of leased land	221,875	316,750
Insurance recoveries	3,082	-
Miscellaneous income	50,094	61,663
Fair value of Land and Building taken over at no cash consideration	-	234,600
	<u>370,102</u>	<u>706,885</u>
13. Employee benefits expense		
Wages and salaries (a)	7,008,888	6,715,715
Superannuation – defined contributions plans (b)	1,063,159	1,040,050
Long service leave (c)	385,454	159,090
Annual leave (c)	744,208	534,044
	<u>9,201,709</u>	<u>8,448,899</u>
(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component, leave entitlements including superannuation contribution component.		
(b) Defined contributions plans include West State, Gold State and GESB Super Scheme (contributions paid).		
(c) Includes a superannuation contribution component.		
Employment on-costs such as workers compensation insurance are included at Note 16 - 'Other Expenses'.		
Employment on-costs liability is included at Note 27 - 'Provisions'.		
14. Supplies and services		
Communications	418,496	359,375
Consultants and contractors	997,204	832,885
Consumables	62,067	45,461
Materials	2,037,280	1,909,837
Travel	27,777	20,304
Other	174,671	145,372
	<u>3,717,495</u>	<u>3,313,234</u>
15. Depreciation and amortisation expense		
Depreciation		
Plant, equipment and vehicles	953,886	896,823
Office equipment	83,046	105,541
Buildings	482,475	481,875
Infrastructure	383,710	337,864
Cemetery renewal areas	308,438	306,685
Total depreciation	<u>2,211,555</u>	<u>2,128,788</u>
Amortisation		
Intangible assets	(36,802)	-
Total amortisation	<u>(36,802)</u>	<u>-</u>
Total depreciation and amortisation	<u>2,174,753</u>	<u>2,128,788</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

	2011	2010
	\$	\$
16. Other expenses		
Building and infrastructure maintenance	941,026	759,032
Equipment repairs and maintenance	414,705	344,957
Employment on-costs ^(a) (see Note 13 - 'Employee benefits expense')	28,218	22,923
Board expenses	91,995	93,223
Kiosk operation expenses	2,409	4,535
Administration expenses	330,701	325,271
Other ^(b)	442,598	378,954
Impairment of receivables expenses	11,173	-
	<u>2,262,825</u>	<u>1,928,895</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 27 - 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Includes audit fees which are usually for the final audit fee for the previous year's audit and any interim audit fee (if any) for the current year's audit, see Note 40 - 'Remuneration of Auditor'.

17. Impairment of assets

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

The Board used professional judgement in weighing up what was temporary or short term market volatility against longer term trends in assessing the likelihood that the Board would be able to recover its investments. The Board measured the impairment loss as the difference between the carrying amount and market price of financial instruments at 30 June 2011.

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

Equity securities	89,496	-
Preference shares	-	70,800
Fixed interest securities	-	268,329
	<u>89,496</u>	<u>339,129</u>

18. Inventories

Current

Inventories held for resale:

Mausoleum crypt stock - Stage 1 - at cost	3,794	3,794
Mausoleum crypt stock - Stage 2 - at cost	7,178	-
Mausoleum crypt stock - Stage 3 - at cost	32,852	70,399
Mausoleum crypt stock - Stage 4 - at cost	406,243	966,528
Mausoleum crypt stock - Stage 5 - at cost	1,485,555	1,894,082
Mausoleum crypt stock - Fremantle - at cost	5,288,919	5,614,153
Mausoleum crypt stock - Midland - cost	107,100	107,100
Mausoleum crypt stock - Guildford - at cost	355,291	381,609
Vault stock - Midland - at cost	5,226	5,226
Vault stock - Fremantle - at cost	28,152	31,671
Ossuary Stock - at cost	38,118	38,118
	<u>7,758,428</u>	<u>9,112,680</u>

Inventories not held for resale:

Stores - at cost	224,127	227,508
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Mausoleum construction works in progress	3,961,407	379,469
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Total Inventory - Current	<u>11,943,962</u>	<u>9,719,657</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

	2011	2010
	\$	\$
19. Receivables		
Current		
Receivables	1,380,333	1,296,520
Accrued revenue	634,525	350,775
Claims for storm damage	32,693	157,865
GST Receivables	98,799	-
	<u>2,146,350</u>	<u>1,805,160</u>
Allowance for impairment of receivables	(11,173)	-
	<u>2,135,177</u>	<u>1,805,160</u>
Prepayments	47,297	44,974
	<u>2,182,474</u>	<u>1,850,134</u>
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of year	-	-
Impairment expense	11,173	-
Balance at end of year	<u>11,173</u>	<u>-</u>
Credit risk		
Ageing of receivables past due not impaired based on the information provided to senior management at the reporting period end date:		
Greater than 6 months	-	-
The Board does not hold any collateral as security or other credit enhancements as security relating to receivables.		
See also Note 2(j) - 'Receivables' and Note 38 - 'Financial Instruments'.		
20. Other financial assets		
Current		
At cost:		
Held-to-maturity investments carried at amortised cost	13,080,000	12,046,502
	<u>13,080,000</u>	<u>12,046,502</u>
21. Available-for-sale financial assets		
At the beginning of year	17,511,181	12,015,575
Additions	493,027	4,940,590
Disposals	(554,653)	-
Impairment during the year	(89,496)	(339,129)
Revaluation surplus/(deficit) transferred to equity	1,063,316	894,145
At end of year	<u>18,423,375</u>	<u>17,511,181</u>
Equity securities	8,954,374	8,552,567
Preference shares	7,012,637	6,633,050
Fixed interest securities	2,456,364	2,325,564
	<u>18,423,375</u>	<u>17,511,181</u>
See also Note 38 - 'Financial Instruments' and Note 17 - 'Impairment'		

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 reporting period end 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 2011 (continued)**

	2011 \$	2010 \$
22. Property, plant, equipment and vehicles		
Land		
At fair value (i)	19,019,000	17,819,000
	<u>19,019,000</u>	<u>17,819,000</u>
Buildings		
At fair value (ii)	21,344,784	21,261,168
Accumulated depreciation	(964,031)	(481,661)
	<u>20,380,753</u>	<u>20,779,507</u>
Buildings and projects under construction		
Construction costs	5,017,491	1,530,709
	<u>5,017,491</u>	<u>1,530,709</u>
Plant, equipment and vehicles		
At cost	6,331,838	5,883,545
Accumulated depreciation	(4,247,430)	(3,524,925)
	<u>2,084,408</u>	<u>2,358,620</u>
Office equipment		
At cost	438,872	505,745
Accumulated depreciation	(362,637)	(379,645)
	<u>76,235</u>	<u>126,100</u>
Cemetery renewal areas		
At cost	1,759,138	1,759,138
Accumulated depreciation	(868,982)	(560,543)
	<u>890,156</u>	<u>1,198,595</u>
	<u>47,468,043</u>	<u>43,812,531</u>

(i) Freehold land was revalued as at 1 July 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. All the land owned by the Board is used for cemetery purposes with the exception of 9.5 hectares of land adjacent to the Fremantle cemetery which is currently zoned and used for industrial purposes. Fair value of this land has been determined by the Western Australian Land Information Authority (Valuation Services) on the basis of its market value. Fair value of land used for cemetery purposes is valued by the Western Australian Land Information Authority (Valuation Services) on the basis of its current use.

(ii) Buildings were revalued at 30 June 2009 by the Western Australian Land Information Authority (Valuation Services). Fair values were determined on the basis of their current use within a cemetery. Accumulated depreciation has been credited to the asset accounts prior to revaluation and the asset values restated to the revalued amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

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

Reconciliations

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

(a) Revaluation decrements are recognised in the Statement of Comprehensive Income.

	Plant				Buildings and projects under		
	equipment	Office	Cemetery	Freehold	Buildings	Construction	Total
Year ended 30 June 2011	and vehicles	equipment	renewal areas	land			
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	2,358,620	126,100	1,198,595	17,819,000	20,779,507	1,530,709	43,812,531
Additions	694,361	16,036	-	-	10,795	3,870,180	4,591,372
Transfers from / (out of) work in progress	22,075	17,145	-	-	75,251	(320,088)	(205,617)
Disposals	(36,762)	-	-	-	(2,325)	-	(39,087)
Transfers to operating expenditure	-	-	-	-	-	(63,310)	(63,310)
Revaluation increments / (decrements) (a)	-	-	-	1,200,000	-	-	1,200,000
Depreciation	(953,886)	(83,046)	(308,439)	-	(482,475)	-	(1,827,846)
Carrying amount at end of year	2,084,408	76,235	890,156	19,019,000	20,380,753	5,017,491	47,468,043
Year ended 30 June 2010							
Carrying amount at start of year	2,326,817	212,941	1,400,845	19,270,000	21,073,949	636,145	44,920,697
Additions	151,990	-	-	-	-	2,497,874	2,649,864
Assets taken over for no cash consideration	-	-	-	145,000	89,600	-	234,600
Transfers from / (out of) work in progress	832,635	18,776	104,435	-	106,620	(1,522,720)	(460,254)
Transfers to mausoleum stock	-	-	-	-	-	(48,831)	(48,831)
Disposals	(55,999)	(76)	-	-	(8,787)	-	(64,862)
Transfers to operating expenditure	-	-	-	-	-	(31,759)	(31,759)
Revaluation increments / (decrements) (a)	-	-	-	(1,596,000)	-	-	(1,596,000)
Depreciation	(896,823)	(105,541)	(306,685)	-	(481,875)	-	(1,790,924)
Carrying amount at end of year	2,358,620	126,100	1,198,595	17,819,000	20,779,507	1,530,709	43,812,531

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

23. Infrastructure

	2011	2010
	\$	\$
At fair value (i)	14,583,714	14,397,504
Accumulated depreciation	(721,574)	(337,864)
	<u>13,862,140</u>	<u>14,059,640</u>

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

Reconciliation		
Carrying amount at start of year	14,059,639	13,937,251
Transfers from work in progress	205,616	460,253
Disposals	(19,405)	-
Depreciation expense	(383,710)	(337,864)
Carrying amount at end of year	<u>13,862,140</u>	<u>14,059,640</u>

24. Intangible assets

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(368,024)	(404,826)
	<u>36,802</u>	<u>-</u>
Reconciliation		
Carrying amount at start of year	-	-
Write back of the amortisation expense	36,802	-
Carrying amount at end of year	<u>36,802</u>	<u>-</u>

25. Impairment of Assets

There were no indications of impairment to property, plant and equipment and vehicles, infrastructure and intangible assets at 30 June 2011.

The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have been written-off.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

26. Payables

	2011	2010
Current	\$	\$
Trade payables	2,270,235	1,525,590
GST payable	-	236,852
Accrued expenses	128,865	111,964
Accrued salaries	229,492	159,018
Retention monies held on capital projects	273,699	62,056
	<u>2,902,291</u>	<u>2,095,480</u>

See Note 2(l) – ‘Payables’ and note 38 - ‘Financial instruments’.

27. Provisions

Current		
Employee benefits provision		
Annual leave (i)	709,448	604,387
Long service leave (ii)	678,152	290,313
	<u>1,387,600</u>	<u>894,700</u>
Other provisions		
Employment on-costs (iii)	22,428	14,313
	<u>22,428</u>	<u>14,313</u>
	<u>1,410,028</u>	<u>909,013</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	348,769	502,063
	<u>348,769</u>	<u>502,063</u>
Other provisions		
Employment on-costs (iii)	5,790	8,609
	<u>5,790</u>	<u>8,609</u>
	<u>354,559</u>	<u>510,672</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 the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the reporting period	436,808	372,123
More than 12 months after the reporting period	272,640	232,264
	<u>709,448</u>	<u>604,387</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 the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the reporting period	678,152	290,313
More than 12 months after the reporting period	348,769	502,063
	<u>1,026,921</u>	<u>792,376</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 insurance. The liability for such on-costs is included here. The associated expense is included under annual leave and long service leave expense Note 16 - “Other Expenses”.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

27. Provisions (continued)

	2011	2010
	\$	\$
Movements in other provisions		
Employment on-cost provision		
Carrying amount at start of year	22,923	20,521
Net additional provisions recognised	5,295	2,401
Carrying amount at end of year	<u>28,218</u>	<u>22,922</u>

28. Other current liabilities

Current

Income received in advance	17,030	10,623
	<u>17,030</u>	<u>10,623</u>

29. Pre-need agreements

Current

Cremation	487,525	484,912
Burial	116,718	122,784
	<u>604,243</u>	<u>607,696</u>

Non-current

Cremation	5,112,600	5,000,938
Burial	1,403,234	1,274,184
	<u>6,515,834</u>	<u>6,275,122</u>

30. Grant Renewals

Non-current

Mausoleum grant renewals	760,441	685,851
Other grant renewals	1,152,136	1,069,656
	<u>1,912,577</u>	<u>1,755,507</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)

	2011	2010
	\$	\$
31. Equity		
Contributed equity		
Balance at start of year	13,640,938	13,640,938
Balance at end of year	<u>13,640,938</u>	<u>13,640,938</u>
Reserves		
Asset revaluation surplus		
Balance at start of year	27,894,825	29,490,825
Net revaluation increments/(decrements)		
Land	<u>1,200,000</u>	<u>(1,596,000)</u>
Balance at end of year	<u>29,094,825</u>	<u>27,894,825</u>
Available-for-sale financial assets revaluation surplus		
Balance at start of year	1,465,057	570,912
Revaluation of shares	<u>1,063,316</u>	<u>894,145</u>
Balance at end of year	<u>2,528,373</u>	<u>1,465,057</u>
Balance of asset revaluation surplus at end of year	<u>31,623,198</u>	<u>29,359,882</u>
Accumulated surplus		
Balance at start of year	43,931,043	39,755,124
Result for the period	<u>4,145,796</u>	<u>4,175,919</u>
Balance at end of year	<u>48,076,839</u>	<u>43,931,043</u>
Balance of equity at end of year	<u>93,340,975</u>	<u>86,931,863</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

32. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011	2010
	\$	\$
Cash and cash equivalents	60,741	96,331
	<u>60,741</u>	<u>96,331</u>

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

Profit	4,145,796	4,175,918
Non-cash items:		
Profit on sale of property, plant, equipment and vehicles	(94,234)	(37,834)
Depreciation of non-current assets	2,174,753	2,128,788
Profit from sale of investments	(105,176)	-
Impairment write off on available-for-sale financial assets	89,496	339,129
Assets taken over at fair value	-	(234,600)
(Increase)/decrease in assets:		
Other current assets	(233,542)	(376,087)
Current inventories	1,357,633	1,170,749
Increase/(decrease) in liabilities:		
Current payables	1,106,974	111,115
Pre-need agreements	394,331	396,176
Current provisions	6,407	6,272
Employee provisions	344,902	(47,810)
Net GST receipts/(payments)		
Change in GST receivables/(payables)	(335,652)	30,148
Net cash provided by operating activities	<u>8,851,688</u>	<u>7,661,964</u>

33. Resources provided free of charge

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

34. 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>6,803,000</u>	<u>453,000</u>
The capital commitments include amounts for:		
Buildings	5,190,000	435,000
Infrastructure	-	-
Plant and equipment	-	18,000
Mausoleum construction	1,613,000	-
	<u>6,803,000</u>	<u>453,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

35. Contingent liabilities and contingent assets

As at 30 June 2011, the Board did not have any contingent liabilities or contingent assets.

36. Events occurring after the reporting period

The Board did not have any material events occurring after the reporting period.

37. Explanatory statement

This statement provides details of any significant variations between actual results for 2011 and 2010 and between estimates and actual results for 2011. Significant variations are considered to be those greater than \$100,000.

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

	2011 Actual	2010 Actual	Variance
Sales of mausoleum crypts and vaults	3,297,237	3,145,736	151,501
Provision of services	16,776,208	16,213,336	562,872
Other revenue	370,102	706,885	(336,783)
Employee benefits expense	9,201,709	8,448,899	(752,810)
Supplies and services	3,717,495	3,313,233	(404,262)
Impairment of available-for-sale financial assets	89,496	339,129	249,633

Sales of mausoleum crypts and vaults

The Board sold 179 crypts out of its eight mausoleums during the year. This compares to sales of 176 crypts in the previous financial year. The Board also commenced sales of crypts at its new Stage 5 Mausoleum project.

Provision of services

During the year, the Board carried out 2,204 burials and entombments and 7,980 cremations, compared to 2,378 burials and entombments and 7,838 cremations in the previous year. The overall small decrease in these funeral numbers has been offset by an increase in the sales of memorial products and cremations which has resulted in the significant improvement in this area of the Board's core business income.

Other revenue

During the previous financial year, the Board took over a parcel of land adjacent to the Guildford cemetery from the City of Swan. The land and a significant building on the land were taken over for no cash consideration. The Board took up the fair values of these assets at valuations provided by the Western Australian Land Information Authority (Valuation Services), amounting to \$145,000 and \$89,600 respectively (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income. In the previous financial year, the Board also revised the market rental value of its leased land in Fremantle. Income received in the 2009/2010 financial year included rent, based on this revaluation, which was backdated to the 2008/2009 financial year.

Employee benefits expense

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

Supplies and services

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

37. Explanatory statement (continued)

Significant variances between actual and prior year actual – revenues and expenditures – (continued)

Impairment of available-for-sale financial assets

In accordance with the provisions of AASB 139 the Board has recognised the impairment of some of the shares in its investment portfolio which have been classified as available-for-sale financial assets. (See also note Note 38 – ‘Financial Instruments’ and Note 17 – ‘Impairment’)

Significant variances between estimate and actual results for the financial year

	2011 Estimates	2011 Actual	Variance
Sales of mausoleum crypts and vaults	3,522,246	3,297,237	(225,009)
Provision of services	16,452,067	16,776,208	324,141
Interest revenue	872,576	1,021,988	149,412
Dividend revenue	549,200	1,190,116	640,916
Costs of sales	1,613,072	1,354,250	258,822
Employee benefits expense	9,341,605	9,201,709	139,896
Supplies and services	4,010,270	3,717,495	292,775
Other expenses	2,069,370	2,262,825	(193,455)

Sales of mausoleum crypts and vaults

Sales of mausoleum crypts fell short of estimates for the year.

Provision of services

The Board achieved significant improvements in sales of memorial products due to a wider range of memorial products being made available to clients. The Board also experienced some improvements in revenue from other areas of its core business services.

Interest revenue

Due to uncertainty in the economy and in some sectors of the financial markets, the Board decided to continue its revised policy of building up its investments through the use of the short term money market, rather than increasing its equity investments. The increase in funds on term deposit, combined with improving interest rates during the year, enabled the Board to exceed budget.

Dividend revenue

Due to some improvement in the economy during the year, some companies were able to increase their dividend payments. Dividend income also includes an amount of \$441,000 for the refund of imputation credits on dividends received.

Cost of sales

Cost of sales has fallen short of budget due to a reduction in actual sales of mausoleum crypts compared to budget.

Employee benefits expense

The reduction in employees benefits cost has arisen mainly due to an over estimate of the cost of salaries and wages and on-costs for the year.

Supplies and services

Some savings have been achieved as a result of non-capital projects being either cancelled or deferred until the following year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

37. Explanatory statement (continued)

Significant variances between estimate and actual results for the financial year – (continued)

Other expenses

A number of additional maintenance projects, which were identified through a revision of the Boards' maintenance program, were able to be completed during the year and several maintenance projects identified for the 2011/2012 budget were brought forward and completed before the end of the current financial year.

38. Financial Instruments

Financial risk management objectives and policies

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

(a) Market risk

i) Price risk

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

Sensitivity analysis

If prices for equity securities listed in Australia change by 20% (2010: 20%) with all other variables being held constant, the profit and equity will be:

	2011		2010	
	<u>Profit</u> \$'000	<u>Equity</u> \$'000	<u>Profit</u> \$'000	<u>Equity</u> \$'000
Listed in Australia				
- increased by	-	3,685	-	3,502
- decreased by	(3,685)	(3,685)	(3,502)	(3,502)

ii) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the Statement of Financial Position. 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 arises 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 2011 (continued)**

38. Financial Instruments (continued)

ii) Interest rate risk (continued)

Sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Board's financial assets at the end of the reporting period 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.

	2011			2010		
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Carrying amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	61			96		
- increased by *		1	1		1	1
- decreased by *		(1)	(1)		(1)	(1)
Term deposits	13,080			12,047		
- increased by		131	131		120	120
- decreased by		(131)	(131)		(120)	(120)

* The sensitivity to an interest rate change of $\pm 1\%$ calculated on the average balance of cash and cash equivalents held during the year.

(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 34 debtors (2010: 33 debtors) that represent 100% of trade receivables.

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

(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 \$1,380,333 (2010: \$1,296,520) that would have been past due or impaired if the terms were not re-negotiated during the year.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

38. 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 its normal operating commitments.

The following table details the exposure to the liquidity risk and interest rate risk as at the end of the reporting period. 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 end of the reporting period. An adjustment for discounting has been made where material.

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

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

	Weighted Average Effective Interest Rate	Variable Interest Rate Less than 1 year \$000	Non-interest Less than 1 year \$000	bearing 3 – 5 years \$000	Contractual maturity Date Within 1 year \$000	Carrying Amount \$000
2011	%	\$000	\$000	\$000	\$000	\$000
Financial Assets						
Cash and cash equivalents	4.38%	61	-	-	-	61
Receivables	-	-	1,380	-	-	1,380
Other financial assets	5.88%	13,080	-	-	-	13,080
Available-for-sale financial assets	-	-	-	18,423	-	18,423
Other current assets	-	-	802	-	-	802
		13,141	2,182	18,423	-	33,746
Financial Liabilities						
Payables	-	-	2,902	-	-	2,902
		-	2,902	-	-	2,902
2010						
Financial Assets						
Cash and cash equivalents	3.1%	96	-	-	-	96
Receivables	-	-	1,297	-	-	1,297
Other financial assets	5.0%	12,047	-	-	-	12,047
Available-for-sale financial assets	-	-	-	17,511	-	17,511
Other current assets	-	-	554	-	-	554
		12,143	1,851	17,511	-	31,505
Financial Liabilities						
Payables	-	-	2,095	-	-	2,095
		-	2,095	-	-	2,095

(d) Fair Values

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (continued)**

39. Remuneration of members of the Board and Senior Officers

Remuneration of members of the Board

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

	2011	2010
	\$	\$
\$0 - \$10,000	5	6
\$10,001 – \$20,000	1	1

The total remuneration of the members of the Board is: 51,121 59,265

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 fall within the following bands are:

	2011	2010
\$110,001 - \$120,000	-	1
\$140,001 - \$150,000	1	2
\$160,001 - \$170,000	1	-
\$180,001 - \$190,000	1	-
\$220,001 - \$230,000	-	1
\$270,001 - \$280,000	1	-

The total remuneration of senior officers is: 769,515 634,941

The total remuneration includes 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

40. Remuneration of Auditor

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2011	2010
	\$	\$
Auditing the accounts, financial statements and performance indicators	45,000	42,000

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2011

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 2011.



Dr LEONIE LIVERIS
CHAIRMAN



JOE O'DEA (jnr)
BOARD MEMBER



P B DEAGUE
CHIEF EXECUTIVE OFFICER

26th August 2011

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.

	2010/2011				
	Target	2010/2011	2009/2010	2008/2009	2007/2008
Industry	85%	71%	74%	78%	77%
Public	85%	90%	89%	86%	92%

Notes.

1. The results show a high level of consistency in the feedback from the 'public' over time. The 90% satisfaction score is above target and slightly higher than in 2010 (89%) and 2009 (86%), though not significantly.
2. Satisfaction amongst the industry group has experienced a nominal reduction during the period and is now 71%. The Industry Satisfaction score, which is comprised by amalgamating the satisfaction ratings from both Funeral Directors and Clergy/Celebrants, of 71% falls below the target of 85%. It is important to note that this does not reflect a large level of dissatisfaction. While the data is indicative of an apparent downward trend in satisfaction, it does not indicate 29% dissatisfaction.
3. Detailed analysis of survey respondents shows the Clergy component of the Industry group to be 80% "satisfied", 13% "neither one nor the other" and 0% "dissatisfied" (7% answered "don't know").

4. Detailed analysis of the ‘Funeral Director’ responses highlights the fact that 62% indicated that they were “satisfied”, 28% “neither one nor the other” and 10% “dissatisfied”. The 71% “satisfied” total industry result is a simple average of the 80% and 62% “satisfied” ratings. Using the same simple averaging approach for the “dissatisfied” outcome, the “net dissatisfied” rating would be 5% (average of 0% and 10%).
5. A total of 467 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	218	218	107	49	±6.8%
Public	9,500	1,915	360	19	±5.1%

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>
2010/2011	\$1,835.67	\$1,896.34
2009/2010	\$1,674.86	\$1,802.80
2008/2009	\$1,673.80	\$1,696.89
2007/2008	\$1,544.88	\$1,638.20
2006/2007	\$1,566.54	\$1,487.88

Notes.

1. Funeral services include cremations and interments in gravesites and the mausoleums.
2. Costs of funeral services include the provision and maintenance of grounds, chapels, crematorium, administration costs of the cemeteries, burial services, memorial products and the supply of information to customers.
3. The increase in the cost per funeral in 2010/2011 has arisen due an increase in the costs of Salaries, Wages and on-costs, which has been offset by some savings in actual operating costs compared to the previous year. The increase in Salaries, Wages and on-costs can be attributed mainly to a combination of:
 - annual approved increases under the Government's wages policy
 - annual progressive step increases under the various awards, combined with reclassification of some positions.

Whilst there has been an increase in the current year's average cost of a funeral compared to the previous year of \$160.81, the actual average cost is below the target figure for the year by \$60.67 (3.2%).

METROPOLITAN CEMETERIES BOARD
BUDGETED FINANCIAL STATEMENTS (UNAUDITED)
For the Year Ending 30 June 2012

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 COMPREHENSIVE INCOME
FOR THE YEAR ENDING 30 June 2012

INCOME	Budget 2012 \$	Actual 2011 \$
Revenue		
Sales	3,508,709	3,297,237
Provision of Services	16,730,661	16,776,208
Interest revenue	1,161,537	1,021,988
Dividend revenue	588,000	1,190,116
Commission on Sand Extractions from Rockingham Regional Memorial Park	500,000	91,263
Other revenue	359,496	370,102
<i>Gains</i>		
Gains on disposal of non-current assets	39,605	94,234
Gains on sale of available-for-sale financial assets	-	105,176
TOTAL INCOME	22,888,008	22,946,324
EXPENSES		
Cost of Sales	1,631,801	1,354,250
Employees benefits expenses	9,831,465	9,201,709
Supplies and Services	3,978,401	3,717,495
Depreciation and amortisation expense	2,467,536	2,174,753
Impairment of available-for-sale financial assets	-	89,496
Other expenses	2,081,715	2,262,825
TOTAL EXPENSES	19,990,918	18,800,528
PROFIT FOR THE PERIOD	2,897,090	4,145,796
OTHER COMPREHENSIVE INCOME		
Changes in asset revaluation surplus	-	1,200,000
Gain/(Loss) on available-for-sale instruments	-	1,063,316
Total other comprehensive income	-	2,263,316
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,287,090	6,409,112

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

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2012

	Budget	Actual
	2012	2011
	\$	\$
Current Assets		
Cash and cash equivalents	241,935	60,741
Inventories	14,103,062	11,943,962
Receivables	957,848	2,182,474
Other Financial Assets	6,491,029	13,080,000
Other Assets	194,696	-
Total Current Assets	21,988,570	27,267,177
Non Current Assets		
Available for sale financial assets	19,115,720	18,423,375
Property, plant, equipment and vehicles	51,414,011	47,468,043
Infrastructure	14,213,886	13,862,140
Intangible assets	-	36,802
Total Non-current Assets	84,743,617	79,790,360
Total Assets	106,732,187	107,057,537
Current Liabilities		
Payables	512,468	2,902,291
Provisions	897,193	1,410,028
Other current liabilities	261,536	17,030
Pre-need Agreements	1,406,339	604,243
Total Current Liabilities	3,077,536	4,933,592
Non-Current Liabilities		
Provisions	587,833	354,559
Pre-need Agreements	5,625,354	6,515,834
Grant Extensions	1,949,199	1,912,577
Total Non-Current Liabilities	8,162,386	8,782,970
Total Liabilities	11,239,922	13,716,562
NET ASSETS	95,492,265	93,340,975
Equity		
Contributed equity	13,640,938	13,640,938
Reserves	30,928,845	31,623,198
Retained earnings	50,922,482	48,076,839
TOTAL EQUITY	95,492,265	93,340,975

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 STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 June 2012

	Budget 2012 \$	Actual 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES: -		
Receipts		
Sale of goods and services	16,730,661	17,213,118
Services – mausoleum	3,508,709	3,297,237
Receipts from commissions on sand sales	500,000	91,263
Interest received	1,073,731	963,723
Dividends received	675,806	969,817
GST receipts on sales	652,684	2,075,088
Other Receipts	97,000	370,102
Payments		
Supplies and services	(5,732,876)	(4,390,298)
Employees benefits	(10,158,705)	(9,327,623)
GST payments on purchases	(594,411)	(1,399,240)
GST payments to taxation authority	(58,273)	(1,011,499)
Net cash provided by operating activities	<u>6,694,326</u>	<u>8,851,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES: -		
Proceeds from sale of non-current physical assets	-	152,727
Sale/(Purchase) of investments	2,700,000	(1,526,524)
Purchase of non-current physical assets	(7,985,864)	(4,613,612)
Payments for mausoleum construction	(1,522,000)	(3,559,698)
Proceeds from sale of investments	-	659,829
Net cash used in investing activities	<u>(6,807,864)</u>	<u>(8,887,278)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(113,538)</u>	<u>(35,590)</u>
Cash and cash equivalents at the beginning of the period	355,473	96,331
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>241,935</u>	<u>60,741</u>

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