



METROPOLITAN  
CEMETERIES BOARD



# METROPOLITAN CEMETERIES BOARD Annual Report 2011-2012

*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](mailto: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)

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## STATEMENT OF COMPLIANCE

Hon. John Castrilli MLC  
Minister for Local Government  
Level 8  
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 2012.

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 10,319 funerals comprising 8,036 cremations, 2,160 burials and 123 entombments, it gives me a great sense of satisfaction to see the Metropolitan Cemeteries Board (MCB) continually improving in its delivery of excellent cemetery facilities.

A busy and productive year across all cemetery sites, the 2011-2012 period was one in which the Board reviewed its overall strategic direction whilst continuing to develop, evolve and manage the six cemeteries it currently administers.

In the southern corridor, planning for the re-engineering of the cortege route at Fremantle Cemetery was 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. The integration of the car park as the muster point for congregations will also, by default, ensure heightened passive surveillance in an area that is frequently targeted by callous vandals.

The natural burial area at Fremantle continues to be embraced by the local community. Whilst the trial site at Rockingham has not proven itself to be popular, it is apparent that natural burials have an appeal and affinity with the ideologies of those within the Fremantle catchment area. Funeral Directors continue to express a strong interest in the evolving natural burial trend with some firms now specifically tailoring their products and services to meet this unique approach to burial.

Further south, Rockingham Regional Memorial Park continues to be developed with both new memorial gardens and the initial construction of a new burial area.

Construction of the first stage of the new All Saints Mausoleum at Karrakatta was completed during the review period and has now been made available to families. The Board's Minister, the Hon. John Castrilli MLA, officially opened the facility prior to the annual All Souls Day mass in November 2011.

Respecting the positive feedback from families regarding the original Karrakatta mausoleum, the All Saints facility continues the open air Mediterranean architectural style and 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 and visitors frequently comment on the respectful blend of old and new within Karrakatta's landscape.



Demand for chapel bookings continues to be high at Pinnaroo Valley Memorial Park and, as such, the opening of the second chapel at the park in April, was welcomed by both families and Funeral Directors alike. The new chapel reflects the thematically Australian architecture adopted for Pinnaroo and is a mirror image of the first chapel with architectural seamlessness ensuring that the two buildings, collectively, form one definitive complex.

Offering seating for up to 120 mourners, the new chapel offers families greater flexibility for the scheduling of services at the increasingly busy memorial park.

In complement to the new chapel, a new cremator has been commissioned at Pinnaroo. This cremator has been designed to cremate up to 350 kilograms; an unfortunate reality dictated by the disturbing increase of obesity within Australia.

Ongoing negotiations for much needed additional land for future cemetery use continue to be advanced. The Board appreciates the assistance of the Western Australian 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 areas.

In fact, the land negotiations at Whitby Falls have been completed and in 2011, the Board secured land for cemetery purposes within what will become a future population centre in Perth's south eastern urban corridor. Master plans for the site and its subsequent commissioning for cemetery purposes are now being developed.

As a result of the changes to the WA Cemeteries Act in 1986, a number of Grants of Rights of Burial were scheduled to expire on 2 July 2012. Although the Board had initiated a sound communications strategy around these expiries, just prior to 2 July 2012, and during the reporting period, incorrect information was provided to the media, causing significant unnecessary community confusion. Board staff responded to an extraordinary number of enquiries and were able to allay many of the concerns expressed by families. Whilst a number of families have opted to renew their Grants for peace of mind, many have, with the passage of time, not felt the need to renew.

Reaffirming our organisational commitment to strategic planning, the Board's Strategic Plan was reviewed and the new Strategic Plan 2012-2017 has now been endorsed. Reflective of the Board's consultative culture, all staff were given the opportunity to contribute, providing well-grounded input at all levels and creating a strong sense of ownership.

Once again, a historical reality of our customer focussed approach, the Board continued to actively demonstrate its commitment to the community. This is demonstrated through the Board's annual customer satisfaction survey in which the community provided a 95.2% satisfaction rating with the facilities and services provided by the Board.



Pinnaroo Valley Chapel Opening. Left to right. Hon. John Castrilli MLA, MCB CEO Peter Deague, MCB Chair Dr Leonie Liveris, MCB Deputy Chair Joe O'Dea Jnr (sitting), Michael Lawson of Northerly Group.

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.

I would like to take the opportunity to especially thank Deputy Chairman Joe O'Dea Jnr, Board members Don Whittington, Dr Ricki Smith, Brenda Robbins, Tony Evans and Janice Bowra, for their continuing support to the MCB and commitment to the industry.

I would like to take the opportunity to thank the Board's CEO Peter Deague for his hard work during the year. Peter's involvement in the cemetery industry extends to the Vice Presidency of the Cemeteries and Crematoria Association of Western Australia (CCAWA) and an elected Director of the Australasian Cemeteries and Crematoria Association (ACCA).

Finally, I would like to take this opportunity to thank the dedicated staff at the Metropolitan Cemeteries Board for their support, dedication, compassion and commitment to assisting families through what can be a particularly difficult time.

A handwritten signature in cursive script, reading "Leonie Liveris", enclosed within a thin rectangular border.

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 bylaws:

- 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 Chairperson and six members. Board membership remained constant during the year.

***The following Board members served during 2011/2012:***

### **Chairperson**

#### **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 WVA. 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 both the 2006 and 2011 Australasian Cemeteries and Crematoria Association Conferences.



#### **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. 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).



### ***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 six ordinary meetings were held during 2011/2012. Attendances by Board members at these meetings were as follows:

#### ***Ordinary Meetings Attended***

Dr. Leonie Liveris	5
Joe O'Dea Jnr	6
Don Whittington	5
Brenda Robbins	5
Janice Bowra	6
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 Chairperson, 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 quality cemetery facilities & services.

## **Our Mission**

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

## **Our Values**

The Metropolitan Cemeteries Board is a leader in cemetery management and through our values demonstrates this to our staff, clients, stakeholders and the environment through:

- Integrity
- Customer Service Excellence
- Inspired People
- Sustainability

### **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**

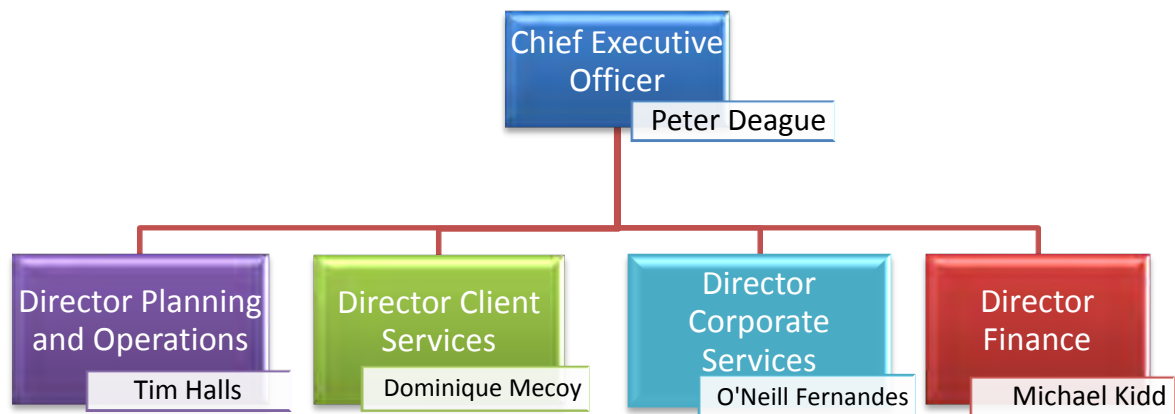
We are committed to sustainable operations that will allow us to meet the needs of future generations by:

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



**MCB Executive Team.** Left to right. Michael Kidd – Director Finance, Dominique Mecoy – Director Client Services, Peter Deague – CEO, Tim Halls – Director Planning & Operations, O'Neill Fernandes – Director Corporate Services.

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 the strategic plan that guided the organisation from 2007 until 30 June 2012. Following an extensive review a new plan has now been endorsed and will provide the basis for reporting in the forthcoming 2012/2013 period.

Reporting within the 2011/2012 Annual Report references the 2007 – 2012 Strategic Plan.

The five year strategic plan provided the broad strategic management framework for the organisation and supported 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 infrastructure development and then, in the longer term, opportunities within the Board for ongoing employment as part of cemetery management.
- Market research and community consultation 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.
- Construction of a number of major building projects including a chapel and mausoleum.

## **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.
- Review of Funeral Directors and Monumental Masons to reduce some level of regulatory burden whilst still ensuring 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 and compliance obligations.

#### **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 is a Director of the Board.
- 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.
- Recruitment of a Sustainability Officer position.

# AGENCY PERFORMANCE

## Report on Operations

During the year the Board continued with the final year of implementing the five year strategic plan that was developed in 2007.

Recognising the importance of an effective strategic plan to both organisational efficiency and ongoing excellence, the strategic plan has now been reviewed and a new plan, the result of both considerable staff input and best practice strategic planning principles, will take effect from July 1 2012.

The new strategic plan will form the reporting basis for the forthcoming 2012/13 period.

This report on operations for the year ended 30 June 2012 is presented under the key outcomes identified in the 2007-2012 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.

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.

### 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 95.2%. 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 10,319 funerals at the six cemeteries under its management. Increasing slightly from 2010/11, this figure includes cremations, burials and mausoleum entombments. In addition to these core services, the Board assisted families in the provision of 549 burial memorial plaques and 2,668 cremation memorials.



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The Board maintains 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 also receive training as part of their induction program. The Board's efforts were recognised at the 27th Annual W.S. Lonnie Awards by winning the Ombudsman Western Australia Award for Complaints Handling excellence.

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

The Karrakatta masses are large scale spiritual events and have continued to attract over 700 attendees to each event for over a decade. The Fremantle events are also popular, particularly the All Souls Day mass which attracts approximately 300 visitors. Many families appreciate the opportunity to come together at these masses and to celebrate these important spiritual occasions within the cemeteries.

The Board staged its annual free heritage tour as part of the City of Fremantle's Heritage Festival. The 2012 tour, titled *„The Mystery of Monuments“*, explored the different monuments within the cemetery and was again presented by long serving MCB Board member, Don Whittington. As was the case with previous years, participants welcomed the opportunity to listen to Don as he shared his veritable treasure chest of Fremantle historical knowledge with the group.

The Board continues to host a number of school visits to the cemetery sites as part of its ongoing commitment to community education. The visits are generally guided tours in which students have the opportunity to ask questions and learn about the cemetery environment, either from a historical or a commemorative perspective.



All Souls Day Mass at Karrakatta

The Board continues to deliver important community initiatives, making 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 cremation memorial options, the range of memorials offered by the MCB is constantly

reviewed 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 ongoing dialogue with senior representatives of the WA Jewish, Muslim, Serbian, Macedonian and Russian communities. These meetings are highly consultative and continue to foster the relationship between the Board and these communities.

An ongoing concern for the Board is crime within the cemetery grounds. For many potential thieves, cemeteries are the perfect target; distracted mourners leaving vehicles unattended for long periods providing opportunity for criminals to take advantage. Many members of the public appear to feel that some level of social decency would render the cemeteries immune to criminal activity. The unfortunate reality is that the cemeteries are public open space and, accordingly, face the same issues with crime as beaches, parks and shopping centres.

The Board has implemented several strategies to minimise the problem.

All Board staff have received '*Eyes on the Street*' awareness training so that each individual, whether they are 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, Midland and Guildford have CCTV systems in operation, with installation at Pinnaroo and Fremantle planned for 2012/13 and beyond. Although it is not proven that CCTV reduces criminal activity, visitors do find the presence of cameras reassuring. 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 significant assistance in helping the Board tackle crime. At Karrakatta, a Driveway Attendant position provides not only a concierge like presence in Karrakatta's busy driveway, but 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 MCB continues to liaise closely with local police and remains in contact with the Noongar 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.

Staff safety has been improved with the installation of mobile duress alarms, intruder alarms and improved gate security at Karrakatta.

During the reporting period, Board staff concluded a significant community consultation process reviewing the various flower and ornament policies at the different cemeteries.



Whilst the MCB always welcomes feedback from families, the public had never been specifically or extensively consulted prior to this exercise. Given the length of time since the policy was first introduced (1986) and the sensitive nature of the topic, it was deemed timely to undertake a thorough review, which included extensive community consultation.

The methodology for the review was based on best practice principles and included the establishment of a reference group, small focus groups, a survey questionnaire mailed to families, a telephone survey to general public and the release of a discussion paper over a six week public comment period.

Following completion of the consultation process, Board staff analysed the results and determined a revised policy and management approach, which saw artificial flowers being permitted at all cemeteries. Some small tribute-free areas will be identified at each cemetery to allow choice for those who consider tribute free areas desirable and the Board will encourage behavioural change so as to educate as to the environmental impact of artificial tributes. The research also reinforced the Board's role as a cemetery, as opposed to being a bushland environment or park.

To continue to meet the needs of an expanding northern metropolitan community, a second chapel was opened at Pinnaroo Valley Memorial Park. Architecturally designed to complement the existing chapel, the additional chapel will allow a greater number of services at this popular cemetery site.

During the reporting period, the Board reduced the fee for renewal of a Grant of Right of Burial prior to expiry to be equal to the fee for a new Grant. This provides the community with a financial incentive to renew their Grants whilst still current; and that by renewing prior to expiry; they have a guarantee of an additional 25 years of their Grant, regardless of any change in Board planning.

As part of its ongoing commitment to holistic management of funerals in Western Australia, the Board provided a detailed response to the Consultation Regulatory Impact Statement and Discussion Paper on „*Proposals for the Regulation of Pre-Paid Funerals*’, issued by the Department of Commerce. The Board supported the option to introduce a Code of Practice under the Fair Trading Act 2010 combining the recommendations of the 2007 final report and the Australian Funeral Directors Association of Australia requirements, as the most feasible recommendation to address regulation of pre-paid funerals.

Board staff met regularly with senior representatives of the Department of Health to discuss joint opportunities to improve the administrative and safety requirements around cremations. Working collaboratively, these liaisons seek to minimize regulatory burden upon industry, whilst still maintaining high legislative standards.

During the review period Board staff carried out the exhumation of 15 nuns from a small private cemetery in the grounds of the Little Sisters of the Poor, Glendalough and reinterred these remains in Karrakatta Cemetery. Mother Elizabeth Lee has expressed her sincere



gratitude to the Board for the manner in which this was conducted and for the opportunity to conduct a brief service at Karrakatta once the re-interments had taken place.

The Board continued to support religious communities by assisting with the entombment of the remains of Bishop Brady, whose remains were returned from France for entombment in the new crypts built under the main Chapel at St Mary's Cathedral.

During the Commonwealth Heads of Government Meeting in October 2011, the Honourable Prime Minister of Bangladesh, Sheikh Hasina visited the Karrakatta Cemetery for a presentation of a floral wreath to the memorial of W.A.S. Ouderland; a hero of the Bangladesh liberation struggle.



Hon. Prime Minister of Bangladesh, Sheikh Hasina, visiting the W.A.S. Ouderland memorial at Karrakatta.

## **OUTCOME TWO: Building and Expanding our Capability**

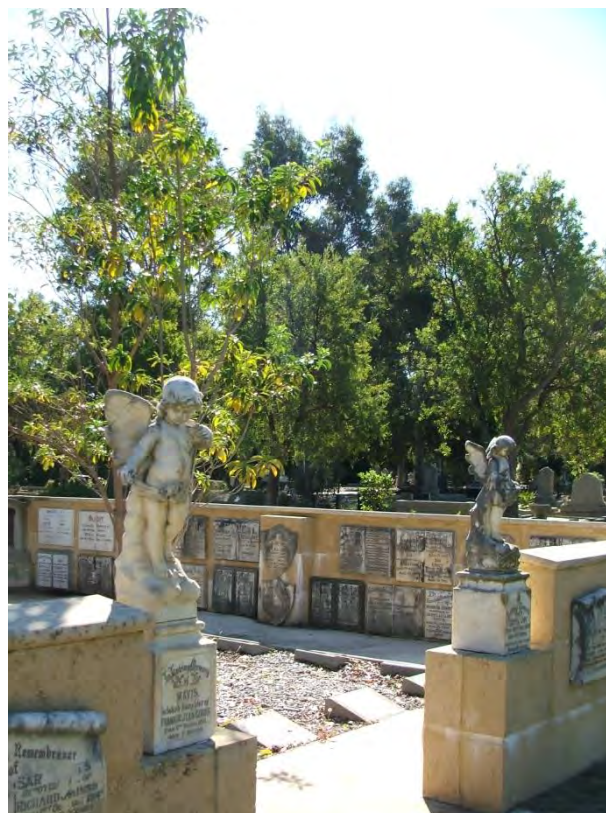
Key strategies in achieving these outcomes include:

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

Division 4 of the Cemeteries Act 1986 allows the Board to redevelop sections of the cemetery for re-use for any of the purposes authorised under the Act. Cemetery Renewal is an important program at Karrakatta; the sustainable management of finite resources through the renewal program has ensured that Karrakatta is able to meet the ongoing community requirement for burial land.

Over the past decades 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 employing a consultative approach and ensuring that those members of the community who are affected by renewal are accommodated, there has been a general community acceptance of Cemetery Renewal. The MCB works closely with families in order to ensure that their needs are met before, during and after implementation.



In keeping with the above, key strategies of the Board's purpose for renewal is to ensure the long term viability and sustainability of its cemeteries. The MCB is also seeking to ensure that it can meet the requirements of the long term needs of the Perth metropolitan areas projected burial and memorial requirements. Ensuring that Karrakatta cemetery's functionality is maintained is a key element in this important process.

During the year under review, the program has seen the commencement of the development of the Anglican JA section including the surveying, mapping and removal of old monuments.

The headstones that were found to be in good condition that were removed from a number of former gravesites will be installed on memorial walls which will be constructed or placed within gardens within the renewed section. Some monuments have been retained in situ as they were assessed by the Monument Assessment and Advisory Committee (MAAC) to be significant on the basis of the architecture or monumental work or the deceased person's contribution to Western Australia.

The MAAC undertook a review of the long term cemetery renewal plan during the year and the committee also undertook a site review of Anglican NA. This determined what monuments should be retained in-situ, relocated within the section or relocated to a commemoration wall. Following on from this, the Board will commence the advertising for twelve months for public feedback. The Anglican NA section will be converted into a lawn beam burial area. By undertaking renewal, the MCB is able to achieve the aims of providing

a sustainable cemetery whilst taking old and less attractive sections of the cemetery and rejuvenating the landscape.

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 renewal initiative. Above ground crypts have proved effective and popular alternatives to earth burial.

The Western Australian community was welcomed into Karrakatta's new All Saints Mausoleum for the mass to commemorate All Souls Day in November 2011. The mass was preceded by the official blessing of the crypts by Father Marcillinus Meilak. As a special addition to proceedings for the blessing of the crypts, the Italian Men's Choir, were in attendance and sung throughout both the blessing and the mass. The Board's Minister, the Hon. John Castrilli MLA, attended the mass and made a brief speech to officially commemorate the occasion.

The new All Saints Mausoleum will ensure an ongoing supply of entombment options at Karrakatta and links to the existing mausoleum complex via the pathway established as part of the Contemplation Gardens memorial area. Given the positive response to the open air Mediterranean styled architecture of the first mausoleum, this style of building has been carried over to the All Saints facility.



The planning for the provision of land within the Perth Metropolitan area for future cemeteries is an important priority. The Board has been active in this regard and has been liaising with the Western Australian Planning Commission (WAPC) to ensure that the future needs of the community are accommodated.

This has resulted in the setting aside of land at Whiteman Park as well as Whitby Falls. The land at Whitby Falls was transferred to the MCB in December 2011. Master plans for the new site are now being finalised with the projected intention that it will become the major hub for cemetery services within Perth's south eastern population centre.

Discussions and negotiations have also progressed regarding future cemetery land in the north western corridor. A number of possible sites are being considered in Alkimos and the WAPC has been working with the Board to identify suitable land in this urban corridor.

Rockingham Regional Memorial Park was opened in 2007 and is being developed to provide much needed cemetery facilities for the south western urban corridor. As well as providing lawn style burial areas, memorial gardens have also been made available to the public. In addition to this, natural burial opportunities have also been incorporated into the site. In recent years a depot has been constructed in the south eastern corner of the cemetery. This has ensured an operation base for grave digging and landscaping teams when working in the cemetery.

During the last year a pressurised water system was installed to provide water taps for clients who are attending gravesites. This system utilises an ultra violet water treatment process and also provides drinking quality water as well as a reliable water source for the toilets on the site.

The Board provides burial services to the City of Rockingham for burials occurring at East Rockingham Pioneer Cemetery, whilst the maintenance responsibilities rest with the City of Rockingham. A *Memorandum of Understanding* between the Board and the City of Rockingham outlines this agreement.

To continue to meet the needs of an expanding northern metropolitan community, a second chapel was opened at Pinnaroo Valley Memorial Park in April 2012. Architecturally designed to complement the existing chapel and the surrounding natural bushland environment, the additional 120 seat chapel will allow a greater number of services at this popular memorial park.



[New Chapel at Pinnaroo Valley](#)

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 at Pinnaroo. The lake, redeveloped in 2008, also provides the park with a considerable reservoir for irrigation purposes. The Sir Thomas Meagher area is now the primary source of waterside memorials within the park and spaces are now available on the island as a premium memorial opportunity.

At Fremantle Cemetery, the third stage of the Sainsbury Gardens memorial area was made available to the community. 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.

Other works undertaken at Fremantle include the development of the Lawn V burial section including the installation of irrigation, concrete beams and the planting of grass. Tree and shrub planting will also be undertaken in order to complete this project. A new granite niche wall was completed along with the renewal of the mausoleum niche walls.

The new waiting area and improved cortege route at Fremantle has been progressed through the planning stage. Concept plans have been developed and preliminary construction estimates have been provided by the City of Fremantle for the construction of a slip road off Carrington Street.

Display niches at Fremantle and Karrakatta mausoleums offer additional commemoration opportunities for families, with a display niche wall also being installed within the Karrakatta Book of Remembrance enclosure.

Works to expand the administration building at Karrakatta were completed. These were 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 new second story extension has become a hub for the corporate executive, whilst finance staff have been housed in the redeveloped ground floor level. Security has also been increased through the installation of an electric gate to the main car park.

The storm of March 2010 caused substantial damage at Karrakatta with many buildings sustaining significant damage. During the reporting period, works to address this damage were undertaken including repairs and stabilisation to the foundations of the Dench Chapel. The Norfolk Island pine trees, being a significant landscape feature at Karrakatta, were severely damaged and have still not fully recovered from the storm. As a result it has been necessary to continue undertaking tree surgery works. Several trees have needed to be removed.

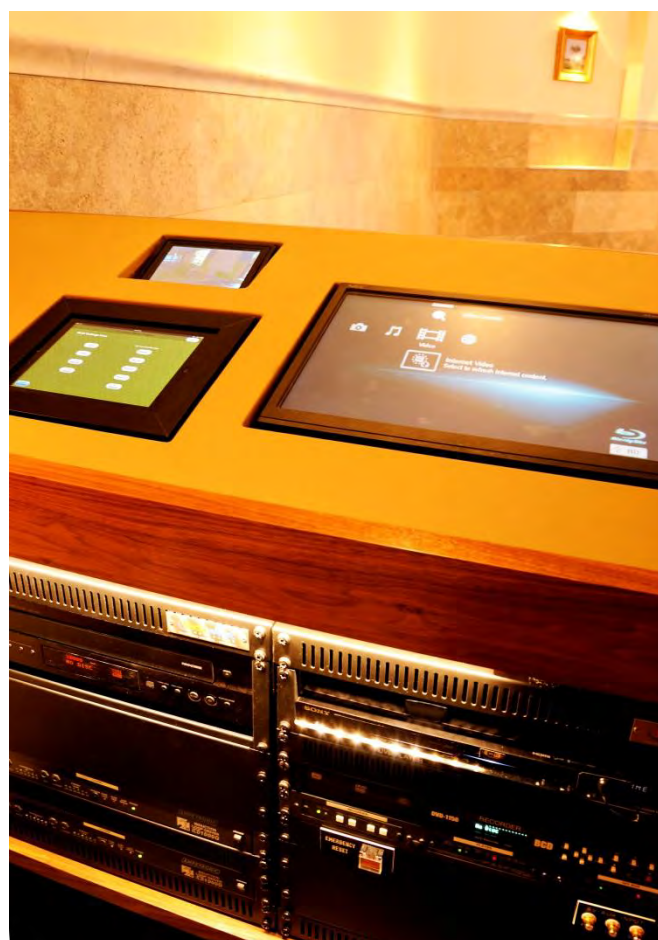
Following liaison with the Perth Chevra Kadisha and the Temple David community, a new burial area for the Jewish community has been completed at Guildford cemetery. With Karrakatta's ability to accommodate the requirements of the Jewish community almost exhausted, there will need to be a transition from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

The upgrade and replacement of the Board's antiquated and deteriorated audio visual equipment in all chapels was commenced after an exhaustive procurement process. This has provided state of the art touch pad style equipment that can be easily operated by funeral directors and will provide more flexibility and options for families.

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-ordinating Committee.

Following the review of Client Services and Business & Financial Services, a new Corporate Services Division was established. The positions of Director Corporate Services and Chief Information Officer were filled in early 2012. This will add a new focus on strategic planning, corporate governance and information technology and communication infrastructure within the organisation.

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



New iPad based audio visual systems in chapels

### **OUTCOME THREE: Planning for Business Sustainability**

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 retain the reportable outcome of:

#### ***Funerals and memorial services that meet the needs and expectations of the community***

The overall key effectiveness indicator remained as the '*Extent of customer satisfaction with services provided*'. However, the information supporting this indicator was changed to be more detailed, more relevant and more reflective and is as follows as unaudited indicators.

*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 continues with its ongoing delivery of Fraud and Corruption Plan training. This training has been integrated into the organisation's 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 2011/2012 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 believes there is a genuine need for additional reform of the *Cemeteries Act 1986* and that reform can only be suitably addressed through legislative amendments.

Reiterating its long standing position, the Board believes a more contemporary 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 funeral 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 is currently compiling the various issues and potential solutions with a view to discussing with the Department of Local Government and will continue to work with the Minister for Local Government and the Department of Local Government to gain support for reform.

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.

Throughout the reporting period, the Board continued to meet 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.

Significantly, the licensing of Funeral Directors and Monumental Masons was reviewed to reflect changes in Occupational Health and Safety requirements. As part of the review process and good practice in engaging in consultation on policy development, feedback was sought from the WA Division of the Australian Funeral Directors Association, some

independent Funeral Directors, Monumental Masons and intra-state cemeteries and crematoriums.

The revised Conditions of Issue of License for Funeral Directors bring together contemporary policies and requirements into one license document. Many of the policies and conditions have been current or recent practice for Funeral Directors and Monumental Masons operating at MCB sites and serve to create a safer, positive working environment for everyone.

The conditions now clearly stipulate occupational health and safety requirements, equal opportunity requirements, a breach investigation process, which ensures that should a breach occur, it will be dealt with fairly and in accordance with a due and reasonable process. The inclusion of a condition relating to dealing with customer complaints now gives the Board slightly more capacity to protect the interests of clients through the licensing system.

Under the provisions of the *Cemeteries Act 1986* there are currently 24 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. The number of Monumental Masons has decreased by one to a total of 14 that are now licensed by the Board.

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

The Board's commitment to Funeral Director training was recognised by the signing of a Memorandum of Understanding (MOU) between the Board and the Australian Funeral Directors Association WA Division. The MOU outlines the agreement for the Board to provide training to WA Funeral Directors as part of their Continuing Professional Development program. This is a significant acknowledgment of the Board's efforts to support the industry.

The Board was also accepted as an Affiliate Member of the Australian Funeral Directors Association (WA Division), to reinforce the positive relationship between the Board and the industry. This will foster greater communication and understanding of key issues, and support ongoing professional development.



The Board has continued to work through the clean-up and removal of the safety issues in the monumental areas that were identified in Karrakatta Cemetery by Work Safe WA.

The process has involved considerable consultation with families and relatives in order to ensure that concern and anxiety is minimised. This has involved both writing to families as well as installing signage at the affected sites. The Board has encouraged families to undertake the clean-up and removal of their modifications themselves in order to allow them to salvage materials. Those sites that have not been attended to by families are then cleaned up by Board staff.

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, 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.



Older burial area prior to Work Safe clean up

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 Branch 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.

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

The extraction of sand from Rockingham Regional Memorial Park continued and remediation works will be completed in 2012/13. The revenue received 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.

The Board has commenced an internal review of its business systems with the aim of addressing the suitability and effectiveness of MCB's applications, systems and infrastructure and integration of MCB's business processes and reporting structure. This will be done in conjunction with MCB's strategic plan, goals, objectives and its overall alignment with its business model.

This project will deliver a vision and link in to Information and Communication Technology's Strategic Plan and its application within the MCB from 2012 to 2023. The first phase of reviewing the business needs is expected to be finished at the end of August 2012 with the second phase of identifying a suitable system to commence in Sept 2012 and implementation planned in the 2013 calendar year.

#### **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 long term provision of the Cemetery Renewal Program has previously been projected by the Board to provide burial options at Karrakatta up to 2037. In consideration of the lift and deepen technique this projection may well be extended further into the future. Further to this, the Board will need to give consideration to extending the renewal program to include other cemeteries such as Fremantle, Midland and Guildford if community demand is to be met in future years.

Over the year the Board has worked with the Department of Planning and the WAPC to ensure that land is set aside for future cemetery use. The Board is continuing negotiations in order to ensure that future needs are allowed for as a part of the planning process for the Perth metropolitan area.

The provision of future cemetery land for the southern and northern urban corridors has been investigated, with suitable sites being considered. These sites will provide the Board with the opportunity to develop a sustainable cemetery system that will meet future population capacities.

The key focus has been to ensure that WAPC and the Department of Planning ensure that land is identified for future cemeteries and is set aside and managed by the WAPC until required in 15 to 20 years time.

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.



Discussions were held with consultants and representatives of the Noongar community regarding the Gnangara Aboriginal Cemetery. These meetings were aimed at determining the needs of the MCB in regards to the cemetery and how it would operate. It is intended that the land would be vested in the Board with clear guidelines from the committee managing the land as to which families would use this for burial or cremation memorial gardens.

The allocation of the land will be close to one hectare and will not be a general Aboriginal cemetery; it will be used for families involved in the original Aboriginal settlement. The community members are keen to ensure that the vision of the late Ken Colbung AM MBE is fulfilled in establishing this cemetery.

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.
- Development of an internet portal to allow CCAWA members access to important legislative information and forms.
- Active participation in the Australasian Cemeteries & Crematoria Association and the International Cremation Federation.
- The 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.

During the reporting period, a memorial wall was erected at the Karrakatta Aboriginal Keeping Place to honour Indigenous War Graves. The launch event included laying of wreaths by families to honour the sacrifices of the young Aboriginal men who died overseas in the service of duty and was a moving tribute and opportunity for those present to acknowledge the contributions of those commemorated.

Stage three of the State Government's Water Wise Ways for WA initiative has been completed and submitted to the Water Corporation. Inefficiencies and potential water conservation measures are identified by the Water Efficiency Management Plan and are incorporated into the preparation of an action plan for implementation.

This year the Board has continued introducing and installing monitored computerised water logging devices on the major irrigation pumps at Karrakatta, Rockingham Regional Memorial Park and Pinnaroo Valley Memorial Park. On a daily basis the program enables the site coordinators and irrigation staff to check the planned irrigation applications and assist with fault finding in the field. It will provide a record of usage and identify problematic systems throughout the year which can then be factored into maintenance and capital budget programs.



At Midland Cemetery an extra logging device has been installed on the scheme water line to enable the staff to monitor on a daily basis from a remote location, the amount of water used.

The overall focus this year is to endeavour to reduce the run time of the pumps hence assisting the maintenance costs and requirements, however the emphasis is on power usage and cost reduction across the whole organisation where possible.

The Board has undertaken a major review of its current strategic plan (2007 – 2012) with the aim:

- To further align the MCB's Strategic Plan with Western Australian whole of government goals.
- To ensure staff consultation and input in order to encourage staff understanding and ownership. This element was seen as lacking in previous Strategic Plan development.
- To incorporate the „people“ or human resource element as a key goal - this had been identified as a significant omission from the previous Strategic Plan.

The review process included an opportunity for participation by all MCB staff in the development of MCB's vision, mission, values, goals, outcomes, strategies and measures. The Business Excellence Framework (BEF) was used to fine-tune the goals, outcomes, strategies and measures. The BEF is an integrated leadership and management system that describes the elements essential to sustainable organisational excellence.

The review was a success with a new strategic plan being developed for the 2012 to 2017 financial years with a link to Directorate Operational Plans and a reporting “Dashboard” framework to the Board and Corporate Executive on performance measures.

Following recommendations from the Office of the Auditor General and Denver Technology, the Information and Communication Technology Branch have undertaken a raft of changes to provide better security of data and systems. These are:

- MCB servers being upgraded from Windows 2003 to 2008
- Centralised storage server to store and recover data more efficiently and effectively
- An enterprise suite of antivirus, web and mail filtering tools to prevent unauthorised use of internet resources and prevent possible spam or virus attacks on the network and from the internet
- In-house training for staff to improve skills set and knowledge of MCB's communication infrastructure and less reliance on external vendors.



## 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 \$4,491,000 for the year ended 30 June 2012 compared to a budget of \$2,897,000 and an actual figure of \$4,146,000 for the year ended 30 June 2011.

During the year the Board carried out 2,283 Burials and Entombments compared to a budget estimate of 2,203 and the actual number carried out in the 2010/2011 financial year of 2,204. Cremations carried out totalled 8,036 which compares with a budget of 7,975 and the actual number carried out in the 2010/2011 financial year of 7,980. Sales of Mausoleum crypts fell short of budget by 7 crypts, but was in line with the total number sold in the previous financial year. Sales of memorials of \$4.61m exceeded the budget of \$4.45m and exceeded the previous year's actual income of \$4.49m.

During the year, the Board took over 38.2 hectares of land at Whitby Falls, south of Armadale, from the WAPC for the development of a future cemetery. The land was taken over for no cash consideration. The Board took up the fair values of this land at a valuation provided by the Western Australian Land Information Authority (Valuation Services), amounting to \$365,000 (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income.



At 30th June 2012, 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 2012, were being carried at below their original or previously impaired cost. At 30 June 2012 the Board recognised the Impairment of some of these shares through a charge taken to the Statement of Comprehensive Income of \$134,000. In the previous financial year the Board recognised an Impairment write-off of \$89,000. 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 lived 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.

This 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 and maintenance of cemeteries in the future once they reach capacity and are closed.

As part of its annual budget determination exercise the Board uses a costing model to examine the financial implications of the fee setting process. The Board also considers a range of other non-financial aspects which are integral to the fee setting process. These financial and non-financial considerations include:

- 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; and
- the need to build up reserves during the life of each cemetery in order to meet the costs of continued maintenance once full capacity has been reached.

The annual fee-setting exercise has not taken into account any allowance for the purchase of new land or the development of new cemetery sites; nor do its existing fees include any component for the economic cost of existing land. In the past the Board has not been required to fund land acquisition, but 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 costing model will continue to be used to assist with the assessment of the cost implications associated with the development of a 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. As an integral part of the process of establishing equitable fees and charges across the range of non-discretionary services, the Board also agreed to take into account a range of non-financial considerations, including the cultural, religious, ethnic needs of the diverse community of the Perth Metropolitan area. The Board also agreed to give consideration to the time over which any adjustments to charges should reasonably be made.

### **Fees and Charges 2011/2012**

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 2011. The Board resolved a general increase in its fees and charges of 3.77% in line with the annual increase in the Perth CPI. The Board also decided, based on the preliminary results indicated by the costing model, 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 preliminary results of the costing exercise, the Board agreed to hold the charges for Cremations at the same levels as the previous year. It should however be noted that the Board reviewed this decision during the year and approved an increase in the cost of Cremation charges of 2.87% in line with the CPI rate at that time. The increases were published in the Government Gazette to be effective from 2 April 2012. The Board also reviewed a disparity between the cost of purchasing a 25 year extension of a current Grant of Right of Burial and the cost of purchasing a new 25 year Grant of Right of Burial. The Board resolved to address this disparity by reducing the fee for the extension of an existing Grant of Right of Burial to align with the lower fee for the purchase of a new Grant of Right of Burial.

## Summary of Operating Results

A surplus of \$4.49m (2010/2011 \$4.15m) was achieved during the financial year after allowing for depreciation of \$2.40m (2010/2011 \$2.17m).

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 \$3.05m (2010/2011, \$2.87m) 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 \$134,000 (2010/2011, \$89,000).

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 \$21.31m compared with a budget of \$20.24m and an actual figure of \$20.07m 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 \$19.73m compared to a budget of \$19.99m and an actual figure of \$18.71m in the previous financial year. (see Note 37 „Explanatory statement“ in the Financial Statements for further explanation of significant variances).

2011/2012	Total MCB	Karrakatta	Fremantle	Pinnaroo	Midland	Guildford	Rockingham	East Rockingham
Year established		1899	1899	1978	1904	1892	2002	The cemetery is operated by the City of Rockingham. MCB has a memorandum of understanding with CoR and shares part of the revenue from the cemetery
Hectares	363.06	95.56	36.00	116.00	24.00	30.60	60.90	
Staff FTE	127.15	75.15	29.40	22.60	No permanent staff	No permanent staff	No permanent staff	
Numbers of Cremations	8,036	4,201	2,285	1,550	N/A	N/A	N/A	
Numbers of Burials and Entombments	2,283	995	455	472	122	176	63	
Cemetery Revenue \$'000 (net of refunds)*	\$21,312	\$9,987	\$5,577	\$4,560	\$389	\$495	\$267	\$37
* Cemetery revenue does not include miscellaneous income, which is comprised of: income from rental property, café and condolence lounge catering catering, income from investments, commission on extractions of sand from Rockingham Regional Memorial Park cemetery development site or proceeds of sale of assets.								
2010/2011	Total MCB	Karrakatta	Fremantle	Pinnaroo	Midland	Guildford	Rockingham	East Rockingham
Year established		1899	1899	1978	1904	1892	2002	The cemetery is operated by the City of Rockingham. MCB has a memorandum of understanding with CoR and shares part of the revenue from the cemetery
Hectares	363.06	95.56	36.00	116.00	24.00	30.60	60.90	
Staff FTE	128.80	79.20	29.40	20.20	No permanent staff	No permanent staff	No permanent staff	
Numbers of Cremations	7,980	3,733	2,734	1,513	N/A	N/A	N/A	
Numbers of Burials and Entombments	2,204	957	496	436	93	163	59	
Cemetery Revenue \$'000 (net of refunds)*	\$20,073	\$9,338	\$5,361	\$4,317	\$264	\$458	\$267	\$68

**Total operating expenses** of \$19,733,000 (2010/2011, \$18,709,000) (inclusive of Costs of Sales) for the years comprised:

	<u><b>2011/2012</b></u>	<u><b>2010/2011</b></u>
	\$'000	\$'000
The main items of operating expenditure were:-		
Salaries and Wages	7,541	6,726
Salaries on-cost	1,217	1,097
Provision for Employee Entitlements	899	1,158
Casual Labour – Agencies	125	249
Mausoleum costs of Sales	1,345	1,365
Depreciation	2,398	2,175
Repairs and Maintenance	1,542	1,539
Memorialisation	953	964
Gardens and Grounds	664	726
Light, Power & Gas	448	460
Personnel	419	344
Insurances	512	306
Information Services	487	522
Corporate Services	260	180
Office Expenses	274	195
Consultancy	98	219
Projects – (non capital)	245	163
Other Expenses	306	321

Total salaries expenditure (including on-costs, provisions for employee entitlements, fringe benefits tax and casual employment) represented 49.57% of total expenditure compared with 49.34% last year.

### **Capital Expenditure**

During the year, the Board invested \$9.7m (2010/2011, \$7.8m) 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:

	<b>\$'000</b>
Some of the significant items of capital expenditure were:-	
Mausoleum Stages 6 – Karrakatta (2 <sup>nd</sup> year of construction to completion)	1,470
Construction of second chapel at Pinnaroo (2 <sup>nd</sup> year of construction to completion)	5,115
Plant & Motor Vehicle Replacements – All sites	249
Landscaping improvements and burial area development - Fremantle	308
Installation of 2nd Cremator - Pinnaroo	607
Relining of Fremantle cremator	143
Office extensions – Karrakatta (2 <sup>nd</sup> year of construction to completion)	356
Upgrade of Audio Visual systems - Chapels	308
Landscaping improvements – Guildford	178

## SIGNIFICANT ISSUES AND TRENDS

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

The setting aside of land for future cemetery use has the potential to be the biggest ongoing issue for the Board. It is an absolute necessity that additional land be made available for future cemetery use in the Perth metropolitan area.

Throughout the year, the Board has been working with the Department of Planning, the WAPC and local governments with the goal of securing sufficient land in order to meet future cemetery needs. Although the Board is appreciative of the efforts of these organisations to date in identifying additional land parcels, the need for ongoing land has not diminished.

The Perth metropolitan region is estimated to have a future population of 2.34 million by the year 2031. The Board currently does not have sufficient land to cater for this number of people. It is a costly exercise to provide land in all urban corridors and retro-fitting cemeteries in established urban areas is simply not feasible. In order to provide a sustainable cemetery system for the Perth community to 2031, the Board requires an additional 214 hectares of land.

Through analysis the Board has identified that the areas most urgently requiring further cemetery facilities are the south-east and north-west urban corridors. The State Government initiative –*Bush Forever*, provides a framework for environmental planning for Perth. This initiative has identified over 51,000 hectares of „regionally significant bush land“ for protection and continues to have implications for the Board.



Whitby Falls Cemetery Land Aerial

As a result of this initiative, a significant portion of land at Pinnaroo Valley Memorial Park has been set aside for conservation and no further land has, to date, been secured for the north-west urban corridor. Throughout the year the Board has had fruitful discussions with WAPC and a number of possible sites are currently being considered in Alkimos. It will require future commitment from the State Government to ensure that these options come to fruition.

Midland and Guildford cemeteries have also been significantly impacted in terms of capacity by this initiative. Both of these cemeteries have significant parcels of undeveloped land set aside for conservation purposes. In response to this, WAPC has identified land at Whiteman Park that is suitable for a Pinnaroo style cemetery development. Further to the south, local cemeteries at Jarrahdale and Serpentine are also nearing capacity. The Board is grateful that through the efforts of the WAPC, the Board has now secured land at Whitby Falls for future cemetery use in the south east corridor.

An 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 developed a costing model to equitably apportion costs and ensure transparency in fees and charges levied for MCB's Core Business non-discretionary services.

The model has highlighted the reality that burial services exhibit an under recovery and, for the forthcoming period, the Board has again moved closer to the full cost recovery for this service. Should the Board opt to move towards full cost recovery and eliminate cross subsidisation, it is most likely that the cost of burial would increase considerably. The impact of this increase, particularly for those groups with specific religious and/or cultural requirements, needs to be given consideration.

The cemetery renewal plan that the Board has developed for Karrakatta to 2037 is a key element in planning for a sustainable future. 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. In addition to this, plans are also being developed for Fremantle, Midland and Guildford cemeteries to ensure that cemetery facilities will provide for future generations within the Perth community.

The Board is aware of the need to manage the public acceptance of cemetery renewal as a reality of modern cemetery operations. It is necessary to ensure that an appropriate balance is found between cemetery sustainability and capacity building and caring for the history of past interments. Although the renewal process is a consultative one supported by the majority, there has been some resistance to the program.

Natural burials are designed to have minimal environmental impact by ensuring that the burial area, over time, is re-vegetated. The graves are left unmarked and the landscaped environment is designed to be, in its entirety, a commemoration to those departed. The Board has introduced this option at Rockingham Regional Memorial Park and Fremantle Cemetery in an effort to embrace sustainability principles as an operational norm.



Addressing the issue of reduced rainfall and availability of water for irrigation is a challenge for the Board. Trials of memorial gardens that are designed with water wise sustainability principles in mind have been undertaken. Whilst the Board appreciates that traditional options such as roses will always be popular, there is also an intrinsic social responsibility to investigate alternatives that complement our dry climate. The new water wise gardens that have been established at Karrakatta and Fremantle cemeteries are maturing and new cemetery sites, such as Rockingham Regional Memorial Park, are also being developed, with water wise principles in mind.

On 2 July 2012, a number of Grants of Rights of Burial were scheduled to expire as a result of the changes to the WA Cemeteries Act in 1986. Just prior to this date, and during the reporting period, incorrect information was provided to the media regarding the expiries, causing significant unnecessary community confusion and concern.

It is unfortunate that thieves continue to target metropolitan cemeteries, particularly as members of the public appear to feel that some level of social decency should render cemeteries immune to criminal activity. The Board has undertaken a range of strategies to minimise the problem, increasing warning signage, installation of CCTV cameras and requesting increased police patrols.

The Board has continued to address the identified safety issues within the older full monumental areas. The design of these older areas cannot be modified, however efforts continue to ensure that hazards are removed and the sites are maintained in as safe a manner as possible.

Throughout the year, the Board has been progressing clean-up programs which has necessitated consultation with families as well as representatives of the funeral industry. It is expected that this issue will continue to impact on the board into the future.



METROPOLITAN  
CEMETERIES BOARD



## THE 1986 CEMETERIES ACT REVIEW



*Implications for burial  
plot tenure in 2012 at the  
Metropolitan Cemeteries Board*

## 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 JA.

##### **Capital projects completed**

- Pinnaroo Chapel construction completed
- Construction of All Saints Mausoleum (Karrakatta Stage Six)
- Construction of the Jewish burial section at Guildford Cemetery
- Construction of Lawn V burial section at Fremantle
- Construction of new cremator and charge bier at Pinnaroo Cemetery
- Niche wall construction at Fremantle

#### **Employment and Industrial Relations**

##### **Staff Profile**

	<b>2010-2011</b>	<b>2011-2012</b>
Full-time permanent	107	117
Full-time contract	4	11
Part-time measured on a FTE basis	16.8	12.94
On secondment		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 renewed its focus on increasing its people capability in this reporting year with the development of its new Workforce Plan (People Plan 2012-2017). The plan has been developed in accordance with the requirements stated in the Public Sector Commissioner's Circular 2011-02 Workforce Planning and Diversity.

In developing the plan, the MCB has incorporated strategies which respond to sector-wide workforce issues, as identified in Strategic Directions for the Public Sector Workforce 2009-2014 and the Chief Executive Officer Performance Agreement. The MCB's diversity strategies contained in our EEO Management Plan and other workforce initiatives are also included, resulting in a fully integrated document. The plan provides the MCB with a focused strategic method of addressing the current and future human resource needs.

Professional Development and training opportunities for Board members and employees this reporting period included:

- Conflicts of Interest and Public Interest Disclosure for MCB Board members
- Leadership development opportunities with employees participating in the Australia and New Zealand School of Government (ANZSOG) Executive Masters of Public Administration program, the Public Sector Management (PSM) Program and the Australian Institute of Company Directors Course
- Employees with supervisory responsibility commenced their Certificate IV in Frontline Management studies
- Participation in an inter-agency mentoring program.

After a thorough consultation process with employee representatives from across the agency, a comprehensive training calendar was produced and made available to all employees via the MCB's intranet. As they become available, training opportunities are added to the calendar, which also details all mandatory training dates such as accountable and ethical decision making, and Aboriginal cultural awareness, to information sessions that are aligned with wellbeing and safety objectives targeting drugs and alcohol, building core strength and manual handling topics.



The Board continues to foster and promote the provision of providing traineeships to younger members of the workforce through participation in the school based traineeships. Two trainees are currently undertaking a Certificate II in Business and Information Technology. Students are rotated between sites and directorates to assist them in building competencies and workplace experience.

A performance management system: "Guiding your Personal Success" (GPS) was developed that includes an individual development plan. Information obtained via the GPS process will be analysed to identify any trends in types of training as well as contributing to addressing the MCB's succession planning needs.

The Board was also successful in obtaining a federal government grant to provide training to supervisors in skills to facilitate the discussions in the new GPS, as well as build literacy and numeracy skills for those employees where English is their second language and build capacity in computing skills to manage the transition to more online technology.

Efficiencies in administrative time were also realised through the review and upgrade of the training booking process. The result is that training applications and bookings can be accessed online via an Intranet based Employee Web Kiosk, speeding the process and ensuring better training data capture.

## **Workers Compensation**

Ten new workers compensation claims were received during the 2011 – 2012 financial year, in addition to the ten cases carried over from previous years.

Of these total claims, thirteen have been finalised, the remaining seven claims are progressing towards finalisation, settlement or rehabilitation towards alternative employment. All staff members have returned to either full or partially restricted pre-injury duties, or are undergoing retraining rehabilitation for employment in careers external to the Board.

Regular monthly claim reviews are held with the injured employee, the managers/supervisors, and rehabilitation providers to identify progress, barriers and feedback. Case conferences and correspondence are also organised with doctors, Risk Cover and physiotherapists as required.

## **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 2011/2012 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**

- Compliance issues that arose during the financial year 2011-2012 regarding the public sector standards and the new Commissioner's Instructions, , included:
  - No breach claims lodged
- Compliance issues that arose during the financial year 2011-2012 regarding the WA Code of Ethics included:
  - No compliance issues arose
- Compliance issues that arose during the financial year 2011-2012 regarding our own Agency Code of Conduct included:
  - 1 allegation was received which was not substantiated

Significant action taken to monitor and ensure compliance included:

- A review of the recruitment and selection process to ensure the new Public Sector Standards in Employment and Performance Management were reflected in the relevant policies and procedures.
- Board members participated in training regarding their responsibilities in identifying and managing conflicts of interest and public interest disclosure.
- All employees receive a copy of the Board's Code of Conduct, Social Media, 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, which is then placed on their personnel file and discussed at their induction.
- Gift Decision Policy procedures were reviewed to include guidelines on determining conflicts of interest and discretionary authority. These are linked to the Register of Gifts.
- 87% of employees have completed the mandatory Accountable and Ethical Decision Making training. Further sessions are scheduled for those employees unable to attend..
- New employees to the public sector and the Board attended „Induction: Your Guide to Ethics and Integrity in the WA Public Sector“.
- A Board Governing Charter was adopted by Board members in February 2012 that incorporates guidelines for board governance from the Public Sector Commission and also provisions from the Western Australia Cemeteries Act 1986.

#### **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:

<b>Expenditure with Advertising Agencies</b>	<b>\$0</b>
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#### **Expenditure with Market Research Organisations**

Patterson Market Research	<b>\$7,000</b>
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Research Solutions	<b>\$47,000</b>
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<b>Expenditure with Polling Agencies</b>	<b>\$0</b>
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<b>Expenditure with Direct Mail Agencies</b>	<b>\$0</b>
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#### **Expenditure with Media Advertising Agencies**

Adcorp*	<b>\$36,000</b>
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\* 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 2011 – 2016**

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 2011-2016 was developed through a working group representative of our workforce and included feedback received through our public consultative process. The Corporate Executive is responsible for the ongoing review and monitoring of the plan.

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

The improvements for disability access and inclusion this year included:

- Hearing Loops in all chapels at Pinnaroo, Karakatta and Fremantle
- Installation of elevator and toilet with disabled access in the new MCB Administration Offices
- Upgraded Emergency Evacuation Plan with an emergency button at the staff car park gate and buttons in reception located at wheelchair height
- Pinnaroo has new pathways, parking, signage, toilets installed and disability access in the new chapel and lounge
- Fremantle has disability access for the Sainsbury Gardens and new kerbing to enable wheel chair access.

## **RECORDS MANAGEMENT**

The Board's Recordkeeping Plan which was approved by the State Records Office on October 5, 2006 for a period of five years has elapsed. The Recordkeeping plan will be updated in the forthcoming period. The MCB has been working closely with the State Records Office to develop a sector based disposal authority for all cemeteries in WA.

As part of MCB's commitment to implement streamlined information and records management processes and practices, the organisational structure has been changed with the creation of a Chief Information Officer role that is responsible for technology, communication infrastructure, knowledge management and records management that will ensure compliance and meet legislative obligations.

A new position of Knowledge Management officer has also been created to deal with FOI requests and to implement a knowledge management framework.

### **Training**

- An external contractor was hired to provide general records awareness training to staff on the TRIM records and document management system
- Records management staff train new staff and current staff on an ongoing basis as required
- FOI training has been provided to records staff
- Further training is scheduled for staff to learn more about records disposal authorities and retention.

A new records storage room has been created for records storage and archiving.

## 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.

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 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 148 complaints recorded from July 1 2011 to June 30 2012, a decrease compared to the 2010/11 period. 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

Sixty four per cent of all complaints were directly linked to our operational activities, whereas thirty three per cent related to products and services with the remaining percentage involving administrative matters.

**Table 1 – Total of complaints by category – 2011-2012**

Facilities	13
Grounds	54
Damage	18
Accidents	3
Other	4
Products/Services	49
Renewal	4
Vandalism /Theft	3
<b>Total</b>	<b>148</b>

There were 35 registered notations of appreciation mostly relating to the professional and timely nature of rendered services and the caring and respectful nature of MCB staff.

## 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

#### *Statement of commitment to occupational safety and health, and injury management*

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's OSH policies and procedures are implemented via an all employee '*HR Bulletin*' and are made available via the intranet and in hard copy. Toolbox meetings are also used as an avenue to increase employee awareness of new and existing OSH policies, procedures and OSH updates. The OSH Committee plays an integral role in the implementation of policies and procedures.

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 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's Corporate Executive is actively involved with OSH and injury management matters via strategies such as a standing agenda item at weekly Corporate Executive meetings, regular communications with employees on matters raised via Directorate meetings where OSH and injury management are standing agenda items.



The Chief Executive Officer addresses all employees on OSH and other important matters via CEO Bulletins which are circulated to all staff electronically and are made available via the intranet. The Human Resource Branch reports bi-monthly to the Board on all OS&H and injury management updates and new initiatives as a standing Board agenda item.

The Board's principal goal is to „improve health and safety and to prevent workplace injuries and illnesses at all of its work sites“. The Board promotes a proactive health and safety management philosophy based on effective communication and consultation, the systematic identification, assessment and control of hazards and the encouragement of innovation.

Underpinning the Board's Occupational Safety and Health strategy are three fundamental principles:

1. Employees feel safe and secure when working at all MCB sites
2. The delivery of services to the community is not interrupted by preventable workplace injury, disease, disability or fatality
3. MCB complies with its OS&H legislative and policy obligations.

Each of the set targets (below) has specific strategies to be implemented over the next five years and will be reported bi-annually to the Board and Corporate Executive.

1. Further develop and implement the elements of the Board's Occupational Health Safety Management System (OHSMS)
2. Develop and implement an OS&H Management Information System to improve the quality of OS&H information available to decision makers at all levels
3. Reduce the frequency and severity of risks to employee's health and safety
4. Improve prevention of occupational injury, illness and disease
5. Reduce the impact of occupational injury, illness and disease
6. Train, support and motivate employees to identify and manage hazards effectively
7. Improve, consolidate and embed the capability to identify, eliminate and manage hazards in the design and planning stages.
8. The Board to manage the OS&H performance of third parties, consistent with Board policies and practices.

## **Employee Consultation**

The Board has seven elected OSH Workplace Representatives who are fully trained in their roles and are members of the OSH Committee. The Committee meets bi-monthly and provides the formal mechanism for consultation with employees on all OSH matters. The Committee is chaired by the Manager Human Resources & Organisational Development and also has a Corporate Executive representative.

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. Minutes of the OSH Committee are available to all employees via the Intranet. OSH is a standing agenda item on the Corporate Executive Agenda with the Manager Human Resource & Organisational Development reporting on any OSH matters.

## ***Compliance with the Workers' Compensation and Injury Management Act 1981***

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. Employee Return to Work programs are developed in accordance with the requirements of the Act. Information for employees regarding workers compensation and injury management is available electronically via the intranet and in hard copy.

## ***Occupational Safety and Health Management Systems***

The Board's Occupational Safety and Health Management System was reviewed in 2011 by the Industrial Foundation for Accident Prevention (IFAP). The criterion was based upon compliance of WorkSafe Plan Assessment. During this reporting period the Board has been working through a number of agreed actions to improve the system which is 79% complete.

The number of agreed actions completed can be further separated into the following activities:

- Management commitment: 86%
- Planning: 66%
- Consultation: 100%
- Hazard management: 70%
- Training: 87%

During the 2010-11 reporting year the Board had been issued with several WorkSafe Improvement Notices, primarily concerning access and egress in some of the older areas of its cemeteries. The Board continued its collaborative approach with Funeral Industry representatives and WorkSafe during this reporting period to develop solutions to address the areas of concern and has been able to fully meet its responsibilities.

## ***Managers and Supervisors training in Occupational Safety, Health and Injury Management***

All employees with supervisory responsibilities are required to complete mandatory OSH and Injury Management training. 92% of supervisors have completed this training exceeding the 80% target.

## ***New Occupational Injury and Illness Prevention Strategies 2011-12***

- Mandatory OSH and Injury Management training for managers and supervisors
- Ongoing review of OSH and injury management policies and procedures
- Safety and health campaigns focused on: SunSense, mental health, core strength training, ageing and staying healthy
- Participation of 42 employees in the Global Corporate Challenge which aims to increase awareness of health and injury prevention through consistent behavioural change using walking, cycling or swimming
- Development, publication and distribution of a new employee OSH Handbook and „Risk Assessment „Job Start“ easy reference wallet card for all employees
- The introduction of new summer uniforms for cemetery workers
- The Board became a platinum sponsor of the State Government's One Life Suicide Prevention Strategy. The strategy aims to transform attitudes regarding suicide and suicidal behaviour and also charts a longer term vision to promote individual mental health and wellbeing and the need to enhance community capacity in approaches to suicide prevention.

- Training in risk management and occupational health, safety and injury management to middle managers and the Construction Industry and Machinery / Equipment training to all operational employees.

### ***New activities/initiatives for the year***

Improving OSH practices in the Funeral Industry locally and nationally:

- Development of an OSH Manual for WA Funeral Directors and MCB Contractors available online and in hard copy
- Presentation at ACCA Mid-Year Seminar - *'Getting a Handle on Manual Handling'*
- Presentation to the Australian Funeral Directors Association (AFDA) - *'A Weighty Concern: Handling Heavy Coffins'*
- Presentation to the Cemeteries and Crematoria Association of WA (CCAWA) – *'Manual Handling and High Risk Areas'*
- *'Road Show'* to major Funeral Directors on high risk areas and procedural safety
- Funeral Director Training for new Funeral Directors incorporating OSH requirements

### **Performance & Targets – Summary**

Indicator	Actual		Target	Comments
	2010 - 2011	2011 - 2012		
Number Fatalities	Zero	Zero	Zero	
Lost Time Injuries/Disease (LTI/D) incidence rate	13%	6.6 %	Zero or 10% improvement on the previous three (3) years	On target.
Lost Time Injury Severity Rate	Zero	Zero	Zero or 10% improvement on the previous three (3) year	Met target. No incidences resulting in lost time of 60 days or more.
Percentage of injured workers returned to work within(i) 13 weeks and (ii) 26 weeks	100%	100%	Greater than or equal to 80% return to work within 26 weeks	Exceeded the target with injured workers all returning to work within 13 weeks of the incident.
Percentage of managers trained in OSH responsibilities	95%	92%	Greater than or equal to 80%	Exceeded the target.

### **Workers Compensation & Rehabilitation Claims 2011-2012**

Planning and Operations	9
Client Services	1
Total	10

### **Workers Compensation Nature of Injury 2011-2012**

Shoulder, Arms or elbow	3
Neck	1
Wrist	1
Knee	1
Back	1
Stress	2
Face	1
Total	10

### **Employee Rehabilitation Performance 2011-2012**

- Graduated return to work injury management programs and working guidelines are developed (in consultation with injured employees, managers and doctors) through the Human Resource Branch and or external approved rehabilitation providers for individual employees on workers compensation
- All employees with supervisory responsibility undergo mandatory OSH and injury management training
- Ongoing liaison with treating medical practitioners and treatment providers for injured or sick employees, through a variety of means (case conferences, telephone conversations and other written mediums)
- The Board provides alternative or restricted duties and alternative positions for sick and injured employees as much as is practicable
- The Board also supports those employees who suffer non-work related injuries/sickness in continuing their employment and or assisting in their return to work rehabilitation

### **Occupational Safety and Health Occurrences**

Reported Incidents	70	=	16% increase in reported incidents*
Reported Hazards	8	=	34% decrease in hazard reporting, due to pro-active „tool boxing“ of issues.

\* The increase in reported incidents includes those incidences which resulted in damage to property/equipment. The actual number of incidences resulting in injury decreased by 48% in comparison to 2010-11. Such changes may be attributed to an increased OSH awareness and implementation of safer practices in the workplace.

Similarly, the official hazard reporting has decreased in comparison to last year, due to an increase in the awareness of hazard spotting/risk assessments strategies with staff proactively resolving hazards in house without requiring the submission an official report.

## Occupational Injury and Illness Prevention Performance 2011-12

- Ongoing induction of new staff in OS&H
- Compulsory OS&H and Injury Management training for managers and supervisors
- Policy and guidelines published on the Intranet
- Bi-monthly consultation meetings with Safety and Health representatives
- Campaign approach to raising awareness of safety and health topics, for example, SunSmart, Staying Hydrated, Safety & Stormy Weather Conditions
- The Boards Wellbeing Program incorporates events that align with desired OSH outcomes such as maintaining healthy bodies as we age
- Employees participated in the Global Corporate Challenge which aims to increase awareness of health and injury prevention through consistent behavioural change using walking, cycling or swimming.
- Development, publication and distribution of a revised OSH Handbook and „Job Start Analysis“ wallet card for all employees.

## **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 2012, 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 2012 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.

## **Report on Controls**

I have audited the controls exercised by the Metropolitan Cemeteries Board during the year ended 30 June 2012.

Controls exercised by the Metropolitan Cemeteries Board are those policies and procedures established by the Board to ensure 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.

### *Board's Responsibility for Controls*

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Board complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

## **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 during the year ended 30 June 2012.

## **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

### *Board's Responsibility for the Key Performance Indicators*

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 and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

### *Auditor's Responsibility*

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 and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

### **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 2012.

### **Independence**

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

### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2012 included on the Board's website. The Board's management are responsible for the integrity of the Board's website. I have not been engaged to report on the integrity of the Board's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
31 August 2012

# METROPOLITAN CEMETERIES BOARD

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012 and the financial position as at 30 June 2012.

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

24<sup>th</sup> August 2012

**METROPOLITAN CEMETERIES BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>INCOME</b>			
<b>Revenue</b>			
Sales of mausoleum crypts and vaults	6.	3,729,394	3,297,237
Provision of services	7.	17,582,908	16,776,208
Interest revenue	8.	821,341	1,021,988
Dividend revenue	9.	1,110,713	1,190,116
Commission on sand extractions from Rockingham Regional Memorial Park		422,060	91,263
Other revenue	12.	770,386	370,102
<b>Gains</b>			
Gain on disposal of non-current assets	11.	55,379	94,234
Gain on sale of available-for-sale financial assets	10.	-	105,176
<b>TOTAL INCOME</b>		<u>24,492,181</u>	<u>22,946,324</u>
<b>EXPENSES</b>			
Cost of sales	6.	1,325,475	1,354,250
Employee benefits expense	13.	9,751,178	9,201,709
Supplies and services	14.	3,630,061	3,717,495
Depreciation and amortisation expense	15.	2,397,872	2,174,753
Impairment of available-for-sale financial assets	17.	133,783	89,496
Other expenses	16.	2,628,301	2,262,825
Loss on sale of available-for-sale financial assets	10.	134,153	-
<b>TOTAL EXPENSES</b>		<u>20,000,823</u>	<u>18,800,528</u>
<b>PROFIT FOR THE PERIOD</b>		<u>4,491,358</u>	<u>4,145,796</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		2,309,131	1,200,000
Changes in available-for-sale financial asset revaluation reserve		<u>(1,183,320)</u>	<u>1,063,316</u>
Total other comprehensive income		1,125,811	2,263,316
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>5,617,169</u>	<u>6,409,112</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 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	32(a)	119,598	60,741
Inventories	18.	12,099,154	11,943,962
Receivables	19.	2,060,703	2,182,474
Other financial assets	20.	9,375,327	13,080,000
<b>Total Current Assets</b>		<b>23,654,782</b>	<b>27,267,177</b>
<b>Non-Current Assets</b>			
Available for sale financial assets	21.	20,544,439	18,423,375
Property, plant, equipment and vehicles	22.	54,568,476	47,468,043
Infrastructure	23.	14,980,574	13,862,140
Intangible assets	24.	54,583	36,802
<b>Total Non-Current Assets</b>		<b>90,148,072</b>	<b>79,790,360</b>
<b>Total Assets</b>		<b>113,802,854</b>	<b>107,057,537</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	26.	3,021,045	2,902,291
Provisions	27.	1,634,974	1,410,028
Other current liabilities	28.	14,341	17,030
Pre-need agreements	29.	589,555	604,243
Grant renewals	30.	658,536	-
<b>Total Current Liabilities</b>		<b>5,918,451</b>	<b>4,933,592</b>
<b>Non-Current Liabilities</b>			
Provisions	27.	259,513	354,559
Pre-need agreements	29.	6,731,892	6,515,834
Grant renewals	30.	1,934,854	1,912,577
<b>Total Non-Current Liabilities</b>		<b>8,926,259</b>	<b>8,782,970</b>
<b>Total Liabilities</b>		<b>14,844,710</b>	<b>13,716,562</b>
<b>NET ASSETS</b>		<b>98,958,144</b>	<b>93,340,975</b>
<b>Equity</b>			
Contributed equity	31.	13,640,938	13,640,938
Reserves		32,749,009	31,623,198
Retained earnings		52,568,197	48,076,839
<b>TOTAL EQUITY</b>		<b>98,958,144</b>	<b>93,340,975</b>

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 2012**

	Contributed Equity	Asset Revaluation Reserves	Available-for- sale investments financial asset Revaluation Reserve	Accumulated Surplus	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	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
<b>Balance at 30 June 2011</b>	13,640,938	29,094,825	2,528,373	48,076,839	93,340,975
<b>Balance at 1 July 2011</b>	13,640,938	29,094,825	2,528,373	48,076,839	93,340,975
Total comprehensive income for the year		2,309,131	(1,183,320)	4,491,358	5,617,169
<b>Balance at 30 June 2012</b>	13,640,938	31,403,956	1,345,053	52,568,197	98,958,144

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 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services		18,433,763	17,213,118
Sales of mausoleum crypts		3,729,394	3,297,237
Receipts from commissions on sand sales		422,060	91,263
Interest received		832,828	963,723
Dividends received		1,237,724	969,817
GST receipts on sales		2,256,733	2,075,088
Other receipts		405,386	370,102
<b>Payments</b>			
Supplies and services		(5,488,399)	(4,390,298)
Employee benefits		(10,406,700)	(9,327,623)
GST payments on purchases		(1,570,587)	(1,399,240)
GST payments to taxation authority		(339,121)	(1,011,499)
Net cash provided by operating activities	32 (b)	<u>9,513,081</u>	<u>8,851,688</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale on non-current physical assets		70,958	152,727
Proceeds from sale/(purchase) of investments		46,673	(1,526,524)
Purchase of non-current physical assets		(9,657,535)	(8,173,310)
Proceeds from sale of investments		85,680	659,829
Net cash used in investing activities		<u>(9,454,224)</u>	<u>(8,887,278)</u>
Net increase/(decrease) in cash and cash equivalents		58,857	(35,590)
Cash and cash equivalents at the beginning of the period		60,741	96,331
<b>CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD</b>	32 (a)	<u>119,598</u>	<u>60,741</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 2012**

**1. Australian Accounting Standards**

**General**

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2012 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*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Board for the annual reporting period ended 30 June 2012.

**2. Summary of significant accounting policies**

**(a) General statement**

MCB is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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).

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

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

Initial recognition and measurement

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

For items of property, plant and equipment, vehicles and infrastructure acquired at no cost or for nominal cost, 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 buildings 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 judgment 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 reserve.

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“.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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 lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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	7.4 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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 measured at cost unless they are no longer required, in which case they are measured 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“.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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*

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.

Long service leave not expected to be settled within 12 months after the end of 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.

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. Pre-conditional and 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.

*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.

Nine 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 contributions 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**(s) Comparative figures**

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

**3. Judgments made by management in applying accounting policies**

The preparation of financial statements requires management to make judgments about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Board evaluates these judgments 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 \$133,783 (2011: \$89,496) has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2012.

**Inventories**

The Board states its inventories at the lower of cost and net realisable value, where cost is calculated using the average cost method. Judgment 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 2012 (2011: 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 2012 (2011: 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**5. Disclosure of changes in accounting policy and estimates**

**Initial application of an Australian Accounting Standard**

The Board has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Board.

AASB 2009-12	Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]
	This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
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 Int 112, 115, 127, 132 & 1042]
	This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

**Changes in accounting estimates**

During the year, the Board revised the estimated useful life of its intangible asset – Client Records System Software to 7.4 years. This has resulted in a write back of amortization charge on the intangible asset of \$54,583 for the year ended 30 June 2012.

**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 1 July 2013
AASB 13	Fair Value Measurement This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.	1 July 2013
AASB 119	Employee Benefits This Standard supersedes AASB 119 (October 2010). As the Authority does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.	1 July 2013
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. There is no financial impact.	1 July 2013
AASB 2010-7	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 Int 2, 5, 10, 12, 19 & 127] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Authority has not yet determined the application or the potential impact of the Standard	1 July 2013

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

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

AASB 2011-8	<p>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 &amp; 1038 and Int 5, 9, 16 &amp; 17]</p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Authority has not yet determined the application or the potential impact of the Standard</p>	1 July 2013
AASB 2011-9	<p>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 &amp; 1049]</p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Authority has not yet determined the application or the potential impact of the Standard</p>	1 July 2013
AASB 2011-10	<p>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 &amp; 2011-8 and Int 14]</p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact</p>	1 July 2013

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>6. Trading profit</b>		
Sales of mausoleum crypts	3,729,394	3,297,237
Cost of sales:		
Opening inventory	(7,758,428)	(9,112,678)
Transfer from works in progress on completion of new mausoleums	(5,433,080)	-
	(13,191,508)	(9,112,678)
Closing inventory	11,866,033	7,758,428
Cost of goods sold	(1,325,475)	(1,354,250)
Trading profit	2,403,919	1,942,987
See also Note 2(i) – „Inventories“ and Note 18 – „Inventories“		
<b>7. Provision of services</b>		
Burials	6,255,150	5,602,686
Cremations	6,914,945	6,770,491
Memorials	4,412,813	4,403,031
	17,582,908	16,776,208
<b>8. Interest revenue</b>		
Term deposits	552,814	814,009
Fixed interest securities	254,774	193,021
Bank accounts	13,753	14,958
	821,341	1,021,988
<b>9. Dividend revenue</b>		
Equity securities	418,182	407,409
Preference shares	378,989	342,154
Rebate of franking credits	313,542	440,553
	1,110,713	1,190,116
<b>10. Net gain/(loss) on sale of available-for-sale financial assets</b>		
<b>Proceeds from disposal of available-for-sale financial assets</b>		
Equity securities	85,680	659,829
<b>Cost of disposal of available-for-sale financial assets</b>		
Equity securities	(219,833)	(554,653)
Net gain	(134,153)	105,176
<b>11. Gains on disposal of non-current assets</b>		
<b>Proceeds from disposal of non-current assets</b>		
Plant equipment and vehicles	70,958	152,727
<b>Cost of disposal of non-current assets</b>	(15,579)	(58,493)
Plant equipment and vehicles		
Net gain	55,379	94,234

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>12. Other revenue</b>		
Commission from Kiosks	100,091	95,051
Rental of leased land	228,128	221,875
Insurance recoveries	1,075	3,082
Miscellaneous income	76,092	50,094
Fair value of Land taken over at no cash consideration	365,000	-
	<u>770,386</u>	<u>370,102</u>
<b>13. Employee benefits expense</b>		
Wages and salaries (a)	7,665,696	7,008,888
Superannuation – defined contributions plans (b)	1,216,556	1,063,159
Long service leave (c)	144,761	385,454
Annual leave (c)	724,165	744,208
	<u>9,751,178</u>	<u>9,201,709</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“.		
<b>14. Supplies and services</b>		
Communications	286,035	418,496
Consultants and contractors	1,002,640	997,204
Consumables	64,039	62,067
Materials	2,086,417	2,037,280
Travel	14,218	27,777
Other	176,712	174,671
	<u>3,630,061</u>	<u>3,717,495</u>
<b>15. Depreciation and amortisation expense</b>		
Depreciation		
Plant, equipment and vehicles	1,012,502	953,886
Office equipment	56,459	83,046
Buildings	486,672	482,475
Infrastructure	494,846	383,710
Cemetery renewal areas	365,174	308,438
Total depreciation	<u>2,415,653</u>	<u>2,211,555</u>
Amortisation		
Intangible assets	(17,781)	(36,802)
Total amortisation	<u>(17,781)</u>	<u>(36,802)</u>
Total depreciation and amortisation	<u>2,397,872</u>	<u>2,174,753</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	2012	2011
	\$	\$
<b>16. Other expenses</b>		
Building and infrastructure maintenance	873,252	941,026
Equipment repairs and maintenance	407,668	414,705
Employment on-costs <sup>(a)</sup> (see Note 13 - „Employee benefits expense“)	30,783	28,218
Board expenses	96,267	91,995
Kiosk operation expenses	6,998	2,409
Administration expenses	458,693	330,701
Other <sup>(b)</sup>	754,640	442,598
Impairment of receivables expenses	-	11,173
	<u>2,628,301</u>	<u>2,262,825</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 judgment 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 2012.

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

Equity securities	133,783	89,496
Preference shares	-	-
Fixed interest securities	-	-
	<u>133,783</u>	<u>89,496</u>

**18. Inventories**

Current

Inventories held for resale:

Mausoleum crypt stock - Stage 1 - at cost	-	3,794
Mausoleum crypt stock – Stage 2 – at cost	-	7,178
Mausoleum crypt stock –Stage 3 - at cost	23,466	32,852
Mausoleum crypt stock –Stage 4 - at cost	105,079	406,243
Mausoleum crypt stock –Stage 5 - at cost	1,244,152	1,485,555
Mausoleum crypt stock –Stage 6 - at cost	5,212,487	-
Mausoleum crypt stock – Fremantle – at cost	4,808,812	5,288,919
Mausoleum crypt stock – Midland - cost	85,680	107,100
Mausoleum crypt stock – Guildford – at cost	315,814	355,291
Vault stock – Midland – at cost	5,226	5,226
Vault stock – Fremantle – at cost	28,152	28,152
Ossuary Stock – at cost	37,165	38,118
	<u>11,866,033</u>	<u>7,758,428</u>

Inventories not held for resale:

Stores – at cost	233,121	224,127
Mausoleum construction works in progress	-	3,961,407

Total Inventory - Current	<u>12,099,154</u>	<u>11,943,962</u>
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**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	2012	2011
	\$	\$
<b>19. Receivables</b>		
Current		
Receivables	1,183,006	1,380,333
Accrued revenue	733,313	634,525
Claims for storm damage	-	32,693
GST Receivables	-	98,799
	<u>1,916,319</u>	<u>2,146,350</u>
Allowance for impairment of receivables	<u>(11,173)</u>	<u>(11,173)</u>
	1,905,146	2,135,177
Prepayments	<u>155,557</u>	<u>47,297</u>
	<u>2,060,703</u>	<u>2,182,474</u>
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of year	11,173	-
Impairment expense	-	11,173
Balance at end of year	<u>11,173</u>	<u>11,173</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	<u>-</u>	<u>-</u>
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“.		
<b>20. Other financial assets</b>		
Current		
At cost:		
Held-to-maturity investments carried at amortised cost	9,375,327	13,080,000
	<u>9,375,327</u>	<u>13,080,000</u>
<b>21. Available-for-sale financial assets</b>		
At the beginning of year	18,423,375	17,511,181
Additions	3,658,000	493,027
Disposals	(85,680)	(554,653)
Impairment during the year	(133,783)	(89,496)
Revaluation surplus/(deficit) transferred to equity	<u>(1,317,473)</u>	<u>1,063,316</u>
At end of year	<u>20,544,439</u>	<u>18,423,375</u>
Equity securities	7,953,387	8,954,374
Preference shares	8,810,975	7,012,637
Fixed interest securities	<u>3,780,077</u>	<u>2,456,364</u>
	<u>20,544,439</u>	<u>18,423,375</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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	2012 \$	2011 \$
<b>22. Property, plant, equipment and vehicles</b>		
Land		
At fair value (i)	19,384,000	19,019,000
	<u>19,384,000</u>	<u>19,019,000</u>
Buildings		
At fair value (ii)	28,703,691	21,344,784
Accumulated depreciation	-	(964,031)
	<u>28,703,691</u>	<u>20,380,753</u>
Buildings and projects under construction		
Construction costs	2,086,272	5,017,491
	<u>2,086,272</u>	<u>5,017,491</u>
Plant, equipment and vehicles		
At cost	8,437,116	6,331,838
Accumulated depreciation	(5,107,427)	(4,247,430)
	<u>3,329,689</u>	<u>2,084,408</u>
Office equipment		
At cost	461,030	438,872
Accumulated depreciation	(419,096)	(362,637)
	<u>41,934</u>	<u>76,235</u>
Cemetery renewal areas		
At cost	2,257,046	1,759,138
Accumulated depreciation	(1,234,156)	(868,982)
	<u>1,022,890</u>	<u>890,156</u>
	<u>54,568,476</u>	<u>47,468,043</u>

(i) Freehold land was revalued as at 30 June 2012 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2012 and recognised at 30 June 2012. 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. During the current financial year, the Board took over 38.201 hectares at Lot 2778 on Plan 216182 at Whitby Falls, south of Armadale from the WA Planning Commission. The land was transferred to the Board at no cash consideration. The Western Australian Land Information Authority (Valuation Services) has valued the land at \$365,000 and this valuation has been taken up by the Board through the Statement of Comprehensive Income at 30 June 2012.

(ii) Buildings were revalued at 30 June 2012 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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:

	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings under Construction	Buildings and projects under Construction	Total
Year ended 30 June 2012	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	2,084,408	76,235	890,156	19,019,000	20,380,753	5,017,491	47,468,043
Transfer between asset categories	334,319	-	-	-	(334,319)	-	-
Additions	264,719	6,300	-	-	-	7,916,045	8,187,064
Assets taken at no cost	-	-	-	365,000	-	-	365,000
Transfers from / (out of) work in progress	1,674,324	15,858	497,909	-	7,377,495	(10,636,167)	(1,070,581)
Disposals	(15,579)	-	-	-	-	-	(15,579)
Transfers to operating expenditure	-	-	-	-	-	(211,098)	(211,098)
Revaluation increments / (decrements) (a)	-	-	-	-	1,766,434	-	1,766,434
Depreciation	(1,012,502)	(56,459)	(365,174)	-	(486,672)	-	(1,920,807)
Carrying amount at end of year	3,329,689	41,934	1,022,891	19,384,000	28,703,691	2,086,271	54,568,476
<b>Year ended 30 June 2011</b>							
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

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

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**23. Infrastructure**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
At fair value (i)	14,980,574	14,583,714
Accumulated depreciation	-	(721,574)
	<u>14,980,574</u>	<u>13,862,140</u>

(i) Infrastructure assets were revalued by the Western Australian Land Information Authority (Valuation Services) as at 30 June 2012. 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	13,862,140	14,059,639
Transfers from work in progress	1,070,582	205,616
Revaluation increment	542,698	-
Disposals	-	(19,405)
Depreciation expense	(494,846)	(383,710)
Carrying amount at end of year	<u>14,980,574</u>	<u>13,862,140</u>

**24. Intangible assets**

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(350,243)	(368,024)
	<u>54,583</u>	<u>36,802</u>
Reconciliation		
Carrying amount at start of year	36,802	-
Write back of the amortisation expense	17,781	36,802
Carrying amount at end of year	<u>54,583</u>	<u>36,802</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 2012.

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 2012 have been written-off.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

<b>26. Payables</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade payables	1,977,077	2,270,235
GST payable	248,225	-
Accrued expenses	394,154	128,865
Accrued salaries	238,992	229,492
Retention monies held on capital projects	162,597	273,699
	<u>3,021,045</u>	<u>2,902,291</u>

See Note 2(l) – „Payables“ and note 38 - „Financial instruments“.

**27. Provisions**

Current		
Employee benefits provision		
Annual leave (i)	778,819	709,448
Long service leave (ii)	829,756	678,152
	<u>1,608,575</u>	<u>1,387,600</u>
Other provisions		
Employment on-costs (iii)	26,399	22,428
	<u>26,399</u>	<u>22,428</u>
	<u>1,634,974</u>	<u>1,410,028</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	255,130	348,769
	<u>255,130</u>	<u>348,769</u>
Other provisions		
Employment on-costs (iii)	4,383	5,790
	<u>4,383</u>	<u>5,790</u>
	<u>259,513</u>	<u>354,559</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	479,519	436,808
More than 12 months after the reporting period	299,300	272,640
	<u>778,819</u>	<u>709,448</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	829,756	678,152
More than 12 months after the reporting period	255,130	348,769
	<u>1,084,886</u>	<u>1,026,921</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”.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**27. Provisions (continued)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Movements in other provisions		
Employment on-cost provision		
Carrying amount at start of year	28,218	22,923
Net additional provisions recognised	2,564	5,295
Carrying amount at end of year	<u>30,782</u>	<u>28,218</u>

**28. Other current liabilities**

Current

Income received in advance

14,341	17,030
<u>14,341</u>	<u>17,030</u>

**29. Pre-need agreements**

Current

Cremation

Burial

457,115	487,525
132,440	116,718
<u>589,555</u>	<u>604,243</u>

Non-current

Cremation

Burial

5,240,286	5,112,600
1,491,606	1,403,234
<u>6,731,892</u>	<u>6,515,834</u>

**30. Grant Renewals**

Current

Other grant renewals

658,536	-
<u>658,536</u>	<u>-</u>

Non-current

Mausoleum grant renewals

Other grant renewals

792,893	760,441
1,141,961	1,152,136
<u>1,934,854</u>	<u>1,912,577</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>31. Equity</b>		
<b>Contributed equity</b>		
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>
<b>Reserves</b>		
Asset revaluation surplus		
Balance at start of year	29,094,825	27,894,825
Net revaluation increments/(decrements)		
Land	-	1,200,000
Buildings	1,766,434	-
Infrastructure	542,697	-
Balance at end of year	<u>31,403,956</u>	<u>29,094,825</u>
<b>Available-for-sale financial assets revaluation surplus</b>		
Balance at start of year	2,528,373	1,465,057
Revaluation of shares	<u>(1,183,320)</u>	<u>1,063,316</u>
Balance at end of year	<u>1,345,053</u>	<u>2,528,373</u>
<b>Balance of asset revaluation surplus at end of year</b>	<u>32,749,009</u>	<u>31,623,198</u>
<b>Accumulated surplus</b>		
Balance at start of year	48,076,838	43,931,043
Result for the period	<u>4,491,358</u>	<u>4,145,796</u>
Balance at end of year	<u>52,568,197</u>	<u>48,076,839</u>
<b>Balance of equity at end of year</b>	<u>98,958,144</u>	<u>93,340,975</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (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:

	<b>2012</b>	<b>2011</b>
	\$	\$
Cash and cash equivalents	119,598	60,741
	<u>119,598</u>	<u>60,741</u>

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

Profit	4,491,358	4,145,796
Non-cash items:		
Profit on sale of property, plant, equipment and vehicles	(55,379)	(94,234)
Depreciation of non-current assets	2,397,872	2,174,753
Profit from sale of investments	134,153	(105,176)
Impairment write off on available-for-sale financial assets	133,783	89,496
Assets taken over at fair value	(365,000)	-
(Increase)/decrease in assets:		
Other current assets	22,974	(233,542)
Current inventories	1,315,277	1,357,633
Increase/(decrease) in liabilities:		
Current payables	81,627	1,106,974
Pre-need agreements	882,181	394,331
Current provisions	(2,689)	6,407
Employee provisions	129,900	344,902
Net GST receipts/(payments)		
Change in GST receivables/(payables)	347,024	(335,652)
Net cash provided by operating activities	<u>9,513,081</u>	<u>8,851,688</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>45,000</u>	<u>6,803,000</u>
The capital commitments include amounts for:		
Buildings		5,190,000
Plant and equipment	35,000	-
Mausoleum construction	10,000	1,613,000
	<u>45,000</u>	<u>6,803,000</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**35. Contingent liabilities and contingent assets**

As at 30 June 2012, the Board did not have any contingent liabilities or contingent assets.

**36. Events occurring after the reporting period**

Schedule 2, section 6 – Grants of right of burial, of the Cemeteries Act 1986 set in place the expiry date for all Grants issued under the repealed Cemeteries Act 1897. Rights to graves under the 1897 Act had been granted in perpetuity and the 1986 Act set in place a common expiry date for all of these Grants, being 25 years from the commencement of the Cemeteries Act 1986. This expiry date was 2 July 2012. In order to maintain the rights to existing graves, a large number of members of affected families sought to renew existing Grants or purchase new grants for their families graves. At 30 June 2012 in accordance with the Board's policy, receipts for renewal of current Grants were taken up to be held as a Current Liability until the expiry of the current Grant on 2 July 2012. Income from the purchase of new Grants, in accordance with Board's policy, was accounted for as revenue under "Provision of Services" in the Statement of Comprehensive Income at 30 June 2012. During July 2012, it is estimated that approximately \$660,000 relating to renewals of Grants will be transferred from Current Liability to Revenue following the expiry of the first period of the Right of Burial.

**37. Explanatory statement**

This statement provides details of any significant variations between actual results for 2012 and 2011 and between estimates and actual results for 2012. Significant variations are considered to be those greater than \$100,000.

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

	2012 Actual	2011 Actual	Variance
Sales of mausoleum crypts and vaults	3,729,394	3,297,237	432,157
Provision of services	17,582,908	16,776,208	806,700
Interest revenue	821,341	1,021,988	(200,988)
Commission on sand extractions from Rockingham Regional Memorial Park	422,060	91,263	330,797
Other revenue	770,386	370,102	400,284
Employee benefits expense	9,751,178	9,201,709	(549,469)
Depreciation and amortisation expense	2,397,872	2,174,753	(223,119)
Other expenses	2,628,301	2,262,825	(365,476)

Sales of mausoleum crypts and vaults

The Board sold 176 crypts out of its nine mausoleums during the year. This compares to sales of 179 crypts in the previous financial year. The increase in revenue is due mainly to higher values of crypts sold in the Board's two new Stage 5 and 6 Mausoleums at Karrakatta and to increased sales out of the Fremantle Mausoleum.

Provision of services

During the year, the Board carried out 2,283 burials and entombments and 8,036 cremations, compared to 2,204 burials and entombments and 7,980 cremations in the previous year. In addition to the increase in revenue from the extra numbers of funerals carried out during the year, there was also a significant increase in income in the last month of the year as a result of a media report on the expiry of all Rights of Burial, issued under the old Cemeteries Act 1897, on 2 July 2012. This report resulted in a significant number of customers purchasing new Grants, on graves for which the tenure had previously expired.

Interest revenue

Interest revenue decreased due falling interest rates during the year and also to a decision by the Board to move a proportion of funds on term deposits into fixed interest security products.

Commission on sand extractions from Rockingham Regional Memorial Park

Income from sand extractions was unusually low during the previous year but improved in the current year.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**37. Explanatory statement (continued)**

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

Other revenue

During the year, the Board took over a parcel of land at Whitby Falls, south of Armadale, from the WA Planning Commission for the development of a future cemetery. The land was taken over for no cash consideration. The Board took up the fair values of these land at a valuation provided by the Western Australian Land Information Authority (Valuation Services), amounting to \$365,000 (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income.

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.

Depreciation and amortisation expense

During the year the Board completed two major building projects including a new chapel and condolence lounge complex at Pinnaroo Memorial Park at a cost of \$6.2m and an extension of its Karrakatta offices of \$1.0m.

Other expenses

Other expenses increased due to a combination of a significant increase in the Workers Compensation insurance premium, costs of recruitment for a number of senior staff positions and other general staff related costs.

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 38 – „Financial Instruments“ and Note 17 – „Impairment“)

Significant variances between estimate and actual results for the financial year

	<b>2012</b>	<b>2012</b>	
	<b>Estimates</b>	<b>Actual</b>	<b>Variance</b>
Sales of mausoleum crypts and vaults	3,508,709	3,729,394	220,685
Provision of services	16,730,661	17,582,908	852,247
Dividend revenue	588,000	821,341	233,341
Other revenue	359,496	770,386	410,890
Costs of sales	1,631,801	1,325,475	306,326
Supplies and services	3,978,401	3,630,061	348,340
Impairment of available-for-sale financial assets	-	133,783	(133,783)
Other expenses	2,081,715	2,628,301	(546,586)

Sales of mausoleum crypts and vaults

Whilst actual numbers of crypts sold during the year fell slightly short of budget, the Board managed to exceed its overall sales budget due to improved sales from the Fremantle Mausoleum during the year and to a significant improvement in sales of crypts out of its two new Mausoleum projects at Karrakatta in the last month of the year.

Provision of services

During the year, the Board carried out 2,283 burials and entombments and 8,036 cremations, compared to a budget of 2,203 burials and entombments and 7,975 cremations in the previous year. In addition to the increase in revenue from the extra numbers of funerals carried out during the year, there was also a significant increase in income in the last month of the year as a result of a media report on the expiry of all Rights of Burial, issued under the old Cemeteries Act 1897, on 2 July 2012. This report resulted in a significant number of customers purchasing new Grants, on graves for which the tenure had previously expired. This additional income was not envisaged in the budget.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**37. Explanatory statement (continued)**

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

Dividend revenue

Dividends received during the year from some companies in the Board's investment portfolio improved in the first half of the year. Dividend income also includes an amount of \$314,000 for the refund of imputation credits on dividends received.

Other revenue

During the year, the Board took over a parcel of land at Whitby Falls, south of Armadale, from the WA Planning Commission for the development of a future cemetery. The land was taken over for no cash consideration. The Board took up the fair values of these land at a valuation provided by the Western Australian Land Information Authority (Valuation Services), amounting to \$365,000 (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income.

Cost of sales

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

Supplies and services

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

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 38 – „Financial Instruments“ and Note 17 – „Impairment“)

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

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 2012/2013 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**38. Financial instruments (continued)**

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:

	<b>2012</b>		<b>2011</b>	
	<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
Listed in Australia				
- increased by	-	4,109	-	3,685
- decreased by	(4,109)	(4,109)	(3,685)	(3,685)

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.

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.

	<b>2012</b>			<b>2011</b>		
	<b>Carrying amount \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Carrying amount \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
Financial assets						
Cash and cash equivalents	120			61		
- increased by *		1	1		1	1
- decreased by *		(1)	(1)		(1)	(1)
Term deposits	9,375			13,080		
- increased by		94	94		131	131
- decreased by		(94)	(94)		(131)	(131)

\* 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 33 debtors (2011: 34 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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**38. Financial instruments (continued)**

(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 \$1,183,006 (2011: \$1,380,333) 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“

(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
<b>2012</b>	<b>%</b>					
Financial Assets						
Cash and cash equivalents	3.25%	120	-	-	-	120
Receivables		-	1,183	-	-	1,183
Other financial assets	5.82%	9,375	-	-	-	9,375
Available-for-sale financial assets		-	-	20,544	-	20,544
Other current assets		-	878	-	-	878
		9,495	2,061	20,544	-	32,100
Financial Liabilities						
Payables						
		-	3,021	-	-	3,021

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**38. Financial instruments (continued)**

**2011**

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

(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“.

**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:

	2012	2011
	\$	\$
\$0 - \$10,000	5	5
\$10,001 – \$20,000	1	1

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

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.

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012 (continued)**

**39. Remuneration of members of the Board and Senior Officers (continued)**

**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:

	<b>2012</b>	<b>2011</b>
\$ 30,001 - \$40,000	1	-
\$ 80,001 - \$90,000	1	-
\$110,001 - \$120,000	1	-
\$140,001 - \$150,000	-	1
\$150,001 - \$160,000	1	-
\$160,001 - \$170,000	1	1
\$180,001 - \$190,000	-	1
\$240,001 - \$250,000	1	-
\$270,001 - \$280,000	-	1

The total remuneration of senior officers is: 805,348 769,515

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**

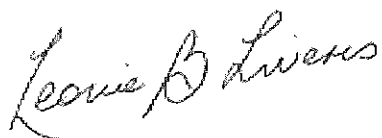
Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Auditing the accounts, financial statements and performance indicators	44,500	42,000

# METROPOLITAN CEMETERIES BOARD

## CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2012

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 2012.



Dr LEONIE LIVERIS  
CHAIRMAN



JOE O'DEA (jnr)  
BOARD MEMBER



P B DEAGUE  
CHIEF EXECUTIVE OFFICER

24<sup>th</sup> August 2012

## 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.

Funerals means burials, cremations and entombments.

### Effectiveness Indicator (audited by Office of the Auditor General)

Extent of customer satisfaction with funeral and memorial services.

<b>Target</b>	85%
<b>2011/12</b>	95.2%

### Notes

1. No direct comparison with previous years' results is included as the methodology informing this Effectiveness Indicator was changed for 2011/12. However, a general comparison with previous years indicates a high level of consistency in the feedback from the 'public' over time. The 95.2% satisfaction score is well above target.

	<b>Target</b>	<b>2010/2011</b>	<b>2009/2010</b>	<b>2008/2009</b>	<b>2007/2008</b>
Public	85%	90%	89%	86%	92%

2. 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 retain the reportable outcome of:

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

The overall key effectiveness indicator remained as the '*Extent of customer satisfaction with services provided*'. However, the information supporting this indicator was changed to be more detailed, more relevant and more reflective and is as follows.

Given these are new indicators, a target of 85% has been set for each, based on the 85% target for "extent of customer satisfaction with funeral and memorial services". This

provides consistency with previous satisfaction targets, but will be reviewed in subsequent reporting periods.

The target percentage also considers the environment in which the survey is conducted. Depending on personal circumstances, respondents may be at any stage in the grieving process, which may impact upon their responses.

## **Facilities**

### *Appropriateness for differing religious and cultural beliefs*

- 98.1% felt the MCB accommodated their loved one's religious and/or cultural beliefs extremely or very well.

### *Presentation of the grounds and buildings*

Based on a rating of being "extremely or very clean", the following areas of grounds and facilities rated as follows:

• Condolence lounges	99.7%
• Chapels	99.2%
• Memorial gardens	96.0%
• Lawn burial areas	95.7%
• Mausoleum	95.0%
• Cafes	94.2%
• Natural burial areas	87.8%
• Toilets	84.6%
• Monumental burial areas	82.3%

## **Customer Service Experience**

Based on a rating of "extremely or very"

• Information given was easy to understand	92.8%
• Professional	92.8%
• Understanding the clients' needs	90.9%
• Responding to enquiries promptly	90.0%
• Compassionate	87.7%

## **Number of complaints received on customer service issues**

148 complaints were registered during the reporting period

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

- 100% of complaints received were acknowledged within 4 working days
- 100% responded to within 15 working days.
- 98% of complaints handled by MCB were resolved within 15 working days without further incident

## **Number of funerals performed with no incident**

Out of a total of 10,319 funerals, only 14 incidents were reported

### Pricing, Products and Services

- 85.6% found it extremely or very easy to find a grave, memorial location or crypt to meet their needs
- 86.6% found it extremely or very easy to find a memorial plaque, granite base or urn to meet their needs
- 76.7% found it extremely or very easy to get a memorial appointment time that suited them

3. A total of 536 surveys were conducted. Family members of the deceased were surveyed where the date of death ranged from 1 September 2011 to 30 April 2012. Visitors and mourners were not included in the Public group as the survey was targeted at users of the services. The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed. Respondents were mailed a questionnaire to complete of their own accord and return to the research provider within a defined timeframe.

Group	Population	Sample	RR%	Error
Public	1898	536	28.2%	±3.6%

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

### 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:

	Actual	Target
2011/2012	\$1,912	\$1,964
2010/2011	\$1,836 *	\$1,896
2009/2010	\$1,675	\$1,803
2008/2009	\$1,674	\$1,697
2007/2008	\$1,545	\$1,638

A comparison of the calculated costs per funeral with other Government controlled cemetery operators in Australia, based on data sourced from the published Annual Reports of the following cemeteries for the year ended 30 June 2011, indicates:

	Cost per funeral	%age Cost greater/(less) than MCB *	Numbers of funerals
<b>Metropolitan Cemeteries Board</b>	<b>\$1,836 *</b>	<b>-</b>	<b>10,193 *</b>
Southern Metropolitan Cemeteries Authority – Victoria	\$2,358	28.43%	15,931
Centennial Park Cemetery Authority – South Australia	\$1,816	(1.09%)	4,206
Adelaide Cemeteries Authority – South Australia	\$3,482	89.65%	2,215

\* For comparative purposes, the ‘%age Cost greater/(less than) MCB’ has been expressed against the actual MCB figures for the 2010/2011 financial year.

Notes.

1. Funeral services include cremations and interments in gravesites and the mausoleums (if appropriate).
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 MCB cost per funeral in 2011/2012 compared to the actual cost 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.
  - Some additional positions created to staff the newly established Corporate Services Division.

Whilst there has been an increase in the current year's average cost of a funeral compared to the previous year of \$76.62 (4.17%), the actual average cost is below the target figure for the year by \$51.84 (2.64%).

**METROPOLITAN CEMETERIES BOARD**  
**BUDGETED FINANCIAL STATEMENTS (UNAUDITED)**  
**For the Year Ending 30 June 2013**

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 2013**

<b>INCOME</b>	<b>Budget 2013 \$</b>	<b>Actual 2012 \$</b>
<b>Revenue</b>		
Sales of mausoleum crypts and vaults	3,538,941	3,729,394
Provision of Services	18,351,071	17,582,908
Interest revenue	1,309,878	821,341
Dividend revenue	688,000	1,110,713
Commission on Sand Extractions from Rockingham Regional Memorial Park	-	422,060
Other revenue	362,999	770,386
<i>Gains</i>		
Gains on disposal of non-current assets	152,632	55,379
<b>TOTAL INCOME</b>	<b>24,403,521</b>	<b>24,492,181</b>
<b>EXPENSES</b>		
Cost of Sales	1,150,254	1,325,475
Employees benefits expenses	11,029,068	9,751,178
Supplies and Services	4,515,960	3,630,061
Depreciation and amortisation expense	2,477,004	2,397,872
Loss on sale of available-for-sale financial assets	-	134,153
Impairment of available-for-sale financial assets	-	133,783
Other expenses	2,355,780	2,628,301
<b>TOTAL EXPENSES</b>	<b>21,528,066</b>	<b>20,000,823</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2,875,455</b>	<b>4,491,358</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Changes in asset revaluation surplus	-	2,309,131
Gain/(Loss) on available-for-sale instruments	-	(1,183,320)
<b>Total other comprehensive income</b>	<b>-</b>	<b>1,125,811</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,875,455</b>	<b>5,617,169</b>

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 2013**

	<b>Budget</b>	<b>Actual</b>
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	54,578	119,598
Inventories	11,007,908	12,099,154
Receivables	1,232,515	2,060,703
Other Financial Assets	13,398,585	9,375,327
<b>Total Current Assets</b>	<b>25,693,586</b>	<b>23,654,782</b>
<b>Non Current Assets</b>		
Available for sale financial assets	22,439,935	20,544,439
Property, plant, equipment and vehicles	49,451,311	54,568,476
Infrastructure	14,486,553	14,980,574
Intangible assets	-	54,583
<b>Total Non-current Assets</b>	<b>86,377,799</b>	<b>90,148,072</b>
<b>Total Assets</b>	<b>112,071,385</b>	<b>113,802,854</b>
<b>Current Liabilities</b>		
Payables	526,726	3,021,045
Provisions	1,467,066	1,634,974
Other current liabilities	717,667	14,341
Pre-need Agreements	1,440,605	589,555
Grant Extensions	-	658,536
<b>Total Current Liabilities</b>	<b>4,152,064</b>	<b>5,918,451</b>
<b>Non-Current Liabilities</b>		
Provisions	777,608	259,513
Pre-need Agreements	5,762,420	6,731,892
Grant Extensions	2,040,403	1,934,854
<b>Total Non-Current Liabilities</b>	<b>8,580,431</b>	<b>8,926,259</b>
<b>Total Liabilities</b>	<b>12,732,495</b>	<b>14,844,710</b>
<b>NET ASSETS</b>	<b>99,338,890</b>	<b>98,958,144</b>
<b>Equity</b>		
Contributed equity	13,640,938	13,640,938
Reserves	32,447,420	32,749,009
Retained earnings	53,250,532	52,568,197
<b>TOTAL EQUITY</b>	<b>99,338,890</b>	<b>98,958,144</b>

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 2013**

	<b>Budget 2013 \$</b>	<b>Actual 2012 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES: -</b>		
<b>Receipts</b>		
Sale of goods and services	18,351,071	18,433,763
Services -- mausoleum	3,538,941	3,729,394
Receipts from commissions on sand sales	-	422,060
Interest received	1,226,143	832,828
Dividends received	771,735	1,237,724
GST receipts on sales	838,359	2,256,733
Other Receipts	98,000	405,386
<b>Payments</b>		
Supplies and services	(6,557,910)	(5,488,399)
Employees benefits	(11,342,898)	(10,406,700)
GST payments on purchases	(392,519)	(1,570,587)
GST payments to taxation authority	(445,840)	(339,121)
Net cash provided by operating activities	6,085,082	9,513,081
<b>CASH FLOWS FROM INVESTING ACTIVITIES: -</b>		
Proceeds from sale of non-current physical assets	-	70,958
Sale/(Purchase) of investments	(3,429,852)	46,673
Purchase of non-current physical assets	(2,477,411)	(8,187,065)
Payments for mausoleum construction	(153,431)	(1,470,470)
Proceeds from sale of investments	-	85,680
Net cash used in investing activities	(6,060,694)	(9,454,224)
 Net increase/(decrease) in cash and cash equivalents	 24,388	 58,857
 Cash and cash equivalents at the beginning of the period	 30,203	 60,741
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>54,591</b>	<b>119,598</b>

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