



METROPOLITAN  
CEMETERIES BOARD



# Metropolitan Cemeteries Board ANNUAL REPORT 2012-2013

*Celebrating lives lived*



## 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 WA  
Postal Address:  
PO Box 222  
Palmyra WA 6957  
Telephone: 1300 793 109  
Facsimile: (08) 9339 8992

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

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

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

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

## STATEMENT OF COMPLIANCE

Hon. Tony Simpson MLA  
Minister for Local Government and Communities  
8<sup>th</sup> Floor, 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 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*, Treasurer's Instruction 903 and the *Annual Reporting Framework 2012–2013* issued by the Public Sector Commission.

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

11 September 2013

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## ABOUT US

The Metropolitan Cemeteries Board (MCB) is a fully self-supporting statutory authority. The MCB manages six cemetery and memorial park-sites throughout metropolitan Perth – Fremantle, Karrakatta, Midland and Guildford Cemeteries; Pinnaroo Valley and Rockingham Regional Memorial Parks. These locations offer a range of differing facilities and services including burial, cremation, memorialisation and entombment.

### Our Vision

Achieving excellence in the provision of quality cemetery facilities and services.

### Our Mission

Delivering a caring and sensitive experience with burial, cremation and memorialisation services that reflect the Community's values and beliefs.

### 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:

- Compassion
- Respect
- Understanding
- Integrity.



Memorials consultation at Pinnaroo



## HIGHLIGHTS FOR 2012–2013

### Commitment to the Community

Ongoing and constructive dialogue with many groups, including the Jewish and Muslim communities, lead to positive and proactive relationships: open discussions with representatives centred mostly on the scarcity of land available for burials.

### Inspirational Memorial

Completion of stage one – *Earth* – of the inspirational memorial at the Pinnaroo Valley Memorial Park, which will provide families with a unique memorial option for commemorating their loved ones.

### Improvements to Security

Installation of closed circuit television (CCTV) has improved security in the cemeteries for the public, staff, funeral directors and monumental masons.

### Cemetery Renewal

Redevelopment of existing cemetery burial areas followed a well-established and managed process allowing for long-term sustainability of Karrakatta Cemetery and the preservation of history and memories.

### Fibre Optics

New fibre optic cabling will enable the delivery of modern, effective and efficient services to the community.



Inspirational memorial at Pinnaroo

## FROM THE CHAIR

### A Year in Review

The Metropolitan Cemeteries Board is such a vital part of the Western Australian community that it is my pleasure to report on its activities and achievements in 2012/13. So often, given the success of our actions, the quiet although often gratifying accomplishments, are lost to mind and memory in our quest to complete the next task or project.

The newly revised MCB Strategic Plan 2012–2017 provides the broad management framework for the organisation and supports the current needs of clients and stakeholders. It also pre-empts the future needs of the community and the changing industry environment. These new strategic directions place greater importance on the building and expanding of the capacity of staff.



A community satisfaction rating of over 90% in the past few years clearly demonstrates the commitment of MCB staff to meeting the needs and expectations of the community. Each staff member should take pride in these results because, in one way or another, they individually contributed to the customer experience. Whether selling a memorial, tending the gardens, preparing a grave, looking after the welfare of fellow colleagues, managing accounts or answering phone calls, everyone ultimately made a contribution to achieving our mission.

The essential communication with the community and other associated industries has once again been extensive. The success of these activities, whether school visits, filming rights, liaison with religious bodies, funeral directors, masons, media, government departments, exhumations, or Aboriginal traineeships to mention a few, has been undertaken by many levels of the staff. The success and positive public perception of what we as the Board plan and hope to achieve in the final count relies on the professionalism and commitment of all staff.

Nowhere was this more evident than when the expiry of grants of right of burial on 2 July 2012 was announced, generating an extraordinary response from the public. Over 21,600 phone calls were received within a three-week period and almost 1,000 emails were answered, in addition to client queries dealt with at the front desk. With misinformation circulating in the media that frightened many people who had loved ones buried in cemeteries throughout Western Australia, the reaction was one of alarm and distinct angst. Such was the nature of the issue that unfortunately a few emotive articles were published in newspapers. The positive side of this announcement has been a major take up of old grants, some which had expired long before July 2012, the renewal of grants and some purchases of new graves. This of course has led to an above usual rise in abnormal core income for the MCB.

The Board has been planning for future development in all of our cemeteries across the metropolitan area, from the initial preparation of new land for a cemetery, new burial sections, administration centres, memorialisation products and places, chapels and associated buildings, or new crematoria or public facilities. These will all be expenses for the Board, and careful strategic asset planning will assist to rationalise increased fees and charges in the years ahead. Currently there are no major built projects being undertaken, however the forward plans to 2020 will include chapels and offices at Rockingham, the

heritage preservation of buildings at Karrakatta Cemetery, and new mausoleums at Karrakatta, Fremantle and Guildford cemeteries.

Our positive relationships with the various government departments and local governments have enabled discussions on a variety of matters including: with the Department of Health (DoH) on the consideration of best practice and dignified approaches to the disposal of metal body parts, with the City of Nedlands regarding the sump on Government Road, and with the City of Joondalup regarding damaged vegetation at Pinnaroo Valley Memorial Park. Our discussions with the Department of Planning (DoP) and the WA Planning Commission (WAPC) have been more successful than we hoped for, with the land title granted to the MCB for Whitby Falls. Ongoing positive discussions continue regarding land adjacent to Whiteman Park for the Swan Region Memorial Park. The DoP and the WAPC understand the importance of setting aside crown land for future cemeteries in the north-west urban corridor– an excess of 100 hectares in the vicinity of Alkimos. It is expected that some 400 hectares in total will be allocated for future cemeteries.

In the meantime we continue the Cemetery Renewal program at Karrakatta. The success of this program has been proven by the numbers of families who observe the improvement in the burial sections and purchase gravesites near loved ones. This program will continue in the years ahead thus assisting in keeping Karrakatta Cemetery open.

Fremantle Cemetery is well placed for the future of burials, with land still available for new sections and land that can be relinquished to the MCB from the present industries who lease it. The Natural Burial section has had a steady number of interments and there is an opportunity to open another section to provide an environment with more vegetation for such burials.

In December several colleagues and I attended the opening of the new Jewish burial area at Guildford Cemetery. The Board enjoys a positive relationship with the Perth Chevra Kadisha, the Temple David and the Jewish Community Council in discussions on the scarcity of burial land at Karrakatta Cemetery. Whilst Karrakatta has always been a focal point for the Jewish community, the availability of new land at Karrakatta is finite and nearing exhaustion. Although we will continue to work with representatives of the community to maximise the land that remains in Karrakatta, this cemetery is, quite simply, unable to meet demand for future generations. It was particularly pleasing for the Board to be present for the momentous occasion of dedicating the land for future burials according to the needs of the community, and the Geniza (burial of holy books and other relics). I understand that, in time, a Prayer Hall will be built and this will provide the community with an important facility in which they can practise their significant religious traditions.

The MCB plays a lead role in providing advice and assistance to DoH in working with regional cemetery boards in adhering to legislative requirements or regulations. Through the excellent working relationship between both organisations, the *Cemeteries Act 1986* and the *Cremation Act 1929* will be reviewed, a process that will take at least two years.

The Board enjoyed more than four years of guidance under the Hon. John Castrilli before his decision to step down as Minister in March 2013. I have met with the new Minister, the Hon. Tony Simpson to discuss issues facing the Board and strategic initiatives. It was a positive meeting with the Minister showing a strong commitment for the Board's current initiatives.

I thank the hardworking and committed members of the Board for all their assistance in making 2012/13 a successful year for the MCB.



Last but certainly not least, I acknowledge all of the good work that the MCB staff do. Special mention must be made of Michael Kidd, Director of Finance, who resigned after 14 years of service to the Board. The Board recognises that it is due to the dedication of the CEO Peter Deague and all levels of the Board's workforce that the MCB realises its vision of achieving excellence in the provision of quality cemetery facilities and services.

On behalf of the MCB I am pleased to submit the Annual Report for the year 2012/13.

A handwritten signature in cursive script, reading "Leonie B. Liveris".

Dr Leonie Liveris  
Chair



Natural burial area at Fremantle

## OPERATIONAL STRUCTURE

The MCB is a fully self-supporting State Government statutory authority responsible to the Minister for Local Government; Community Services; Seniors and Volunteering; Youth. Revenue raised from the fees charged for various services is allocated for the provision of future services and for maintenance.

## ACTS AND BY LAWS

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

- *Cemeteries Act 1986*
- *Cremation Act 1929*
- *Cremation Regulations 1954*
- *Metropolitan Cemeteries Board By-law 1992*

In the performance of its functions, the MCB has complied with all relevant State and Commonwealth legislation, including the following laws:

- *Building Act 2011*
- *Cemeteries Act 1986*
- *Corporations (Western Australia) Act 1990*
- *Cremation Act 1929*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Metropolitan Cemeteries Board By-law 1992*
- *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*
- *Workplace Relations Act 1996 (Federal)*

## BOARD MEMBERS

Reporting to the Minister for Local Government, the Hon. Tony Simpson MLA, the Board comprises a Chairperson and six members. Board membership remained constant during the year. Dr Leonie Liveris, Ms Brenda Robbins and Mr Donald Whittington were each reappointed for another five-year term.

The Board met six times in 2012/13 with a focus on setting strategic and policy direction. The Finance and Audit Committee, a sub-committee of the Board, deals with issues relating to financial and performance reporting obligations. Members also attended site inspections and other functions throughout the year.

### **Chairperson**

#### **Dr Leonie Liveris**

6 of 6 meetings

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 Bachelor of Arts (Hons), Masters of Philosophy and Doctor of Philosophy 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**

4 of 6 meetings

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



#### **Ms Janice Bowra**

6 of 6 meetings

Janice Bowra has served in sporting, cultural, professional and women's organisations. Her career includes objects conservator at the Maritime Museum, occupational hygienist, safety and quality in the health system, and policy and quality management in the disability sector. She holds a Bachelor of Science, and Masters Degrees in Business Administration and Public Health.



#### **Mr Anthony (Tony) Evans**

4 of 6 meetings

Tony Evans 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**

6 of 6 meetings

Brenda Robbins practises 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 a Trustee of the Scholarships Trust of Graduate Women WA Inc.



### **Dr Renate (Ricki) Smith**

5 of 6 meetings

Ricki Smith has almost 20 years experience in sales, marketing, public relations and strategic planning. She has been on the boards of 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.



### **Mr Donald Whittington**

6 of 6 meetings

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. Don is a member of the Board's Finance and 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.



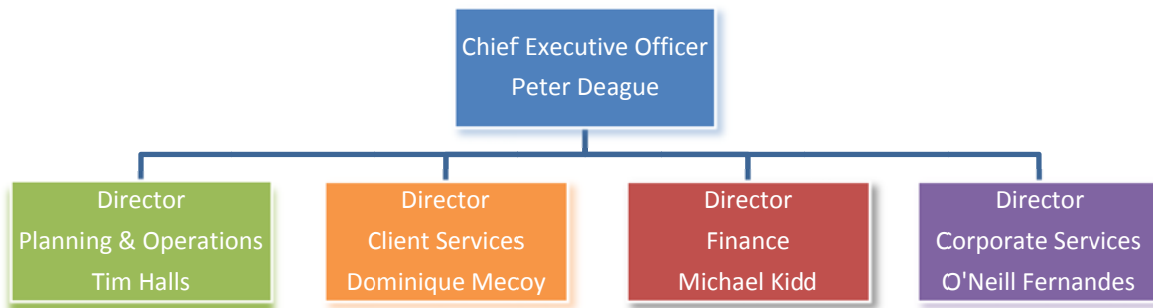
### ***Board Remuneration***

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

### ***Declarations of Interest***

Board members have disclosed pecuniary interests as required.

## ORGANISATION CHART



The MCB had 145 employees during 2012/13.

The **Client Services** directorate manages the public interface of the MCB and is responsible for the development and implementation of appropriate products and services relating to funerals and commemoration. Client Services staff develop and maintain close working relationships with key stakeholders including funeral directors, clergy, civil celebrants and community groups. They ensure that products, services and programs are effectively communicated to the community, and also manage media and public relations.

The **Planning and Operations** directorate is responsible for infrastructure including buildings, security, insurance, fleet and machinery, roads and pavements. It undertakes the project management of capital and minor works at all sites. The team also manages burials, cremations and mausoleum entombments. This includes overseeing the service standards in the chapels and condolence lounges, crematoria and mausolea, and the work done by monumental masons. In addition, the directorate handles the planning and developing of rose and landscaped gardens and lawns as well as the general environment of all the MCB sites. Many of the staff are qualified horticulturists and they take pride in maintaining the cemeteries to a high standard for the pleasure and comfort of visitors.

**Corporate Services** provides support to the organisation in the areas of human resources, information and communications technology, knowledge management and corporate governance. Staff assist the Board with strategic planning and facilitate accurate and timely reports.

The **Finance** directorate meets the needs of stakeholders by providing accurate, timely and informative financial data. Staff ensure that information provided complies with international and Australian accounting standards, relevant legislation and Treasurer's Instructions.

Staff in the **Executive** area liaise with the Minister's Office and manage support services to the Chief Executive Officer, the Board and its sub-committees, and other strategic partners.



## PERFORMANCE MANAGEMENT FRAMEWORK

### OUTCOME BASED MANAGEMENT

The MCB's outcome based management structure did not change during 2012/13.

#### Relationship to Government Goals

The MCB Strategic Plan 2012–2017 identifies the key directions for the organisation for the next five years. It sets out a new strategic focus, recognising the need to respond to a changing industry environment with a fresh and innovative approach to service delivery.

The Western Australian State Government goals are supported at agency level by more specific outcomes. The strategic outcomes identified by the MCB are:

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

The table below illustrates the relationship between the agency's Strategic Plan, its desired outcomes and linkage with government goals. More specific achievements are detailed in the Agency Performance section of this report.

WA State Government Goal	MCB Desired Outcome	MCB Services
<b>State building – major projects</b> Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development	<ol style="list-style-type: none"><li>2. Building and expanding our people capability</li><li>3. Planning for business sustainability</li></ol>	<ul style="list-style-type: none"><li>• Constructed and maintained facilities across six cemetery locations in metropolitan Perth</li><li>• Created employment through infrastructure development resulting in ongoing employment as part of cemetery management</li><li>• Negotiated with the Department of Planning to ensure a supply of cemetery land so that community need can be met in the future</li></ul>
<b>Financial and economic responsibility</b> 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	<ol style="list-style-type: none"><li>3. Planning for business sustainability</li></ol>	<ul style="list-style-type: none"><li>• Promoted policies and a system of values and risk management to meet legal, financial and ethical obligations</li><li>• Maintained sound financial management practices that balanced core responsibilities and business sustainability</li><li>• Allowed funeral directors to sign statutory declarations, easing the funeral process for families and funeral directors</li></ul>

WA State Government Goal	MCB Desired Outcome	MCB Services
<b>Results-based service delivery</b> Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians	1. Excelling in customer service  3. Planning for business sustainability	<ul style="list-style-type: none"> <li>• Maintained a consistently high level of customer satisfaction with products and services</li> <li>• Managed effective client and stakeholder relationships</li> <li>• Planned for future operational sustainability</li> </ul>
<b>Stronger focus on the regions</b> Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas	1. Excelling in customer service  4. Influencing and shaping our environment	<ul style="list-style-type: none"> <li>• Provided extensive advisory and consultative services to country cemetery boards and local governments</li> <li>• Occupied key positions on the Cemeteries and Crematoria Association of WA</li> <li>• Supplied human resources support to regional local governments and cemeteries boards</li> </ul>
<b>Social and environmental responsibility</b> Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State	3. Planning for business sustainability  4. Influencing and shaping our environment	<ul style="list-style-type: none"> <li>• Integrated sustainability principles for delivery of key services</li> <li>• Analysed and reviewed pricing methodologies to formulate costing models</li> <li>• Developed two-way stakeholder mechanisms to provide and promote knowledge and information dissemination</li> </ul>

### Shared Responsibilities

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

Cross-agency participation also occurs for pandemic and disaster planning.

## AGENCY PERFORMANCE

### Outcome One: Excelling in Customer Service

Excelling in customer service is a primary goal of the MCB and this is reflected in the Strategic Plan. The MCB is a customer driven organisation, constantly striving to deliver value to the community.

#### Services Provided

As measured through the annual customer satisfaction survey, the level of satisfaction with services has remained high with a community satisfaction rating of over 91.2%. This result is due to the combined effort of Client Services and operational staff working together to meet the needs of customers.

During the year 10,703 funerals were received at the six cemeteries under the MCB management. With an increase of 3.7% from 2011/12, this figure includes cremations, burials and mausoleum entombments. In addition to these core services, staff assisted families in the provision of 581 burial memorial plaques and 2,729 cremation memorials.

#### Community Participation

Staff 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. These are large scale spiritual events and have continued to attract over 700 attendees to each mass for over a decade.

Fremantle Mausoleum was also the venue for an All Souls Day mass and Rosary to commemorate the Feast of the Annunciation. The Fremantle events were popular, particularly the All Souls Day mass which attracted approximately 350 visitors. Many families appreciated the opportunity to come together at these masses and to celebrate these important sacred occasions at the resting places of their loved ones.



Spiritual mass at Karrakatta

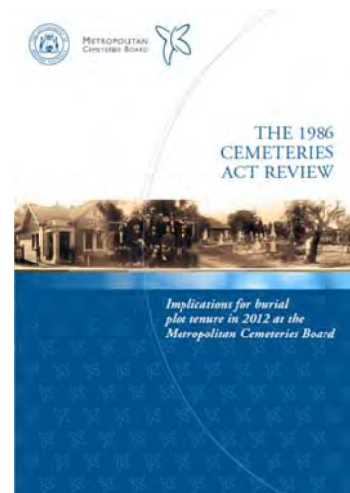
The MCB staged its annual free heritage tour as part of the City of Fremantle's Heritage Festival. The 2013 tour was again presented by long-serving Board member, Don Whittington, exploring burials in Fremantle Cemetery since European settlement, focusing on different monuments within the cemetery.

As part of its ongoing commitment to community education, the MCB continued to host school and community group visits to the cemeteries. This provides visitors the opportunity to ask questions and learn about the cemetery environment, whether from a historical or a commemorative perspective.

As part of the refurbishment of the Karrakatta Waiting House the large graphic panel was updated to reflect upon Karrakatta Cemetery's considerable history and changes that have taken place over the past century, providing visitors with an insight into the cemetery's history.

At the beginning of the reporting period, staff continued to respond to community concerns regarding the expiration of grants on 2 July 2012, resulting from the enactment of the *Cemeteries Act 1986*. The majority of community concern centred on incorrect information released to the media by third parties. Once the MCB were able to provide accurate information, most families' concerns were allayed.

The MCB actively fosters a proactive and positive relationship with key community groups, seeking to gain greater understandings of specific cultural and religious requirements. Ongoing, highly consultative dialogue with senior representatives of the WA Jewish, Muslim and other communities assist in this understanding. During these meetings representatives were informed that the MCB serves on several state-wide committees relating to pandemic and disaster management, and were provided advice on how large volume burials may need to be managed.



2012 Grant expiry brochure cover

The MCB continued discussions around the vesting of Gngangara Aboriginal Cemetery to the Board, which is still subject to various planning considerations. In the interim, when the Gngangara community required use of the cemetery for a burial, staff collaborated with the community and the Department for Indigenous Affairs to ensure the funeral could proceed in accordance with all legislative requirements.

The Western Australia Historical Society held a dedication ceremony at Karrakatta Cemetery to commemorate a number of Police Officers buried at Karrakatta without headstones on their graves. The ceremony procession was led by a Police Pipe Band and mounted Police horses, from the main drive to the burial area.

### Product Development

To ensure that customer expectations continue to be met with regard to cremation memorial options, the range of memorials offered by the MCB is constantly reviewed and subject to continuous improvement. Market research, the monitoring of feedback from families, and data obtained through the annual customer satisfaction survey are used to design memorials to meet families' needs. This ensures that the MCB continues to deliver a diverse range of products and services to suit the Western Australian community.

During the reporting period, work commenced on the design and implementation of a new themed inspirational memorial at Pinnaroo Valley Memorial Park designed to reflect earth, fire, wind and water. *Earth*, a sculpture by Australian artist Ayad Alqaragholi, has been installed. Supporting infrastructure for memorials will be built in 2013/14.



Inspirational Memorial at Pinnaroo



## Security Review

The MCB has addressed crime in its cemeteries by using signs to warn visitors, putting up fences and installing CCTV. Staff also undertook Eyes on the Street training, participated in the Blue Iris program and worked with the Western Australia Police to take a coordinated approach to managing crime. An external security specialist reviewed security initiatives across all cemeteries and produced an assessment which identified security risks and made recommendations to address and mitigate these risks. The risks were then prioritised into short, medium and long term timeframes. Many of the report recommendations are an extension of work already being undertaken by the MCB, however a number of recommendations will require future budget consideration. The most significant of these items include further CCTV expansion, fencing installation and replacement and signage upgrades.



## Outcome Two: Building and Expanding our People Capability

Building and expanding our people capability is vital to ensuring the MCB is able to attain its strategic objectives. Activities across a range of areas have increased the job specific knowledge of staff, improved safety, captured ideas for improvement, built resilience in a changing environment, and rewarded innovation and leadership.

Key strategies in achieving this outcome include:

- the building of a culture of innovation, learning and continuous improvement
- the fostering of a culture that encourages and empowers high individual and organisational performance
- policies, facilities and services in place that consider and promote the wellbeing and safety of our people.

## Innovation Hub

As part of the development of the MCB's Strategic Plan 2012-2017, one of the initiatives suggested by staff was the formation of a group that would continue to raise ideas and suggestions to improve the efficiency and effectiveness of the organisation's operations. Management has supported this suggestion with the implementation of the Innovation Hub (I-Hub). This group represents staff across the MCB directorates and sites. A number of ideas to improve efficiency and effectiveness across the MCB have been initiated, such as methods of gathering innovative ideas from staff across all sites, improving cross-directorate awareness between office-based and grounds staff, and improving the process for web-generated email enquiries.





## Mental Health and Wellbeing Program

The Mental Health and Wellbeing Program takes a holistic approach to providing staff with support and resources to promote and prevent injury or illness. Services and resources offered included:

- influenza and hepatitis vaccinations
- participation in the 2013 Global Corporate Challenge, a 16-week virtual walk around the world which aims to increase awareness of health and injury prevention through consistent behavioural change measuring activity accumulated by walking, cycling or swimming – 28% of staff (42) participated
- development of the Mental Health Management Plan supporting the MCB's Silver Pledge in the One Life Suicide Prevention Strategy
- continuation of the Employee Assistance Program with staff provided with brochures and contact cards.

The Human Resource Branch rolled out the first of its HR Road Shows which focused on the Mental Health and Wellbeing program. The road shows complemented other methods of disseminating important information to staff, particularly the burial and grounds staff who spend their working days outdoors therefore have limited computer access.

A transportable stand was erected in each workplace for a set period of time providing information such as policy and procedures, support services available, health-related corporate materials, health and wellbeing matters, and occupational safety and health issues.



Wellbeing program display

As a Silver level Pledge Partner, the MCB has committed to:

- distributing suicide prevention awareness and stigma-reducing messages to all staff at least twice a year
- reviewing or introducing suicide prevention policies and procedures in the workplace and
- training a significant percentage of the workforce in mental health, wellbeing and suicide prevention.

World Suicide Prevention Day in September was promoted by holding a morning tea for R U OK? Day. This raised awareness in the workplace about the high rate of death by suicide in society, actively encouraged staff to think about and discuss mental health issues or problems, and seek support if required. Mental health related information was made available via the Intranet, followed by Mental Health and Depression workshops held across all sites.



## Occupational Safety and Health

To assist in the auditing of the agency's occupational safety and health (OSH) management system, an online audit tool was purchased that is compliant with AS/NZS4801:2001 standards and the international standards OHSAS 18001 and BS 8800. This will assist the

MCB in undertaking regular audits and ultimately developing a truly integrated OSH management system.

### **Funeral Industry Training**

Holmesglen TAFE (Victoria) was contracted to deliver the inaugural training of the Certificate III Funeral Services to 15 MCB burials and crematorium staff. The MCB also facilitated the participation of regional council cemetery workers resulting in two candidates from the Geraldton Cemetery Board commencing their training in the grave digging and crematorium operations streams. The Cemeteries and Crematoria Association of Western Australia generously provided subsidies to the regional candidates to reduce the cost of travel and accommodation to Perth.

### **Certificate IV Frontline Management**

The MCB continued its commitment to provide supervisors and staff identified as being possibly required to act in a supervisory role the opportunity to complete the Certificate IV Frontline Management. In February 2013, the final eight students to complete the course graduated and received their qualification from the West Coast Institute of Technology (WCIT). This now completes the implementation of this qualification to all current frontline managers across the organisation.



**Certificate IV Graduates**

### **Communication, Information Technology and English Language Skills**

In collaboration with WCIT the MCB successfully secured federal government Workplace English Language and Literacy (WELL) funding. The training provided built staff capacity in communication, information technology and English language skills.

The funding was also utilised to build the capacity of supervisors in providing effective feedback to staff regarding their performance, and included an introduction to the coaching style of leadership. Staff were also provided with the opportunity to improve their computer literacy skills whilst increasing their confidence and expertise in programs such as Microsoft Word and Excel.

Staff undertaking the frontline management and funeral industry training were provided with tips on improving their study skills and enhancing English skills for those for whom English is a second language.

### **Youth and Aboriginal Employment Strategies**

Strategies were implemented to increase workforce participation for youth and indigenous employment outcomes in the MCB People Plan 2012–17.

The MCB continued its support of the School-Based Traineeship Program, a Western Australian public sector initiative aimed at attracting and recruiting the next generation of public sector employees. An opportunity was provided for one young person to complete Certificate II in Information, Digital Media and Technology, whilst completing their Year 11

studies at school. Participation in this program also provides the participant the opportunity to learn valuable government and administrative skills whilst earning a wage.

The MCB also supported the public sector Indigenous Traineeship program by hosting an Indigenous trainee who is completing the Certificate III in Government. Successful completion of the qualification will result in the trainee being offered a permanent position.

### **Change Management**

The MCB acknowledges that change within the workplace can cause concern and uncertainty, and should be managed sensitively, fairly and consistently and in accordance with established guidelines. In recognising the need to engage staff in any change which affects them and help them identify the strategic goal of the change, a Change Management Framework was developed for implementation with any change initiative.

## **Outcome Three: Planning for Business Sustainability**

### **Community**

Following liaison with the Perth Chevra Kadisha, the Temple David and the Jewish Community Council of Western Australia, a new burial area for the Jewish community was completed at Guildford Cemetery. An opening ceremony and dedication was held on 2 December 2012.

To create additional burial areas at Karrakatta Cemetery, the MCB consulted with the Jewish community on the redesign of the Rabbi Coleman Gardens Jewish burial area.

During the reporting period, MCB staff met with members of the Muslim community to discuss future burial needs for the growing Muslim community in Perth. This resulted in the MCB investigating the possibility of additional burial space at Guildford Cemetery as well as noting the community's needs when planning new cemeteries.

### **Industry and Stakeholders**

Under the provisions of the *Cemeteries Act 1986*, 23 funeral directors were licensed to operate within cemeteries controlled by the MCB. The number of monumental masons licensed by the MCB totalled 11.

Staff continued to provide training workshops for funeral directors and celebrants to provide this important group of stakeholders an improved understanding of important legislative and operational requirements. Topics included use of the new audio-visual systems, occupational safety and health and interpretation of legislation and administrative requirements. Significantly, the MCB's funeral director training continues to be acknowledged as part of the Australian Funeral Directors Association's (AFDA) Continuing Professional Development program.

As the largest authority responsible for the management of cemeteries in Western Australia, the MCB continues to provide guidance to other local governments and cemetery boards on the interpretation of legislation and on policy and procedural issues relating to cemetery management and operations. Whilst not under the MCB's direct responsibility to provide this support, the MCB is pleased to provide this assistance to regional cemeteries.

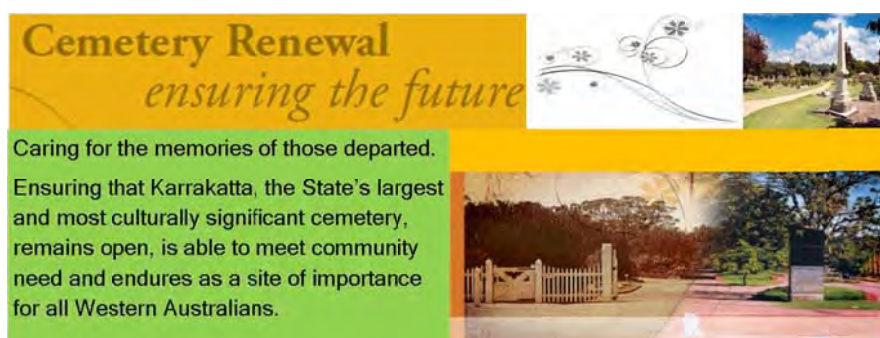
The MCB has continued to actively contribute to the development of guidelines and forms for use by cemetery operators across Western Australia.



Regular liaison meetings between AFDA and MCB staff 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.

## Cemetery Renewal

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



Through this program the MCB has, over the past decades, worked consistently with the community to help them gain a greater understanding and appreciation of the program's intent. A general community acceptance of cemetery renewal has been achieved by employing a consultative approach and ensuring that people who are affected by renewal are accommodated. The success of this approach has been the result of staff working closely with families in order to ensure that their needs are met before, during and after implementation.

The MCB's purpose for renewal is to ensure the long-term viability and sustainability of its cemeteries for future generations. It is also to meet the long-term needs of the Perth metropolitan area's projected burial and memorial requirements. Ensuring that the functions that Karrakatta provides are available in the future is a key element of this important process.

During 2012/13 ANJA (formerly Anglican JA), has been developed into a new monumental burial area. A number of existing graves were retained in situ and many headstones and plaques that were removed were relocated into new garden beds, or on a memorial wall within the section. A Book of Remembrance in the form of two printed books with the names of those buried within the section was placed on the memorial wall.

The redevelopment of Anglican ZL commenced and included the surveying, mapping and removal of old monuments and the development of plans for surrounding new roads. Some monuments were retained in situ as assessed by the Monument Assessment and Advisory Committee (MAAC) and of the headstones removed, those that were in good condition will be placed into a garden or mounted on a memorial wall that has been constructed within the area.



Renewed burial area at Karrakatta

Anglican ZL will be developed into a lawn burial area.

The twelve month public consultation commenced for the redevelopment of Anglican NA to create a new lawn burial area. Maps were developed and the area was surveyed for future upgrade of roads. When public consultation closes MCB will apply to the Minister for permission to commence the redevelopment.

A site assessment was undertaken by MAAC of Anglican OA for the development of the section into a new lawn burial area. The assessment determined which monuments should be retained in situ, relocated within the section or relocated to a memorial wall. Some monuments have been retained in situ as they were assessed by MAAC to be significant on the basis of unique stonemasonry craft, historical importance of the deceased, or if the grave was an official war grave. Following this the twelve month public consultation period for the redevelopment commenced.

The MCB recognises the importance the community places on the sacrifices made by those Service personnel who died in war or as a result of their war service. The MCB has entered into a Memorandum of Understanding with the Office of Australian War Graves (OAWG) and is the only cemetery authority in Australia that has done so. A representative from OAWG also sits on the Monument Assessment and Advisory Committee.

### **Natural Burials**

MCB opened two trial natural burial areas at Fremantle Cemetery and Rockingham Regional Memorial Park in 2010/11.

These areas were established as a trial project following the success of programs in the United Kingdom and expressions of interest from the Western Australian community. The concept has seen a level of interest at Fremantle, with 32 burials taking place, however following little interest the MCB ceased offering natural burials at Rockingham with a view to developing the area for more traditional forms of burial.



Natural burial area at Fremantle

### **Future Cemeteries**

An important priority is the planning for the provision of land within the Perth metropolitan area for future cemeteries. The MCB has been active in seeking to provide for this need and has liaised with the Western Australian Planning Commission (WAPC) to ensure that the community's future needs are accommodated.

Plans will be prepared for the development of Whitby Falls, in the south-east corridor of the Perth metropolitan region, with the transfer of land to the MCB in 2011. In the meantime the MCB has entered into an agreement with Murdoch University for the ongoing management of the site. A Memorandum of Understanding has been established which permits Murdoch University staff to farm the land for the purpose of growing oats and hay for the University's livestock. This in turn assists the MCB with keeping the land cleared and free of weeds, and ensures that the land is managed until the MCB is ready to commence development.

Discussion continues with WAPC regarding land adjacent to Whiteman Park for the Swan Region Memorial Park.



## Capital Works

The upgrade and renewal of assets and infrastructure is a key component to the ongoing management of the MCB's six cemeteries. The completion of a significant capital works program will assist the MCB to meet its goal of long-term sustainable cemetery management.

Among the completed projects was the development of new burial areas in both Guildford Cemetery and Rockingham Regional Memorial Park. Additional memorial options were provided in Pinnaroo Valley Memorial Park (PVMP) with the installation of a new Tree of Life. Another popular feature at PVMP is the memorial wall near Sir Thomas Meagher Lake which has been added to and extended in order to increase the number of options available to the public.

The security of the MCB's compounds has also been a focus during the year with the need to ensure that plant and equipment is properly secured. This has been addressed by the installation of a new four-bay garage and an additional shed at the Fremantle compound. Roller doors and cages have also been added to the existing Fremantle buildings.



New Tree of Life memorial at Pinnaroo

A new project to provide more memorial options for families by increasing the density of memorials in existing gardens involved the rejuvenation and replanting of some older gardens. This has resulted in many more memorials being available to the public within older more established gardens, giving people the opportunity to memorialise family members within the same garden. Other benefits include beautifying older gardens and employing contemporary practices for environmental benefit thus reducing water consumption and ongoing maintenance. This project was an excellent opportunity for staff across the MCB to provide their input.

## Fremantle Cemetery Waiting Area, Cortege Route and Cafe

The planning for the new waiting area and improved cortege route at Fremantle Cemetery was progressed throughout the year. The MCB recognises the significance of this project for Fremantle and will address the key issues at the detailed design stage.

## Strategic Plan 2012–2017

Approved directorate Operational Plans were linked to the strategic plan and a detailed action plan was implemented and reported to Corporate Executive monthly to ensure the MCB measured and delivered its stated outcomes. Dashboard reports were presented to the Board on a quarterly basis providing a summary of key performance indicators and a snapshot of organisational performance.



Image of MCB Strategic Plan

## Business Systems Review

MCB conducted a review to address the suitability and effectiveness of business systems and processes against the strategic plan and its overall alignment with its business model.

This project was divided into four stages:

1. Identify — document and analyse the current state and present recommendations
2. Improve — implement recommendations and design strategies and roadmaps to support improvement implementation
3. Manage — manage the improvement implementation and subsequent process operations using a clearly defined approved approach
4. Measure — continually measure outcomes and recognise ongoing improvement opportunities.

The first stage which identified the needs of the organisation and the business systems required to address gaps in operations has been completed. Stage 2 of the review began in July 2013 and is due to be completed late 2014.

## Information and Communication Technology Infrastructure

The systems and infrastructure which underpins the MCB's ability to support the provision of its core business activities are not intuitive and have either reached the end of their lifespan, or in some case surpassed it.

It was identified in the Business Systems Review that the ICT infrastructure should be replaced before implementing any new services or other system/application upgrades. A total replacement of fibre, servers, networks and storage media has achieved the following objectives:

1. Refreshed the aging server infrastructure with new infrastructure that is under vendor support agreements
2. Implemented a cost-effective solution that offers a reliable platform to conduct business operations with optimum performance and growth opportunity
3. Minimised business risk and downtime during the transition
4. Installed new infrastructure that will last at least five years
5. Established infrastructure that is Highly Available (HA) to provide the greatest opportunity for maximum uptime.



Technology within Pinnaroo chapels

As part of this project, fibre optic upgrades were also undertaken at all sites which will cater for ICT and other requirements in the future. The importance of high quality communications facilities was recognised with the installation of extra new fibre optic cabling at Karrakatta Cemetery in conjunction with the CCTV project, to provide a secure and safe environment for the public, staff and stakeholders. This cabling will support the transfer of information around the site and will increase the security of data storage. These upgrades will place the agency in a better position to deliver modern, effective and efficient services to the community.

## Outcome Four: Influencing and Shaping our Environment

### Legislation Review

The Department for Local Government, the Department of Health (DoH) and the MCB agreed to review the *Cemeteries Act 1986*, the *Cremation Act 1929* and *Cremation Regulations 1954*. The review aims for the new legislation to be interpreted in a practical way to reflect contemporary industry and community requirements and standards. The Minister for Local Government will be responsible for a single Act incorporating and updating the current cemeteries and cremation legislation. The Minister for Health, who is currently responsible for cremation legislation, is supportive of amalgamating legislation for the cemetery and crematoria industry.

### Funeral Industry

At a national and international level, the MCB is considered to set a high benchmark in its operations. The MCB hosted numerous visits from interstate cemetery leaders who were seeking to gain an understanding of the best practices undertaken by the MCB. Staff also hosted delegates from the Australian Funeral Directors Association's national conference, including international delegates.

In support of regional cemetery operators, the MCB hosted members of the Geraldton Cemeteries Board and operations staff from the Kalgoorlie-Boulder Cemeteries Board. The guests were presented with extensive information about the MCB's bookings processes, followed by a tour of the crematorium and demonstration of cremation processes. The respective Boards and their staff were most appreciative of MCB's efforts to provide this level of support.



AFDA National Convention brochure cover

The MCB has close working relationships with the Australian Funeral Directors Association (WA Division), the Cemeteries and Crematoria Association of Western Australia (CCAWA), and the Australasian Cemeteries and Crematoria Association (ACCA). The Chief Executive Officer of MCB is a board member of ACCA; the Director of Client Services is a board member of CCAWA.

Outcomes from these relationships 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 a crematorium checklist to assist regional crematoria to undertake best practice operations
- Ongoing maintenance of an internet portal to allow CCAWA members access to important legislative information and forms
- Active participation in ACCA forums and the International Cremation Federation.



During the reporting period the MCB finalised procedures to recycle surgical metals left behind after cremation. Recycling these materials ensures that the use of non-renewable resources is minimised, thus helping protect our environment in the long-term. By partnering with a recycling company, all monies raised from metals collected from the MCB's crematoria will be donated to the Cancer Council Western Australia.

### **Water Management**

The fourth and final stage 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 were identified by the MCB's Water Efficiency Management Plan and incorporated into the preparation of an action plan for implementation. Following on from the previous year's installation of several computerised water logging devices, staff have embraced the effectiveness of the program. They have recognised the devices assist with the mammoth task of managing valuable water resources at all sites, in particular at Rockingham, Guildford and Midland cemeteries.

In addition, the MCB's annual capital projects included the introduction of modern automated irrigation systems in new development areas. These systems are also designed to be linked to the water logging programs. The upgrade of older equipment has also been undertaken with replacement of the irrigation pumping station in Banksia Court Gardens in Pinnaroo Valley Memorial Park.

### **Asbestos Management**

The MCB reviewed its Asbestos Management Plan and updated the asbestos registers. The proper management of asbestos is an important issue from an occupational health and safety perspective for both staff and visitors to our cemeteries. These documents provide guidance for the correct management of asbestos to ensure that no one is placed at risk.

The Department of Environment and Conservation (DEC) notified the MCB of asbestos contamination in the bushland area on the eastern side of Midland Cemetery due to unauthorised dumping while it was a refuse site. DEC requested a formal submission of a proposed action timetable to address the human health issues at the site. As a result MCB undertook site inspections and arranged for clean-up works to be undertaken by a licenced asbestos removalist. The medium to long-term management of the site will involve a submission for an application for the Contaminated Sites Management Account.

### **Tree Management**

While occurring a number of years ago, the impact from the hail storm of March 2010 is still visible within Karrakatta Cemetery. The storm caused substantial damage to many buildings which have since been repaired, however the recovery of many Norfolk Island pine trees is taking much longer. The trees, a significant landscape feature, were severely damaged and have still not fully recovered from the storm. This has forced the continuing tree surgery works throughout the year. In addition several trees have needed to be removed. The MCB has also undertaken replacement planting in order to fill in areas where trees were removed.



Tree management at Karrakatta

## Solar Power

The operation of cemetery buildings and crematoria consumes a significant amount of electricity. In seeking ways to offset or lower the cost of electricity, while reducing the impact on the environment, it was decided to utilise solar power. Solar power will generate an average of 0.52GJ of energy per day which is approximately one-third of the daily electricity use of the Karrakatta crematorium. It is anticipated that this will save approximately \$16,000 in electricity costs in the first year alone. Using solar power is a great opportunity for the MCB as it not only helps to reduce costs but also reduces the environmental impact of our cemetery operations.



Solar panels at Karrakatta Cemetery



## Financial Targets

The MCB ensures the effective and efficient management of its resources in accordance with sound business principles to optimise performance and ensure sustainability. In support of this practice, the MCB is committed to ensuring that:

- Professional and statutory principles, standards, policies and procedures are properly met
- Realistic and useful budgets are developed and refined and that sound financial management principles are applied
- Accurate financial information relating to the MCB's activities is available on a timely basis
- The MCB investments are managed in a prudent manner.

## Highlights

The MCB achieved a net surplus of \$7,523,000 for the year ended 30 June 2013 compared to a budget of \$2,875,000 and an actual figure of \$4,491,000 for the year ended 30 June 2012. A large component of the variance was due to the income relating to the expiry of grants of right of burial on 2 July 2012, and the renewal of these grants. Another major contributor was an increase in mausoleum crypts sales of 25.1% above budget in numbers sold and 27.7% in dollars.

During the year the MCB carried out 2,285 burials and entombments compared to a budget estimate of 2,218 and the actual number carried out in the 2011/12 financial year of 2,283. Cremations carried out totalled 8,418 compared to a budget of 7,863 and the actual number carried out in the 2011/12 financial year of 8036. Sales of mausoleum crypts far exceeded budget by 38 crypts. Sales of memorials of \$5.13m exceeded the budget of \$4.86m and the previous year's actual income of \$4.61m.

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

## Financial Management

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

The MCB's Mission is 'Delivering a caring and sensitive experience with burial, cremation and memorialisation services that reflect the Community's values and beliefs'. In fulfilling this Mission, the MCB must balance the triple bottom line factors, ensuring that the needs of current and future generations are met without compromising any sustainability principles.

This economic factor presents many complexities. Cost recovery is essential if the environmental and social values of the MCB's six operating cemeteries are to be maintained. The MCB 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 MCB uses a costing model to examine the financial implications of the fee-setting process. The MCB 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.

In the past the MCB has not been required to fund land acquisition, but Treasury has indicated that the MCB may be required to look for alternative mechanisms to fund the purchase and development of new cemeteries in the future.

Historically, the MCB 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 priced the same for all cemeteries.

### **Fees and Charges 2012/13**

Fees and charges are set by the Board and published in the *Western Australia Government Gazette* in accordance with Section 53 of the *Cemeteries Act 1986*. A new fee schedule was adopted with effect from 1 July 2012. The Board resolved a general increase in its fees and charges of 3.2%, with the exception being cremations at 2.8%. This was in line with Government recommendations and with CPI.

### **Summary of Operating Results**

A surplus of \$7.52m (2011/12 \$4.49m) was achieved during the financial year after allowing for depreciation of \$2.77m (2011/12 \$2.40m).



**Mausoleum consultation**

Income received from other non-core business activities such as investments, commissions on extractions of sand from the Rockingham Regional Memorial Park cemetery site, leasing of land, sale of assets and the Board's share of turnover from its sub-contracted management agreement for its cafes and condolence lounge catering, contributed \$2.96m (2011/12, \$3.05m) to the Board's net surplus for the year.

Revenue received by the Board during the year for the provision of Burial and Cremation services and the sale of Memorial products and Mausoleum crypt spaces, was \$26.32m compared with a budget of \$21.89m and an actual figure of \$21.31m 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 MCB's core business services.

Total expenditure incurred on operating activities during the year amounted to \$21.76m compared to a budget of \$21.53m and an actual figure of \$19.73m in the previous financial year (see Note 37 'Explanatory statement' in the Financial Statements for further explanation of significant variances).

**Total operating expenses** of \$21,760,000 (2011/12, \$19,733,000) (inclusive of Costs of Sales) for the years include:

	<u>2012/13</u> \$'000	<u>2011/12</u> \$'000
The main items of operating expenditure were:		
Salaries and Wages	8,323	7,541
Salaries on-cost	1,236	1,217
Provision for Employee Entitlements	1,203	899
Costs of Sales	1,436	1,345
Depreciation	2,714	2,398
Repairs and Maintenance	1,405	1,542
Memorialisation	1,032	953
Gardens and Grounds	733	664
Light, Power and Gas	592	448
Personnel	327	419
Insurances	915	512
Information Services	339	487
Corporate Services	146	260
Office Expenses	215	274
Consultancy	31	98
Projects (non-capital)	412	245

Total salaries expenditure (including on-costs, provisions for employee entitlements, fringe benefits tax and casual employment) represented 49.62% of total expenditure compared with 49.57% last year.

### Capital Expenditure

During the year, the MCB invested \$3.7m (2010/11, \$9.7m) in new capital expenditure on physical assets for cemetery development and upgrading of facilities.

Some of the significant items of capital expenditure were:

	<b>\$'000</b>
Plant and motor vehicle replacements – all sites	740
Landscaping improvements, burial area development and renewal	482
Relining of Pinnaroo cremator	140
Relining of Fremantle cremator	134
Network infrastructure upgrade	498
Software development	280
Upgrade of audio-visual systems in chapels	144

## SIGNIFICANT ISSUES IMPACTING THE AGENCY

### Legislative Review

The *Cemeteries Act 1986* reflects neither changes in community attitudes and needs nor in industry requirements and standards. The complexity of issues raised by industry practitioners highlights anomalies in the current legislation. While legislation for burials is overseen by the Minister for Local Government under the *Cemeteries Act 1986* and the *Metropolitan Cemeteries Board By-law 1992*, cremations are the responsibility of the Minister for Health and covered by the *Cremation Act 1929* and *Cremation Regulations 1954*. Both Ministers have agreed to an update of the legislation due to the significant changes in technology, governance and methods of operation since the Acts were last reviewed.

### Society and Community

Western Australia has the fastest growing population in Australia with the most recent figures showing an increase over the past year of 3.45% to a population of almost 2.5 million people. The latest *WA Tomorrow (2012)*

(<http://www.planning.wa.gov.au/publications/6195.asp>)

projections indicate that the State's population will reach 3.2 million people by 2026.

With the rate of death rising in proportion, careful planning

has to occur. The MCB handles 78% of all funerals in Western Australia with 79% of these being cremations. Despite a gradual increase in the percentage of cremations versus burials over the years, an additional 214 hectares of land is required to provide a sustainable cemetery system for the Perth community to 2031. There is currently insufficient land for burials, memorials and commemoration spaces in the outer metropolitan suburbs.



Aerial view of Whitby Falls cemetery land allocation

In the north-west urban corridor, discussions have been held with the WA Planning Commission (WAPC) for land acquisition near Alkimos. WAPC has also identified land adjacent to Whiteman Park suitable for a Pinnaroo-style cemetery development, which will be known as the Swan Region Memorial Park. Land at Whitby Falls in the south-east urban corridor is already vested in the MCB and planning will ultimately commence on developing this land for cemetery use. This will cover landscaping, roads and buildings, which will be ready ahead of the projected needs of the community, taking into account differing religious and cultural beliefs.

### Environmental — Memorial Densification

Older memorial gardens will be enhanced with an increased number of memorials for the burial of ashes. While ensuring the sustainability of memorial sales, community needs are met with families being able to memorialise family members close together in one location. The added environmental benefits include wise use of available land, maximising the use of gardens that are already reticulated, reduced maintenance costs and lowered water consumption.



## Infrastructure and Assets

MCB-owned assets assist the agency to deliver burial, entombment, cremation and memorialisation services to the community. Cemetery buildings and infrastructure are in many cases quite old, in some cases historic, and will therefore require on-going redevelopment and renovation in order to meet current demand requirements. Ongoing scheduled upgrade of assets will ensure that infrastructure quality continues to meet community requirements.



Refurbished gardens at Karrakatta

## DISCLOSURES AND LEGAL COMPLIANCE

### MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

### OTHER FINANCIAL DISCLOSURES

#### Pricing Policies

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

### Major Capital Projects

#### Capital projects incomplete

An ongoing capital works project is cemetery renewal with Anglican ZL under construction. Anglican NA and Anglican OA are in the planning and consultation phases, these are scheduled for completion in the next two years and costs are on target. New burial grounds and a gazebo at the Rockingham Regional Memorial Park will be completed by the end of 2013.

#### Capital projects complete

- Redevelopment of Anglican JA
- Audio-visual upgrade in chapels at Karrakatta Cemetery, Fremantle Cemetery and Pinnaroo Valley Memorial Park (PVMP)
- Stage 1 of the inspirational memorial at PVMP
- Memorial Wall extension at Sir Thomas Meagher Lake, PVMP
- Cremator relines at Karrakatta, Fremantle and PVMP
- Irrigation development at PVMP.

## Employment and Industrial Relations

Staff Profile	2011/12	2012/13
Full-time permanent	117	112
Full-time contract	11	13
Part-time measured on a FTE basis	12.94	19.44
On secondment	1	1
Total	141.94	145.44

Note: The above figures represent full time equivalent (FTE), and not the number of individuals employed by the Board.

In 2012 MCB commenced negotiations with the Local Government, Racing and Cemetery Employee Union for the 2013 Metropolitan Cemeteries Board Employees Enterprise Agreement. Efficiencies were identified to enable an offer of an 11% pay increase over three years. The offer was accepted and the new Agreement was registered in June 2013.

### Increasing our workforce capability

In fostering a culture that encourages and empowers high individual and organisational performance, several learning and development strategies were implemented. These are detailed in the Agency Performance section of this report.



Customer Service Officer at Pinnaroo

## GOVERNANCE DISCLOSURES

### Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, 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 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 2012/13 was \$3,349.50 (including GST).

## OTHER LEGAL REQUIREMENTS

### Expenditure on advertising, market research, polling and direct mail

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>	\$0
<b>Expenditure with Market Research Organisations</b>	
Research Solutions	\$24,694
<b>Expenditure with Polling Agencies</b>	\$0
<b>Expenditure with Direct Mail Agencies</b>	\$0
<b>Expenditure with Media Advertising Agencies</b>	
Adcorp*	\$12,628

\* This expenditure to 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

During the reporting period, the MCB reviewed and updated its strategies under the seven outcomes within the Disability Access and Inclusion Plan (DAIP). As a result, the Plan is now more focused and streamlined. The now mandated outcome seven was included in the DAIP in 2011.

During this reporting period, the MCB initiated a partnership between its Planning and Operations staff and disability employment providers to facilitate work experience for people with a disability at Fremantle Cemetery.

The MCB has also provided applicants who may have a disability with the contact details of a staff member who may be able to assist them in answering any questions regarding working for the MCB.

## **Compliance with Public Sector Standards and Ethical Codes**

### ***Public Sector Management Act 1994, s31***

Compliance issues that arose during 2012/13 regarding the public sector standards and the new Commissioner's Instructions — no breach claims lodged.

Compliance issues that arose during 2012/13 regarding the WA Code of Ethics — none.

Compliance issues that arose during the 2012/13 regarding the MCB Code of Conduct — one compliance issue.

The significant action taken to monitor and ensure compliance with the Public Sector Standards and ethical codes included:

- the review and update of the MCB Code of Conduct
- commencement of development of the new Misconduct Resistance Strategy
- development of new policies, including:
  - Acceptable Behaviour and Misconduct Policy
  - Conflict of Interest Policy
  - Disciplinary Policy.
- all new employees receive a copy of the MCB Code of Conduct, Social Media, Email and Internet policies and are required to complete a declaration that they have read and understood the Code and policies, which is then placed on their personnel file
- 96.15% of employees have completed the mandatory Accountable and Ethical Decision Making training
- 100% of new employees to the public sector and the MCB have either attended or are registered to attend *Induction: Your Guide to Ethics and Integrity in the WA Public Sector*
- the MCB's recruitment manual was reviewed and updated to ensure compliance with the Public Sector Standards in Human Resource Management.

In accordance with *Commissioner's Instruction No. 8: Codes of conduct and integrity training*, the MCB reviewed and updated its Code of Conduct to ensure consistency with the principles of the public sector Code of Ethics, and that it addressed the following seven areas:

- A. Personal behaviour
- B. Communication and official information
- C. Fraudulent or corrupt behaviour
- D. Use of public resources
- E. Recordkeeping and use of information
- F. Conflicts of interest and gifts and benefits
- G. Reporting suspected breaches of the code.

All employees received their own personal copy of the new Code, which was also made available via the intranet and on the MCB website.

Mandatory training continued to be delivered to all employees, including Accountable and Ethical Decision Making, Bullying Awareness and Prevention, and Cultural Awareness.

Board members were supported in their personal development, with all Board members receiving training on Accountable and Ethical Decision Making.

## **Records Management**

The MCB is committed to using an accountable and transparent framework for the creation, use and disposal of records. The MCB complies with the *State Records Act 2000*. The Recordkeeping Plan is under review and various policies which form part of this plan have been updated. To ensure better compliance and effectiveness of records-related processes the MCB is investing in automated workflow technologies.

A training program has been identified to provide ongoing training on records

awareness, the TRIM system, business classification and FOI training for all staff.



Karrakatta - main entry (1930s)

A new position of Senior Knowledge Management Officer was also created to oversee records and knowledge management, FOI requests and to ensure ongoing staff training.

The TRIM system is used at the MCB for records and document management. A complete review of the TRIM system was undertaken to review the functional components and to outline a roadmap for improvements and usage of the system. The review provided a status baseline for the existing setup and use of TRIM throughout the MCB. The recommendations will help to improve the operations of the system and take into account the MCB's intention to commence storing all electronic documents in TRIM.

## **GOVERNMENT POLICY REQUIREMENTS**

### **Substantive Equality**

The MCB continues to work towards providing services to the people of Western Australia which recognise the different needs of the state's diverse community. It is committed to the elimination of systemic racial discrimination from all its policies, practices and services.

### **Occupational Safety, Health (OSH) and Injury Management**

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

Through leadership and individual commitment, the Board will:

- Continue to place a high priority on the occupational health and safety of its people, thus protecting them and enhancing capability and readiness
- Continue its aim of eliminating all preventable work related injuries and illness through the systematic management of risks
- Make measurable improvements in OSH performance through the implementation of the Worksafe Plan Assessment 2011 that informed the development of the Board's OSH Strategic Plan 2013–2017.



The OSH Strategic Plan 2013–2017 is structured into the two streams of injury prevention and management. It outlines strategies to achieve against the key activities of preventing injuries, managing injuries, evaluating and reporting, infrastructure and equipment, cultural change and developing the OSH Committee.

The MCB continued to review, update and develop policies and procedures to effectively manage workplace safety as advocated in the *Occupational Safety and Health Act 1984*. The agency is committed to the prevention of occupational injuries and diseases, and to ensure that effective rehabilitation services are available to employees.

OSH policies and procedures are communicated via a regular *HR Bulletin*, and are made available to all employees 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 MCB also acknowledges and actively promotes the philosophy of consultation and cooperation between employer and employee by utilising a committee of workplace and management representatives to identify and address safety and health issues. The Committee is chaired by the Manager Human Resources and Organisational Development and includes a Corporate Executive representative. It plays an integral role in the implementation of policies and procedures.



**Corporate Executive. Left to right. Tim Halls - Planning & Operations. O'Neill Fernandes - Corporate Services. Peter Deague - CEO. Grant Bayne - Chief Finance Officer. Dominique Mecoy - Client Services.**

Corporate Executive is actively involved with OSH and injury management and receives regular reports on OSH performance. OSH is also a standing agenda item at weekly Corporate Executive meetings and all other regular directorate meetings.

The Chief Executive Officer and the Manager Human Resources and Organisational Development provide additional information concerning OSH related matters via CEO Bulletins and HR Updates which are circulated to all staff electronically and are made available via the intranet and in hard copy.

The Human Resource Branch reports to the Board on all OSH and injury management updates and new initiatives as a standing bi-monthly Board agenda item, and as an item on the quarterly Strategic Plan Dashboard report.

The MCB has purchased an online OSH resource for employees ensuring that up-to-date and accurate information regarding changes to Law, Acts, Regulations and Codes of Practice is always available to assist in progressing OSH policy and projects. An online tool also provides weekly National Safety Alerts to users.

### ***Employee Consultation and Awareness***

There are nine OSH Workplace Representatives who represent employees across all directorates covering the MCB's three main sites. All OSH Workplace Representatives are

members of the OSH Committee that meets bi-monthly and provides a formal mechanism for consultation with employees on all OSH matters. Minutes of the OSH Committee meeting are available to all employees via the intranet.

To ensure employees are fully informed regarding OSH matters, the intranet was enhanced as a central information reference source, with videos, fact sheets and other publications readily available on topics including: occupational safety, injury management, information on mental health and suicide prevention, cancer, heart disease, stress management and exercise and nutrition.

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

The MCB carried out all its injury management obligations set out under the *Workers' Compensation and Injury Management Act 1981* and the *Work Cover Workers' Compensation Code of Practice (Injury Management) 2005*. Employee Return to Work programs were 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 packages that are posted to injured employees. All employees are actively encouraged to contact the Human Resource Branch for any information in relation to compliance matters for workers' compensation and Return to Work programs.

The WA Auditor General's report on *Management of injured workers in the public sector* published in May 2013 identified the MCB as one of the three agencies that misunderstood the requirements for calculating their return to work indicator when reporting injury management performance in the 2011/12 Annual Report. The MCB now has in place a rigorous process to check and ensure the accuracy of calculations and reporting of performance.

### ***Workers' Compensation***

There were five workers' compensation claims carried forward into 2012/13. Three claims from the previous financial year were awaiting finalisation, one employee was assessed as totally unfit for work, and one employee was undertaking a return to work program.

In the 2012/13 financial year, 13 claims for workers' compensation were received. Of these claims, five employee claims were finalised with the outcome of returning to full pre-injury duties. Four employee claims are awaiting finalisation. Two employees are undertaking return to work programs, and two employees are totally unfit for work.

Return to work programs are developed in consultation with the treating health practitioner, the employee, the supervisor, Human Resources, and where contracted, the rehabilitation provider. All claims are regularly reviewed and case conferences and correspondence are managed in accordance with legislation.



Grounds maintenance at Fremantle

As at 30 June 2013 the MCB was waiting for the finalisation of seven claims. Return to work programs were being undertaken by three employees and three employees were totally unfit for work.

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

The Occupational Safety and Health Management System was reviewed in 2011 by the Industrial Foundation for Accident Prevention. The criteria was based upon compliance of Work Safe Plan Assessment. During this reporting period, work continued on the agreed recommended actions to improve the system, of which 100% are now complete.

To assist in the continuing auditing of the Occupational Safety and Health Management System, an online audit tool was purchased compliant with AS/NZS4801:2001 Standards, and the International Standards OHSAS18001 and BS 8800. This will assist staff in undertaking regular audits and ultimately developing a truly integrated management system.

### ***Occupational Injury and Illness Prevention Strategies***

A major strategy during this reporting period was the expansion of the already established Wellness Program to include mental health. The program has now been renamed the Mental Health and Wellbeing Program which more accurately reflects the full focus of the program.

In addition, a Mental Health Management Plan was developed which includes strategies to fulfil the MCB's commitments as a Silver Pledge Partner in the One Life Suicide Prevention Strategy.

Other preventative strategies implemented over this period include:

- Mandatory OSH and Injury Management training for all employees with supervisory responsibilities. As at 30 June 2013, 96.9% of supervisors had completed this training which exceeded the target of 80%
- Mandatory training for Manual Handling, Bullying and Working at Heights provided to all or nominated employees
- Employees enjoying the popular Core Strength training sessions and Short Stress Management information sessions
- Review of OSH and injury management policies and procedures
- Mental Health and First Aid training.

### ***New Activities/Initiatives***

New activities and initiatives undertaken by MCB for the year include:

- Developed an OSH Handbook for Contractors which complements the OSH Manual for Funeral Directors and Contractors developed in 2011/12
- Reviewed and developed new emergency and crisis management policies and plans which has been implemented and distributed to all employees
- Developed and implemented the Mental Health Management Plan
- Presented to the Australian Funeral Directors Association 'Work Health and Safety – a cemetery perspective'
- Reviewed and updated the Asbestos Management Plans to include a risk minimisation strategy, which involves the delivery of training to supervisors and staff working in the burials and grounds teams in appropriate asbestos identification and removal.

## Performance and Targets – Summary

Measure	Actual Results			Results against Target	
	2010/11 <sup>(1)</sup>	2011/12	2012/13 <sup>(1)</sup>	Target	Comment on result
Number of fatalities	0	N/A	0	0	
Lost time injury and/or disease incidence rate	13.00%	N/A	6.89%	0 or 10% improvement on the previous three years <sup>(2)</sup>	Target achieved and exceeded: LTI has decreased by 47% from 2010/11
Lost time injury and/or disease severity rate	0%	N/A	20.00%	0 or 10% improvement on the previous three years <sup>(2)</sup>	Target not achieved. Two cases in this reporting year resulted in an absence 60 days or more
Percentage of injured workers returned to work:					
(i) within 13 weeks	Unable to compare**	44.44%	50.00%	Actual result is stated	Improvement compared to 2011/12 of 12.5%
(ii) within 26 weeks	Unable to compare**	55.55%	60.00%	Greater than or equal to 80%	Improvement compared to 2011/12 of 8%
Percentage of managers trained in occupational safety, health and injury management responsibilities	95%		96.7%	Greater than or equal to 80%	Achieved and exceeded the target by 16.7%

Note (1) As per the reporting requirement, these statistics represent a three-year trend: 2010/11 to 2012/13.

Note (2) The reduction is calculated over a three year period.

\*\* The criteria for 2010/11 required the reporting of the percentage of injured workers who returned to work within 28 weeks.

The reporting calculation requirements changed in 2011/12 requiring the percentage of injured workers returned to work within 13 and 26 weeks at full hours and full duties to be reported. Therefore, the trend over three years is not able to be reported on in this reporting period, but will be included in the 2013/14 report. This report therefore shows the trend over a two year period.

## Workers' Compensation and Rehabilitation Claims 2012/13

Planning and Operation	13
Total	13

This does not included a pended claim

## Workers' Compensation Location of Injury 2012/13

Shoulder	2
Ankle, feet	1
Hand, wrist	2
Back	5
Neck	1
Eye	1
Arm	1
Total	13



## Employee Rehabilitation Performance 2012/13

The MCB participated in the audit of injury management across the public sector conducted by the Office of the Auditor General. In response to the report findings, the MCB has:

- Improved procedures to ensure that all injured employees have input into the development of and acknowledge with their signature, their return to work program
- Ensured all files include documented evidence of the communications with health professionals
- Implemented monitoring and reporting of injury management performance and case reviews to ensure that timely and appropriate progress is made towards the desired goal
- Committed to developing and implementing an evaluation program
- Implement a checking process to ensure calculation of data is accurate.

## Occupational Safety and Health Occurrences

This reporting period saw a decrease in the number of incidences reported and an increase in the number of hazards reported, attributed to the increased awareness of employees to report these instances and the activity of OSH representatives effectively managing identified risks.

Reported Incidents	63	= This represents a 10% reduction in incidents reported in 2011/12
Reported Hazards	15	= The number of hazards reported increased by 87.5% from 2011/12

## CORPORATE GOVERNANCE

### Delegation of Authority

A review of Delegations of Authority was carried out and a new Framework and Policy was approved by the Board in August 2012. The framework comprises appointments, authorisations, financial authorisations, procurement, information and communication technology and human resources.

The Table of Delegations, Authorisations and Appointments ensures that MCB officers have the appropriate legal authority to exercise powers, and carry out certain actions for which they are personally accountable. Effective delegations and authorisations of authority will ensure the transfer of decision making and accountability within the MCB framework and are critical to the achievement of outcomes.

### Governance Framework

A Corporate Governance Framework and Policy was developed and implemented for the MCB. The governance framework guides the actions of individuals by providing clarity of direction as to appropriate behaviour and decision making. It will assist in the delivery of a number of linked outcomes, leading ultimately to a more efficient and effective MCB. These outcomes include:

- optimal resource management
- appropriate levels of accountability and transparency to external and internal stakeholders
- a business culture that embraces change
- a focus on core activities that add value to the MCB and its customers
- high level internal control systems and risk management
- a reputation for demonstrating good governance
- integrated e-business activities
- effective leadership for the business.

## Risk Management Framework

MCB's Risk Management Framework and Risk Register were reviewed and updated. A Risk Dashboard was developed and is presented to the Finance and Audit Committee quarterly. The Dashboard is an overview of the Risk Register in a dashboard format providing a visual method to focus on extreme, high and moderate risks. It also contains action statements and details of works in progress to mitigate these risks.

MCB Risk Register is a register of directorate and strategic (whole of MCB) risks. Risks are managed through a risk software system which also records incidents, audits and statutory obligations.

## Complaints

There were 206 complaints recorded from 1 July 2012 to 30 June 2013, an increase from the 2011/12 period. All responses to complaints were completed and forwarded to the client within 15 working days from the date 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 were resolved without further incident.

44% of all complaints were directly linked to the MCB's operational activities and 15% related to products and services. The 2012 issues relating to the expiry of grants caused an escalation in the amount of complaints processed.

### Complaints by category

Facilities	14
Grounds	91
Other	59
Products/Services	30
Cemetery renewal	12
<b>Total</b>	<b>206</b>

There were 64 registered notations of appreciation mostly relating to the professional and timely nature of rendered services and the caring and respectful nature of MCB staff.



Roses in bloom at Fremantle



# 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 2013, 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 2013 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 2013.

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 2013.

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

I have audited the key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2013.

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 2013.

### **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 2013 included on the Board's website. The Board's management is responsible for the integrity of the Board's website. This audit does not provide assurance 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  
11 September 2013

# METROPOLITAN CEMETERIES BOARD

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 2013 and the financial position as at 30 June 2013.

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



G BAYNE  
CHIEF FINANCE OFFICER

4<sup>th</sup> September 2013

**METROPOLITAN CEMETERIES BOARD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

	<b>Note</b>	<b>2013</b> \$	<b>2012</b> \$
<b>INCOME</b>			
<b>Revenue</b>			
Sales of mausoleum crypts and vaults	6.	4,517,744	3,729,394
Provision of services	7.	21,798,825	17,582,908
Interest revenue	8.	863,263	821,341
Dividend revenue	9.	1,188,956	1,110,713
Commission on sand extractions from Rockingham Regional Memorial Park		289,069	422,060
Other revenue	12.	513,994	770,386
<b>Gains</b>			
Gain on disposal of non-current assets	11.	115,924	55,379
Gain on sale of available-for-sale financial assets	10.	-	-
<b>TOTAL INCOME</b>		<u>29,287,775</u>	<u>24,492,181</u>
<b>EXPENSES</b>			
Cost of sales	6.	1,435,626	1,325,475
Employee benefits expense	13.	10,763,031	9,751,178
Supplies and services	14.	3,876,735	3,630,061
Depreciation and amortisation expense	15.	2,768,550	2,397,872
Impairment of available-for-sale financial assets	17.	-	133,783
Other expenses	16.	2,915,887	2,628,301
Loss on sale of available-for-sale financial assets	10.	4,912	134,153
<b>TOTAL EXPENSES</b>		<u>21,764,741</u>	<u>20,000,823</u>
<b>PROFIT FOR THE PERIOD</b>		<u>7,523,034</u>	<u>4,491,358</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus		-	2,309,131
Changes in available-for-sale financial asset revaluation reserve		2,011,283	(1,183,320)
Total other comprehensive income		<u>2,011,283</u>	<u>1,125,811</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>9,534,317</u>	<u>5,617,169</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 2013**

	<b>Note</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	32(a)	196,808	119,598
Inventories	18.	10,643,799	12,099,154
Receivables	19.	1,983,837	2,060,703
Other financial assets	20.	16,924,856	9,375,327
<b>Total Current Assets</b>		<b>29,749,300</b>	<b>23,654,782</b>
<b>Non-Current Assets</b>			
Available for sale financial assets	21.	23,020,029	20,544,439
Property, plant, equipment and vehicles	22.	54,455,950	54,568,476
Infrastructure	23.	15,895,441	14,980,574
Intangible assets	24.	-	54,583
<b>Total Non-Current Assets</b>		<b>93,371,420</b>	<b>90,148,072</b>
<b>Total Assets</b>		<b>123,120,720</b>	<b>113,802,854</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	26.	2,801,867	3,021,045
Provisions	27.	1,903,522	1,634,974
Other current liabilities	28.	5,483	14,341
Pre-need agreements	29.	575,760	589,555
Grant renewals	30.	658,536	658,536
<b>Total Current Liabilities</b>		<b>5,945,168</b>	<b>5,918,451</b>
<b>Non-Current Liabilities</b>			
Provisions	27.	422,919	259,513
Pre-need agreements	29.	6,827,993	6,731,892
Grant renewals	30.	1,432,179	1,934,854
<b>Total Non-Current Liabilities</b>		<b>8,683,091</b>	<b>8,926,259</b>
<b>Total Liabilities</b>		<b>14,628,259</b>	<b>14,844,710</b>
<b>NET ASSETS</b>		<b>108,492,461</b>	<b>98,958,144</b>
<b>Equity</b>			
Contributed equity	31.	13,640,938	13,640,938
Reserves		34,760,292	32,749,009
Retained earnings		60,091,231	52,568,197
<b>TOTAL EQUITY</b>		<b>108,492,461</b>	<b>98,958,144</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 2013**

	Contributed Equity	Asset Revaluation Reserves	Available-for- sale investments financial asset Revaluation Reserve	Accumulated Surplus	Total Equity
	\$	\$	\$	\$	\$
<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
<b>Balance at 1 July 2012</b>	13,640,938	31,403,956	1,345,053	52,568,197	98,958,144
Total comprehensive income for the year		-	2,011,283	7,523,034	9,534,317
<b>Balance at 30 June 2013</b>	13,640,938	31,403,956	3,356,336	60,091,231	108,492,461

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 2013**

	<b>Note</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services		21,536,178	18,433,763
Sales of mausoleum crypts		4,517,744	3,729,394
Receipts from commissions on sand sales		289,069	422,060
Interest received		805,689	832,828
Dividends received		1,163,356	1,237,724
GST receipts on sales		2,653,599	2,256,733
Other receipts		385,993	405,386
<b>Payments</b>			
Supplies and services		(5,764,080)	(5,488,399)
Employee benefits		(11,405,831)	(10,406,700)
GST payments on purchases		(1,006,560)	(1,570,587)
GST payments to taxation authority		(1,597,653)	(339,121)
Net cash provided by operating activities	32 (b)	<u>11,577,504</u>	<u>9,513,081</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale on non-current physical assets		173,460	70,958
Proceeds from sale/(purchase) of investments		(9,166,529)	46,673
Purchase of non-current physical assets		(3,655,007)	(9,657,535)
Proceeds from sale of investments		1,147,782	85,680
Net cash used in investing activities		<u>(11,500,294)</u>	<u>(9,454,224)</u>
Net increase/(decrease) in cash and cash equivalents		77,210	58,857
Cash and cash equivalents at the beginning of the period		119,598	60,741
<b>CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD</b>	32 (a)	<u>196,808</u>	<u>119,598</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 2013**

**1. Australian Accounting Standards**

**General**

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards 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 2013.

**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 2013 (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 2013 (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 2013 (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 2013 (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 2013 (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 2013 (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 2013 (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 2013 (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 \$0 (2012: \$133,783) has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2013.

**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 2013 (2012: 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 2013 (2012: 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 2013 (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 2012 that impacted on the Board.

AASB 2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
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This Standard applies to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

**Future impact of Australian Accounting Standards not yet operative**

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

		Operative for reporting periods beginning on/after
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 10	<p>Consolidated Financial Statements</p> <p>This Standard supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 11	<p>Joint Arrangements</p> <p>This Standard supersedes AASB 131 Interests in Joint Ventures, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 12	<p>Disclosure of Interests in Other Entities</p> <p>This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

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

AASB 13	<p>Fair Value Measurement</p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p>Employee Benefits</p> <p>This Standard supersedes AASB 119 (October 2010). As the Board 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.</p>	1 Jan 2013
AASB 127	<p>Separate Financial Statements</p> <p>This Standard supersedes AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 128	<p>Investments in Associates and Joint Ventures</p> <p>This Standard supersedes AASB 128 Investments in Associates, introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 1053	<p>Application of Tiers of Australian Accounting Standards</p> <p>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.</p>	1 July 2013
AASB 1055	<p>Budgetary Reporting</p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The Board will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2010-2	<p>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 &amp; 1052 and Int 2, 4, 5, 15, 17, 127, 129 &amp; 1052]</p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015



**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

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

AASB 2011-2	<p>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 &amp; 1054]</p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
AASB 2011-6	<p>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 &amp; 131]</p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 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. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 &amp; 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 &amp; 132]</p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 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 Jan 2013

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

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

AASB 2011-11	<p>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013
AASB 2012-1	<p>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 &amp; 141]</p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jan 2013
AASB 2012-2	<p>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 &amp; 132]</p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.</p>	1 Jan 2013
AASB 2012-3	<p>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
AASB 2012-5	<p>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 &amp; 134 and Int 2]</p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>	1 Jan 2013
AASB 2012-6	<p>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 &amp; 2011-8]</p> <p>This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013
AASB 2012-7	<p>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 &amp; 127]</p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 Jul 2013
AASB 2012-10	<p>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, &amp; 2011-7 and Int 12]</p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

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

AASB 2012-11	<p>Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 &amp; 2011-4]</p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
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**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>6. Trading profit</b>		
Sales of mausoleum crypts	4,517,744	3,729,394
Cost of sales:		
Opening inventory	(11,866,033)	(7,758,428)
Transfer from works in progress on completion of new mausoleums	-	(5,433,080)
	<u>(11,866,033)</u>	<u>(13,191,508)</u>
Closing inventory	10,430,407	11,866,033
Cost of goods sold	<u>(1,435,626)</u>	<u>(1,325,475)</u>
Trading profit	<u>3,082,118</u>	<u>2,403,919</u>
See also Note 2(i) – ‘Inventories’ and Note 18 – ‘Inventories’		
<b>7. Provision of services</b>		
Burials	9,283,598	6,255,150
Cremations	7,581,844	6,914,945
Memorials	4,933,383	4,412,813
	<u>21,798,825</u>	<u>17,582,908</u>
<b>8. Interest revenue</b>		
Term deposits	606,783	552,814
Fixed interest securities	247,220	254,774
Bank accounts	9,260	13,753
	<u>863,263</u>	<u>821,341</u>
<b>9. Dividend revenue</b>		
Equity securities	450,708	418,182
Preference shares	399,106	378,989
Rebate of franking credits	339,142	313,542
	<u>1,188,956</u>	<u>1,110,713</u>
<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	2,273	85,680
Preference share	1,150,000	-
<b>Cost of disposal of available-for-sale financial assets</b>		
Equity securities	(2,273)	(219,833)
Preference shares	(1,154,912)	-
Net loss	<u>(4,912)</u>	<u>(134,153)</u>
<b>11. Gains on disposal of non-current assets</b>		
<b>Proceeds from disposal of non-current assets</b>		
Plant equipment and vehicles	173,460	70,958
<b>Cost of disposal of non-current assets</b>		
Plant equipment and vehicles	(57,536)	(15,579)
Net gain	<u>115,924</u>	<u>55,379</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>12. Other revenue</b>		
Commission from Kiosks	104,135	100,091
Rental of leased land	236,250	228,128
Insurance recoveries	-	1,075
Miscellaneous income	45,609	76,092
Fair value of Land taken over at no cash consideration	128,000	365,000
	<u>513,994</u>	<u>770,386</u>
<b>13. Employee benefits expense</b>		
Wages and salaries (a)	8,323,399	7,665,696
Superannuation – defined contributions plans (b)	1,236,208	1,216,556
Long service leave (c)	408,347	144,761
Annual leave (c)	795,077	724,165
	<u>10,763,031</u>	<u>9,751,178</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	189,395	286,035
Consultants and contractors	1,185,569	1,002,640
Consumables	67,303	64,039
Materials	2,209,625	2,086,417
Travel	11,428	14,218
Other	213,415	176,712
	<u>3,876,735</u>	<u>3,630,061</u>
<b>15. Depreciation and amortisation expense</b>		
Depreciation		
Plant, equipment and vehicles	990,511	1,012,502
Office equipment	28,796	56,459
Buildings	872,353	486,672
Infrastructure	418,925	494,846
Cemetery renewal areas	403,382	365,174
Total depreciation	<u>2,713,967</u>	<u>2,415,653</u>
Amortisation		
Intangible assets	54,583	(17,781)
Total amortisation	<u>54,583</u>	<u>(17,781)</u>
Total depreciation and amortisation	<u>2,768,550</u>	<u>2,397,872</u>



**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>16. Other expenses</b>		
Building and infrastructure maintenance	1,044,994	873,252
Equipment repairs and maintenance	359,634	407,668
Employment on-costs <sup>(a)</sup> (see Note 13 - 'Employee benefits expense')	38,071	30,783
Board expenses	91,112	96,267
Kiosk operation expenses	6,483	6,998
Administration expenses	338,911	458,693
Other <sup>(b)</sup>	1,036,682	754,640
	<hr/>	<hr/>
	2,915,887	2,628,301

(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 2013. There was no impairment of for sale assets recorded for the year ended 30 June 2013.

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

Equity securities	-	133,783
Preference shares	-	-
Fixed interest securities	-	-
	<hr/>	<hr/>
	-	133,783

**18. Inventories**

Current

Inventories held for resale:

Mausoleum crypt stock –Stage 3 - at cost	4,693	23,466
Mausoleum crypt stock –Stage 4 - at cost	14,029	105,079
Mausoleum crypt stock –Stage 5 - at cost	1,002,749	1,244,152
Mausoleum crypt stock –Stage 6 - at cost	4,667,797	5,212,487
Mausoleum crypt stock – Fremantle – at cost	4,359,680	4,808,812
Mausoleum crypt stock – Midland - cost	21,420	85,680
Mausoleum crypt stock – Guildford – at cost	289,496	315,814
Vault stock – Midland – at cost	5,226	5,226
Vault stock – Fremantle – at cost	28,152	28,152
Ossuary Stock – at cost	37,165	37,165
	<hr/>	<hr/>
	10,430,407	11,866,033

Inventories not held for resale:

Stores – at cost	213,392	233,121
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Total Inventory - Current	<hr/>	<hr/>
	10,643,799	12,099,154

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>19. Receivables</b>		
Current		
Receivables	1,224,600	1,183,006
Accrued revenue	616,869	733,313
GST Receivables	-	-
	<u>1,841,469</u>	<u>1,916,319</u>
Allowance for impairment of receivables		(11,173)
	<u>1,841,469</u>	<u>1,905,146</u>
Prepayments	142,368	155,557
	<u>1,983,837</u>	<u>2,060,703</u>
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of year	11,173	11,173
Impairment expense	(11,173)	-
Balance at end of year	<u>-</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>3,174</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	16,924,856	9,375,327
	<u>16,924,856</u>	<u>9,375,327</u>
<b>21. Available-for-sale financial assets</b>		
At the beginning of year	20,544,439	18,423,375
Additions	1,617,000	3,658,000
Disposals	(1,147,782)	(85,680)
Impairment during the year	-	(133,783)
Revaluation surplus/(deficit) transferred to equity	2,006,372	(1,317,473)
At end of year	<u>23,020,029</u>	<u>20,544,439</u>
Equity securities	9,541,401	7,953,387
Preference shares	9,506,622	8,810,975
Fixed interest securities	<u>3,972,006</u>	<u>3,780,077</u>
	<u>23,020,029</u>	<u>20,544,439</u>
See also Note 38 - 'Financial Instruments'		

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 2013 (continued)**

	2013	2012
	\$	\$
<b>22. Property, plant, equipment and vehicles</b>		
Land		
At fair value (i)	19,512,000	19,384,000
	<u>19,512,000</u>	<u>19,384,000</u>
Buildings		
At fair value (ii)	29,262,806	28,703,691
Accumulated depreciation	(872,353)	-
	<u>28,390,453</u>	<u>28,703,691</u>
Buildings and projects under construction		
Construction costs	1,411,471	2,086,272
	<u>1,411,471</u>	<u>2,086,272</u>
Plant, equipment and vehicles		
At cost	9,300,529	8,437,116
Accumulated depreciation	(5,655,646)	(5,107,427)
	<u>3,644,883</u>	<u>3,329,689</u>
Office equipment		
At cost	1,141,470	461,030
Accumulated depreciation	(447,892)	(419,096)
	<u>693,578</u>	<u>41,934</u>
Cemetery renewal areas		
At cost	2,441,103	2,257,046
Accumulated depreciation	(1,637,538)	(1,234,156)
	<u>803,565</u>	<u>1,022,890</u>
	<u>54,455,950</u>	<u>54,568,476</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 Lot 3768 on Plan 251210, Kalamunda Rd South Guilford. The land was transferred to the Board at no cash consideration. The Western Australian Land Information Authority (Valuation Services) has valued the land at \$128,000 and this valuation has been taken up by the Board through the Statement of Comprehensive Income at 30 June 2013.

(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 2013 (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 year.

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

	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings and projects under construction	Buildings Construction	Total
Year ended 30 June 2013	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	3,329,689	41,934	1,022,891	19,384,000	28,703,691	2,086,271	54,568,476
Transfer between asset categories	-	-	-	-	-	-	-
Additions	740,589	-	-	-	-	2,914,418	3,655,007
Assets taken at no cost	-	-	-	128,000	-	-	128,000
Transfers from / (out of) work in progress	622,652	680,440	184,056	-	559,115	(3,380,055)	(1,333,792)
Disposals	(57,536)	-	-	-	-	-	(57,536)
Transfers to operating expenditure	-	-	-	-	-	(209,163)	(209,163)
Revaluation increments / (decrements) (a)	-	-	-	-	-	-	-
Depreciation	(990,511)	(28,796)	(403,382)	-	(872,353)	-	(2,295,042)
Carrying amount at end of year	3,644,883	693,578	803,565	19,512,000	28,390,453	1,411,471	54,455,950
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

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

**23. Infrastructure**

	<b>2013</b>	<b>2012</b>
	\$	\$
At fair value (i)	16,314,366	14,980,574
Accumulated depreciation	(418,925)	-
	<u>15,895,441</u>	<u>14,980,574</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	14,980,574	13,862,140
Transfers from work in progress	1,333,792	1,070,582
Revaluation increment	-	542,698
Disposals	-	-
Depreciation expense	(418,925)	(494,846)
Carrying amount at end of year	<u>15,895,441</u>	<u>14,980,574</u>

**24. Intangible assets**

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(404,826)	(350,243)
	<u>-</u>	<u>54,583</u>

Reconciliation		
Carrying amount at start of year	54,583	36,802
Write back of the amortisation expense	(54,583)	17,781
Carrying amount at end of year	<u>-</u>	<u>54,583</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 2013.

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 2013 have been written-off.



**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

**26. Payables**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Current		
Trade payables	1,707,247	1,977,077
GST payable	297,610	248,225
Accrued expenses	453,215	394,154
Accrued salaries	320,304	238,992
Retention monies held on capital projects	23,491	162,597
	<u>2,801,867</u>	<u>3,021,045</u>

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

**27. Provisions**

Current		
Employee benefits provision		
Annual leave (i)	891,147	778,819
Long service leave (ii)	981,446	829,756
	<u>1,872,593</u>	<u>1,608,575</u>
Other provisions		
Employment on-costs (iii)	30,929	26,399
	<u>30,929</u>	<u>26,399</u>
	<u>1,903,522</u>	<u>1,634,974</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	415,776	255,130
	<u>415,776</u>	<u>255,130</u>
Other provisions		
Employment on-costs (iii)	7,143	4,383
	<u>7,143</u>	<u>4,383</u>
	<u>422,919</u>	<u>259,513</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	548,679	479,519
More than 12 months after the reporting period	342,468	299,300
	<u>891,147</u>	<u>778,819</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	981,446	829,756
More than 12 months after the reporting period	415,776	255,130
	<u>1,397,222</u>	<u>1,084,886</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 2013 (continued)**

**27. Provisions (continued)**

	<b>2013</b>	<b>2012</b>
	\$	\$
Movements in other provisions		
Employment on-cost provision		
Carrying amount at start of year	30,782	28,218
Net additional provisions recognised	7,289	2,564
Carrying amount at end of year	<u>38,071</u>	<u>30,782</u>

**28. Other current liabilities**

Current		
Income received in advance	5,483	14,341
	<u>5,483</u>	<u>14,341</u>

**29. Pre-need agreements**

Current		
Cremation	428,982	457,115
Burial	146,778	132,440
	<u>575,760</u>	<u>589,555</u>
Non-current		
Cremation	5,299,843	5,240,286
Burial	1,528,150	1,491,606
	<u>6,827,993</u>	<u>6,731,892</u>

**30. Grant Renewals**

Current		
Other grant renewals	658,536	658,536
	<u>658,536</u>	<u>658,536</u>
Non-current		
Mausoleum grant renewals	849,849	792,893
Other grant renewals	582,330	1,141,961
	<u>1,432,179</u>	<u>1,934,854</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

	<b>2013</b>	<b>2012</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	31,403,956	29,094,825
Net revaluation increments/(decrements)		
Land	-	-
Buildings	-	1,766,434
Infrastructure	-	542,697
Balance at end of year	<u>31,403,956</u>	<u>31,403,956</u>
<b>Available-for-sale financial assets revaluation surplus</b>		
Balance at start of year	1,345,053	2,528,373
Revaluation of shares	2,011,283	(1,183,320)
Balance at end of year	<u>3,356,336</u>	<u>1,345,053</u>
<b>Balance of asset revaluation surplus at end of year</b>	<u>34,760,292</u>	<u>32,749,009</u>
<b>Accumulated surplus</b>		
Balance at start of year	52,568,197	48,076,838
Result for the period	7,523,034	4,491,358
Balance at end of year	<u>60,091,231</u>	<u>52,568,197</u>
<b>Balance of equity at end of year</b>	<u>108,492,461</u>	<u>98,958,144</u>

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (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>2013</b>	<b>2012</b>
	\$	\$
Cash and cash equivalents	196,808	119,598
	<u>196,808</u>	<u>119,598</u>
 (b) Reconciliation of profit to net cash flows provided by operating activities		
Profit	7,523,034	4,491,358
Non-cash items:		
Profit on sale of property, plant, equipment and vehicles	(115,925)	(55,379)
Depreciation of non-current assets	2,768,550	2,397,872
Profit from sale of investments	4,912	134,153
Impairment write off on available-for-sale financial assets	-	133,783
Assets taken over at fair value	(128,000)	(365,000)
(Increase)/decrease in assets:		
Other current assets	76,867	22,974
Current inventories	1,455,355	1,315,277
Increase/(decrease) in liabilities:		
Current payables	(59,400)	81,627
Pre-need agreements	(420,369)	882,181
Current provisions	(8,859)	(2,689)
Employee provisions	431,954	129,900
Net GST receipts/(payments)	-	-
Change in GST receivables/(payables)	49,385	347,024
	<u>11,577,504</u>	<u>9,513,081</u>
Net cash provided by operating activities		

**33. Resources provided free of charge**

During the year the Board received legal services to the value of \$2,700 from the State Solicitor's Office.

**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	185,260	45,000
The capital commitments include amounts for:		
Buildings	151,742	
Plant and equipment	33,518	35,000
Mausoleum construction	-	10,000
	<u>185,260</u>	<u>45,000</u>

**METROPOLITAN CEMETERIES BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

**35. Contingent liabilities and contingent assets**

As at 30 June 2013, the Board did not have any contingent assets.

The Board has the following contingent liability in addition to the liabilities included in the financial statements:

**Overtime payment**

An employee union has disputed certain overtime payments made to some of their members who are employees of the Board. The Board is currently investigating the claim and expects to correct any errors found. At 30 June 2013, the financial effect is not known, but is not expected to be material.

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

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

**37. Explanatory statement**

This statement provides details of any significant variations between actual results for 2013 and 2012 and between estimates and actual results for 2013. Significant variations are considered to be those greater than \$100,000.

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

	<b>2013 Actual</b>	<b>2012 Actual</b>	<b>Variance</b>
Sales of mausoleum crypts and vaults	4,517,744	3,729,394	788,350
Provision of services	21,798,825	17,582,908	4,215,917
Commission on sand extractions - Rockingham Regional Memorial Park	289,068	422,060	(132,992)
Other revenue	513,994	770,386	(256,392)
Employee benefits expense	10,763,031	9,751,178	1,011,853
Depreciation and amortisation expense	2,768,550	2,397,872	370,678
Other expenses	2,915,887	2,628,301	287,586

Sales of mausoleum crypts and vaults

The Board sold 191 crypts out of its nine mausoleums during the year. This compares to sales of 176 crypts in the previous financial year. The increase in revenue is due to the higher numbers and values of crypts sold in the Board's two new Stage 5 and 6 Mausoleums at Karrakatta and to increased number of crypts sales out of the Fremantle Mausoleum.

Provision of services

During the year, the Board carried out 2,285 burials and entombments and 8,419 cremations, compared to 2,283 burials and entombments and 8,036 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 first 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.

Commission on sand extractions from Rockingham Regional Memorial Park

Income from sand extractions decreased due reduced activity on the site and a reduced amount of sand left for excavation.



**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (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 in Kalamunda Road, South Guildford, for future cemetery development. 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 \$128,000 (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income.

Employee benefits expense

The increase can be attributed to a combination of factors including the annual approved increases under the Government's wages policy, annual progressive step increases under the various awards, reclassification of some staff positions back-pay arising from an agreement with the union and to some increases in the number of employees.

Depreciation and amortisation expense

Revaluations of the Board's Infrastructure and Building assets to "fair value" at the 30 June 2012 by Landgate had the effect of increasing the depreciation.

Other expenses

Other expenses increased due to a combination of a significant increase in the Insurance premiums from Risk Cover, increased costs of maintenance on Equipment, Buildings and Infrastructure.

Significant variances between estimate and actual results for the financial year

	<b>2013</b>	<b>2013</b>	
	<b>Estimates</b>	<b>Actual</b>	<b>Variance</b>
Sales of mausoleum crypts and vaults	3,538,941	4,517,744	978,803
Provision of services	18,351,071	21,798,825	3,447,754
Interest Revenue	1,309,878	863,263	(446,615)
Commission on sand extractions -Rockingham	-	289,069	289,069
Dividend Revenue	688,000	1,188,956	500,956
Other revenue	362,999	513,994	150,995
Costs of sales	1,150,254	1,435,626	(285,372)
Other expenses	2,355,780	2,915,887	(560,107)
Employee Benefit expenses	11,029,068	10,763,031	266,037

Sales of mausoleum crypts and vaults

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.

Provision of services

During the year, the Board carried out 2,285 burials and entombments and 8,419 cremations, compared to a budget of 2,218 burials and entombments and 7,863 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 first 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 2013 (continued)**

**37. Explanatory statement (continued)**

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

Interest Revenue

Interest revenue continued to perform under budget due to the lower interest rates on offer.

Commission on Sand extractions

There were no budgeted commissions on the sand extracted at the Rockingham Regional Memorial Park. There has been some sales which were unexpected, although the activity has been limited compared to prior years.

Dividend revenue

Dividends received during the year from some companies in the Board's investment portfolio improved as the market staged a recovery. Dividend income also includes an amount of \$339,000 for the refund of imputation credits on dividends received.

Other revenue

During the year, the Board took over a parcel of land at Lot 3768 Kalamunda Road, South Guildford, from the WA Planning Commission for the development of future cemetery needs. 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 \$128,000 (see also note 22 – Property, plant, equipment and vehicles), through the Statement of Comprehensive Income.

Cost of sales

Cost of sales has risen in line with the increase 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.

Other expenses

This variance relates to a number of line items, but primarily stems from increased insurance premiums from Risk Cover. There has also been some additional training undertaken, and unplanned maintenance which has also added to the variance.

Employee benefit expenses

There have been some savings on the employee benefit expenses with respect to budget. This has come from reduced recruitment costs and salaries and wages being effectively managed.

**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 2013 (continued)**

**38. Financial instruments (continued)**

Sensitivity analysis

If prices for equity securities listed in Australia change by 20% (2012: 20%) with all other variables being held constant, the profit and equity will be:

	<b>2013</b>		<b>2012</b>	
	<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
Listed in Australia				
- increased by	-	4,604	-	4109
- decreased by	(4,604)	(4,604)	(4109)	(4109)

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>2013</b>			<b>2012</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	197			120		
- increased by *		2	2		1	1
- decreased by *		(2)	(2)		(1)	(1)
Term deposits	16,925			9,375		
- increased by		169	169		94	94
- decreased by		(169)	(169)		(94)	(94)

\* 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 67 debtors (2012: 33 debtors) that represent 100% of trade receivables.

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

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (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 \$1,224,600 (2012: \$1,183,006).

(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.

	<b>Weighted Average Effective  Interest Rate</b>	<b>Variable Interest Rate  Less than  1 year \$000</b>	<b>Non-interest bearing  Less than  1 year \$000</b>	<b>3 – 5 years \$000</b>	<b>Contractual maturity Date  Within 1 year \$000</b>	<b>Carrying Amount  \$000</b>
<b>2013</b>	<b>%</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Financial Assets</b>						
Cash and cash equivalents	3.16%	197	-	-	-	197
Receivables		-	1,225	-	-	1,225
Other financial assets	4.25%	16,925	-	-	-	16,925
Available-for-sale financial assets		-	-	23,020	-	23,020
Other current assets		-	759	-	-	759
		17,122	1,984	23,020	-	42,126
<b>Financial Liabilities</b>						
<b>Payables</b>						
		-	2,802	-	-	2,802

**METROPOLITAN CEMETERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013 (continued)**

**38. Financial instruments (continued)**

	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
2012	%					
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
		-	3,021	-	-	3,021

(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:

	2013 \$	2012 \$
\$0 - \$10,000	6	5
\$10,001 – \$20,000	1	1

The total remuneration of the members of the Board is: \$57,218      \$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 2013 (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>2013</b>	<b>2012</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	1
\$160,001 - \$170,000	2	1
\$180,001 - \$190,000	-	-
\$240,001 - \$250,000	-	1
\$260,001 - \$270,000	1	-

The total remuneration of senior officers is: \$961,482 \$875,628

	<b>\$</b>	<b>\$</b>
Cash remuneration received	835,326	788,108
Annual leave and long service leave accruals	73,039	70,280
Other benefits	53,117	17,240
The total remuneration of the senior officers is:	<u>961,482</u>	<u>875,628</u>

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>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Auditing the accounts, financial statements and performance indicators	45,000	44,500




# METROPOLITAN CEMETERIES BOARD

## CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2013

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 2013.



Dr LEONIE LIVERIS  
CHAIRMAN



JOE O'DEA (jnr)  
BOARD MEMBER



P B DEAGUE  
CHIEF EXECUTIVE OFFICER

4 September 2013

## 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>2012/13</b>	91.2%
<b>2011/12</b>	95.2%

### Notes

1. No direct comparison with results from years prior to 2012 is included as the methodology informing this Effectiveness Indicator was changed for 2011/12 in response to recommendations from the external auditors. However, a general comparison with previous years indicates a high level of consistency in the feedback from the 'public' over time. The 91.2% satisfaction score is again well above target.

	<b>Target</b>	<b>2011/2012</b>	<b>2010/2011</b>	<b>2009/2010</b>	<b>2008/2009</b>
Public	85%	95.2%	90%	89%	86%

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, which were approved by the Deputy Under Treasurer, 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 in the 2011/2012 period to be more detailed, more relevant and more reflective and is as follows.

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 prior to the 2011/2012 adoption of the new performance indicators.

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*

- 96.9% (2012:98.1%) 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:

	<u>2012/2013</u>	<u>2011/2012</u>
• Condolence lounges	98.5%	99.7%
• Chapels	98.7%	99.2%
• Memorial gardens	92.2%	96.0%
• Lawn burial areas	92.0%	95.7%
• Mausoleum	91.9%	95.0%
• Cafes	92.0%	94.2%
• Natural burial areas	86.6%	87.8%
• Toilets	82.7%	84.6%
• Monumental burial areas	77.2%	82.3%

## Customer Service Experience

Based on a rating of “extremely or very”

• Information given was easy to understand	92.9%	92.8%
• Professional	91.5%	92.8%
• Understanding the clients' needs	90.1%	90.9%
• Responding to enquiries promptly	90.8%	90.0%
• Compassionate	88.4%	87.7%

## Number of complaints received on customer service issues

206 complaints were registered during the reporting period (2012:148).

## 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.
- 100% 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 10,703 funerals (2012:10,319), two incidents were reported (2012:14).

### Pricing, Products and Services

- 83.8% (2012:85.6%) found it extremely or very easy to find a grave, memorial location or crypt to meet their needs
- 83.0% (2012:86.6%) found it extremely or very easy to find a memorial plaque, granite base or urn to meet their needs
- 83% (2012:76.7%) found it extremely or very easy to get a memorial appointment time that suited them

3. A total of 535 surveys were conducted. Family members of the deceased were surveyed where the date of death ranged from 1 July 2012 to 28 February 2013. 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	1949	535	27.4%	±4.1%

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
2012/2013	\$2,033	\$2,136
2011/2012	\$1,912 *	\$1,964
2010/2011	\$1,836	\$1,896
2009/2010	\$1,675	\$1,803
2008/2009	\$1,674	\$1,697

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 2012, indicates:

	Cost per funeral	%age Cost greater/(less) than MCB *	Numbers of funerals
<b>Metropolitan Cemeteries Board</b>	<b>\$1,912 *</b>	<b>-</b>	<b>10,319 *</b>
Southern Metropolitan Cemeteries Authority – Victoria	\$3,471	81.5%	12,081
Greater Metropolitan Cemeteries Trust – Victoria	\$2,455	28.4%	10,491
Adelaide Cemeteries Authority – South Australia	\$3,158	65.2%	2,613

\* For comparative purposes, the '*%age Cost greater/(less than) MCB*' has been expressed against the actual MCB figures for the 2011/2012 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 2012/2013 compared to the actual cost in 2011/2012 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.

There has been an increase in the current year's average cost of a funeral compared to the previous year by \$121 (6.3%). The actual average cost is below the target figure for the year by \$102 (4.8%).