

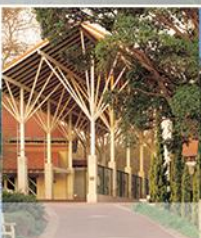
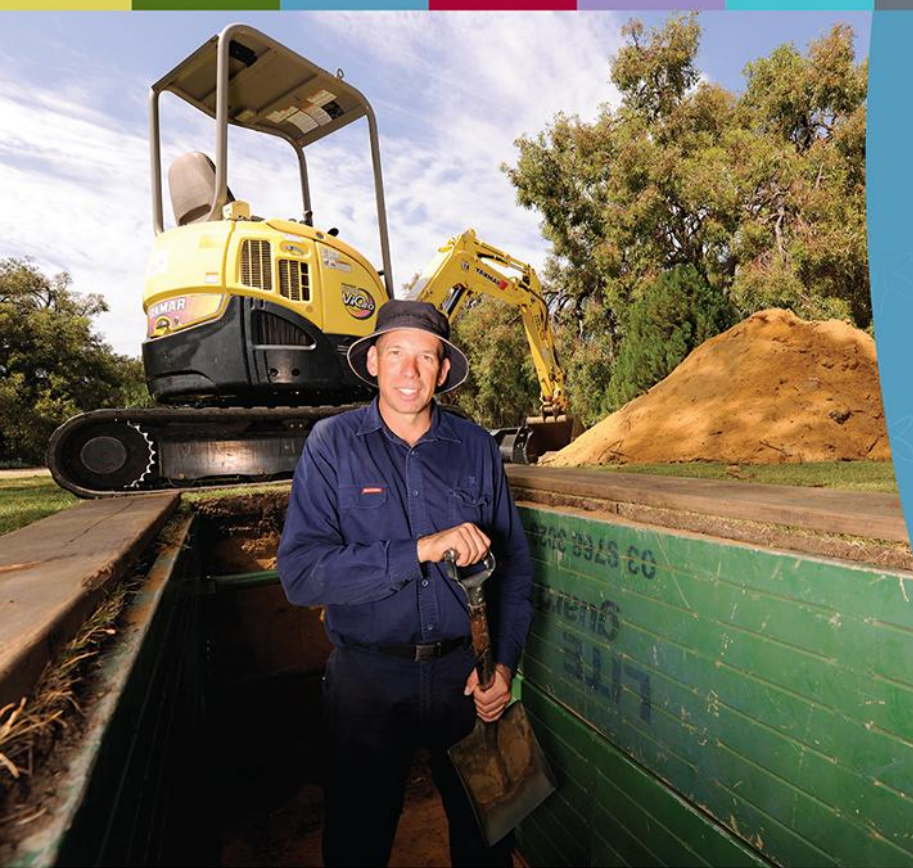


METROPOLITAN
CEMETERIES BOARD



METROPOLITAN CEMETERIES BOARD Annual Report 2013-2014

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

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 and postal address as per Pinnaroo)

Guildford Cemetery

Kalamunda Road
South Guildford WA
(Telephone, facsimile and postal address as per Pinnaroo)

Rockingham Regional Memorial Park

Millar Road
Baldivis WA
(Telephone, facsimile and postal address as per Fremantle)

STATEMENT OF COMPLIANCE

Hon. Tony Simpson MLA
Minister for Local Government and Communities
8th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

In accordance with the *Financial Management Act 2006* (WA), 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 2014.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* (WA), Treasurer's Instruction 903 and the *Annual Reporting Framework 2013–2014* 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

12 September 2014

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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.

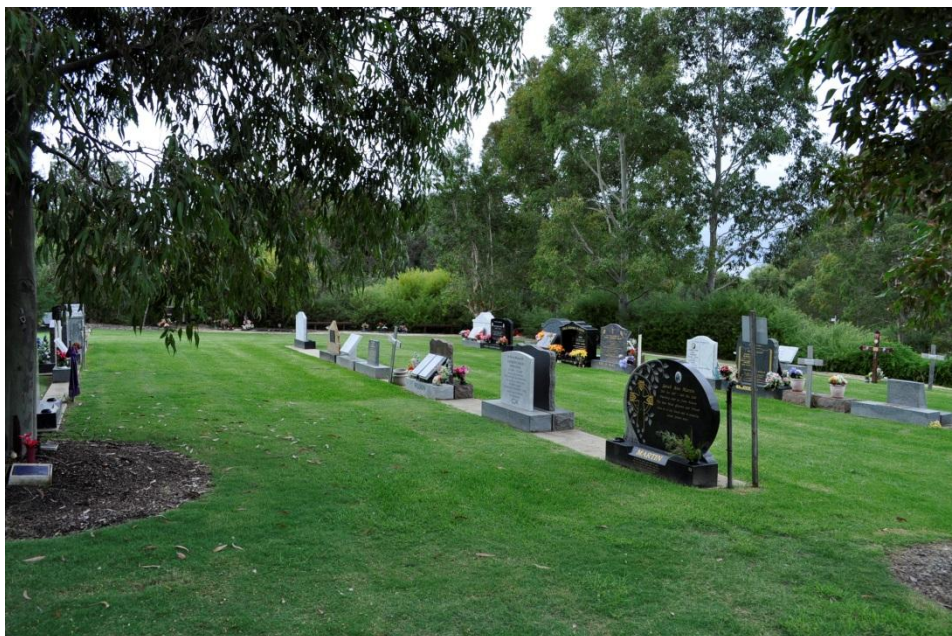
Our Mission

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.

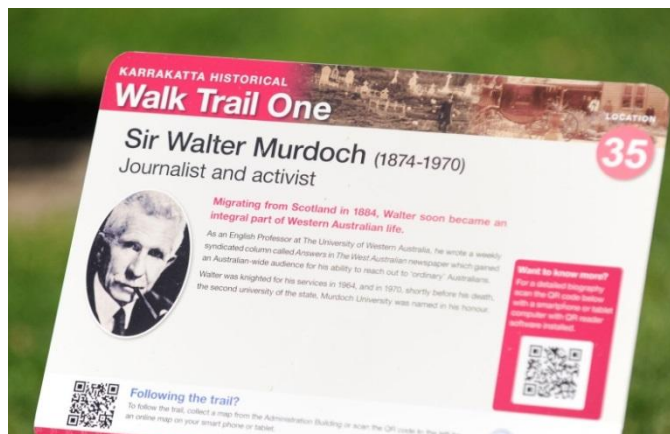


Lawn burial area at Rockingham Regional Memorial Park

HIGHLIGHTS FOR 2013–2014

Launch of Heritage Trails

The new Historical and Heritage Walk Trails at Karrakatta and Fremantle Cemeteries use Quick Response (QR) codes on trails and signage, allowing visitors the opportunity to learn more about the famous and infamous people buried at these sites.



New signage along the Karrakatta Historical Trail

Satisfaction ratings

The community's satisfaction with MCB services remained very high, with a rating of 93%, as measured through the annual customer satisfaction survey. This consistently high rating demonstrates the ongoing commitment by the MCB and its staff to service the needs and expectations of the Western Australian community.

Energy savings

Electricity usage decreased by 7% and gas usage by 24%, resulting in a 17% drop in carbon emissions compared to the preceding financial year. These savings are a significant achievement as the number of cremations was higher this financial year.

Mental health program

The MCB won the Mental Health Good Outcomes Awards 2013 for outstanding contribution to the prevention, promotion and early intervention in the workplace. The awards acknowledge the high standard of the MCB's mental health program and the ongoing commitment demonstrated by management.

Corporate governance

Improved governance continued with a review of the MCB Strategic Plan 2012–2017, embedding the Corporate Governance Framework, updating the Delegation of Authority and the Risk Register.

Best practice guidelines for regional operators

The MCB continued supporting regional cemetery operators by developing best practice guidelines on exhumation and developing a cremation audit checklist in collaboration with the WA Department of Health.

FROM THE CHAIR

A Year in Review

The Annual Report of the Metropolitan Cemeteries Board (MCB) provides an opportunity for the Chair to reflect on the activities, growth, plans and the challenges ahead in providing the best possible cemetery and funeral facilities and services to the Western Australian public.

This past year has been one of consolidation and future planning for the six cemeteries under the MCB's management. I wish to record my appreciation to the Board, Chief Executive Officer Peter Deague, the Directors and all staff who deliver excellence in the quality of all essential cemetery services to the public, always cognisant of the values of the MCB to work with compassion, respect, understanding and integrity.



The Board has the responsibility to ensure that best practice in all aspects of corporate governance is adhered to. Key areas of focus for the Board are the ongoing need for expansion of essential facilities for the public in our present cemeteries, a fiscal responsibility to ensure sufficient finance is available without calling on the government for funding, and the expertise and imagination to plan for the future. The CEO and Chief Financial Officer have assisted the Minister at the Estimates Committee in Parliament on MCB operations and budget issues.

The Chair and CEO attend regular briefing meetings with the Minister, the Hon. Tony Simpson MLA. These meetings provide opportunities to keep the Minister well informed of issues before the Board. From our Minister we have had positive responses to our concerns regarding the growing need for new cemetery land to be set aside by government for the future. The forecast growth of our metropolitan Perth to embrace a population of 3.5 million by 2050 means that cemeteries must also grow to accommodate burial, cremation, memorialisation and mausoleums for the future.

At present, land has been set aside at Whitby Falls in the south-east urban corridor with negotiations to add a further 30 hectares; preliminary planning for this site will be undertaken in the next few years. Population growth in the north-east and north-west suburbs requires more land to be allocated to cemetery development in the future at Whiteman Park and Alkimos. In all, a further 300 hectares is required for future expansion.

In the meantime, the MCB will continue to expand the cemetery renewal program, which has proven to be very successful for decades. As new sections are developed at Karrakatta Cemetery, the public are overwhelmingly accepting of the innovative cemetery renewal program as it means that the cemetery will remain open for many decades to come.

During the centenary of World War I, various events will be observed in many parts of our state. These events will include increased visits to small local cemeteries as well as those in Perth and regional cities. The public can be assured that no official war graves will be removed from MCB cemeteries, and their placement and upkeep is the responsibility of the Commonwealth Government's Office of Australian War Graves (OAWG).

It is important to note that the MCB has an ongoing Memorandum of Arrangement with the OAWG. We are the only cemetery authority in Australia to have such an agreement. We have acknowledged the Graves of the Bravest in Karrakatta and Fremantle Cemeteries that include Victoria Cross and George Cross recipients.

In October 2013, the Minister launched the Heritage and Historical Walk Trails for Karrakatta and Fremantle Cemeteries. Each site chosen along these trails has a sign and a Quick Response (QR) code for online access to detailed biographical information, providing a richer opportunity to learn more about Western Australian historical personalities.



The Minister, the Hon. Tony Simpson MLA at the launch of the QR code driven historical trails

This past year the Board has contracted Celeste Catering, an established firm specialising in bereavement catering, for all of the condolence lounges at Fremantle, Karrakatta and Pinnaroo, and the cafés at Karrakatta and Pinnaroo.

The Board continues to be highly aware of the specific religious and cultural requirements of various communities in our society, with ongoing engagement efforts on a number of levels. Each year All Souls Day and Easter masses are held at the mausoleums at Karrakatta and Fremantle. This year a new lawn section in Karrakatta Cemetery was developed for the Jewish community, a new burial section was allocated at Guildford Cemetery for the Muslim community, and new renewed sections are now available for those communities who only allow burial and no cremation.

The MCB is presently undertaking preliminary discussions for the review of the *Cemeteries Act 1986 (WA)*, *Cremation Act 1929 (WA)* and *Cremation Regulations 1954 (WA)* with the Department of Local Government and Communities and the Department of Health, with the purpose of combining all into a new Cemeteries Act.

The MCB continues to liaise with the Australian Funeral Directors Association (AFDA), and is the only public cemetery authority in Australia to have this ongoing cooperative relationship with the AFDA. The MCB frequently holds seminars and workshops for industry staff on legislative, operational and safety requirements.

Congratulations must go to MCB staff for being awarded the Mental Health Good Outcomes Award 2013 for prevention, promotion and early intervention in the workplace. The award is presented by the Mental Health Commission to individuals, groups, programs, services and partnerships across the government, private and community sectors. The monetary award is to be used for education of mental illness for staff members. The MCB aims to increase the ability of all employees to identify and manage their own and others' mental health concerns, whilst providing supervisors with the skills and knowledge to assist employees requiring support.

The MCB was pleased to be involved in the WA Government's Aboriginal Employment Strategy with six young employees joining the MCB for skills training with ground staff and client services.

In conclusion I wish to acknowledge the work and commitment of Board members who have assisted the Chair and the CEO throughout this year. Their expertise and interest are invaluable to ensuring that the MCB continues as one of the foremost innovative public cemetery administrators in Australia.

On behalf of the MCB I am pleased to submit the Annual Report 2013/14.

Leonie B Liveris

Dr Leonie Liveris
Chair



OPERATIONAL STRUCTURE

The MCB is a fully self-supporting State Government statutory authority appointed by and 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* (WA)
- *Cremation Act 1929* (WA)
- *Cremation Regulations 1954* (WA)
- *Metropolitan Cemeteries Board By-law 1992*.

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

- *Building Act 2011* (WA)
- *Cemeteries Act 1986* (WA)
- *Corporations (Western Australia) Act 1990* (WA)
- *Corruption and Crime Commission Act 2003* (WA)
- *Cremation Act 1929* (WA)
- *Disability Services Act 1993* (WA)
- *Equal Opportunity Act 1984* (WA)
- *Financial Management Act 2006* (WA)
- *Industrial Relations Act 1979* (WA)
- *Legal Deposit Act 2012* (WA)
- *Library Board of Western Australia Act 1951* (WA)
- *Metropolitan Cemeteries Board By-law 1992* (WA)
- *Minimum Conditions of Employment Act 1993* (WA)
- *Occupational Safety and Health Act 1984* (WA)
- *Public and Bank Holidays Act 1972* (WA)
- *State Records Act 2000* (WA)
- *Public Sector Management Act 1994* (WA)
- *State Supply Commission Act 1991* (WA)
- *Workers' Compensation and Injury Management Act 1981* (WA)
- *Workplace Relations Act 1996* (Cth).

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.

The Board met six times in 2013/14 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 under review.

Chairperson

Dr Leonie Liveris

6 of 6 meetings

Dr Leonie Liveris is a Senior Adjunct Research Fellow at Curtin University. 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 presented papers at national and international conferences on cemetery renewal. 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*. Dr Liveris was a consultant for the International Orthodox Women's Network (Geneva), an invited keynote speaker at various conferences and has numerous publications in this area of research. She holds a Bachelor of Arts (Hons), Master of Philosophy and Doctor of Philosophy in History.



Deputy Chair

Mr Joe O'Dea Jnr

5 of 6 meetings

Joe O'Dea Jnr has a long association with the funeral industry in Western Australia. 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, Western Australian division from 1984–1990 and served as National Councillor for much of that time. Joe is also a member of the Board's Finance and Audit Committee and has represented the MCB on many delegations.



Ms Janice Bowra

5 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 was also a long-term member of the Murdoch University Senate. Janice is now semi-retired and is working to develop her home-based business in transcription services, Flying Fingers. She holds a Bachelor of Science, and Masters degrees in Business Administration and Public Health.



Mr Anthony (Tony) Evans

5 of 6 meetings

Tony Evans has extensive commercial and corporate governance experience as a senior executive in the resources, property, education and not-for-profit sectors. He has served as a member and chair of a number of boards 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. Tony holds a Bachelor of Business and a Diploma in Education from the University of Western Australia. He is a Fellow of CPA Australia, the Institute of Chartered Company Secretaries and the Australian Institute of Company Directors.



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 the government-owned financial services provider Keystart Pty Ltd, and a Trustee of the Scholarships Trusts of Graduate Women WA Inc.



Dr Renate (Ricki) Smith

6 of 6 meetings

Ricki Smith has almost 20 years of experience in sales, marketing, public relations and strategic planning, and is currently Head of Partnerships and Strategic Alliances with Western Australia's largest community based health and aged care provider, Silver Chain. 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.



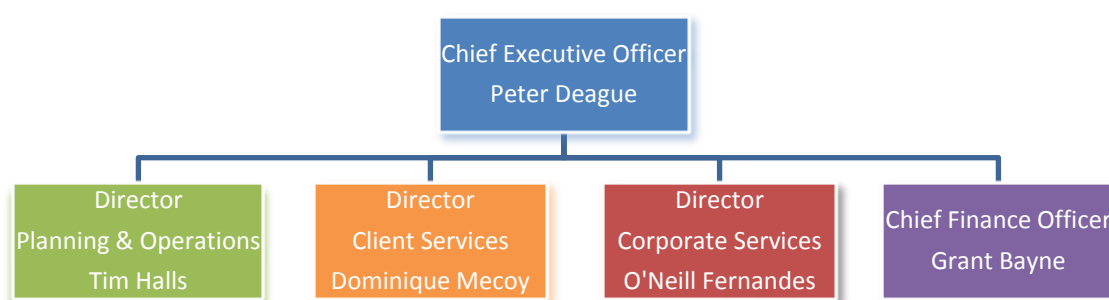
Board Remuneration

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 all perceived, potential or actual conflicts of interests as required.

ORGANISATION CHART



The MCB had 159 actual employees during 2013/14.

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.



Left to right: Tim Halls, Director Planning & Operations; Grant Bayne, Chief Financial Officer; O'Neill Fernandes, Director Corporate Services; Peter Deague, CEO and Dominique Mecoy, Director Client Services

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 mausoleums, 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 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, procurement and contracts, 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 2013/14.

Relationship to Government Goals

The MCB Strategic Plan 2012–2017 identifies key directions for the organisation for the next five years. It sets out a clear strategic focus, recognising the need to respond to a changing industry environment with a fresh and innovative approach to service delivery. The MCB reviewed the strategic plan to consider any matters that had not been addressed after 12 months of operation, fine-tuned certain aspects of the plan and considered any changes to the whole of government strategic direction required by agencies.

The WA 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 MCB'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 Government Goal	MCB Desired Outcome	MCB Services
State building — major projects Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development	2. Building and expanding our people capability 3. Planning for business sustainability	<ul style="list-style-type: none">• Constructed and maintained facilities across six cemetery locations in metropolitan Perth• Created employment through infrastructure development resulting in ongoing employment as part of cemetery management• Negotiated with the WA Department of Planning to ensure a supply of cemetery land so that community need can be met in the future
Financial and economic responsibility Responsibly managing the state's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector	3. Planning for business sustainability	<ul style="list-style-type: none">• Promoted policies and a system of values and risk management to meet legal, financial and ethical obligations• Maintained sound financial management practices that balanced core responsibilities and business sustainability• Reviewed funeral director licences to include additional integrity checks to provide a greater level of protection of community interests within the scope of current legislation

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

Shared Responsibilities

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

Cross-agency participation also occurred 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

The level of satisfaction with services has remained high with a community rating of 93%, as measured through the annual customer satisfaction survey. This is an increase of almost 2% on an already high approval rating. This result can be attributed to all MCB staff working together to meet customer expectations, whether in client services roles or in the field.

During the year 10,856 funerals were received at the six cemeteries under MCB management. An increase of 1.42% from 2012/13, this figure includes cremations, burials and mausoleum entombments. In addition to these core services, staff assisted families in the provision of 552 burial memorial plaques and 2,658 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, as is customary, continue to attract over 700 community members to each mass.

Fremantle Mausoleum was also the venue for an All Souls Day mass and Rosary to commemorate the Feast of the Annunciation. The Fremantle events continue to grow in popularity, particularly the All Souls Day mass which attracted over 350 people, the largest attendance figure to date. It is apparent that members of the Fremantle community support visiting the cemetery for such important spiritual events.

In November 2013, the Board launched its revamped Heritage Trails, which now include Quick Response (QR) codes on trails and signage, allowing visitors to delve deeper into the stories behind those buried at Karrakatta and Fremantle Cemeteries. This provides a unique opportunity for families to use smart phone technology during their visits and reinforces the MCB's commitment to maintaining our state's social history.

The City of Fremantle Heritage Festival has proven to be an enduring event on the city's cultural calendar and the annual free tour of the Fremantle Cemetery again featured in the festival events. The 2014 tour showcased the reimagined Heritage Walk Trail and highlighted the functions of the QR codes to enhance the experience.



The ghost of gruesome murderess, Martha Rendell, greets visitors to the cemetery during the Fremantle Heritage Festival

As an additional interactive entertainment element, actors were employed to play the roles of well-known Western Australian criminals Martha Rendell and Moondyne Joe, making cameo ghost-like appearances during the event, which was well received by the public.

The MCB continued to host school and community group visits to the cemeteries as part of its ongoing commitment to community education. Visitors were able to learn first-hand about the cemetery environment, from historical, operational and commemorative perspectives.

The MCB reiterated its philosophy of positive engagement with the various religious and cultural communities in Perth by actively welcoming representation from any community association or group. The MCB's focus is to meet the needs and expectations of the increasingly diverse Perth community and it strives to gain a greater understanding of those needs.

During the reporting period, the MCB joined the 2014 Western Australian Culturally and Linguistically Diverse Across-government Network (WACAN) to ensure ongoing awareness of, and contribution to, cultural diversity issues in delivering services to the community.

The MCB continued to meet with intra-government committees regarding the management of state emergency and pandemic issues, should large volume burials need to be managed.

The MCB resumed discussions around the vesting of the Gnangara Aboriginal Cemetery to the Board. In the interim, when the Gnangara community required use of the cemetery for a burial, MCB staff collaborated with the community and the Department for Indigenous Affairs to ensure the funeral could proceed in accordance with all legislative requirements.

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. The annual customer satisfaction survey provides valuable information for the MCB to consider in its products and service delivery.

The MCB trialled new flexibility for families in its offered chapel booking times and condolence lounge use, in order to reflect community need in the delivery of services.



Karrakatta's established and impressive memorial gardens continue to be popular with families

Security Improvements

The MCB has continued to upgrade and improve security across its cemeteries to ensure that patrons feel safe when visiting the sites. This has involved significant projects such as the installation of CCTV to key areas such as car parks, toilets, buildings and compounds. This has been complemented with the networking of systems to improve access and data retrieval. Other approaches have included the installation of new fencing at Karrakatta and

Midland Cemeteries as well as a trial of auto-locking systems in public toilets at Karrakatta Cemetery, Guildford Cemetery and Rockingham Regional Memorial Park.

The MCB has also continued to work closely with the WA Police in order to take a coordinated approach to managing crime.

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 people's job specific knowledge, improved safety, captured ideas for improvement, built resilience in a changing environment, and rewarded innovation and leadership.

Key strategies in achieving this outcome include:

- Building a culture of innovation, learning and continuous improvement
- Fostering 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.

Youth and Aboriginal Employment Strategies

The MCB continues to support the Public Sector Commission's strategies aimed at increasing the workforce participation of youth and indigenous people, through the School-Based Traineeship Program and the Indigenous Traineeship Program.

An opportunity was provided for one young person to complete a Certificate II in Information, Digital Media and Technology, whilst completing their Year 11 studies at school. Participation in this program provides the student the opportunity to learn valuable government and administrative skills whilst earning a wage.

The MCB also participated in the Public Sector Indigenous Traineeship Program by hosting an Indigenous trainee who had completed the Certificate III in Government in November 2013. The MCB provided suitable work and supported, guided and developed the trainee throughout the traineeship.

The MCB Aboriginal Employment Strategy

Like many state government agencies the MCB has experienced its challenges in increasing the representation of Aboriginal employees. To address this, the MCB Aboriginal Employment Strategy was developed. The strategy's objective is to increase the diversity of its workforce to better meet the needs of the community.

JobTrainWA was approached to work in partnership with the MCB to implement its Aboriginal Employment Strategy. JobTrainWA is a wholly owned subsidiary of Peedac Pty Ltd, an Indigenous owned and operated,



Karrakatta tour and information session for potential Cemetery Worker Trainee candidates

not-for-profit organisation that provides a range of services to make training, work experience and employment accessible to its clients.

The MCB and JobTrainWA worked closely and collaboratively, promoting the opportunity for six Aboriginal people to participate in a 12-week paid work placement in the role of trainee¹ Cemetery Worker (Grounds). To source candidates, JobTrainWA advertised through its networks and hosted an information session at the MCB, where MCB employees provided interested candidates with an introduction to the agency and details of the opportunity being offered. The individuals who were interested further were taken on a tour of the MCB's cemetery sites to view the work environment and to obtain a more comprehensive understanding of the training to be undertaken. The MCB received 16 applications for the six placements offered. All of the selected six participants completed the 12-week placement and attended a celebratory morning tea where they were presented with Certificates of Completion from the CEO.

Of the six trainees, three were deemed suitable for placement into Cemetery Worker (Grounds) roles.

Since completing the program, all three trainees have applied for and been successful in obtaining permanent positions with the MCB through a merit-based application process.

The success of the pilot program can be attributed to a number of actions including: a comprehensive two day induction, the establishment of workplace buddies, an informal introductory morning tea for the candidates with Team Leaders prior to placement, the provision of an Indigenous mentor, ongoing liaison with JobTrainWA representatives, and Indigenous Cultural Awareness training for staff.



Cemetery Worker Trainees and their Supervisors after being presented with Certificates of Completion

As a result of the MCB's Aboriginal Employment Strategy the MCB has exceeded its 1.4% Aboriginal employment target to 2.77%.

Funeral Industry Training

The MCB continued its partnership with Holmesglen TAFE (Victoria) for the second year, providing training for cemetery employees to obtain a Certificate III in Funeral Services, grave digging and crematorium operations streams.

During the reporting period 12 MCB employees and three regional participants from Geraldton and Kalgoorlie joined the program, with training to be delivered between March and October 2014. The Cemeteries and Crematoria Association of WA again generously provided subsidies to the regional candidates to alleviate the cost of travel and accommodation to Perth.

¹ The term trainee is used to refer to a participant of the 12-week paid work placement and does not refer to any formal traineeship.

Communication and English Language Skills

The MCB successfully secured federal government Workplace English Language and Literacy (WELL) funding. The training provided built staff capacity in communication 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 undertaking funeral industry training were given tips on improving their study skills.

English as a Second Language

Human Resources have worked closely with Team Leaders to identify employees for whom English is a second language and who may experience difficulty in comprehending the MCB's written resources. To address this, the MCB organised workshops to be delivered by the West Coast Institute of Technology to staff in the workplace.

In addition, the MCB Code of Conduct and performance management documentation have been translated into Mandarin as bilingual documents and are available for staff on the intranet.

Disability Awareness Training

In preparation for implementing the Disability Awareness Training, a survey based on a Disability Services Commission template was administered to all staff to gauge their current level of understanding of, and confidence in, providing a service to people with a disability. The responses will inform the 2014/15 training content and format.

Leadership Development Program

A strategy of the MCB's People Plan 2012–2017 is the development of a leadership development program to ensure that the MCB's employees possess and will develop required capabilities. The MCB together with Government Skills Australia (GSA) designed and conducted a Skills Audit in the form of a survey which was distributed to all employees. The survey asked employees to comment on their current and future skill needs, together with their career aspirations, retirement intentions, perceptions of the MCB as a safe working environment and training delivery preferences.

In addition to the development of the MCB's Leadership Development Program, the results of the audit will also inform the development of a succession planning and career development model.

Mental Health and Wellbeing Program

The MCB continued its focus on the mental health and wellbeing of its employees in this reporting period with a number of initiatives to assist employees develop positive attitudes toward their own and others' mental and physical health in order to promote wellbeing and prevent injury, illness and suicide.

Activities held during the reporting period included:

- World Suicide Prevention Day
- R U OK? Day
- Mental health workshops
- ZIP IT donate your voice for Mental Health Day.

Additional information regarding the Mental Health and Wellbeing Program is included in the Occupational Safety, Health (OSH) and Injury Management section: Occupational Injury and Illness Prevention Strategies 2013/14.

Mental Health Good Outcomes Awards 2013

The work and commitment of the MCB was formally acknowledged with the MCB being awarded the WA Government, Mental Health Commission's Mental Health Good Outcomes Awards 2013. These awards celebrate individuals, groups, programs, services and partnerships across the government, private and community sectors that have made an outstanding contribution to mental health in Western Australia.



Members of the MCB Human Resources Team with O'Neill Fernandes (Director Corporate Services), the Hon. Helen Morton MLC (far right) and former Commissioner for Mental Health, Eddie Bartnik (far left) following the Mental Health Good Outcomes Awards presentation

The awards acknowledge the high standard and ongoing commitment demonstrated by those involved in innovative and effective programs, services and partnerships which address key mental health issues at a local, regional or statewide level in Western Australia.

The MCB was presented with the Edith Cowan University Award for prevention, promotion and/or early intervention service or program category in October 2013. The Award ceremony took place during Mental Health Week. To celebrate this achievement and as a part of the MCB Mental Health Strategy, all employees received a copy of the book *Don't Sweat the Small Stuff* by Richard Carlson.

The MCB has demonstrated how successful an agency can be in raising the awareness of its employees and in reducing the stigma associated with mental health and suicide. The feedback obtained from employees, indicates that they now feel more comfortable in discussing mental health issues and assisting colleagues in this area.

National Seminar Presentation

As well as promoting mental health and suicide prevention to our employees, the MCB shared its experience and successes through presenting at the Australian Cemeteries and Crematoria Association's Mid-Year Seminar in Melbourne.

The topic of the seminar was 'Managing Loss through Suicide'. The MCB received positive feedback from the seminar organisers and participants which demonstrated the success of the seminar in raising the awareness of mental health and suicide prevention, and increased the enthusiasm of private sector funeral industry employers across Australia to implement or improve upon their own workplace strategies.

One Life Champions

Since commencing its Silver Pledge partnership with One Life in 2012, the MCB has demonstrated its ongoing commitment to increasing the awareness of mental health and suicide prevention, through undertaking and supporting many mental health initiatives. The MCB's strategy provides a structured approach for continued improvement in this area.

In maintaining the focus as a Silver Pledge Partner for the One Life Suicide prevention strategy MCB staff raised funds for RU OK Day in September. Staff also celebrated ZIP IT for Mental Health Day on 10 October 2013 by hosting a silent lunch.

As a result of these commitments and other activities, the MCB was nominated by One Life to be July Champion of the Month.



Innovation Hub

In developing the MCB Strategic Plan 2012–2017, one of the initiatives suggested by staff was for a group that would champion innovation and seek ideas and suggestions to improve the efficiency and effectiveness of the MCB's operations. This was formally facilitated by the establishment of the Innovation Hub (I-Hub) in 2012, with the committee members representing staff from across the organisation.

During the year in review I-Hub has contributed innovative suggestions and ideas to seek to improve the MCB's operations. The committee has considered a number of ideas including an MCB Wall of Fame, a comprehensive recycling strategy, a school education program and first aid applications. The I-Hub committee continues to gain staff awareness from all directorates within the MCB.



I-Hub banner image from MCB intranet site

Outcome Three: Planning for Business Sustainability

Efficient and effective resource management that is responsive to our current and changing operational needs

Community

After consultation with the Jewish community, the Rabbi Shalom Coleman Gardens at Karrakatta were redesigned to create 98 new lawn-style graves. This progressive approach in developing new burial locations has helped uphold the Jewish community's long and established attachment to Karrakatta.

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 implementation of a number of improvements, in particular identifying a section of the Guildford Cemetery that is suitable for a Muslim burial area. The new section which will provide approximately 500 graves was opened at the beginning of 2014. The area has been popular with the community, with burials and pre-need sales progressing in the section. This provides the Muslim community with greater choice for burial locations within the metropolitan area.

In addition, the MCB has installed new male and female toilets at the Rockingham Regional Memorial Park, designed to include an outside tap for the Muslim community to use, as required for their burial ceremony. A new path has also been completed within the expanding Muslim section of the cemetery.

MCB staff also met with representatives of the Greek community to consider how the MCB could continue to meet the burial needs of their community. An outcome of the meeting was that the MCB redesigned a road next to the Greek AA section in Karrakatta and therefore created an additional 23 graves for the community.

Industry and Stakeholders

Under the provisions of the *Cemeteries Act 1986* (WA), 25 funeral directors were licensed to operate within cemeteries controlled by the MCB. The number of monumental masons licensed by the MCB totalled 11.

During the reporting period, the funeral director licences issued by the MCB were reviewed to include additional integrity checks, with an overriding goal to provide a greater level of protection of community interests within the scope of current legislation. To take effect from 1 July 2014, the review introduced requirements for National Police Clearances for all licence-holders and additional references for new licence applicants. The review also updated the MCB-licensed funeral director Code of Conduct to include a requirement for licence holders to accurately complete all MCB paperwork in alignment with relevant legislation and MCB procedures, and for funeral directors to provide complete information to clients concerning the range of services available and their associated costs.

Staff continued to offer 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 interpretation of legislation and administrative requirements, use of the new audio-visual systems and occupational safety and health matters. The MCB's funeral director training continues to be acknowledged as part of the Australian Funeral Directors Association's (AFDA) Continuing Professional Development program.

The MCB holds regular liaison meetings with AFDA representatives to discuss and resolve occupational safety and health and administrative issues, and explore joint opportunities to ensure a high level of services to families.



Paving works and toilet facilities at Rockingham Regional Memorial Park

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 the MCB's direct responsibility to provide this support, the MCB is pleased to provide this assistance to regional cemeteries.

Cemetery Renewal

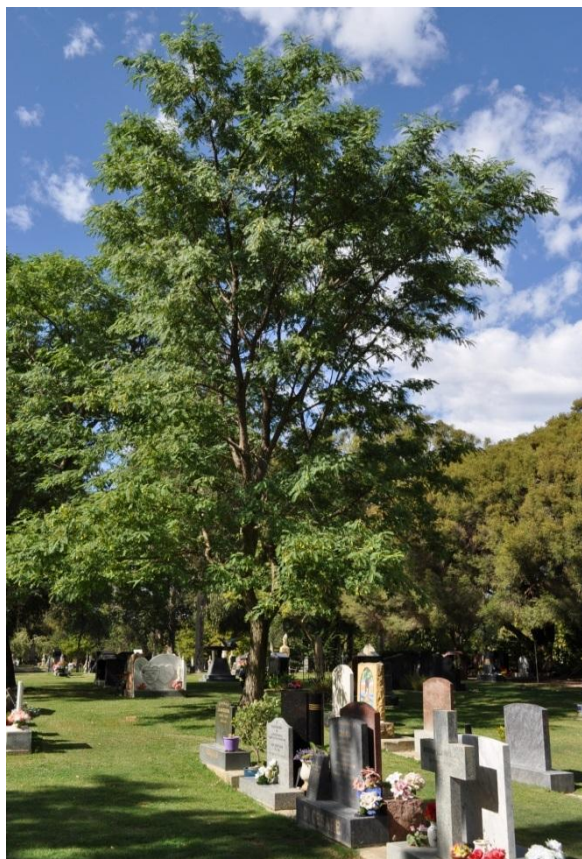
Under Division 4 of the *Cemeteries Act 1986* (WA) the MCB is permitted to redevelop sections of the cemeteries for re-use for any of the purposes authorised under the Act. This process is managed under the Cemetery Renewal program, which is important at Karrakatta Cemetery where the sustainable management of finite resources through the renewal program has ensured the cemetery is able to meet the ongoing community requirement for burial land.

Over the past decades, the MCB has worked consistently with the community to help them gain a greater understanding and appreciation of the renewal program's intent. The consultative approach employed by the MCB has ensured a general community acceptance of cemetery renewal by people who are affected by the process. MCB staff endeavour to work closely with families in order to ensure that their needs are met before, during and after implementation. This approach has resulted in the ongoing success of renewal.

Cemetery renewal is a long-term approach to ensure viability and sustainability of the MCB's cemeteries for future generations. It is also a strategy to meet the needs of the Perth metropolitan area's long-term projected burial and memorial requirements. Providing these functions at Karrakatta in the future is a key element of this important process.

During 2013/14, ANZL (formerly Anglican ZL) was developed into a new lawn burial area. A significant number of headstones and plaques that were removed in the process have been relocated into new garden beds, or on the memorial wall within the section. A number of key existing graves were retained in situ. To ensure the continuation of the memory of those previously interred in this section, a Book of Remembrance in a pillar box has been placed on the memorial wall. A new initiative, the Book of Remembrance comprises two printed books with the names of all who were buried within the section. These pillar boxes and books will be retrospectively installed in previously renewed areas.

The MCB also commenced the redevelopment of Anglican NA, involving the surveying, mapping and removal of old monuments and the development of new surrounding roads. Once again some monuments were retained in situ as assessed by the Monument Assessment and Advisory Committee (MAAC). In addition headstones that were still in good condition were relocated to a garden or mounted on the memorial wall that has been constructed within the area.



Renewed sections at Karrakatta Cemetery are a unique combination of old and new burial plots or memorial gardens

The consultation phase for redevelopment of section Anglican OA into a new burial area was completed during the reporting period, and permission to commence development obtained from the Minister. Planning is now underway to prepare for redevelopment in July 2014.

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. In light of this a representative from the Office of Australian War Graves also sits on the MAAC. This ensures that these important graves are treated with the dignity and respect that our community expects.

Natural Burials

The Pinnaroo Valley Memorial Park natural burial area was developed over the course of the reporting period after MCB staff identified an appropriate area deemed to be suitable. Located at the base of the Quindalup Dunes, the area is accessible by a track that has been constructed to the site.

The MCB recognises that the natural bushland environment will provide an excellent complement to the natural burials concept. It is intended that additional trees, shrubs or groundcovers will be planted over graves after burials have taken place. An entry statement will be installed to allow families to place memorial plaques in a central location near the natural burial area.

Funeral directors, who usually are the family's first point of contact for a funeral, have provided positive feedback to the concept of natural burials at Pinnaroo Valley Memorial Park, so it is anticipated that this will prove to be a popular alternative for families.



Pinnaroo Valley Memorial Park, with its significant kangaroo population, will become the location for Perth's second natural burial area

The Woodlands — Fremantle Cemetery

A plan was developed for a new burial section in the central woodland area at the Fremantle Cemetery. The section is being established for families who would like to bury their loved ones in a native remnant woodland setting. The open forest pattern of Tuart and Marri trees will be preserved to create a tranquil woodland environment. Lawn will not be planted, instead the existing native grasses will be allowed to grow to enhance the natural landscape. Consequently the area will not require irrigation or extensive and repetitive maintenance compared to a conventional lawn burial area. There will be no headstones or monuments, instead memorial plaques will be placed flush with the ground so they do not impose on the surroundings.

Future Cemeteries

The MCB has continued to be active in seeking to provide for future cemetery needs and has liaised with the Western Australian Planning Commission (WAPC) to ensure that these important community facilities are accommodated in the Metropolitan Regional Plan.

The CEO held discussions with WAPC regarding land adjacent to Whiteman Park for the proposed Swan region memorial park. There are a number of issues concerning the site that need to be resolved before cemetery development can occur. These include the need for extensive filling, as well as consideration of the adjacent development by the City of Swan of a regional sports facility. Therefore the development of the Swan region memorial park may need to be reconsidered by the Board due to the rate of urban development in this north-east urban corridor within the ten-year time frame.

The CEO has also held meetings regarding future land needs for Whitby Falls. Development of this parcel of land has not progressed because the hectares are insufficient for cemetery needs based on the future development of this south-east urban corridor. Additional cemetery land of 26.8 hectares is required, providing a total of 65 hectares; this includes the 38.2 hectares of existing Whitby Falls land. Currently there has been no clear identification of land that could be amalgamated with the Whitby Falls cemetery land.

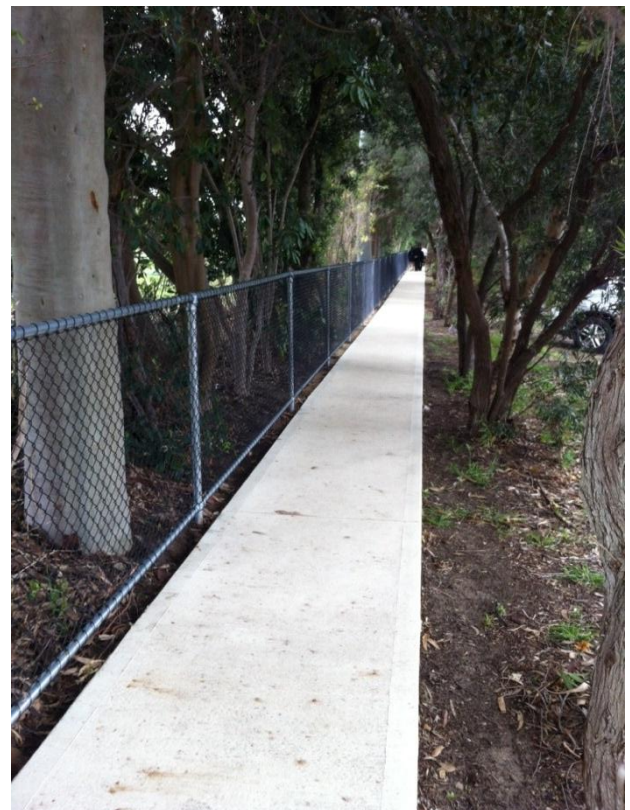
Liaison is also ongoing with the WA Department of Planning regarding future cemetery land near Alkimos in the north-west, and Carabooda to the north. While two sites have been identified, the MCB is still waiting for confirmation on whether these parcels of land will be set aside for cemetery use.

Capital Works

Each year the MCB undertakes a significant capital works program. This program ensures that the upgrade and renewal of assets and infrastructure is done in a timely and proactive manner — a critical component to the ongoing management of the assets of the MCB's six cemeteries. This also ensures that the MCB is able to meet its goal of long-term sustainable cemetery management.

Among the projects completed this year was the development of new burial areas at both Guildford Cemetery and Rockingham Regional Memorial Park, and renewed burial options at Karrakatta Cemetery. Additional memorial options have been provided at Fremantle Cemetery with the development of new granite niche walls. The detailed design was completed for the Elements of Life Memorial at Pinnaroo Valley Memorial Park and construction also commenced. This important sculptural memorial will provide further alternatives to the number of memorial options available to the public.

The MCB and the City of Nedlands entered into an agreement to jointly fund the construction of a footpath along Railway Parade from Loch Street to the main entry of Karrakatta Cemetery. The intent of the path is to service local residents and also to provide safer access for cemetery visitors. The footpath, which is approximately 440 metres long, required careful planning and innovative design to accommodate the existing trees and their root systems, so that neither the trees nor the footpath were compromised.



The new path is utilised by the hundreds of people who visit Karrakatta each day that services are scheduled

The annual program of cremator maintenance was continued this year with the re-lining of two of the cremators at Karrakatta Cemetery. This important work will ensure the ongoing reliability and functionality of this equipment. In addition, the MCB also undertook the scheduled replacement of a number of items of fleet and plant, once again ensuring the reliability of the equipment to carry out the agency's important mission.

The MCB's customer service interface has been significantly improved at Karrakatta with the upgrade and refurbishment of the administration building's front counter. The renovated facility now provides better access for the public and more privacy for families when consulting with cemetery staff.

Other capital works projects include the installation of new granite niche walls at Fremantle Cemetery, renewed memorial gardens at a number of sites and the completion of burial vaults at Midland Cemetery.

Fremantle Cemetery Waiting Area, Cortège Route and Café

The MCB's architect has been progressing the Fremantle Cemetery waiting area, cortège route and café project throughout the year. Milestones reached include receipt of development approval from the WAPC, appointment of a Project Control Group and completion of the design phase. Tenders have been called and it is anticipated that the construction phase will be undertaken during the 2014/15 financial year.

The completion of this project will be a culmination of many years of planning and will provide a greatly improved facility for the benefit of cemetery patrons and the local community.



New Fremantle Café – Artist's Impression

Heritage Management

The MCB recognises the fact that it is the custodian of a significant amount of Western Australian heritage in the graves and memorials within its cemeteries as well as many of the historic buildings that it manages.

In recognition of this the City of Melville has recently included the Fremantle Cemetery in its review of its Local Government Inventory. The City noted that Fremantle Cemetery plays an important part in the story of the municipality.

It is important to note that whilst ensuring the preservation of important heritage aspects of our cemeteries, these areas must also still function as operational cemeteries and maintain the capacity to undertake burial and memorial installations.

Strategic Plan 2012–2017

The mid-year Board review of the Strategic Plan 2012–2017 was held on 29 August 2013 with the Board and Corporate Executive.

The review was to consider matters that might not have been addressed in the strategic plan after 12 months of operation, fine-tuning certain aspects of the plan and to consider any changes to the whole of government strategic direction required by agencies.



It was a good opportunity to check the strength of the strategic plan in dealing with unplanned issues on the corporate horizon that may impact on the MCB. Examples of such issues include: the review of the legislation that the MCB operates under, funding for new cemeteries, supporting the changing demographic of the greater Perth community and a financial model that supports non-discretionary funeral services that are price competitive.

The workshop highlighted three goals in the Strategic Plan 2012–2017 that need to be fine-tuned to include the following strategies:

Excellence in Customer Service

- Review community expectations to understand future service needs
- Review services for scope efficiency and consideration of delivery options.

Planning for Business Sustainability

- Review and assess risks, costs and benefits of statewide governance
- Review partnership options for funding infrastructure and consideration of the delivery of identified services.

Influencing and Shaping our Environment

- Consider proactively strengthening the MCB's profile.

The workshop also identified three areas of focus that would flow into the MCB's 2013/14 Directorate operational plans and would report progress to the Board as work is undertaken:

- Statewide Accountability — develop a broad position paper on statewide governance
- Capacity — develop a position paper on public/private partnerships for infrastructure
- Growth Constraints — broaden the position paper on public/private partnerships to include services.

Directorate annual operational plans were updated to incorporate the above issues and were reported to the Board as action plans progressed. Other MCB goals were linked to the strategic plan and detailed action plans were 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.

Master Planning

Extending upon the MCB's strong strategic planning is a focus on cemetery master planning. Whereas traditionally a master plan included a landscape document identifying burial sections, memorial gardens, lakes, chapels and office buildings, the new master planning process will be focused on the strategic plan, embracing all aspects of the MCB's role as a client-focused organisation, financial imperatives, sound corporate governance and the ability to construct cemeteries and memorial parks to reflect community needs. The new MCB master plan will be visionary in defining community needs first, based on the principles above, with a sound business plan. The final outcome will be a landscape plan reflecting the needs of the community that the future cemetery or memorial park will serve.

Business Systems Review

The 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.

The second stage of the review began in July 2013 and is due to be completed late 2015. Vendors presented overviews to the Corporate Executive covering human resources, finance, asset and fleet management, project management, performance monitoring, and budgeting and procurement.

There were detailed workshops with the shortlisted vendor in relation to the finance module. A complete audit of the cemetery records system (CRS) was conducted to document its design to find a suitable replacement. The aim is to have a fully integrated Enterprise Management System (EMS) for the MCB that would house and seamlessly integrate all business modules within one overarching framework. The options that were explored supported this requirement.

The implementation of the finance module started in May 2014 and a 'go-live' date of 1 Oct 2014 is projected. This will be followed by human resource management, asset management, project management and fleet management. An out-of-the-box customer relationship management system will replace MCB's bespoke CRS in 2015/16.

Information and Communication Technology Infrastructure

This year the focus was on improving service delivery to clients and customers. The key initiatives included:

- Alignment of the ICT investment with the MCB's strategic objectives to achieve business outcomes
- Implementation of the public wi-fi facility
- Review of in-house systems.

As part of the business systems review the ICT roadmap was developed and its implementation was on track during 2013/14.



Free wi-fi connectivity: a new initiative

Outcome Four: Influencing and Shaping our Environment

The MCB has effective systems and infrastructure that support the needs of the business

Elements of Life Memorial — Pinnaroo Valley Memorial Park

Design documentation was finalised for Stage 1 of the Elements of Life Gardens at Pinnaroo Valley Memorial Park. Tenders were called for the construction of pathways and walls around the centre sculpture to provide 900 memorial wall positions.



Preliminary construction works: Elements of Life Memorial at Pinnaroo Valley Memorial Park

Recycling of Metals following Cremation

On 1 July 2013, the MCB commenced a program to recycle surgical metals remaining after cremation to ensure that the environment is protected in the long term by re-using non-renewable resources.

MCB-licensed funeral directors indicated positive support for this initiative and assisted in communicating the program to their clients. Families have the option of having the surgical metals returned to them if they wish.

Over 2900kg of metal were collected during 2013/14 and the funds generated from recycling will be donated to the Cancer Council Western Australia.

The MCB also supported the introduction of the program to regional cemetery boards by providing operational and marketing information through the Cemeteries and Crematorium Association of WA.

Legislation Review

The Department for Local Government and Communities, the Department of Health and the MCB agreed to review the *Cemeteries Act 1986* (WA), the *Cremation Act 1929* (WA) and the *Cremation Regulations 1954* (WA). The review aims for the new legislation to be interpreted in a practical way to reflect contemporary industry and community requirements and standards. Another aim is for the review to ensure that industry and the community find the processes easier to navigate. The Minister for Local Government will be responsible for a single Act incorporating and updating the current cemeteries and cremation legislation.

Funeral Industry

Interstate cemetery and crematorium staff continue to visit to learn about MCB processes around cemetery renewal and other operations. The MCB is widely regarded within the industry as a benchmark organisation.

The MCB maintains very 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 CEO of MCB was a board member of ACCA and the Director of Client Services is a board member of CCAWA.

Through these relationships and direct interaction, the MCB provides assistance to cemetery boards and local governments throughout Western Australia on a wide range of matters pertaining to cemetery management and operations. This may include burial and memorial area design, training, industrial relations and occupational safety and health.

The MCB also provides free maintenance of an internet portal to allow CCAWA members access to important legislative information and forms.

In March 2014, the CCAWA Annual General Meeting and Seminar was held in Perth with over 60 delegates attending from across Western Australia. Minister Tony Simpson welcomed delegates and officially opened the seminar.

Themed 'Regional cemetery solutions', MCB staff members Andrew Fox and Glenn French presented on the topics of 'Managing flower and ornament policies' and 'Safe burial practices for digging graves'. These topics were well received by those attending. A tour of Karrakatta Cemetery was hosted before the seminar for those wishing to take advantage of being able to visit a larger cemetery to gain ideas for their own workplaces, or discuss issues with other cemetery workers. This tour included viewing of the MCB 'training grave' used with funeral directors.

Following the seminar, several regional operators contacted the MCB for advice on their own policies and operational activities. The MCB frequently and openly provides support to regional cemetery operators.

The MCB-developed *Best Practice Guide for Exhumations* was provided to all funeral directors licensed by the MCB and to the Australian Funeral Directors Association to distribute to their regional members. The Guide was also distributed to CCAWA members to assist them in conducting exhumations in accordance with legislation.

To continue with a high level of community engagement, MCB staff worked closely in conjunction with ethnic and religious groups, the Royal WA Historical Society, the WA Genealogical Society, the Office of Australian War Graves, the National Trust WA, the State Heritage Office (Heritage Council), local governments and government departments and

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

Water Management

The 2013/14 Capital Works program continued the expansion of modern irrigation systems, with the introduction of the initial stages of two-wire, automated irrigation systems at Karrakatta Cemetery and Rockingham Regional Memorial Park. With the inclusion of two more water loggers at Pinnaroo Valley Memorial Park, this technology will continue to assist with water use recording and management. These irrigation projects along with the ongoing upgrade of old equipment will enhance the MCB's ability to manage this valuable resource for the future.

The new toilets at the Rockingham Regional Memorial Park use an environmental dry sanitation system requiring minimum water. They utilise heat from the sun and vacuum ventilation to assist with decomposition, and rain water stored in small tanks supplies the hand basin.

Asbestos Management

The MCB has been proactive in its management of asbestos in accordance with its Asbestos Management Plan and asbestos registers. The careful management of this issue is important from an occupational safety and health perspective for both staff and visitors to the MCB's cemeteries.

In particular the MCB has been active in the management of potential asbestos contamination in the bushland area on the eastern side of Midland Cemetery which was previously identified by the then Department of Environment and Conservation, now the Department of Environment Regulation (DER). In addition to regular site clean ups, the MCB has also conducted works to assist in the encapsulation of potentially contaminated ground. In order to ensure compliance the MCB engaged licenced and qualified contractors and consultants to undertake and oversee all works. The MCB also engaged a consultant to commence a Preliminary Site Investigation.

DER has indicated that they are satisfied that the current management issues at the site have been addressed and that there is a suitable long term plan to manage the potential asbestos issues at the Midland Cemetery.

Solar Power

As the operation of cemetery buildings and crematoria consume a significant amount of electricity, the MCB is always seeking ways to offset or lower electricity costs, as well as to reduce environmental impact. As a result the MCB installed a 144-panel solar electricity system on the roof of the Karrakatta Crematorium. Over the last 12 months of operation the system has performed better than expected. It generated an average of 172kWh per day saving approximately \$17,000 in 2013/14. The initial cost of the system will be paid off by the end of 2015, just over two years after installation. Solar power not only reduced the MCB's operating costs, it also minimised the environmental impact of the MCB's cemetery operations. In light of the success at Karrakatta, solar panels will also be installed at the Fremantle Crematorium in 2014/15.

Energy Savings

In 2013/14 the power used at MCB sites totalled 12,300 gigajoules (GJ), a reduction of 17% from the previous year. The amount of electricity used decreased by 7% and gas usage dropped by 24%. The MCB was able to achieve significant gas savings through more informed monitoring and management of cremator energy use.



Solar panels at Karrakatta Cemetery are performing beyond expectation

FINANCIAL OVERVIEW

The MCB operates as a Government Trading Enterprise 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 is required to fund not only the day-to-day management of its cemeteries, but also all future infrastructure replacement, maintenance and development costs, as well as the maintenance of cemeteries in the future once they reach capacity and are closed. Cost recovery is essential in ensuring that the needs of current and future generations are met without compromising sustainability principles.

As part of its annual budget determination 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 countries in terms of benchmarking
- The cultural, ethnic and religious needs and sensitivities of the diverse community
- The need to build up reserves during the life of each cemetery in order to meet the costs of continued maintenance once full capacity has been reached.

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, burial, vault and mausoleum interment costs are priced the same for all cemeteries.

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's investments are managed in a prudent manner.

Financial Performance

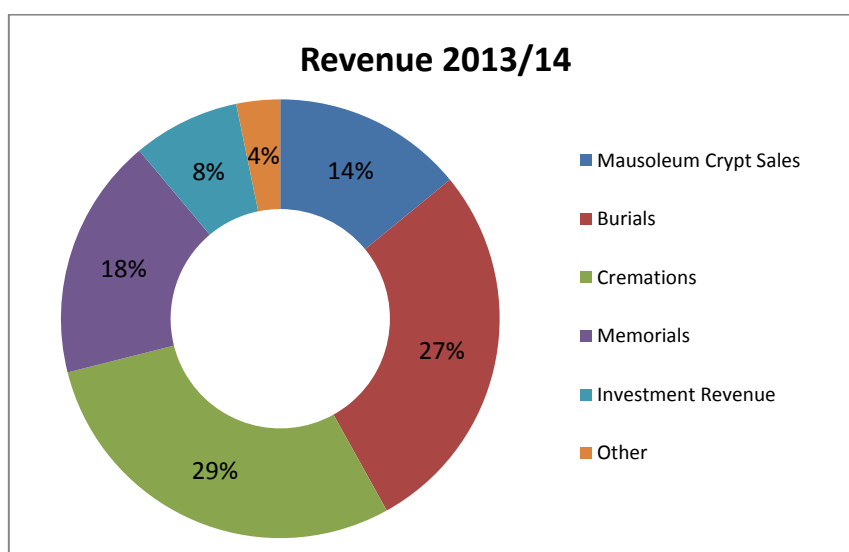
An operating surplus of \$5.262m (2012/13 \$7.523m) was achieved during the financial year as a result of the MCB generating revenue from cemetery operations of \$27.620m (2012/13 \$29.288m) while incurring operating expenditure of \$22.358m (2012/13 \$21.765m).

The MCB comparative results for the past two financial years are as follows:

Comparison of Financial Performance (\$'000)			
	2013/14	2012/13	Variance
Operating revenue	24,317	26,317	(2,000)
Investment revenue	2,157	2,052	105
Other revenue	1,146	919	227
Total revenue	27,620	29,288	(1,668)
Operating expenses	(22,358)	(21,765)	593
Operating result	5,262	7,523	(2,261)

Revenue

Total revenue generated during the year amounted to \$27.620m compared to \$29.288m in the previous financial year.



Revenue	2013/14	% Total Revenue	2012/13
Cremations	\$7,968,693	29	\$7,581,843
Burials	\$7,621,048	27	\$9,283,598
Memorials	\$4,876,765	18	\$4,933,384
Mausoleum crypt sales	\$3,850,196	14	\$4,517,744
Investment	\$2,156,648	8	\$2,052,219
Other	\$1,146,452	4	\$918,987
Total	\$27,619,802	100	\$29,287,775

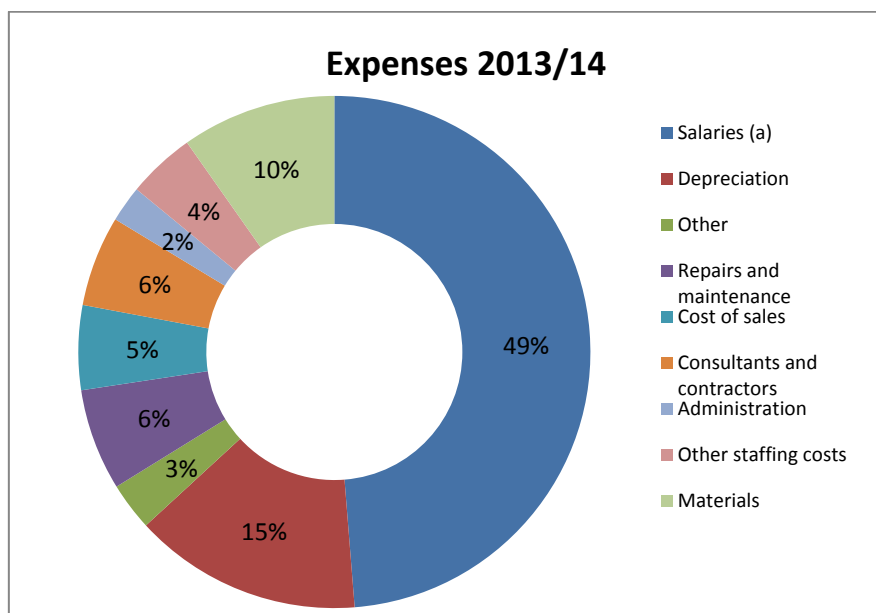
Revenue from the core business activities of the provision of Burial and Cremation services and the sale of Memorial products and Mausoleum crypt spaces, was \$24.317m compared to \$26.317m in the previous financial year.

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 and catering facilities and sale of investments, contributed \$3.303m to the Board's net surplus for the year. In the prior financial year (2012/13) these non-core business activities contributed \$2.971m. The MCB did not receive any government grants or consolidated revenue funding during the financial year.

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 (WA)*. A new fee schedule was adopted with effect from 1 July 2013. The Board resolved a general increase in its fees and charges of 3.9%, with the exception being cremations and infant and child burials at 2.6%. This was in accordance with Government recommendations on cost recovery, otherwise in line with CPI.

Expenditure

Total expenditure incurred on operating activities during the year amounted to \$22.358m compared to \$21.765m in the previous financial year.



Expenses	2013/14 \$'000	% Total Expenses	2012/13 \$'000
Salaries (a)	10,896	49	10,801
Depreciation	3,225	15	2,768
Materials	2,182	10	2,209
Repairs and maintenance	1,435	6	1,405
Consultants and contractors	1,279	6	1,186
Cost of sales	1,193	5	1,436
Other staffing costs	958	4	1,037
Other	678	3	579
Loss on sale of financial assets	0	0	5
Administration	512	2	339
Total	22,358	100	21,765

(a) Salaries expenditure includes on-costs, provisions for employee entitlements, fringe benefits tax and casual employment

During the year, the MCB invested \$4.3m (2012/13, \$3.7m) in new capital expenditure on assets for cemetery development and upgrading of facilities. Some of the significant items of capital expenditure were:

Capitalised Expenditure	\$'000
Plant and motor vehicle replacements	1,075
Burial area development and renewal	311
Relining of Karrakatta cremators	283
Expansion of security monitoring systems	325

Works in Progress	\$'000
Business systems review	176
Fremantle Cemetery modifications	203
Minor works	148
Burial area development and renewal	423
Security fencing	118

Operational Highlights and Results against Budget

During the year the MCB carried out the following number of services:

Operational Highlights			
	30 June 2014		30 June 2013
	Actual \$'000	Budget \$'000	Actual \$'000
Burials and entombments	2,249	2,340	2,285
Cremations	8,607	8,190	8,419
Total	10,856	10,530	10,704
Mausoleum crypt sales	165	155	191

The MCB carried out more funeral services than in the previous financial year and compared to the budget. Actual burials was both less than budgeted and in the previous year, however an increase in cremations was both above budget and that of the prior year. Sales of mausoleum crypts exceeded the budget by 10 crypts, although were less than the sales of the previous financial year by 26 crypts.

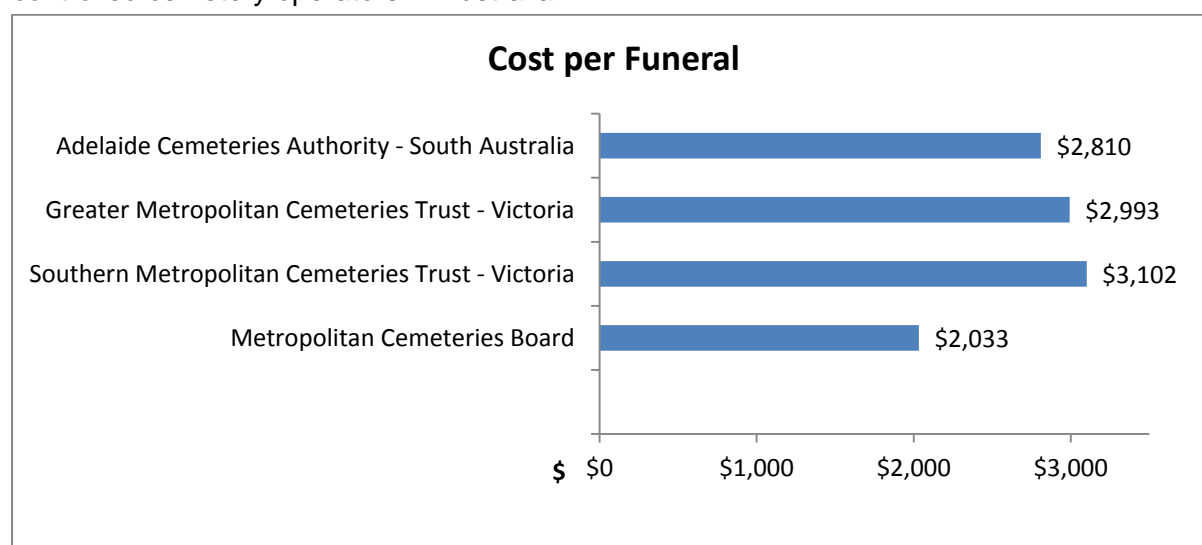
Revenue	2013/14	2013/14
	Actual	Budget
Cremations	\$7,968,693	\$7,551,403
Burials	\$7,621,048	\$6,879,943
Memorials	\$4,876,765	\$5,011,325
Mausoleum crypt sales	\$3,850,196	\$3,847,136
Investment	\$2,156,648	\$1,857,383
Other	\$1,146,452	\$576,198
Total	\$27,619,802	\$25,723,388

The MCB achieved a net surplus of \$5,262,151 for the year ended 30 June 2014 compared to a budget of \$2,671,000. Total operating revenue for the financial year was \$27.620m which exceeded the budget of \$25.723m. Total expenditure incurred on operating activities during the year amounted to \$22.358m compared to a budget of \$23.052m.

The MCB comparative results are as follows:

Comparison of Actual and Budget for the period ending 30 June 2014 (\$'000)			
	Actual	Budget	Variance
Total revenue	27,620	25,723	1,897
Operating expenses	(22,358)	(23,052)	(694)
Operating result	5,262	2,671	2,591

The 2012/13 cost per funeral of \$2,033 remains lower than that of other government controlled cemetery operators in Australia.



For comparative purposes information has been sourced from the audited and published financial statements for the year ended 30 June 2013.

The Financial Statements Note 38 — 'Explanatory Statement' provides further explanation of significant variances.

SIGNIFICANT ISSUES IMPACTING THE AGENCY

Changing Demographics of Greater Perth

Projections in the latest WA Government forecast profile report, *WA Tomorrow 2012*, (<http://www.planning.wa.gov.au/publications/6195.asp>) 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.

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 service the Swan region. Land at Whitby Falls in the south-east urban corridor is already vested in the MCB and planning will be required to develop this land for cemetery use, covering landscaping, roads and buildings.



Aerial view of Whitby Falls land allocation

The needs and expectations of the greater Perth community will be supported in the planning of these developments. With the changing demographics of the community, encompassing a range of religious and cultural beliefs, it is important for the MCB to ensure that individual community requirements are facilitated.

Bush Forever, a WA Government strategy which seeks to save almost a fifth of Perth's remnant bushland, continues to apply to MCB cemeteries. Land at the Pinnaroo Valley Memorial Park, Midland and Guildford Cemeteries has been secured for the long-term protection of biodiversity and associated environmental values. These significant parcels of undeveloped land set aside for conservation purposes means that available land for cemetery purposes is reduced.

Financial Sustainability — Infrastructure and Assets

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

If that is the case, then the cost will need to be factored into fees for cemetery services. This will be a significant impost and a high degree of transparency will be needed to justify the impact upon funeral costs. The situation is exacerbated by the fact that today's users of MCB services also contribute to the maintenance of old cemeteries, as cemeteries in the past had low fees levied prior to the introduction of fee-for-service accounting principles.

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. In addition to this, there will be the future need for new facilities at developing cemetery sites. Ongoing scheduled upgrade of assets will ensure that infrastructure quality continues to meet community requirements.

Review of *Cemeteries Act 1986 (WA)*, *Cremation Act 1929 (WA)* and *Cremation Regulations 1954 (WA)*

The MCB, Department of Local Government and Communities (DLGC) and Department of Health (DoH) continue to work on the review of cemeteries and cremation legislation, the outcome of which may be a single contemporary Act incorporating and updating the current legislation.

The *Cemeteries Act 1986 (WA)* and the *Cremation Act 1929 (WA)* reflect 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 (WA)* and the *Metropolitan Cemeteries Board By-law 1992*, cremations are the responsibility of the Minister for Health and covered by the *Cremation Act 1929 (WA)* and *Cremation Regulations 1954 (WA)*. 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.



Tree pruning is an ongoing task for the teams looking after the gardens in our cemeteries

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* (WA).

Major Capital Projects

Capital projects incomplete

An ongoing capital works project is cemetery renewal, with Anglican NA and OA under construction. Anglican UC and VC are in the planning and consultation phases, scheduled for completion within the next two years with costs on target. A new gazebo at the Rockingham Regional Memorial Park will be completed during 2014/15. The design and tendering of the Fremantle Café, Waiting House and Landscaping project has been completed and work is scheduled to be undertaken in 2014/15.

Capital projects complete

- Redevelopment of Anglican ZL
- Stage 1 of the Elements of Life Memorial area at Pinnaroo Valley Memorial Park.
- Cremator relines at Karrakatta Cemetery
- Karrakatta Cemetery office front counter modifications
- Rockingham Regional Memorial Park — installation of new toilet block in the Muslim burial area.

Employment and Industrial Relations

Staff Profile

	2013/14	2012/13
Full-time permanent	118	112
Full-time contract	11	13
Part-time measured on a FTE basis	15.14	19.44
On secondment	0	1
Total	144.14	145.44

Note: The above figures represent full time equivalent (FTE), and not head count.

Increasing our workforce capability

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

Governance Disclosures

Contracts with Senior Officers

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

Board and Committee Remuneration

Metropolitan Cemeteries Board					
Position	Name	Type of remuneration	Period of membership		Gross/actual remuneration
Chair	Leonie Liveris	Annual	1 July 2013 to 30 June 2014		\$13,400
Deputy Chair	Joe O'Dea				\$6,700
Member	Janice Bowra				\$6,700
Member	Tony Evans				\$6,700
Member	Brenda Robbins				\$6,700
Member	Ricki Smith				\$6,700
Member	Donald Whittington				\$6,700
Monument Assessment and Advisory Committee					
Member	Ron Bodycoat	\$86 per meeting	1 July 2013 to 30 June 2014		\$258
Member	Bill Bullock				\$172
Member	Yvonne Coate				\$172
Member	Peter MacLean				\$86
				Total	\$54,288

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* (WA). The amount of the insurance premium paid for 2013/14 was \$3,349.50 (including GST).

OTHER LEGAL REQUIREMENTS

Expenditure on advertising, market research, polling and direct mail

In accordance with Section 175ZE of the *Electoral Act 1907* (WA), the MCB incurred the following expenditure in relation to advertising, market research, polling, direct mail and media advertising:

Advertising Agencies	\$0
Market Research Organisations (Research Solutions)	\$31,865
Polling Agencies	\$0
Direct Mail Agencies	\$0
Media Advertising Agencies (Adcorp*)	\$4,211

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

Total expenditure for 2013/14 was \$36,076.

Disability Access and Inclusion Plan 2011–2016

The MCB has achieved the following against its Disability Access and Inclusion Plan (DAIP) to enhance access and inclusion:

- A new universal access path from the Loch Street train station to car park and entrance to Karrakatta Cemetery
- Installation of an access path in the Muslim burial area at Rockingham Regional Memorial Park
- An upgrade and refurbishment of Karrakatta Cemetery office front counter

- The design for the new café and waiting pavilion at Fremantle Cemetery factoring in all requirements of the DAIP to ensure universal access
- The design for universal access for toilets located at the Karrakatta Cemetery entrance
- Modification to allow universal access and egress from the bus stop outside the Karrakatta Cemetery Railway Road entrance
- An audit of Midland and Guildford Cemeteries to facilitate priorities in planning for access and inclusion
- An audit of parking facilities.

Compliance with Public Sector Standards and Ethical Codes

Public Sector Management Act 1994 (WA), s31(1)

Compliance issues that arose during 2013/14 regarding the public sector standards and the Commissioner's Instructions: none.

Compliance issues that arose during 2013/14 regarding the WA Code of Ethics: none.

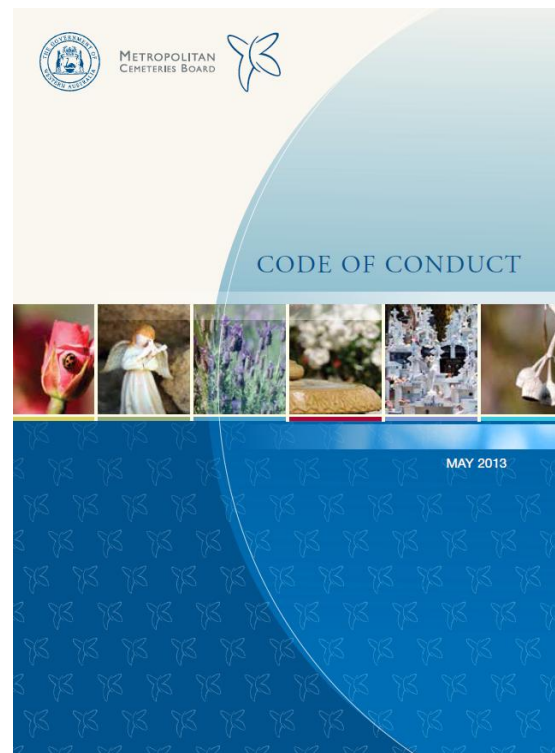
Compliance issues that arose during 2013/14 regarding the MCB Code of Conduct:

- 10 disciplinary processes were commenced
- 9 processes were completed, with one case still in progress
- 2 of the 9 cases were unsubstantiated
- 7 cases which were substantiated consisted of breaches of discipline occurring in the following areas:
 - personal behaviour
 - social media
 - disobeying a lawful instruction.

During this reporting period, the MCB had a strong focus on misconduct resistance. The increase in breaches of the Code of Conduct could be attributed to the employees' improved awareness of what is and what is not acceptable behaviour and their understanding of their obligations in reporting unethical behaviour. The MCB will monitor performance in this area and ensure strategies are developed to address any identified areas of focus.

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

- All new employees received a copy of the MCB Code of Conduct which is in accordance with Commissioner's Instruction No. 8: Codes of conduct and integrity training. In addition, the MCB's Social Media, Email and Internet policies are also provided at the commencement of employment. Employees are required to complete a declaration that they have read and understand the code and policies, which is then placed on their personnel file.
- Corporate Induction included awareness raising of the MCB's Misconduct, and Public Interest Disclosure policies.



MCB Code of Conduct

- 98.11% of employees completed the mandatory Accountable and Ethical Decision Making training.
- 98.73% of new employees to the public sector and the Board either attended or are registered to attend 'Induction: Your Guide to Ethics and Integrity in the WA Public Sector'.
- All employees were administered the Misconduct Awareness Survey to gauge awareness and understanding.

Mandatory training continued to be delivered to all employees, including Accountable and Ethical Decision Making, Bullying Awareness and Prevention, and Cultural Awareness programs. Board members continue to be supported in their personal development, with all Board members receiving Accountable and Ethical Decision Making, Public Interest Disclosures and Conflict of Interest training.

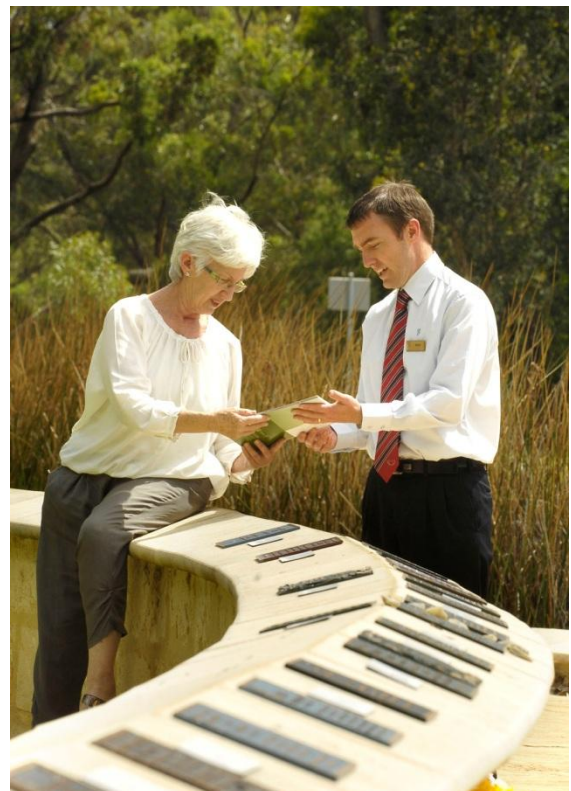
Misconduct Management Plan

The MCB developed a Misconduct Management Plan using the Corruption and Crime Commission's (CCC) Misconduct Resistance Framework. The CCC framework provides an integrated governance approach to protecting the integrity of agencies and also assists agencies develop an appropriate system to manage misconduct. This is achieved by increasing the factors which inhibit misconduct and decreasing the factors which allow misconduct to occur.

The MCB used a collaborative approach, consulting with all employees in the development of the plan. All employees were surveyed using the Health Check Questionnaire which forms a part of the misconduct resistance framework. The Questionnaire consisted of 12 short questions for staff to answer.

The Questionnaire results, together with the conducted Fraud and Corruption Survey results were reported to the Corporate Executive, providing valuable insight into the level of understanding of employees regarding the definition of misconduct, their awareness of the MCB's policies and procedures and where to access them. These results, together with other MCB-related data and the information obtained through the consultation with employees, all contributed to the development of this plan.

In addition, the MCB is currently reviewing its Fraud and Corruption Plan. To inform this, the MCB conducted misconduct risk assessments across all areas of the MCB. Progress on managing these risks will be reported in the agency's dashboard reporting to the Board.



Memorial selection appointments are offered to families at all cemetery locations

Integrity Controls in Recruitment

In September 2013, the MCB was one of ten agencies that participated in the evaluation conducted by the Public Sector Commission (PSC): 'An Examination of Integrity Checking Controls in Recruitment and Employee Induction Processes'. The evaluation framework applied a 'desirable controls model' based around the Australian Standard AS 4811–2006 Employment Screening.

The PSC examination considered the MCB's current arrangements in place for the recruitment and induction of staff into positions of trust that were deemed to have medium to high levels of integrity risk. Areas of improvement for the MCB were identified and included as strategies in the Integrity Control Implementation Plan, and in the MCB's Misconduct Management Plan.

Since the PSC published their examination report, the MCB has implemented 100% of all recommended strategies to address areas requiring improvement.

Records Management

Recordkeeping Plan

The MCB is committed to using an accountable and transparent framework for the management of its records. The MCB complies with the *State Records Act 2000* (WA), with an approved recordkeeping plan in place that outlines in detail the recordkeeping program for the agency. The MCB addresses its compliance with the State Records Commission Standard 2 Recordkeeping plans: Principle 6 — Compliance as follows:

1. The efficiency and effectiveness of the organisation's recordkeeping plan is evaluated not less than once every five years.

With the commencement of the Senior Knowledge Management Officer in July 2013, a review of recordkeeping systems and practices, and an evaluation of their efficiency and effectiveness was undertaken. The review highlighted the most important areas for improvement were:

- Widely available, appropriate initial and ongoing recordkeeping and Total Records Information Management system (TRIM) training for all MCB staff
- The review and update of the MCB's Business Classification Scheme
- The review and upgrade of all recordkeeping and TRIM procedures
- The upgrade of TRIM.

2. The organisation conducts a recordkeeping training program.

Recordkeeping Training Plan

The MCB's Senior Knowledge Management Officer conducted a Recordkeeping and TRIM Training Needs Analysis to ascertain requirements for all related training requirements. An agency-wide Records Management Training Program and Plan for initial and ongoing information sessions was developed and implemented. Training has been, and will continue to be delivered to existing and new employees at all MCB sites. The training plan has been designed to ensure that all MCB staff are aware of their recordkeeping responsibilities and to enable them to access suitable and ongoing training throughout the year. It includes recordkeeping inductions, one-on-one training for relevant and specific work-related groups.

Recordkeeping Awareness Raising

During October and November 2013 mandatory Recordkeeping Awareness Raising sessions were delivered to all MCB staff, including outside workers at all sites.

These training sessions advised staff of their recordkeeping responsibilities and the consequences for poor recordkeeping to ensure accountability. The training reintroduced the

policies and legislative requirements for recordkeeping and why this function is important in any government entity.

TRIM Training

Individual 'hands on' TRIM training was delivered by the Senior Knowledge Management Officer to all 80 TRIM users at all sites. This training reintroduced the basic fundamentals of the system and the sessions targeted the user's specific requirements.

TRIM Guidelines

TRIM Guidelines were developed to ensure a user-friendly approach to using TRIM for all users. The guidelines are available on the intranet for access by all staff.

Information Management Newsletter

A new initiative was instigated to develop and distribute an information management newsletter to all staff. This newsletter includes recordkeeping 'reminders and tips' for all MCB staff as necessary.

3. The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.

An annual review is conducted of the MCB's recordkeeping training program to ensure that it is efficient and effective. Comment and ideas were sought from all previous training participants with some of the resulting ideas included in the current training program.

4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.

The newly developed recordkeeping induction is provided for all new employees as part of the MCB's induction program. The recordkeeping induction advises new staff of their roles and responsibilities to ensure compliance with the Recordkeeping Plan. Relevant MCB staff are also provided with further 'one-on-one' awareness sessions and TRIM training.

GOVERNMENT POLICY REQUIREMENTS

Substantive Equality

The MCB continues to work towards providing services that meet the different needs of Western Australia'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

The MCB continues through its leadership and individual commitment to:

- Place a high priority on the occupational safety and health 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 (which informed the development of the OSH Strategic Plan 2013–2017).

The OSH Strategic Plan 2013–2017 is reviewed annually. The plan is structured into two streams of injury prevention and management, outlining strategies for 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 MCB is committed to the prevention of occupational injuries and diseases, and to ensure that effective rehabilitation services are available to employees.

The MCB also acknowledges and actively promotes the philosophy of consultation and cooperation between employer and employee utilising a committee of workplace and management representatives to identify and address safety and health issues. The Committee, chaired by the Manager Human Resources and Organisational Development, has a Corporate Executive representative who plays an integral role in the implementation of policies and procedures.



The MCB has a strong commitment to OSH and safe work practices

OSH is a standing agenda item at weekly Corporate Executive meetings and all other regular directorate meetings, with Corporate Executive regularly receiving reports on all areas of OSH performance.

Information is disseminated to all employees from the Chief Executive Officer and the Manager Human Resources and Organisational Development via CEO Bulletins and HR Updates which are circulated to all staff electronically and are made available via the intranet and in hard copy.

Staff toolbox meetings are also used as an avenue to increase employee awareness of new and existing OSH policies, procedures and updates.

The Human Resources branch reports to the Board on all OSH and injury management matters as a standing bi-monthly Board agenda item, and as an item on the quarterly Strategic Plan Dashboard Report.

The MCB is committed to ensuring that:

- All levels of management, employees and contractors understand and accept their OSH responsibilities
- In all stages of planning, design and construction, health and safety controls are implemented
- Training, supervision, instruction and education are provided to increase OSH, workers' compensation and injury management awareness
- All OSH incidents are reported and investigated in a timely manner with corrective actions implemented
- Consultation and cooperation between management and employees on OSH matters is encouraged
- Appropriate support services for workers' compensation and injury management claims are available

- Equipment and workplaces are continually being reviewed with the goal of preventing/eliminating workplace incidents
- MCB policies and procedures are continually being reviewed and improved in accordance with the OSH and Workers' Compensation legislation, Codes of Practice and Australian Standards
- The hierarchy of control (methods of risk control and reduction) is implemented.
- Risk Assessments and Job Safety Analysis (JSA) are conducted prior to work activities to eliminate/reduce the risks
- OSH Committee Meetings are regularly scheduled
- Supervisors regularly consult with employees through toolbox meetings and employees have access to the intranet to locate further OSH information if required
- Safety and Health representative are given time to fulfil their OSH duties.

Employee Consultation and Awareness

Eight Safety and Health Representatives (SHR) are located across the MCB's three main sites, and form part of the OSH Committee. The SHRs represent and consult with employees regarding all OSH matters.

The OSH Committee meets bi-monthly. At the meetings the SHRs refer OSH matters for consideration from their consultations with employees, supervisors, managers and external agencies. OSH Committee Meeting minutes are posted on workplace noticeboards and on the intranet. OSH matters are also raised during Toolbox meetings and directorate quarterly meetings.

The MCB intranet features information on OSH, Workers' Compensation and Injury Management with numerous publications, fact sheets and links to external websites such as those for Mental Health and Wellbeing. Employees are able to access the intranet themselves or via their Team Leaders. Topical OSH information is also publicised on workplace noticeboards.

Compliance with the Workers' Compensation and Injury Management Act 1981 (WA)

The MCB continues to fulfil its Workers' Compensation and Injury Management responsibilities in accordance with the *Workers' Compensation and Injury Management Act 1981 (WA)*, *Workers' Compensation and Injury Management Regulation 1982 (WA)* and the *Work Cover Workers' Compensation Code of Practice (Injury Management) 2005*.

Employees with new Workers' Compensation claims are provided with a copy of the guide *Workers' Compensation and Injury Management — A Guide for Workers*. The Return to Work Programs are developed in accordance with the above mentioned legislation and in consultation with the employee, their supervisor, their medical practitioner and where required, their rehabilitation provider.

At all times, employees are supported through their claim and are advised to actively seek additional information on Workers' Compensation and Injury Management through the intranet, their supervisor or the Human Resources branch.

Workers' Compensation

During the reporting period 10 of the 11 Workers' Compensation claims carried across from 2012/13 have been closed. One claim is in the process of being settled.

For the 2013/14 reporting period the MCB received 12 new Workers' Compensation claims.

Of these claims:

- Eight have been finalised
- Two are participating in Return to Work programs
- Two are awaiting closure by the MCB's insurer.

Workers' Compensation claims are reviewed regularly with case conferences and correspondence being managed by the MCB in accordance with the Workers' Compensation legislation.

In some cases, an external rehabilitation provider is contracted and assigned to claims which may require specialised expertise such as identifying and addressing critical physical, psychological, social and organisational risk factors. These factors may impact on an employee's ability to successfully return to work.

All Return to Work programs are prepared in consultation with the employee, their medical practitioner, their coordinator/supervisor and where necessary, the external rehabilitation provider.

Occupational Safety and Health Management Systems

In 2011 an independent audit of the MCB's Occupational Safety and Health Management System (OSHMS) was conducted by Industrial Foundation for Accident Prevention (IFAP). Recommended corrective actions were provided in the Audit Report and these have been internally reviewed with continual improvements being made throughout 2013/14.

The MCB is in the process of conducting an internal audit of the OSHMS utilising the Five Element WorkSafe Plan to rate the current system to ensure attention is being drawn to OSH areas which could be further improved. The MCB ultimately aims to achieve a best practice OSHMS and to be formally recognised with a WorkSafe Plan Certificate of Achievement.

Occupational Injury and Illness Prevention Strategies 2013/14

The MCB continues to maintain its strong focus on preventative strategies through its Mental Health and Wellbeing Program.

Employees are able to access information and resources on a large range of topics via the intranet. In addition, the following programs were conducted during this financial year:

- Ergonomic assessments for both office and outside-based employees
- 'Healthy Heart Check' — a qualified health consultant was available to speak with employees, conduct health checks to assist in detecting early signs of cardio-vascular disease and provide information on:
 - Risk factors (age, stress, diabetes, exercise, family/personal history, smoking)
 - Measuring total cholesterol, blood pressure, blood glucose, height and weight
 - Positive lifestyle changes
- 'Back Attack', back strengthening assessment — a qualified consultant was available to speak with outside-based employees and conduct the following checks:
 - Flexibility
 - Abdominal strength
 - Endurance
 - Core stability measurement
 - Discuss with employees their current stretching/exercise, existing injuries and stress levels
- Corporate 15 minute massages, twice yearly
- Sponsoring employees to participate in the HBF Run for a Reason — both 4km and 12km.

Further prevention strategies conducted this financial year include:

- Mandatory OSH for Managers training and mandatory Injury Management for Managers training. As at 30 June 2014, 97.05% of Managers had completed these two training courses, which exceeded the Board's target of 80%
- Mandatory Fire and Emergency Awareness training
- Mandatory Manual Handling training for new employees
- The ongoing review of the Board's OSH and injury management policies and procedures.

New activities/initiatives for 2013/14

- Development of an *OSH Handbook for Contractors* which complements the *OSH Manual for Funeral Directors and Contractors* developed in 2011/12
- Mental Health and Wellbeing — a major focus this reporting period was in the area of mental health. The MCB continued to provide opportunities for its employees to assist them in maintaining good health both physically and mentally with the development and implementation of the Mental Health Management Plan (detailed in Outcome Two: Building and Expanding our People Capability)
- Reviewed and developed a new Emergency and Evacuation Plan which has been implemented and distributed to all employees
- 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
- Developed a new shoring system which assists in the safe backfilling of graves. This system particularly benefits cultural groups such as the Muslim and Aboriginal communities and allows them to safely participate in the burials of their loved ones, through the provision of a lightweight, stable work platform.



A new burial system developed by MCB staff has reduced the OSH risks associated with the backfilling of burial plots

New activities/initiatives for the year provided to external stakeholders

The MCB provided advice and information to a range of stakeholders including funeral directors and others through various committees and associations. This reporting period the MCB delivered to:

Australian Funeral Directors' Association:

- Work Health and Safety: a cemetery perspective
- Asbestos Awareness
- Manual Handling
- First Aid
- Fire and Evacuation
- Burials and Backfilling
- High Risk Burials
- Contents of coffins for cremations
- Funeral directors' safety
- Grave digging roles and responsibilities, grave preparation and OSH.

Cemetery and Crematorium Association of Western Australia:

- Safe burial practices for digging graves: Practical advice for regional operators.

Performance and Targets — Summary

Measure	Actual Results			Results against Target	
	2011/12 ⁽¹⁾	2012/13	2013/14	Target	Comment on result ⁽²⁾
Number of fatalities	NA	0	0	0	
Lost time injury and/or disease incidence rate	NA	6.89%	4.8%	0 or 10% improvement on the previous three years ⁽²⁾	Due to NA for the 2011/12 period, comparison is made with 2012/13; and the LTI rate has decreased by 26.4%.
Lost time injury and/or disease severity rate	NA	20%	0%	0 or 10% improvement on the previous three years ⁽²⁾	Target achieved in comparison to 2012/13 period.
Percentage of injured workers returned to work:					
(i) within 13 weeks	44.4%	50%	71.4%	Actual result is stated	
(ii) within 26 weeks	55.5%	60%	71.4%	Greater than or equal to 80%	Target not achieved. However it signifies an overall upward trend in improvement from 2011/12.
Percentage of managers trained in occupational safety, health and injury management responsibilities	83.3%	96.7%	97.05%	Greater than or equal to 80% ⁽²⁾	Achieved and exceeded.

Note (1) An error occurred in the 2011/12 statistics on Lost time injury and/or disease incidence and severity which were reported. For this reason the statistics are unable to be recorded, therefore, a two year trend is reported on. In the 2014/15 reporting period, a full 3 year comparison will be available.

Note (2) The percentage of injured workers returned to work within 13 weeks and 26 weeks together with the number of managers trained is calculated over a three year period.

Workers' Compensation and Rehabilitation Claims

Number of claims lodged in 2013/14 and the directorate

Planning and Operations	11
Client Services	1
TOTAL	12

Workers' Compensation Location of Injury

Knee	2
Hand, Wrist	4
Back	3
Shoulder	1
Eyes	2
TOTAL	12

Employee Rehabilitation Performance

The MCB continues to focus on improving the process of rehabilitating injured employees back into the workplace, with a focus on enabling the return of the employee at the earliest opportunity. This is achieved through:

- Developing a Return to Work Program for all employees returning to work on a restricted medical certificate due to a Workers' Compensation injury
- Developing the Return to Work Program in consultation with the employee, their supervisor, their medical practitioner and if required their rehabilitation provider striving to accommodate any alternative work duties and modified hours of work
- Liaising with medical practitioners, specialists and rehabilitation providers in the form of case conferences, written correspondence and telephone conversations regarding employees injured in the workplace
- Supporting employees who have a non-work related injury or illness by assisting them in a Return to Work Program, which includes where possible, providing them with alternative duties
- Providing mandatory training for all managers in OSH for Managers and Injury Management for Managers training.



Replacement of plants to keep memorial gardens looking their best

Occupational Safety and Health Occurrences

This reporting period saw decreases in both incident and hazard reporting. The decrease in the number of incidents reported may be a result of:

- The continuation of education and training campaigns such as Manual Handling, Ergonomic Assessments, health and wellbeing sessions and OSH training for Managers to increase employees' safety awareness.
- The strengthened investigation process following an incident, whereby risk management strategies are identified and implemented.

The decrease in hazard reporting may be a result of employees actioning observed hazards immediately rather than reporting the hazard and implementing risk management strategies.

	2012/13	2013/14	Results
Reported Incident	63 (Break- down not reported)	47	A decrease in the number of incidents reported, from 63 incidents (2012/13) compared with 47 incidents (2013/14). This represents a 25.4% reduction in incidents reported for 2013/14.
Accident		23	
Damage		3	
Incident near miss		12	
Motor vehicle accident		0	
Other		9	
Reported Hazard	15	5	A decrease of 66.6% in the number of hazards reported, from 15 hazards (2012/13) compared with 5 hazards (2013/14).

'Incident near miss' refers to any unplanned incidents that occurred at the workplace which, although not resulting in any injury or disease, had the potential to do so.

CORPORATE GOVERNANCE

The Western Australian community needs affordable cemetery services to be provided to high standards that reflect community expectations. Cemetery prices should be fair, reasonable and commensurate with the service provided. Good governance consists of both achieving desired results, and achieving them in the right way. It also includes the processes by which stakeholders articulate their interests, whereby their input is absorbed, decisions are taken and decision-makers are accountable.



The original Karrakatta Administration Office circa 1915

The MCB has a sound foundation and a transparent and multi-dimensional view of its operations and related performance in relation to all of its stakeholders. A number of key policies to achieve transparency and efficiency in overall work practices were initiated.

Strategic Plan 2012–2017

The Strategic Plan 2012–2017 used the principles of the Business Excellence Framework (BEF) to fine-tune the MCB's goals, outcomes, strategies and measures. The BEF is an integrated leadership and management system that describes the elements essential to sustainable organisational excellence.

Linking to the Strategic Plan 2012–2017, each directorate had an operational plan which actioned whatever was necessary to meet the objectives of the MCB. Each employee also had an individual performance management plan entitled 'Guiding your Personal Success' which linked to the operational and strategic plan.

Reporting to the Board on the outcomes of the strategic plan was achieved through a dashboard report consisting of key performance indicators which provided a snapshot of the MCB's performance at the end of each quarter. MCB directors reported on their operational performance and progress of actions on a monthly basis at Corporate Executive.

Corporate Governance Framework

A Corporate Governance Framework was implemented to achieve organisational objectives and monitor performance. The framework guides the actions of individuals by providing clarity of direction as to appropriate behaviour and decision-making. It encourages the efficient and effective use of resources and equally requires accountability for the stewardship of those resources and associated outcomes.

The Corporate Governance Framework assisted in the delivery of the following linked outcomes, leading ultimately to a more efficient and effective MCB:

- 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.

The framework has four pillars which support the MCB as an organisation:

1. *Clear planning and direction* is provided via the MCB's strategic and operational plans. The plans state clearly what business the MCB is in and, by implication, what business it is not in. They describe the benefits or capabilities acquired by MCB stakeholders (and in particular customers) as the result of their interactions with the MCB.
2. *Appropriate and timely information* is disseminated via dashboard reporting. The dashboard reports focus on how the MCB obtains and uses data, information and knowledge to support decision-making at all levels of the organisation. The operational plans provide a more detailed view of information and knowledge at the operational level and adds value to decision-making processes.
3. *Sound resource management* focuses on the efficient and effective deployment of MCB's resources where they are needed. Resources include financial resources, inventory, human skills, information and communication technology and intellectual property. The utilisation of resources is linked to the strategic intent and plan and to some extent on risks impacting the MCB.

4. *Adequate controls* provide the assurance that other components of corporate governance are in place, as they provide knowledge about the MCB's performance, compliance and potential risks. The controls used to monitor the MCB's performance inform the Board and Corporate Executive of the degree of effectiveness and efficiency. These controls can also highlight problems at an early stage and allow for prompt corrective action.

The *Board Governance Charter* details clear guidelines on the role, responsibilities and operations of Board members.

Delegation of Authority

A review of MCB's Delegation of Authority was carried out in 2013/14. The framework comprises appointments, authorisations, financial authorisations, procurement, information & 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's operations and are critical to the achievement of outcomes.

Risk Management Framework

MCB's Risk Management Framework and Risk Register were reviewed and updated in 2013/14. The framework includes business continuity planning and crisis management, and contributes to those aspects of corporate governance that are directed towards enhancing organisational reputation and performance. It provides a structure to facilitate communication and consultation between internal and external stakeholders in defining and achieving organisational goals.



Once turf is established, this new lawn burial section will be offered to families utilising Rockingham Regional Memorial Park

A Risk Dashboard is presented to the Finance and Audit Committee and the Board quarterly. The Dashboard is an overview of the Risk Register, providing a visual focus on Extreme, High and Moderate risks. It also contains action statements and details of work in progress to mitigate these risks.

Risks are managed through a risk software system which also records incidents, audits and statutory obligations.

Accountability

Accountability comprises audit reports, complaints handling (refer below), Freedom of Information (FOI), Public Information Disclosure (PID), grievances, fraud prevention, Public Sector Standards in Human Resource Management and internal controls.

The MCB's internal controls are also used to monitor compliance with government policy. Internal audits provide an independent overview of the MCB's controls environment.

Complaints

There were 183 complaints recorded from 1 July 2013 to 30 June 2014, a decrease from 206 in 2012/13. All complaints were acknowledged within five working days. Complaints requiring investigations were responded to within 15 working days from the date which the complaint was received. 73% of complaints were investigated and responded to within two working days. The majority of complaints handled by the MCB were resolved without further incident.

Complaints by category

Facilities	35 (19%)
Grounds/Operations	76 (42%)
Products/Services	35 (19%)
Cemetery renewal	6 (3%)
Other	31 (17%)
Total	183

33 registered compliments and notes of appreciation were received, mostly relating to the professional and timely nature of rendered services and the caring and respectful nature of MCB staff.



MCB staff prepared over 2000 burial plots for families during the review period



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 2014, 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 2014 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 2014.

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 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2014.

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 2014.

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 2014 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 FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
9 September 2014

METROPOLITAN CEMETERIES BOARD

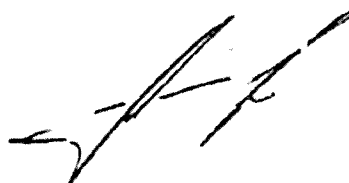
CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 2014 and the financial position as at 30 June 2014.

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

3 SEPTEMBER 2014

METROPOLITAN CEMETERIES BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
INCOME			
Revenue			
Sales of mausoleum crypts and vaults	6.	3,850,196	4,517,744
Provision of services	7.	20,466,506	21,798,825
Interest revenue	8.	938,813	863,263
Dividend revenue	9.	1,217,835	1,188,956
Commission on sand extractions from Rockingham Regional Memorial Park		240,096	289,069
Other revenue	12.	445,223	513,994
Gains			
Gain on disposal of non-current assets	11.	197,247	115,924
Gain on sale of available-for-sale financial assets	10.	263,886	-
TOTAL INCOME		<u>27,619,802</u>	<u>29,287,775</u>
EXPENSES			
Cost of sales	6.	1,193,346	1,435,626
Employee benefits expense	13.	10,766,792	10,763,031
Supplies and services	14.	3,949,571	3,876,735
Depreciation and amortisation expense	15.	3,225,325	2,768,550
Impairment of available-for-sale financial assets	17.	47,280	-
Other expenses	16.	3,175,337	2,915,887
Loss on sale of available-for-sale financial assets	10.	-	4,912
TOTAL EXPENSES		<u>22,357,651</u>	<u>21,764,741</u>
PROFIT FOR THE PERIOD		<u>5,262,151</u>	<u>7,523,034</u>
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		1,707,500	-
Changes in available-for-sale financial asset revaluation reserve		1,382,710	2,011,283
Total other comprehensive income		<u>3,090,210</u>	<u>2,011,283</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>8,352,361</u>	<u>9,534,317</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 2014

	Note	2014	2013
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	33(a)	139,883	196,808
Inventories	18.	9,472,153	10,643,799
Receivables	19.	1,934,483	1,983,837
Other financial assets	20.	19,510,305	16,924,856
Total Current Assets		31,056,824	29,749,300
Non-Current Assets			
Available for sale financial assets	21.	26,124,881	23,020,029
Property, plant, equipment and vehicles	22.	57,447,004	54,455,950
Infrastructure	23.	15,687,787	15,895,441
Intangible assets	24.	-	-
Total Non-Current Assets		99,259,672	93,371,420
Total Assets		130,316,496	123,120,720
LIABILITIES			
Current Liabilities			
Payables	27.	1,453,334	2,801,867
Provisions	28.	1,913,924	1,903,522
Other current liabilities	29.	58,188	5,483
Pre-need agreements	30.	834,746	575,760
Grant renewals	31.	658,536	658,536
Total Current Liabilities		4,918,728	5,945,168
Non-Current Liabilities			
Provisions	28.	430,297	422,919
Pre-need agreements	30.	6,574,267	6,827,993
Grant renewals	31.	1,548,382	1,432,179
Total Non-Current Liabilities		8,552,946	8,683,091
Total Liabilities		13,471,674	14,628,259
NET ASSETS		116,844,822	108,492,461
Equity	32.		
Contributed equity		13,640,938	13,640,938
Reserves		37,850,502	34,760,292
Retained earnings		65,353,382	60,091,231
TOTAL EQUITY		116,844,822	108,492,461

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 2014**

	Contributed Equity	Asset Revaluation Reserves	Available- for-sale investments financial asset Revaluation Reserve	Accumulated Surplus	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2012	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
Balance at 30 June 2013	13,640,938	31,403,956	3,356,336	60,091,231	108,492,461
Balance at 1 July 2013	13,640,938	31,403,956	3,356,336	60,091,231	108,492,461
Total comprehensive income for the year	-	1,707,500	1,382,710	5,262,151	8,352,361
Balance at 30 June 2014	13,640,938	33,111,456	4,739,046	65,353,382	116,844,822

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 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		20,676,317	21,536,178
Sales of mausoleum crypts		3,850,196	4,517,744
Receipts from commissions on sand sales		240,096	289,069
Interest received		956,593	805,689
Dividends received		1,216,541	1,163,356
GST receipts on sales		2,497,746	2,653,599
Other receipts		445,223	385,993
Payments			
Supplies and services		(7,095,578)	(5,764,080)
Employee benefits		(11,857,827)	(11,405,831)
GST payments on purchases		(1,117,344)	(1,006,560)
GST payments to taxation authority		(1,653,420)	(1,597,653)
Net cash provided by operating activities	33 (b)	<u>8,158,543</u>	<u>11,577,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale on non-current physical assets		247,066	173,460
Purchase of investments		(5,984,483)	(9,166,529)
Purchase of non-current physical assets		(4,371,550)	(3,655,007)
Proceeds from sale of investments		1,893,499	1,147,782
Net cash used in investing activities		<u>(8,215,468)</u>	<u>(11,500,294)</u>
Net increase/(decrease) in cash and cash equivalents		(56,925)	77,210
Cash and cash equivalents at the beginning of the period		196,808	119,598
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	33 (a)	<u>139,883</u>	<u>196,808</u>

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

METROPOLITAN CEMETERIES BOARD
INDEX OF NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Subject	Policy Note	Disclosure Note	Description
General	1		Australian Accounting Standards
General	1		General
General	1		Early adoption of standards
General	2		Summary of significant accounting policies
General	2(a)		General statement
General	2(b)		Basis of preparation
General	2(t)		Comparative figures
General	3		Judgments made by management in applying accounting policies
General	4		Key sources of estimation uncertainty
General	5		Disclosure of changes in accounting policy and estimates
General	5		Initial application of an Australian Accounting Standard
General	5		Future impact of Australian Accounting Standards not yet operative
Income	2(c)	6	Sale of goods
Income	2(c)	7	Provision of services
Income	2(c), 2(q)	12	Lease income
Income	2(c)	7	Grants of Right of Burial
Income	2(c)	8	Interest
Income	2(c)	9	Dividends
Income/Liability	2(c)	7,30	Pre-need Agreements
Income/Liability	2(c)	7, 30	Cremation Agreements
Income/Liability	2(c)	7, 31	Grant Renewals
Income/Liability	2(c)	7, 31	Mausoleum Grant Renewals
Income/Liability	2(c)	7, 30	Burial Agreements
Income	2(c)	10, 11	Gains
Expense	2(o), 2(m)	13	Employee benefits expense
Expense		14	Supplies and services
Expense	2(d)	15	Depreciation and amortisation expense
Expense		16	Other expenses
Asset	2(h)	33(a)	Cash and cash equivalents
Asset	2(j)	19	Receivables
Asset	2(i)	18	Inventories
Asset	2(k)	20, 21	Investments and other financial assets
Asset	2(d)	22, 23	Property, plant and equipment, vehicles and infrastructure
Asset	2(n)	26	Fair value measurements
Asset	2(e)	24	Intangible assets
Asset	2(f)	17, 25	Impairment of assets
Liability	2(l)	27	Payables
Liability	2(m)	28	Provisions
Liability	2(p)	29	Accrued salaries
Equity	2(s)	32	Equity
Cash Flow		33	Notes to the Statement of Cash Flows
General		34	Commitments for expenditure
General		35	Contingent liabilities and contingent assets
General		36	Events occurring after the reporting period
General		37	Explanatory statement
General	2(g)	38	Financial instruments
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General		41	Supplementary financial information

This index does not form part of the financial statements

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1. Australian Accounting Standards

General

The Metropolitan Cemeteries Board's (the Board) financial statements for the year ended 30 June 2014 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 2014.

2. Summary of significant accounting policies

(a) General statement

The Metropolitan Cemeteries Board 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 2006* 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 2014 (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 some revaluations of non-current assets.

(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 2014 (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.

Land and Buildings

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 buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. 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 for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted land use) or market value of comparable unrestricted land (low restricted land use). 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.

Infrastructure

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 22 – 'Property, plant, equipment and vehicles', Note 23 – 'Infrastructure' and Note 26 – 'Fair value measurements' 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, equipment and vehicles'.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (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 to 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 2014 (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.

The recoverable amount of assets identified as surplus assets is the higher of fair value less cost to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(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
- Held-to-maturity investments

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

(g) Financial instruments (continued)

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

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.

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.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

(k) Investments and other financial assets (continued)

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 27 – ‘Payables’.

(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 28 – ‘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

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be ‘other long-term employee benefits’. The liability for annual leave is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using remuneration rates 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 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.

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.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

(m) Provisions (continued)

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.

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 28 – 'Provisions'.

See Note 16 – 'Other expenses' and Note 28 – '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: Superannuation'.

(o) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. 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. See Note 27 – 'Payables'.

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)**

(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.

AASB Interpretation 1038 *Contributions by Owners Made 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.

(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 judgment. 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 \$47,280 (2013: nil) has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2014.

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 2014 (2013: 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 2014 (2013: nil).

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

(4) Key sources of estimation uncertainty (continued)

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 2014 (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 2013 that impacted on the Board.

AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for fair value measurements for non-financial assets and liabilities. There is no financial impact.</p>
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Board assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of the annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 1048	<p><i>Interpretation of Standards</i></p> <p>This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.</p>
AASB 2011-8	<p><i>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 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></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>
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2012-2	<p><i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></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>
AASB 2012-5	<p><i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009 – 11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></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>

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

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

AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009 – 11, 2010-7, 2011 – 7 & 2011 – 8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.</p>
AASB 2012-9	<p><i>Amendments to AASB 1048 arising from the Withdrawal of Australian Int 1039</i></p> <p>The withdrawal of Int 1039 <i>Substantive Enactment of Major Tax Bills in Australia</i> has no financial impact for the Board during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46 – 47.</p>
AASB 2012-10	<p><i>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, & 2011-7 and Int 12]</i></p> <p>This Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.</p>

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
Int 21	<p><i>Levies</i></p> <p>This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Board at reporting date.</p>	1 Jan 2014
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1. The Board has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

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

AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application was deferred by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The adoption of the new Standard has no financial impact for the Board as it does not impact accounting for related bodies and the Board has no interests in other entities.</p>	1 Jan 2014
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 14	<p><i>Regulatory Deferral Accounts</i></p> <p>The Board has not yet determined the application or potential impact of this Standard.</p>	1 Jan 2016
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard, issued in August 2011, supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of clarifications for the accounting treatments of changed ownership interests. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Board as it does not hold investments in associates and joint ventures.</p>	1 Jan 2014
AASB 1031	<p><i>Materiality</i></p> <p>This Standard supersedes AASB1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>	1 Jan 2014
AASB 1055	<p><i>Budgetary Reporting</i></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 General Government Sector. 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

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

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

AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12] [modified by AASB 2010-7]</i>	1 Jan 2015
AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> 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.	1 Jan 2015
AASB 2011-7	<i>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 & 1038 and Int 5, 9, 16 & 17]</i> This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> . Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The Board has undertaken an analysis of the suite of Consolidation and Joint Arrangements Standards and determined that there is no financial impact arising from adoption of the various Standards.	1 Jan 2014
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i> 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. The Board does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.	1 Jan 2014
AASB 2013-3	<i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i> This Standard introduces editorial and disclosure changes. There is no financial impact.	1 Jan 2014
AASB 2013-4	<i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i> This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Board does not routinely enter into derivatives or hedges, therefore there is no financial impact.	1 Jan 2014
AASB 2014-01	<i>Amendments to Australian Accounting Standards</i> The Board has not yet determined the application or potential impact of the Standard	1 Jul 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

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

AASB 2013-8	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]</i></p> <p>The amendments, issued in October 2013, provide significant guidance to clarify whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.</p>	1 Jan 2014
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i></p> <p>This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The Board has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p>	1 Jan 2014 1 Jan 2017

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014 \$	2013 \$
6. Trading profit		
Sales of mausoleum crypts	3,850,196	4,517,744
Cost of sales:		
Opening inventory	(10,430,407)	(11,866,033)
Transfer from works in progress on completion of new mausoleums	(51,738)	-
	<u>(10,482,145)</u>	<u>(11,866,033)</u>
Closing inventory	9,288,799	10,430,407
Cost of goods sold	<u>(1,193,346)</u>	<u>(1,435,626)</u>
Trading profit	<u>2,656,850</u>	<u>3,082,118</u>
See also Note 2(i) – ‘Inventories’ and Note 18 – ‘Inventories’		
7. Provision of services		
Burials	7,621,048	9,283,598
Cremations	7,968,693	7,581,844
Memorials	4,876,765	4,933,383
	<u>20,466,506</u>	<u>21,798,825</u>
8. Interest revenue		
Term deposits	696,554	606,783
Fixed interest securities	232,794	247,220
Bank accounts	9,465	9,260
	<u>938,813</u>	<u>863,263</u>
9. Dividend revenue		
Equity securities	520,138	450,708
Preference shares	357,261	399,106
Rebate of franking credits	340,436	339,142
	<u>1,217,835</u>	<u>1,188,956</u>
10. Net gain/(loss) on sale of available-for-sale financial assets		
Proceeds from disposal of available-for-sale financial assets		
Equity securities	1,168,779	2,273
Preference share	250,000	1,150,000
Fixed Interest securities	474,720	-
Cost of disposal of available-for-sale financial assets		
Equity securities	(1,594,726)	(2,273)
Preference shares	(258,000)	(1,154,912)
Fixed Interest securities	(589,009)	-
Add: Impairment losses previously recognised	812,122	-
Net gain/(loss) on sale of available-for-sale financial assets	<u>263,886</u>	<u>(4,912)</u>

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014 \$	2013 \$
11. Gains on disposal of non-current assets		
Proceeds from disposal of non-current assets		
Plant equipment and vehicles	247,066	173,460
Cost of disposal of non-current assets		
Plant equipment and vehicles	(49,819)	(57,536)
Net gain	<u>197,247</u>	<u>115,924</u>
12. Other revenue		
Commission from Kiosks	121,216	104,135
Rental of leased land	263,751	236,250
Insurance recoveries	2,428	-
Miscellaneous income	57,828	45,609
Fair value of Land taken over at no cash consideration	-	128,000
	<u>445,223</u>	<u>513,994</u>
13. Employee benefits expense		
Wages and salaries (a)	8,560,587	8,323,399
Superannuation – defined contributions plans (b)	1,285,755	1,236,208
Long service leave (c)	87,929	408,347
Annual leave (c)	832,521	795,077
	<u>10,766,792</u>	<u>10,763,031</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 28 - 'Provisions'.		
14. Supplies and services		
Communications	137,992	189,395
Consultants and contractors	1,279,175	1,185,569
Consumables	91,787	67,303
Materials	2,181,736	2,209,625
Travel	21,503	11,428
Other	237,378	213,415
	<u>3,949,571</u>	<u>3,876,735</u>
15. Depreciation and amortisation expense		
Depreciation		
Plant, equipment and vehicles	1,259,791	990,511
Office equipment	239,663	28,796
Buildings	882,452	872,353
Infrastructure	426,296	418,925
Cemetery renewal areas	417,123	403,382
Total depreciation	<u>3,225,325</u>	<u>2,713,967</u>
Amortisation		
Intangible assets	-	54,583
Total amortisation	<u>-</u>	<u>54,583</u>
Total depreciation and amortisation	<u>3,225,325</u>	<u>2,768,550</u>

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014	2013
	\$	\$
16. Other expenses		
Building and infrastructure maintenance	1,040,557	1,044,994
Equipment repairs and maintenance	394,461	359,634
Employment on-costs ^(a) (see Note 13 - 'Employee benefits expense')	129,025	38,071
Board expenses	103,426	91,112
Kiosk operation expenses	37,131	6,483
Administration expenses ^(b)	512,378	338,911
Other	958,359	1,036,682
	<u>3,175,337</u>	<u>2,915,887</u>

(a) Includes worker's compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 28 - '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 – financial 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 2014.

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

Equity securities	47,280	-
Preference shares	-	-
Fixed interest securities	-	-
	<u>47,280</u>	<u>-</u>

18. Inventories

Current

Inventories held for resale:

Mausoleum crypt stock –Stage 3 - at cost	-	4,693
Mausoleum crypt stock –Stage 4 - at cost	-	14,029
Mausoleum crypt stock –Stage 5 - at cost	770,632	1,002,749
Mausoleum crypt stock –Stage 6 - at cost	4,054,158	4,667,797
Mausoleum crypt stock – Fremantle – at cost	4,104,139	4,359,680
Mausoleum crypt stock – Midland - cost	21,420	21,420
Mausoleum crypt stock – Guildford – at cost	217,122	289,496
Vault stock – Midland – at cost	56,964	5,226
Vault stock – Fremantle – at cost	28,152	28,152
Ossuary Stock – at cost	36,212	37,165
	<u>9,288,799</u>	<u>10,430,407</u>

Inventories not held for resale:

Stores – at cost	183,354	213,392
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Total Inventory - Current	<u>9,472,153</u>	<u>10,643,799</u>
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METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014	2013
	\$	\$
19. Receivables		
Current		
Receivables	1,202,109	1,224,600
Accrued revenue	587,232	616,869
GST Receivables	-	-
	<u>1,789,341</u>	<u>1,841,469</u>
Allowance for impairment of receivables	-	-
	<u>1,789,341</u>	<u>1,841,469</u>
Prepayments	145,142	142,368
	<u>1,934,483</u>	<u>1,983,837</u>
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of year	-	11,173
Impairment expense	-	(11,173)
Balance at end of year	-	-
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>5,637</u>	<u>3,174</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’.		
20. Other financial assets		
Current		
At cost:		
Held-to-maturity investments carried at amortised cost	19,510,305	16,924,856
	<u>19,510,305</u>	<u>16,924,856</u>
21. Available-for-sale financial assets		
At the beginning of year	23,020,029	20,544,439
Additions	3,399,035	1,617,000
Disposals	(1,629,613)	(1,147,782)
Impairment during the year	(47,280)	-
Revaluation surplus/(deficit) transferred to equity	1,382,710	2,006,372
At end of year	<u>26,124,881</u>	<u>23,020,029</u>
Equity securities	12,476,439	9,541,401
Preference shares	10,056,932	9,506,622
Fixed interest securities	3,591,510	3,972,006
	<u>26,124,881</u>	<u>23,020,029</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.

Information on Fair value measurements is provided in Note 26 – ‘Fair value measurements’

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014	2013
	\$	\$
22. Property, plant, equipment and vehicles		
Land		
At fair value (i)	21,219,500	19,512,000
	<u>21,219,500</u>	<u>19,512,000</u>
Buildings		
At fair value (ii)	29,398,460	29,262,806
Accumulated depreciation	(1,754,804)	(872,353)
	<u>27,643,656</u>	<u>28,390,453</u>
Buildings and projects under construction		
Construction costs	3,334,960	1,411,471
	<u>3,334,960</u>	<u>1,411,471</u>
Plant, equipment and vehicles		
At cost	10,479,233	9,300,529
Accumulated depreciation	(6,311,079)	(5,655,646)
	<u>4,168,154</u>	<u>3,644,883</u>
Office equipment		
At cost	1,181,045	1,141,470
Accumulated depreciation	(687,555)	(447,892)
	<u>493,490</u>	<u>693,578</u>
Cemetery renewal areas		
At cost	2,641,905	2,441,103
Accumulated depreciation	(2,054,661)	(1,637,538)
	<u>587,244</u>	<u>803,565</u>
	<u>57,447,004</u>	<u>54,455,950</u>

(i) Freehold land was revalued as at 1 July 2013 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2014 and recognised at 30 June 2014. 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 comparison with market evidence for land with low level utility (high restricted use land).

(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 comparison with market evidence with low level utility (high restricted use). Accumulated depreciation has been credited to the asset accounts prior to revaluation and the asset values restated to the revalued amounts.

Information on fair value measurements is provided in Note 26 – 'Fair value measurements'.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (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.

Year ended 30 June 2014	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings	Buildings and projects under construction	Total
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at start of year	3,644,883	693,578	803,565	19,512,000	28,390,453	1,411,471	54,455,950
Transfer between asset categories	-	-	-	-	-	51,738	51,738
Additions	1,074,920	-	-	-	(4,456)	3,374,853	4,445,317
Transfers from / (out of) work in progress	757,961	39,575	200,803	-	140,111	(1,357,092)	(218,642)
Disposals	(49,819)	-	-	-	-	-	(49,819)
Transfers to operating expenditure	-	-	-	-	-	(146,010)	(146,010)
Revaluation increments	-	-	-	1,707,500	-	-	1,707,500
Depreciation	(1,259,791)	(239,663)	(417,124)	-	(882,452)	-	(2,799,030)
Carrying amount at end of year	4,168,154	493,490	587,244	21,219,500	27,643,656	3,334,960	57,447,004
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)
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

Information on fair value measurements is provided in Note 26 – 'Fair value measurements'.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

23. Infrastructure

	2014	2013
	\$	\$
At fair value (i)	16,533,007	16,314,366
Accumulated depreciation	(845,220)	(418,925)
	<u>15,687,787</u>	<u>15,895,441</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	15,895,441	14,980,574
Transfers from work in progress	218,641	1,333,792
Revaluation increment	-	-
Disposals	-	-
Depreciation expense	(426,295)	(418,925)
Carrying amount at end of year	<u>15,687,787</u>	<u>15,895,441</u>

Information on fair value measurements is provided in Note 26 – 'Fair value measurements'.

24. Intangible assets

Computer software		
At cost	404,826	404,826
Accumulated amortisation	(404,826)	(404,826)
	<u>-</u>	<u>-</u>
Reconciliation		
Carrying amount at start of year	-	54,583
Write back of the amortisation expense	-	(54,583)
Carrying amount at end of year	<u>-</u>	<u>-</u>

25. Impairment of Assets – Property, plant, equipment and vehicles

There were no indications of impairment to property, plant and equipment and vehicles, infrastructure and intangible assets at 30 June 2014.

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 2014 have been written-off.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

26. Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value at end of period
	\$	\$	\$	\$
2014				
Available-for-sale financial assets (Note 21)	26,124,881			26,124,881
Land (Note 22)		16,800,000	4,419,500	21,219,500
Buildings (Note 22)			27,643,656	27,643,656
Infrastructure (Note 23)			15,687,787	15,687,787
	<u>26,124,881</u>	<u>16,800,000</u>	<u>47,750,943</u>	<u>90,675,824</u>

There were no transfers between Levels 1, 2 or 3 during the period.

Valuation techniques to derive Level 1 fair values

Level 1 fair value measurements have been based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Board can access at the measurement date.

Valuation techniques to derive Level 2 fair values

Level 2 fair value of Land is derived using the market approach. Market evidence of sales prices of comparable land in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings	Infrastructure
	\$	\$	\$
Fair value at the start of the period	3,512,000	28,390,453	15,895,441
Additions	-	135,655	218,641
Revaluation increments/(decrements)	907,500	-	-
Depreciation expense	-	(882,452)	(426,295)
Fair value at the end of the period	<u>4,419,500</u>	<u>27,643,656</u>	<u>15,687,787</u>

Valuation process

There were no changes in valuation techniques during the period.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted (low restricted use land), or by comparison with market evidence for land with low level utility (high restricted use land).

Fair value for existing use specialised buildings and infrastructure 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). Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Significant Level 3 inputs used by the Board are derived and evaluated as follows:

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with similar utility are selected by the Western Australian Land Information Authority (Valuation Services).

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

26. Fair value measurements (continued)

Information about significant unobservable inputs (Level 3) in fair value measurement

Description	Fair value as at 30 June 2014 \$	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Land	4,419,500	Market Approach	Selection of land with similar approximate utility	\$0.58 - \$23.24 per m ² (\$6.73 per m ²)	Higher value of similar land increases fair value
Buildings	27,643,656	Depreciated Replacement Cost	Consumed economic benefit/obsolesc ence of asset	4.1% - 50.8% per year (14%)	Greater consumption of economic benefit or increased obsolescence lowers fair value
Infrastructure	15,687,787	Depreciated Replacement Cost	Consumed economic benefit/obsolesc ence of asset	4.1% - 50.8% per year (14% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value

Reconciliations of opening and closing balances are provided in Note 22 – ‘Property, plant, equipment and vehicles’ and Note 23 – ‘Infrastructure’

Basis of valuation

In the absence of market-based evidence due to the specialised nature of some non-financial assets, Land, Buildings and Infrastructure above are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal of the assets. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Board’s enabling legislation.

Land reserved for cemetery and cremation purposes is measured at fair value with regard to the lands highest and best use taking into account legal and constructive restrictions imposed on the land and commitments made in relation to the intended use of the land. The land values have been assessed on the basis of their use as cemeteries, a use considered to be highly restrictive. As the utility of the land is severely diminished by the restriction, the value is based on sales of land of a similar diminished utility, typically “bush forever” land.

Buildings and Infrastructure assets have been valued by way of depreciated replacement cost. The fair value does not represent the asset’s market value, rather it represents its service potential to the Board.

27. Payables

	2014 \$	2013 \$
Current		
Trade payables	826,585	1,707,247
GST payable	24,592	297,610
Accrued expenses	298,873	453,215
Accrued salaries	247,182	320,304
Retention monies held on capital projects	54,723	23,491
Other	1,379	-
	<u>1,453,334</u>	<u>2,801,867</u>

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

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

28. Provisions	2014	2013
Current		
Employee benefits provision		
Annual leave (i)	982,141	891,147
Long service leave (ii)	826,438	981,446
	<u>1,808,579</u>	<u>1,872,593</u>
Other provisions		
Employment on-costs (iii)	105,345	30,929
	<u>105,345</u>	<u>30,929</u>
	<u>1,913,924</u>	<u>1,903,522</u>
Non-current		
Employee benefits provision		
Long service leave (ii)	406,617	415,776
	<u>406,617</u>	<u>415,776</u>
Other provisions		
Employment on-costs (iii)	23,680	7,143
	<u>23,680</u>	<u>7,143</u>
	<u>430,297</u>	<u>422,919</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	754,228	548,679
More than 12 months after the reporting period	227,913	342,468
	<u>982,141</u>	<u>891,147</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	826,438	981,446
More than 12 months after the reporting period	406,617	415,776
	<u>1,233,055</u>	<u>1,397,222</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'.

Movements in other provisions

Employment on-cost provision		
Carrying amount at start of year	38,071	30,782
Net additional provisions recognised	90,954	7,289
Carrying amount at end of year	<u>129,025</u>	<u>38,071</u>

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

	2014 \$	2013 \$
29. Other current liabilities		
Current		
Income received in advance	24,886	5,483
Other refunds payable	33,302	-
	<u>58,188</u>	<u>5,483</u>
30. Pre-need agreements		
Current		
Cremation	560,778	428,982
Burial	273,968	146,778
	<u>834,746</u>	<u>575,760</u>
Non-current		
Cremation	5,215,244	5,299,843
Burial	1,359,023	1,528,150
	<u>6,574,267</u>	<u>6,827,993</u>
31. Grant Renewals		
Current		
Other grant renewals	658,536	658,536
	<u>658,536</u>	<u>658,536</u>
Non-current		
Mausoleum grant renewals	885,762	849,849
Other grant renewals	662,620	582,330
	<u>1,548,382</u>	<u>1,432,179</u>
32. Equity		
Contributed equity		
Balance at start of year	13,640,938	13,640,938
Balance at end of year	<u>13,640,938</u>	<u>13,640,938</u>
Reserves		
Asset revaluation surplus		
Balance at start of year	31,403,956	31,403,956
Net revaluation increments/(decrements)		
Land	1,707,500	-
Buildings	-	-
Infrastructure	-	-
Balance at end of year	<u>33,111,456</u>	<u>31,403,956</u>
Available-for-sale financial assets revaluation surplus		
Balance at start of year	3,356,336	1,345,053
Revaluation of shares	1,382,710	2,011,283
Balance at end of year	<u>4,739,046</u>	<u>3,356,336</u>
Balance of asset revaluation surplus at end of year	<u>37,850,502</u>	<u>34,760,292</u>
Accumulated surplus		
Balance at start of year	60,091,231	52,568,197
Result for the period	5,262,151	7,523,034
Balance at end of year	<u>65,353,382</u>	<u>60,091,231</u>
Balance of equity at end of year	<u>116,844,822</u>	<u>108,492,461</u>

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

33. 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:

	2014	2013
	\$	\$
Cash and cash equivalents	139,883	196,808
	<u>139,883</u>	<u>196,808</u>

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

Profit	5,262,151	7,523,034
Non-cash items:		
Profit on sale of property, plant, equipment and vehicles	(197,247)	(115,925)
Depreciation of non-current assets	3,225,325	2,768,550
Profit from sale of investments	(263,886)	4,912
Impairment write off on available-for-sale financial assets	47,280	-
Assets taken over at fair value	-	(128,000)
(Increase)/decrease in assets:		
Other current assets	49,355	76,867
Current inventories	1,223,384	1,455,355
Increase/(decrease) in liabilities:		
Current payables	(1,106,750)	(59,400)
Pre-need agreements	121,463	(420,369)
Current provisions	52,706	(8,856)
Employee provisions	17,780	431,954
Net GST receipts/(payments)		-
Change in GST receivables/(payables)	(273,018)	49,385
Net cash provided by operating activities	<u>8,158,543</u>	<u>11,577,504</u>

34. Commitments for expenditure

The capital commitments below are inclusive of GST:

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	396,413	185,260
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The capital commitments include amounts for:

Buildings	52,895	151,742
Plant and equipment	70,412	33,518
Infrastructure	273,106	-
	<u>396,413</u>	<u>185,260</u>

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)**

35. Contingent liabilities and contingent assets

As at 30 June 2014, the Board did not have any contingent assets or liabilities.

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 2014 and 2013 and between estimates and actual results for 2014. Significant variations are considered to be those greater than \$100,000.

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

	2014 Actual	2013 Actual	Variance
Sales of mausoleum crypts and vaults	3,850,196	4,517,744	(667,548)
Provision of services	20,466,506	21,798,825	(1,332,319)
Cost of sales	1,193,346	1,435,626	(242,280)
Depreciation and amortisation expense	3,225,325	2,768,550	456,775
Other expenses	3,175,337	2,915,887	259,450
Gain/(loss) on sale of available-for-sale financial assets	263,886	(4,912)	268,789

Sales of mausoleum crypts and vaults

The decrease in revenue of \$667,548 compared to the previous financial year is attributable to the reduced number of crypts sales (price per crypt ranging from \$15,650 to \$26,365), primarily for the Fremantle Mausoleum. The Board sold 165 crypts out of its nine mausoleums during the year. This compares to sales of 191 crypts in the previous financial year.

Provision of services

Revenue has decreased compared to the previous financial year, despite the Board conducting more funerals. During the year, the Board carried out 2,249 burials and entombments and 8,607 cremations, compared to 2,285 burials and entombments and 8,419 cremations in the previous year. There was a significant increase in income in the previous financial year as a result of a media report on the expiry of all Rights of Burial, issues under the old Cemeteries Act 1897. This resulted in a significant number of customers purchasing new Grants, on graves for which tenure had previously expired.

Cost of Sales

Cost of sales has reduced in line with the decrease in the number of crypts sold during the financial year, compared to the previous year. There were 26 less crypts sold this year than in 2012-13.

Depreciation and amortisation expense

The variance in depreciation is mainly attributable to the addition of plant and office equipment. During the 2012-13 financial year, server upgrades (\$650,000) and plant and equipment (\$1.3m) were recognised. During the current financial year, additional plant and equipment assets of \$1.8m have been brought to account. These assets have contributed to an increased depreciation expense.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

37. Explanatory statement (continued)

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

Other expenses

The increase in Other Expenses is primarily due to increased legal costs (\$130,000) and the increase in the provision for workers compensation on costs (\$90,000) associated with the annual and long service leave liabilities.

An actuarial assessment of leave liabilities was conducted during the financial year by PricewaterhouseCoopers, who advised that the appropriate workers compensation on costs is 6.6% of the liability rather than the 2% previously advised in 2011.

Gain or loss on sale of available-for-sale financial assets

During the financial year a review of the Board's investment portfolio was conducted. On advice from its financial adviser, Macquarie, the Board made the decision to rebalance its investment portfolio. This resulted in a realised gain of \$263,886 on the sale of these shares.

Significant variances between estimate and actual results for the financial year

	2014 Estimates	2014 Actual	Variance
Provision of services	19,442,671	20,466,507	1,023,836
Commission on sand extractions – Rockingham	0	240,096	240,096
Dividend revenue	843,000	1,217,835	374,835
Other expenses	3,021,246	3,175,337	154,091
Depreciation expense	2,854,082	3,225,325	371,243
Employee Benefit expenses	11,620,205	10,766,792	(853,413)
Supplies and services	4,358,850	3,949,571	(409,279)
Gain/(loss) on sale of available-for-sale financial assets	(31,022)	263,886	294,908

Provision of services

During the year, the Board carried out 2,249 burials and entombments and 8,607 cremations, compared to a budget of 2,340 burials and entombments and 8,190 cremations in the previous year. The increase in actual revenue over the 2014 estimate is primarily the result of the additional number of cremations carried out during the year.

Dividend revenue

Dividend income for the 2013-14 financial year includes an amount of \$340,436 for the refund of imputation credits on dividends received. An amount for imputation credits was not included in the 2014 estimate.

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.

Other expenses

The variance between the estimate and actual is the result of actual legal costs over what was estimated for the financial year.

**METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)**

37. Explanatory statement (continued)

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

Depreciation expense

Depreciation expense for the financial year is over budget due to the depreciation attributable to server upgrades, the purchase of plant and equipment and the capitalisation of assets that were not factored into the budget.

Employee benefit expenses

The variance in employee benefits expense is largely due to the estimate including a cost component for the back filling of positions as staff take leave during the financial year.

Gain or loss on the sale of available-for-sale financial assets

During the financial year a review of the Board's investment portfolio was conducted. On advice from its financial adviser, Macquarie, the Board made the decision to rebalance its investment. This resulted in a realised gain of \$263,886 on the sale of these shares. This gain was not incorporated when formulating the budget.

Supplies and services

The variance between budget and actual is primarily due to consultancy (cremation maintenance), computer software and project expenditure being below budget.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

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.

38 (a) Market risk

Market risk is the risk that changes in market prices and interest rates will affect the Board's income or the value of its holdings of financial instruments.

(i) Price risk

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

Sensitivity analysis – prices

If prices for equity securities listed in Australia change by 20% (2013: 20%) with all other variables being held constant, the profit and equity will be:

	2014		2013	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Listed in Australia				
- increased by		5,225	-	4,604
- decreased by	(5,225)	(5,225)	(4,604)	(4,604)

(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 – interest rates

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.

	2014			2013		
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Carrying amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	140			197		
- increased by *		1	1		2	2
- decreased by *		1	1		(2)	(2)
Term deposits	19,510			16,925		
- increased by		195	195		169	169
- decreased by		(195)	(195)		(169)	(169)

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

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

38. Financial instruments (continued)

38 (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 71 debtors (2013: 67 debtors) that represent 100% of trade receivables.

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

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

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Board. The Board's trade receivables not past due include receivables amounting to \$1,196,472 (2013: \$1,221,426).

(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'

38 (c) Liquidity risk

Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board is exposed to liquidity risk through its trading in the normal course of business.

The Board manages the liquidity risk by maintaining sufficient cash and term deposits to enable the Board to meet its normal operating commitments. The Board does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Board also 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.

The following table details the exposure to the liquidity and interest rate risk as at the end of the reporting period. 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.

	Weighted Average Effective	Variable Interest Rate	Non-interest bearing		Contractual maturity Date	Carrying Amount
	Interest Rate	Less than	Less than	3 – 5	Within 1	
2014	%	1 year \$000	1 year \$000	years \$000	year \$000	\$000
Financial Assets						
Cash and cash equivalents	2.54%	140	-	-	-	140
Receivables		-	1,202	-	-	1,202
Other financial assets	3.70%	19,510	-	-	-	19,510
Available-for-sale financial assets		-	-	26,125	-	26,125
Other current assets		-	732	-	-	732
		19,650	1,934	26,125	-	47,709
Financial Liabilities						
Payables		-	1,453	-	-	1,453
		-	1,453	-	-	1,453

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (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
2013	%					
Financial Assets						
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
Financial Liabilities						
Payables	-	-	2,802	-	-	2,802
		-	2,802	-	-	2,802

38 (d) Fair values

The fair values and net fair values of financial instrument assets and liabilities are determined and classified as follows:

- Level 1: the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2: the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3: the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

All financial liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

38. Financial instruments (continued)

(ii) Financial assets measured at fair value:

	Carrying Amount	Fair value measurement at end of reporting period		
		Level 1	Level 2	Level 3
2014	\$000	\$000	\$000	\$000
Financial Assets				
Available-for-sale financial assets	26,125	26,125	-	-
	26,125	26,125	-	-

	Carrying Amount	Fair value measurement at end of reporting period		
		Level 1	Level 2	Level 3
2013	\$000	\$000	\$000	\$000
Financial Assets				
Available-for-sale financial assets	23,020	23,020	-	-
	23,020	23,020	-	-

There have been no transfers between Level 1, 2 and 3 during the current financial period.

39. Remuneration of Board Members and Senior Officers

Remuneration Board Members

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

	2014	2013
	\$	\$
\$0 – \$10,000	6	6
\$10,001 – \$20,000	1	1

The total remuneration of the members of the Board is: \$58,558 \$57,218

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

No Board Members are members of the Pension Scheme.

METROPOLITAN CEMETERIES BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (continued)

39. Remuneration of Board Members and Senior Officers (continued)

Remuneration of Senior Officers

The number of Senior Officers, other than Senior Officers reported as Board Members, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

	2014	2013
\$ 40,001 - \$50,000	1	-
\$160,001 - \$170,000	-	2
\$170,001 - \$180,000	1	-
\$180,001 - \$190,000	1	2
\$190,001 - \$200,000	1	-
\$240,001 - \$250,000	-	-
\$260,001 - \$270,000	-	1
\$290,001 - \$300,000	1	-

The total remuneration of Senior Officers is:	\$910,520	\$990,772
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	\$	\$
Cash remuneration received	774,570	864,615
Annual leave and long service leave accruals	58,811	73,039
Other benefits	77,139	53,117
The total remuneration of the Senior Officers is:	<u>910,521</u>	<u>990,772</u>

The total remuneration includes the superannuation expense incurred by the Board in respect of Senior Officers other than Senior Officers reported as Board Members.

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:

	2014	2013
	\$	\$
Auditing the accounts, financial statements and performance indicators	47,000	45,000

41. Supplementary Financial Information

(a) Write-offs

No public property was written-off by the Board during the financial year or the comparative period.

(b) Losses through theft, defaults and other causes

There were no losses of public money or other public property through theft or default during the financial year or the comparative period.

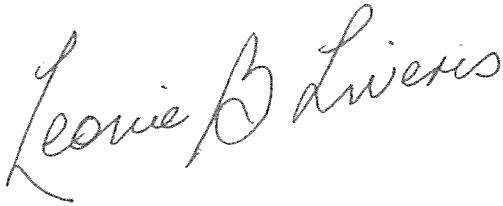
(c) Gifts of public property

There were no losses of public money other property through theft or default during the financial year or the comparative period.

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2014


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 2014.



Dr LEONIE LIVERIS
CHAIRMAN



JOE O'DEA (Jnr)
BOARD MEMBER



D MECOY
ACTING CHIEF EXECUTIVE OFFICER

3 September 2014

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 (burials, cremations and entombments) and memorial services that meet the needs and expectations of the community

Effectiveness Indicator

Extent of customer satisfaction with funeral and memorial services provided

Customer satisfaction with MCB overall continues to be high, with the proportion of completely satisfied respondents increasing.

Target	85%
2013/14	93.0%
2012/13	91.2%
2011/12	95.2%

1. Facilities

a. Appropriateness for differing religious and cultural beliefs

98.0% (2012/13: 96.9%) felt the MCB accommodated their loved one's religious and/or cultural beliefs extremely or very well.

b. *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:

	2013/14 %	2012/13 %
Condolence lounges	99.5	98.5
Chapels	99.3	98.7
Memorial gardens	97.9	92.2
Lawn burial areas	94.3	92.0
Cafes	93.1	92.0
Toilets	90.7	82.7
Mausoleum	89.7	91.9
Natural burial areas	88.9	86.6
Monumental burial areas	83.8	77.2

2. Number of funerals performed with no incident

Out of a total of 10,856 funerals (2012/13:10,703), 1 incident was reported (2012/13:2).

3. Number of complaints received on customer service issues

183 complaints were registered during the reporting period (2012/13:206).

4. Customer Service Experience

Based on a rating of “extremely or very”

	2013/14 %	2012/13 %
Professional	94.8	91.5
Responding to enquiries promptly	94.1	90.8
Understanding the clients' needs	93.4	90.1
Information given was easy to understand	92.9	92.9
Compassionate	88.8	88.4

5. 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.

6. Pricing, Products and Services

- 87.5% (2012/13: 83.8%) found it extremely or very easy to find a grave, memorial location or crypt to meet their needs
- 87.9% (2012/13: 83.0%) found it extremely or very easy to find a memorial plaque, granite base or urn to meet their needs
- 84.7% (2012/13: 83.0%) found it extremely or very easy to get a memorial appointment time that suited them

Notes:

1. A target of 85% has been set for each indicator. 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.
2. A total of 2,000 surveys were conducted. Family members of the deceased were surveyed where the date of death ranged from 1 July 2013 to 28 February 2014. 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	2000	492	24.9%	±4.3%

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

Efficiency Indicator

Average Cost per Funeral

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

	Actual \$	Target \$
2013/14	2,059	2,189
2012/13	2,033*	2,136
2011/12	1,912	1,964
2010/11	1,836	1,896
2009/10	1,675	1,803

The average cost per funeral includes all operating expenses.

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 2013, indicates:

	Cost per Funeral	% Cost greater/(less) than MCB*	Number of Funerals
Metropolitan Cemeteries Board*	\$2,033	-	10,704
Southern Metropolitan Cemeteries Trust – Victoria	\$3,102	53%	11,962
Greater Metropolitan Cemeteries Trust – Victoria	\$2,993	47%	10,717
Adelaide Cemeteries Authority – South Australia	\$2,810	38%	3,177

* For comparative purposes, the ‘%age Cost greater/(less than) MCB’ has been expressed against the actual MCB figures for the 2012/2013 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 2013/2014 compared to the actual cost in 2012/2013 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 \$72 (3.6%). The actual average cost is below the target figure for the year by \$83 (4.0%).