

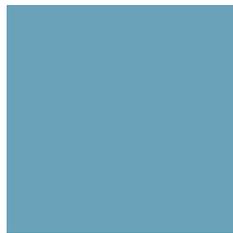
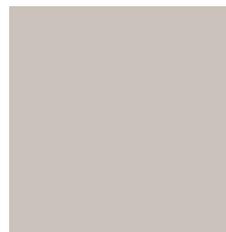
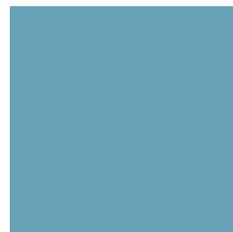


METROPOLITAN  
CEMETERIES BOARD



# ANNUAL REPORT 2018-2019

Commemorating 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

“Show me the manner in which a nation cares for its dead, and I will measure with mathematical exactness the tender mercies of its people, their respect for the laws of the land and their loyalty to high ideals.”

WILLIAM GLADSTONE

Cemeteries are custodians of the community's loved ones and memories, reflecting a diverse community of religions and cultures.

Effective cemetery management for Western Australians requires the capacity to operate on one, two, 50 or 100 year time horizons – that is the length of our relationship with our community.

## 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  
Postal Address:  
PO Box 362  
Hillarys WA 6923  
Telephone: 1300 793 109  
Facsimile: (08) 9401 3144

### Guildford Cemetery

Kalamunda Road  
South Guildford WA  
Postal Address:  
PO Box 362  
Hillarys WA 6923  
Telephone: 1300 793 109  
Facsimile: (08) 9401 3144

### Rockingham Regional Memorial Park

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

# CONTENTS

<b>STATEMENT OF COMPLIANCE</b> .....	2	<b>DISCLOSURES AND LEGAL COMPLIANCE</b> .....	45	OTHER LEGAL REQUIREMENTS .....	109
<b>OVERVIEW</b> .....	3	RESPONSIBLE PERSON'S DECLARATION.....	46	Expenditure on Advertising, Market	
ABOUT US .....	4	AUDITOR GENERAL'S REPORT .....	47	Research, Polling and Direct Mail .....	109
HIGHLIGHTS FOR 2018/19 .....	5	CERTIFICATION OF FINANCIAL STATEMENTS....	52	Disability Access and Inclusion Plan .....	109
FROM THE CHAIR .....	6	FINANCIAL STATEMENTS.....	53	Compliance with Public Sector	
FROM THE CEO .....	8	CERTIFICATION OF KEY PERFORMANCE		Standards and Ethical Codes .....	110
OPERATIONAL STRUCTURE .....	10	INDICATORS .....	99	Records Management .....	111
BOARD MEMBERS .....	11	KEY PERFORMANCE INDICATORS .....	100	<b>GOVERNMENT POLICY REQUIREMENTS</b> .....	113
ORGANISATION CHART .....	15	MINISTERIAL DIRECTIVES.....	107	Substantive Equality.....	113
PERFORMANCE MANAGEMENT		OTHER FINANCIAL DISCLOSURES .....	107	Government Building Contracts.....	113
FRAMEWORK.....	17	Pricing Policies of Services Provided .....	107	Occupational Safety, Health and Injury	
<b>AGENCY PERFORMANCE</b> .....	19	Major Capital Projects.....	107	Management .....	113
OUTCOME ONE: THE COMMUNITY WE SERVE ..	20	Employment and Industrial Relations .....	107	Compliance with the <i>Workers'</i>	
OUTCOME TWO: OUR PEOPLE .....	24	<b>GOVERNANCE DISCLOSURES</b> .....	108	<i>Compensation and Injury Management</i>	
OUTCOME THREE: MANAGING OUR FUTURE....	30	Contracts with Senior Officers .....	108	<i>Act 1981 (WA)</i> .....	114
OUTCOME FOUR: OUR WORLD .....	34	Board and Committee Remuneration.....	108	Occupational Safety and	
FINANCIAL OVERVIEW.....	40	Insurance Premiums Paid to Indemnify		Health Management Systems.....	114
<b>SIGNIFICANT ISSUES IMPACTING</b>		Members of the Board .....	108	Corporate Governance .....	116
<b>THE AGENCY</b> .....	43	Unauthorised Use of Credit Cards .....	108	Accountability .....	116
				Complaints and Feedback.....	116
				Compliments.....	117

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# STATEMENT OF COMPLIANCE

For the year ended 30 June 2019

**Hon. David Templeman MLA**

Minister for Local Government; Heritage; Culture and the Arts

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 2019.

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 Guidelines issued by the Public Sector Commission.

We 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.



**Hon. David Templeman MLA**  
Minister for Local Government;  
Heritage; Culture and the Arts

A handwritten signature in black ink, appearing to read 'B E Robbins'.

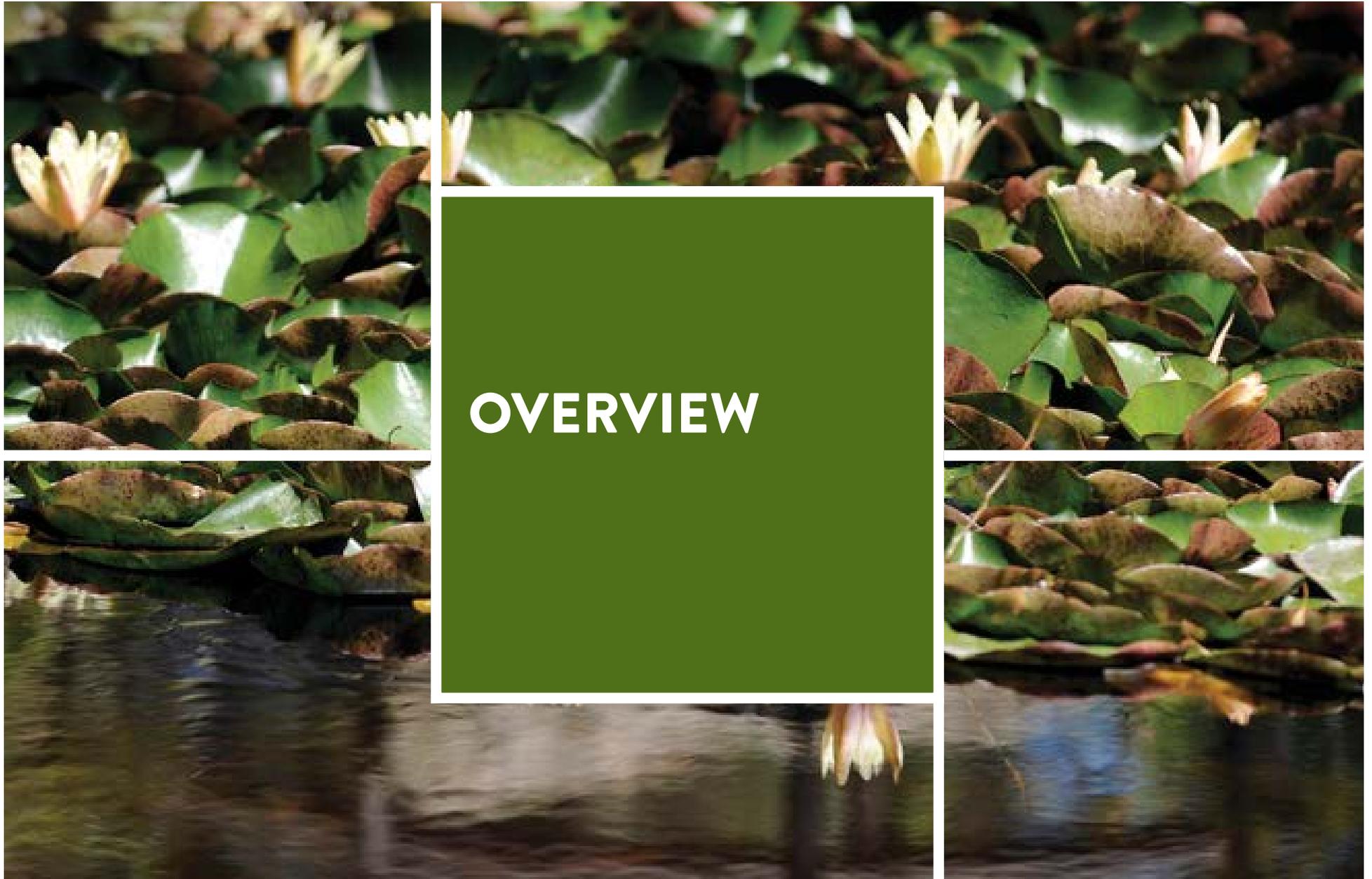
**Brenda Robbins**

CHAIR

A handwritten signature in black ink, appearing to read 'Peter Deague'.

**Peter Deague**

CHIEF EXECUTIVE OFFICER



# OVERVIEW

# OVERVIEW

## ABOUT US

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

## OUR VALUES

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

- compassion
- respect
- understanding
- integrity.

## 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.



## HIGHLIGHTS FOR 2018/19

### Satisfaction Ratings

The community's satisfaction with MCB services remained high this year, with an outstanding rating of 95.6 per cent for complete or high satisfaction, as measured through the annual customer survey. This result shows the ongoing commitment by MCB staff to understand and service the needs of the Western Australian community and to consistently provide that service at the highest possible level.

### Community Wins from GST Ruling

On 23 May 2019, the Australian Taxation Office (ATO) ruled that the MCB fees for a Grant of Right of Burial (and that component of a memorial's fee) are not subject to GST pursuant to Division 81 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

This will save members of the community up to \$150 on the fee for a Grant from 1 July 2019 when the ruling takes effect. This saving has been passed directly to all new applications.

The ATO has approved the Private Binding Ruling to commence from 1 July 2019.

### Supporting the Community

The MCB continued its support of the Cancer Council WA by donating the \$345,115 received from the cremation and surgical metals recycling program.



*MCB staff assisting in the Cancer Council kitchen*

The MCB has always been adamant that funds raised from the recycling program be diverted back to the community and is pleased that the MCB donation is used to assist in meeting the operating costs for both Milroy and Crawford Lodges, which provide accommodation for regional guests undergoing cancer treatment.

### Road Naming

During the year, the Board approved that all proposed naming of roads, buildings, memorial and burial sections after a person would be approved by the Board.

Since Don Whittington and Leonie Liveris retired from the MCB Board, there has been some discussion as to the possibility of the MCB acknowledging their service by naming a road after each of them.

It was felt that it would be a fitting and appropriate recognition of their contribution to the MCB, in particular for their:

- long-term association with the MCB (and in Don Whittington's case, with Fremantle Cemetery)
- length of service on the MCB Board
- service on the Monument Assessment and Advisory Committee
- contribution to the industry
- contribution to the community.

The roads suggested for naming are:

- The new road planned for Lawn W at Fremantle, to be named Whittington Way.
- The existing brick paved road in the Greek section AA at Karrakatta, to be named Liveris Lane.

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## FROM THE CHAIR

### A YEAR IN REVIEW

In my first year as Chair of the Metropolitan Cemeteries Board (MCB), I am pleased to present the Annual Report for the year 2018/19. I wish to acknowledge the contribution of my predecessor, Dr Leonie Liveris, for her eight-year stewardship of the Board and the significant changes she introduced, which will strengthen the operations of the Board for many years to come.

Once again it has been an extremely rewarding year for the MCB as we work to meet the diverse needs of the Western Australian community and play a very important part in their lives through the provision of affordable, quality cemetery facilities and services, receiving 12,050 funerals comprising 9,831 cremations, 2,080 burials and 139 entombments.

The Board's achievements in 2018/19 include the construction of a world class facility, Karrakatta Mausoleum Stage 7, which commenced in August 2017 and is expected to be completed in 2019. Stage 7 will have a large chapel and central piazza and provide an additional 936 crypts, bringing the total number of mausoleum spaces at Karrakatta to 4,086.

During the year, the MCB adopted a collaborative approach to its new Strategic Plan 2018–2023. The Strategic Plan continues to guide the Board and will provide a broad management framework for the organisation, supporting the sustainable current and future needs of clients and stakeholders with its focus on the importance of the community we serve, our people, managing our future and our world. We will continue to engage directly with the staff and the community to further improve our performance. I am consistently impressed with the dedication of staff to develop strategies and their willingness to seek out innovation and best practice in the work they do.

I am pleased to report that the MCB's recycling of the surgical metals remaining after cremation initiative continues and this year the MCB presented its seventh donation to the Cancer Council WA. A total in excess of \$470,000 has been donated so far to assist with meeting the ongoing costs of operating both Crawford and Milroy Lodges. I am particularly proud to say that MCB staff volunteered their time at Milroy Lodge to cook a meal for the residents as part of the Cancer Council WA Cook-a-Meal Program, a practical demonstration of our values of Compassion, Respect, Understanding and Integrity.

The Minister appointed two new Board members, Ms Dianne Guise and Ms Bernadine Tucker, who commenced their terms in July 2018. They bring a wealth of experience to the Board and I would like to thank them for their valuable contribution over the last year.

I take this opportunity to thank my fellow Board Members Mr Joe O'Dea Jnr (Deputy Chair), Dr Ricki Smith, Mr Tony Evans and Mr Darrell Jones for their valuable insights and substantial leadership in the Board's continuing success.

I would also like to express my appreciation to our Minister, the Hon. David Templeman MLA, our CEO, Mr Peter Deague, and all of the highly professional staff at the MCB for their support, dedication and commitment to the pursuit of excellence in the provision of cemetery facilities of the best possible standard.



**Brenda Robbins**  
CHAIR



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## FROM THE CEO

This has been a productive year for the Metropolitan Cemeteries Board (MCB) with the Board and staff working together to achieve the State Government's objectives.

The MCB has again achieved a tremendous customer satisfaction rating of 95.6 per cent from our community, which reflects well on our committed staff who work within our values of Compassion, Respect, Understanding and Integrity and have a strong focus of serving the needs of our community.

The MCB Chair and Board members also have a strong focus on their governance responsibilities and support all contributors to the MCB's success.

The MCB remains committed to supporting the State Government's Roadmap to Reform and visionary program 'Our priorities: Sharing Prosperity' and has ensured that the MCB's Strategic Plan 2018–2023 is aligned with that reform to achieve the desired outcomes.

During the year the MCB assisted local governments at the statewide level by sharing knowledge and expertise to provide consistency and adherence to standards.

The MCB also continues to support the Regional Cemetery Boards (RCBs) by holding meetings with a focus on future strategies for the cemeteries and crematoria industry in Western Australia, with the aim of promoting a culture of collaboration and improved service delivery. The MCB provides training support to RCBs by inviting them to send participants to attend training facilitates such as in Certificate IV in Leadership and Management, Working at Heights and Certificate III in Funeral Services, and the MCB also provides digging services, including exhumation assistance when called upon.

The MCB has been working closely with the Office of Digital Government to ensure that the MCB and the wider government sector have improved community access to services and has been reviewing paper-based forms with the view of transforming them to digital documents and working with external agencies and stakeholders such as the Department of Health to streamline and improve the exchange of information.

The build stage of the new Cemetery Records System has been completed and the MCB will now work on the systems integration and data migration prior to release. Once this stage is complete, the MCB will have an integrated, customer focused enterprise management system, which will improve service delivery to the community.

The MCB has this year adopted ISO 26000 *Guidance on Social Responsibility* and will use ISO 26000 to build social responsibility into the MCB's governance, procedures, responsibilities, due diligence, reporting and communication with stakeholders.

In conclusion, I would like to acknowledge that I have the privilege of leading a team of wonderful staff who are committed to achieving excellence in the provision of quality cemetery facilities and services for the people of Western Australia.



**Peter Deague**  
CEO



## OPERATIONAL STRUCTURE

The Metropolitan Cemeteries Board (MCB) is a fully self-funded State Government statutory authority appointed by and responsible to the Minister for Local Government; Heritage; Culture and the Arts. Revenue raised from the fees charged for various products and 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* (WA)

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

- *A New Tax System (Goods and Services Tax) Act 1999* (Cth)
- *Anatomy Act 1930* (WA)
- *Associations Incorporation Act 2015* (WA)
- *Auditor General Act 2006* (WA)
- *Australian Charities and Not-for-profits Commission Act 2012* (Cth)
- *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth)
- *Building Act 2011* (WA)
- *Cemeteries Act 1986* (WA)
- *Charities Act 2013* (Cth)
- *Corporations (Western Australia) Act 1990* (WA)
- *Corruption and Crime Commission Act 2003* (WA)
- *Cremation Act 1929* (WA)
- *Disability Services Act 1993* (WA)
- *Electoral Act 1907* (WA)
- *Equal Opportunity Act 1984* (WA)
- *Financial Management Act 2006* (WA)
- *Freedom of Information Act 1992* (WA)

- *Industrial Relations Act 1979* (WA)
- *Land Administration Act 1995* (WA)
- *Legal Deposit Act 2012* (WA)
- *Library Board of Western Australia Act 1951* (WA)
- *Local Government Act 1995* (WA)
- *Local Government Legislation Amendment Bill 2019* (WA)
- *Metropolitan Cemeteries Board By-law 1992* (WA)
- *Minimum Conditions of Employment Act 1993* (WA)
- *Occupational Safety and Health Act 1984* (WA)
- *Occupational Safety and Health Regulations 1996* (WA)
- *Public and Bank Holidays Act 1972* (WA)
- *Public Interest Disclosure Act 2003* (WA)
- *Public Sector Management Act 1994* (WA)
- *Salaries and Allowance Act 1975* (WA)
- *State Records Act 2000* (WA)
- *State Superannuation Act 2000* (WA)
- *State Supply Commission Act 1991* (WA)
- *Statutory Corporations (Liability of Directors) Act 1996* (WA)
- *Western Australian Jobs Act 2017* (WA)
- *Workers' Compensation and Injury Management Act 1981* (WA)
- *Workers' Compensation and Injury Management Regulations 1982* (WA)
- *Workers' Compensation Code of Practice (Injury Management) 2005* (WA)
- *Workers' Compensation (Common Law Proceedings) Act 2004* (WA)
- *Workplace Relations Act 1996* (Cth)

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## BOARD MEMBERS

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

The Board met seven times in 2018/19 with a focus on setting strategic and policy direction. The Committee for Finance, Audit and Risk, a sub-committee of the Board, deals with issues relating to financial, audit and risk-related matters. Board members also attended site inspections and other functions throughout the year.



**CHAIRPERSON**  
**Ms Brenda Robbins**  
7 of 7 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 a 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, Keystart Loans Ltd and the Australian Institute of Management, including a term as president. She is currently a member of the Racing Penalties Appeals Tribunal, and Trustee of the Scholarships Trust of Graduate Women WA Inc. Brenda holds a Juris Doctor, BA (Econs), GradCertAusMigLaw, is a Graduate of the Company Directors Course (GAICD), was awarded a Life Fellowship of Australian Institute of Management (FAIM), is a Nationally Accredited mediator (NMAS), and an inductee into the Western Australian Women's Hall of Fame.



**DEPUTY CHAIR**  
**Mr Joe O'Dea Jnr**  
7 of 7 meetings

Joe O'Dea Jnr has a long association with the funeral industry in Western Australia. He is the Executive Chairman of Bowra and O'Dea Funeral Directors. 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 Committee for Finance, Audit and Risk and has represented the MCB on many delegations.



**Mr Darrell Jones**

7 of 7 meetings

Darrell Jones is an experienced not-for-profit director with expertise in strategy, governance, economics, finance and marketing. He is a member of the Committee for Finance, Audit and Risk and the Monument Assessment and Advisory Committee. In other roles, he is a board member at Perth NRM, Councillor at the Shire of Mundaring and a former board member of the Mundaring Arts Centre, and he teaches at Curtin University in the subject areas of Actuarial Economics, Strategic Management and Corporate Governance. Alongside business issues, he has a strong interest in arts, environment and sustainability. Darrell holds a Bachelor of Economics, a Graduate Diploma in Applied Finance & Investment and a Graduate Certificate in Marketing, and he is a Fellow of the Australian Institute of Company Directors.



**Mr Anthony (Tony) Evans**

6 of 7 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 also been 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, Challenger TAFE and the Australasian College for Emergency Medicine. Tony holds a Bachelor of Business and a Diploma in Education. He is a Fellow of CPA Australia, the Governance Institute of Australia and the Australian Institute of Company Directors.



**Dr Renate (Ricki) Smith**

6 of 7 meetings

Ricki Smith has more than 30 years' experience in leadership, strategic planning and business development and is currently CEO of Access Care Network Australia, a national organisation that assists older Australians, carers and people requiring help at home in order to be discharged from hospital access to support services that enable them to live independently. Her board experience spans two decades in both government and non-government organisations. Ricki is a Fellow of the Australian Institute of Company Directors and proud to have been awarded a Churchill Fellowship in 2017.



**Ms Bernadine Tucker**

6 of 7 meetings

Bernadine Tucker has extensive experience in governance and regulatory affairs in the private, government and higher education sectors. Holding senior positions, Bernadine has worked with a number of committees, boards, and councils, providing advisory services on complex regulatory requirements. Currently working within the local government sector, Bernadine is responsible for the strategic and operational management of risk, regulatory compliance and governance for a metropolitan council. Bernadine is a Fellow of the Governance Institute of Australia, has a Master of Criminal Justice by Research at Edith Cowan University, has taught Criminology in the Faculty of Law at the University of Western Australia, is completing a PhD in governmental accountability, and has authored a number of papers in the areas of integrity, accountability and government oversight.



**Ms Dianne Guise**

6 of 7 meetings

Dianne is an experienced not-for-profit director with expertise in governance, audit and risk, finance and strategic planning. Her board experience includes Women's Healthworks, Chair of Gumala Investments P/L and Habitat for Humanity WA. Dianne works as a consultant providing Partnership Management for Studiosity. She has served as Councillor and Deputy Mayor for the City of Wanneroo and in the Western Australian parliament as the Member for Wanneroo and Deputy Speaker of the Legislative Assembly. Dianne is a member of the Australian Institute of Company Directors.

### **Board Remuneration**

Board members received an annual fee of \$7,246, while the Chair, in recognition of the additional time required to fulfil Board business requirements, received \$14,492.

### **Declarations of Interest**

Board members have disclosed all perceived, potential or actual conflicts of interests as required.

### **Committee for Finance, Audit and Risk**

The Committee for Finance, Audit and Risk (CFAR) is a committee of the Metropolitan Cemeteries Board. The Terms of Reference abide by the CFAR policy and procedures that set out the CFAR's objectives, its membership, authorities, delegations, roles and responsibilities, reporting relationships, meeting schedules and review.

The CFAR is to report and, where appropriate, make recommendations to the Board on financial, audit and risk-related matters, to monitor the Board's financial management and to ensure risk management is effective.

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### **CFAR Membership**

Mr Joe O’Dea Jnr – Chair

5 of 5 meetings

Ms Brenda Robbins – Member

5 of 5 meetings

Ms Bernadine Tucker – Member

5 of 5 meetings

Mr Darrell Jones – Deputy Member

3 of 5 meetings

### **CFAR Remuneration**

There is no remuneration for the CFAR members.

### **Monument Assessment and Advisory Committee**

The Monument Assessment and Advisory Committee (MAAC) was established by the MCB to assess monuments in burial areas and memorial gardens designated for cemetery renewal and to give advice and make recommendations to the Board.

The MAAC assesses monuments across a wide range of criteria including, but not limited to, stonemasonry craft, historical significance and cause of death of the persons interred and to make recommendations to the Board.

### **MAAC Membership**

Ms Dianne Guise – Chair

1 of 1 meeting

Mr Darrell Jones – Member

1 of 1 meeting

Dr Leonie Liveris – Historian

1 of 1 meeting

Ms Peta Alderman – Representative of the Office of Australian War Graves (WA)

1 of 1 meeting

Mr Don Whittington – Community Representative

1 of 1 meeting

Mrs Yvonne Coate – Genealogist

1 of 1 meeting

Mr Ronald Bodycoate – Architect (Heritage)

1 of 1 meeting

Mr Anthony (Tony) Evans – Deputy Member

0 of 1 meeting

### **MAAC Remuneration**

The Historian, Genealogist, Community Representative and Architect receive a sitting fee of \$86 per meeting.



## ORGANISATION CHART



The **Finance** directorate is responsible for the provision of corporate and business support to the MCB, which enables the organisation to provide critical services and program delivery to the community. Support service areas include financial planning and budget management, statutory reporting, investment and cash management, audit and risk management, procurement and contract management, information and communications technology (ICT) including knowledge management, and corporate governance.

The **Client Services** directorate is the public interface of the MCB and is responsible for the delivery, 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 such as community groups, Funeral Directors, clergy, civil celebrants, the broader industry and other government departments. They ensure that products, services and programs are effectively communicated to the community, as well as managing media and public relations.

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The **Planning and Operations** directorate is responsible for facilitating burials, cremations and entombments as well as maintaining the MCB's buildings, amenities and landscapes. This includes managing the service standards in the chapels and condolence lounges, crematoria and mausoleums, as well as ensuring that all monumental work meets required standards. Planning and Operations staff manage the MCB's security, vehicle fleet, plant, machinery, roadways and pavements and also undertake the project management of capital and minor works. The directorate is responsible for planning, developing and maintaining burial areas and landscaped memorial gardens, and oversees the development of the Master Cemetery Plans for existing and prospective sites.

The **Office of the CEO** covers executive management, Ministerial areas and strategic planning of projects. Staff in the Executive Support area liaise with the Minister's Office and manage support services to the CEO, the Board and its sub-committees, corporate executive and other strategic partners.

The **Human Resources** (HR) section reports directly to the CEO and provides organisational wide support on workplace and industrial matters, payroll, employee relations and Occupational Safety and Health (OSH) leadership.

The MCB had 153 full-time equivalent employees during 2018/19.



**DID YOU KNOW?**

Many people visit Pinnaroo with friends to see the kangaroos.



## PERFORMANCE MANAGEMENT FRAMEWORK

### Outcome-Based Management

The MCB's outcome-based management structure changed during 2018/19 to align with the adoption of a new Strategic Plan.

### Relationship to Government Goals

The MCB's Strategic Plan 2018–2023 identifies key directions for the organisation. 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 previous Strategic Plan to consider any matters that had not been addressed, fine-tuned certain aspects of the Plan and considered any changes to the whole-of-government strategic direction required by agencies.

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

1. The Community We Serve
2. Our People
3. Managing Our Future
4. Our World.

### Cross-agency Participation

The MCB continues to work with numerous government and non-government agencies in conducting its operations. Some of the more frequently contacted agencies in the past year have been:

- Department of Finance
- Department Local Government, Sport and Cultural Industries
- Department of Mines, Industry Regulation and Safety
- Department of Planning, Lands and Heritage
- Department of Treasury
- Office of the Auditor General
- Office of Australian War Graves
- Office of Digital Government
- Public Sector Commission
- various local government authorities
- Western Australian Planning Commission
- WA Police Force.



### DID YOU KNOW?

Grant of Right of Burial lasts for 25 years and is the right to arrange burials or place cremated remains in a grave.

The table below illustrates the relationship between the MCB's Strategic Plan 2018–2023, its desired outcomes and linkage with State Government goals. More specific achievements are detailed in the Agency Performance section of this report.

State Government Goal	MCB Desired Strategic Outcome	MCB Services
<b>Future, Jobs and Skills</b> Grow and diversify the economy, create jobs and support skills development.	1. The Community We Serve 2. Our People 3. Managing Our Future	<ul style="list-style-type: none"> <li>• Maintained a consistently high level of customer satisfaction with products and services.</li> <li>• Managed effective client and stakeholder relationships.</li> <li>• Provided leadership development and other training to our employees to build their capability.</li> <li>• Created employment through infrastructure development resulting in ongoing employment as part of cemetery management.</li> <li>• Planned for future operational sustainability.</li> </ul>
<b>Sustainable Finances</b> Responsible financial management and better service delivery.	1. Managing Our Future	<ul style="list-style-type: none"> <li>• Promoted policies and a system of values and risk management to meet legal, financial and ethical obligations.</li> <li>• Maintained sound financial management practices that balanced core responsibilities and business sustainability.</li> </ul>
<b>Strong Communities</b> Safe communities and supported families	1. Managing Our Future 2. Our World	<ul style="list-style-type: none"> <li>• Integrated sustainability principles for delivery of key services.</li> <li>• Ongoing development of sustainable financial capability models.</li> <li>• Maintained two-way stakeholder mechanisms to provide and promote knowledge and information dissemination.</li> </ul>
<b>Better Places</b> A quality environment with liveable and affordable communities and vibrant regions	1. The Community We Serve 2. Our World	<ul style="list-style-type: none"> <li>• Provided extensive advisory and consultative services to country cemetery boards and local governments including HR support.</li> <li>• Occupied key positions on the board of the CCAWA.</li> </ul>

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# AGENCY PERFORMANCE



## AGENCY PERFORMANCE

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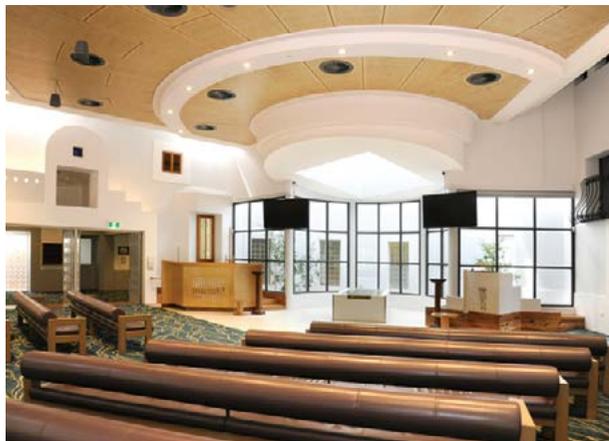
### OUTCOME ONE: **The Community We Serve**

The MCB aims to deliver a seamless and high-quality customer service experience with products and services that anticipate and meet the community's needs.

## Services Provided

The level of satisfaction with the MCB's services continues to be high, with a community rating of 95.6 per cent, as measured through the annual customer satisfaction survey. This result can be attributed to all MCB staff working together to understand and meet customer expectations, whether in the office, on the telephone, online or out in the grounds.

During the year there were 12,050 funerals comprising 9,831 cremations, 2,080 burials and 139 mausoleum entombments across the six cemeteries under MCB management. This was an increase of 308 funerals from 2017/18. In addition to these core services, staff assisted families in the provision of 522 burial plaques and 2,415 cremation memorials.



## Community Participation

### Connecting with history

The MCB remains committed to community education and to encourage learning in the cemetery environment. During the year the MCB supported various educational activities by hosting school tours of cemetery grounds and facilities as part of our school-based learning initiatives. In particular, students visited Karrakatta and Fremantle cemeteries to learn about storytelling, history, culture and religious rites.

The MCB continued to collaborate with the Western Australian Office of Australian War Graves to ensure that the records and commemorations of Official War Graves and Private Commemorations of War Dead are identified and maintained. The State Manager of the Office of Australian War Graves is a member of the MCB's Monument Assessment and Advisory Committee (MAAC), which ensures that all identified war graves are retained when undertaking cemetery renewal projects. The MCB continues its commitment to acknowledge the sacrifices of all Australians who served their nation and recognises the respect the community has for those Service Personnel.

For the first time, the MCB hosted events as part of the National Trust's Australian Heritage Festival, organising a series of tours through Fremantle Cemetery. This year, two distinctly different tours were staged: one focusing on the Fremantle Heritage Trail and the other focusing on the symbolism of monuments throughout the grounds. Both tours were extremely popular and the MCB looks forward to participating in the Festival in the future, recognising the importance of engaging with the community for reasons other than a funeral service.



During cremation the coffin is also cremated, it is not opened at all by MCB staff.



### **Catering for a diverse community**

The MCB continues to be respectful of the needs of Perth's diverse community. In 2012, land was consecrated at the Guildford Cemetery to provide for the burial needs of the 9,000-strong Perth Jewish community. In 2019, the Jewish Prayer Hall opened at Guildford Cemetery. The prayer hall was built by the Perth Chevra Kadisha (Jewish Burial Society) in support of the Jewish community. The building and prayer hall marks what will be the transition of the Jewish community from Karrakatta to Guildford, as Karrakatta no longer has land available to continue to provide Jewish burials.

MCB staff continue to have ongoing dialogue with representatives of different ethnic and religious communities and maintain an active stakeholder engagement plan. During the year MCB staff continued discussions with the Jewish community, the Greek community and the Muslim community in order to ensure their religious and cultural needs are met now and for the sustainable future. MCB staff also met with Aboriginal elders to discuss MCB policies, programs and services and open a dialogue about ways the MCB could be more culturally responsive.

Frontline customer service staff participated in training to assist them in working with people from culturally and linguistically diverse communities, including those in need of interpreter services. Staff were also trained to recognise signs of elder abuse and provided with resources.

### **Events to Celebrate, Honour and Engage with our Communities**

The traditional spiritual events comprising three masses and a rosary were staged within the Karrakatta and Fremantle mausoleums to mark Easter Sunday, All Souls' Day and the Feast of the Annunciation, as they have been for many years. These events continue to be extremely well patronised by the community, attracting up to 650 people taking the opportunity to come together for these important spiritual occasions. At Pinnaroo Valley, the Easter Sunday Dawn Service, which is staged on the lawns adjacent to Sir Thomas Meagher Lake, was once again facilitated by the Anglican parish of Kingsley. The first All Souls Day mass at Rockingham Regional Memorial Park was staged by the Rockingham Catholic Parish in 2018. The MCB appreciates the importance of welcoming community and religious organisations into the grounds for these significant events.

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Strengthening the MCB's partnership with the Cancer Council WA, a group of MCB staff participated in their Cook-a-Meal Program. The program, based at Milroy Lodge, brings groups of volunteers together to prepare an evening meal for those residing at the facility while undergoing cancer treatment.

Since 2013, the MCB has sent more than 19 tonnes of precious metals to be melted down and recycled and has raised more than \$474,000 to assist in meeting the operating costs of Crawford and Milroy Lodges. The MCB remains committed to this important initiative.

As part of the MCB's strategy to be digitally relevant and appeal to a broad cross-section of the community through both traditional and digital platforms, the MCB Facebook presence was launched in early 2019. Initial efforts have been focused on building an amicable digital community that focuses on MCB core activities (burial, cremation, and memorialisation) but also intentionally aims to enhance community awareness of general cemetery operations, the landscaped environment and the important custodianship role the MCB plays in maintaining the state's social history.

## 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. During 2018/19, refurbishment works were undertaken in Sainsbury Gardens at Fremantle Cemetery to provide a number of new rose memorial based options. A number of new cremation memorial niches were also established within the Fremantle Mausoleum; these have already proven to be popular with families. At Karrakatta, smaller scale refurbishment works were undertaken in a number of gardens so as to increase the number of cremation memorial options that older gardens can accommodate. This approach not only ensures sustainable use of scarce cemetery land but also allows families to select memorials within some of Karrakatta's oldest and grandest garden environments. At Pinnaroo, the first stage of the Santalum Court memorial area continues to be extremely well received by families with many taking the opportunity to establish a commemoration for a loved one alongside the decorative running stream, which is a centrepiece of the area. Since hosting its own crematorium, there has been a slight increase in requests for memorialisation at Rockingham Regional Memorial Park with staff monitoring feedback

from families as to the kinds of memorial options they would like to see at the park as community demand for memorials increases. Beautification works continued at both Midland and Guildford cemeteries ensuring that the carefully curated range of memorial options at both sites continues to meet the requirements of families.

On 21 April 2018 a media statement by the Department of Premier and Cabinet was released advising that a Memorandum of Understanding between the State Government, the MCB and the Shire of Esperance had been signed, fulfilling a pledge to protect the graves and memorials of Victoria Cross recipients commemorated in Western Australian cemeteries. There are eight commemorative sites located at Karrakatta and Fremantle cemeteries.



Karrakatta Cemetery is the largest public cemetery in Western Australia.



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## OUTCOME TWO: **Our People**

Building and expanding the MCB's people capability enables the MCB to achieve its strategic objectives.

Key strategies in achieving this outcome include:

- Establishing the frameworks needed for our people and teams to do their best work every day.
- Working with the State Government to achieve broader Public Sector outcomes and to meet our statutory and compliance obligations.
- Actively implementing strategies to embrace diversity and develop leadership capability within our workforce.
- Developing dynamic strategies for attraction, retention, recognition and capability-building.

## KEY AREAS OF FOCUS

The key areas of focus for MCB staff this year were:

- Developing leadership capability.
- Developing a capable and high performing workforce culture.
- Ensuring workforce stability with permanent employment.
- Enhancing diversity and inclusion within the workforce – with a focus on youth.
- A respectful and trustworthy workforce – living our Values.
- A safe and healthy workforce – with OSH and health and wellbeing initiatives.

### Developing Leadership Capability

The MCB continued the development of leadership capability of leaders and supervisors through training and development opportunities, including:

- Certificate IV in Leadership and Management for supervisors
- Advanced Core Communication Skills (dealing with difficult clients)
- Accountable and Ethical Decision Making (refresher training)
- Public Sector Commission (PSC) and other leadership seminars and forums
- industry forums and conferences
- security, fire and emergency management training for leaders.

### Developing a Capable and High Performing Workforce Culture

Training was provided to frontline employees to develop their capabilities and encourage a high performing workforce culture, including:

- Advanced Core Communications (dealing with difficult clients)
- Resilience Training (coping with change)
- Accountable and Ethical Decision Making (refresher every three years)
- targeted ICT systems training for employees in IT, HR, Finance, Mapping (GIS), Records and Marketing

- role specific training in complaints handling, project management and change management.

Job specific training is provided to cemetery workers, as required, to develop their on-the-job capability and ensure safe handling and use of earthmoving equipment, including:

- excavator training
- skid steer loader training
- telescopic handler training
- woodchipper and chainsaw training
- working at heights training
- SMARTtrain Chemical Application (TAFE)
- medium rig licence.



New employees' induction training includes:

- corporate induction (Code of Conduct, Public Information Disclosure and expectations of ethical behaviour)
- OSH and payroll inductions
- site inductions
- PSC induction for new public sector employees
- Accountable and Ethical Decision Making
- Complaint handling
- Grief.

### Ensuring Workforce Stability with Permanent Employment – Conversion to Permanency Review

A review of fixed term contract employees and casual employees employed by the MCB as at 10 August 2018 was undertaken in early 2019 in accordance with the Public Sector Commissioner's Instruction No. 23: Conversion and Appointment of Fixed Term Contract and Casual Employees to Permanency. These employees were consulted and an information session was held with them and their union. This review found that no fixed term contract or casual employees met the criteria for conversion to permanency, with most having been engaged for less than two years, and all had been engaged for a permitted circumstance under the relevant industrial agreement.

However, during 2018/19, six fixed term contract employees who were employed to fill temporary vacancies through various pool recruitment processes were offered permanent employment through our normal recruitment processes under Commissioner's Instruction No. 2: Filling a Public Sector Vacancy, as permanent vacancies in similar positions became available.

### Enhancing Diversity and Inclusion Within the Workforce

The MCB has a diverse workforce. Over one-third of the workforce is female, nearly one-third of Tier 2 and 3 of management are female, and 11.8 per cent are from culturally diverse backgrounds.

Workforce Diversity	PSC Targets	MCB Profile 30 June 2018	MCB Profile 30 June 2019
Male employees		61%	63%
Female employees		39%	37%
Women in Tier 2 & 3 management	43.1%	39%	31.6%
Aboriginal	3.2%	3%	3%
People with a disability	2.3%	4%	3%
Cultural & linguistic diversity		10%	12%
Youth (under 25 years)	5%	3.7%	4.6%
Mature age (over 45 years)		64%	64%
Mature age (over 55 years)		32%	33%



#### DID YOU KNOW?

Pinnaroo Valley Memorial Park is widely considered to be the most environmentally responsible cemetery in Australia.

The MCB has a mature age workforce with 64 per cent of employees over 45 years of age, and 33 per cent over 55 years of age.

MCB Age Profile	Male	Female	Total
15–25 years	4%	2%	6%
25–35 years	7%	5%	12%
35–45 years	13%	5%	18%
45–55 years	17%	14%	31%
55–65 years	20%	10%	30%
>65 years	2%	1%	3%
Total	63%	37%	100%

### Increasing diversity – youth employment

In 2018/19, the MCB increased youth employment opportunities with the employment of five people (male and female) under 25 years old:

- one new apprentice cemetery worker
- two young cemetery workers
- one new school-based trainee for 2019/20
- one fixed term IT support officer.

As at 30 June 2019, the MCB has three Horticultural apprentices and two school-based trainees, and had provided permanent appointment to a former apprentice and a former trainee.

### Increasing diversity – Aboriginal employment

The MCB employed an Aboriginal employee in a temporary cemetery worker vacancy through a pool recruitment process. However, a mature age Aboriginal employee retired this year.

Our Aboriginal trainee successfully completed her Aboriginal Traineeship Program in August 2018, and was given a Level 1 transition to permanency position in Knowledge Management Branch. Unfortunately she resigned six months later due to her family relocating interstate.

The MCB will continue to offer traineeship and apprenticeships to Aboriginal and young people.



### A Respectful and Trustworthy Workforce – Living our Values

All employees are required to attend Accountable and Ethical Decision Making training every three years.

The MCB promotes a positive, collaborative working environment free from unlawful discrimination, harassment, bullying, bias, patronage and nepotism and has policies in relation to these matters.

The MCB promotes compliance with the MCB Code of Conduct, which is based on the Public Sector Code of Ethics and is compliant with all relevant legislative requirements, policies and approved procedures.

Breaches of the Code of Conduct, policies and procedures are addressed through informal and formal processes, and may result in discipline action, improvement actions, lawful instructions and reprimands. Ongoing breaches and misconduct may result in the termination of employment.

## A Safe and Healthy Workforce – OSH and Health and Wellbeing Initiatives

OSH and emergency training was provided to employees, including:

- Mental Health in the Workplace for Managers.
- Emergency preparedness and security training.
- Fire and emergency evacuation training.
- Evacuation drills.
- Manual handling training.
- First Aid and CPR training and refresher training.
- OSH Representatives training.
- OSH seminars for OSH Representatives.

The MCB facilitated a number of lunch 'n learn wellbeing sessions for interested employees, including:

- Men's health (current health issues for men and what to do).
- Brain health (mental health).
- Superannuation fund information sessions followed by one-on-one consultations.

Other health and wellbeing initiatives were offered to employees, including:

- Influenza vaccinations.
- Tetanus injections for outdoor workers.
- Hepatitis A and B vaccinations for outdoor workers and First Aid Officers.
- HBF Run for a Reason sponsorship.
- City to Surf Fun Run sponsorship.
- Wellness subsidy for health and wellness activities.
- Health assessments by a health professional.
- Skin checks by a health professional.
- Workstation ergonomic assessments and upgrades.
- Promoting mental health days with morning teas – RUOK? Odd Socks etc.
- Resilience training (coping with change).
- Personal counselling services through the Employee Assistance Program.
- Mediation services through the Employee Assistance Program.
- Encouraging employees to take their full entitlement to annual leave each year.

## Employee Assistance Program

The MCB Employee Assistance Program (EAP) is made available to employees to assist them with short-term counselling services and support on a range of work or personal matters that might impact their ability to perform their duties or work cooperatively with team members. It is also available to their immediate family members.

EAP Access	Nature	Number	Hours
Employees	Work	8	23
	Personal	15	32.5
	<b>Total</b>	<b>23</b>	<b>55.5</b>
Family members	Work	0	0.5
	Personal	5	15.5
	<b>Total</b>	<b>5</b>	<b>16</b>
<b>Total</b>		<b>28</b>	<b>71.5</b>

This is a confidential service, so no names are reported. However, the service has been used to assist 23 employees and five family members.

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## Reducing Psychosocial Hazards

Other initiatives to reduce psychosocial hazards in the workplace include:

- Clearly defined roles and reporting relationships for employees.
- One-on-one Guiding Personal Success focused performance management meetings.
- Providing flexible working arrangements balanced with operational requirements.
- Providing part-time work options for employees with family responsibilities and for older employees pre-retirement.
- Injury management support and Return to Work programs for injured employees.
- HR Policies on Grievance Resolution; Prevention of Workplace Bullying, Violence and Aggression; Equal Opportunity and the Elimination of Unlawful Discrimination and Harassment; Acceptable Behaviour and Misconduct; and Health and Wellbeing.
- Proactively addressing performance, conduct and behaviour issues.

## Celebrating Successes

The MCB Reward and Recognition Program encourages employees to nominate employees or a team for outstanding performance in any category of Leadership, Customer Service, Innovation, Teamwork, Integrity or Performance by an individual or a team. The nominations are assessed by a panel, and the Award winners are recognised and congratulated at an annual corporate event and presented with a Reward and Recognition Certificate and a gift certificate by the CEO.

Other achievements and successes are celebrated at the Team or Division level.



A memorial is an enduring tribute to a person who has died.





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## OUTCOME THREE: **Managing Our Future**

We will understand, meet and exceed our obligations to the community, State Government and stakeholders.

We develop, maintain and plan high-quality community facilities.

We will manage our resources well while ensuring we can accommodate future communities by securing lands for a sustainable metropolitan cemeteries network.

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## 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 and 12 monumental masons were licensed by the MCB.

The MCB continued to offer free training workshops for Funeral Directors. Group training was provided on topics specifically requested by individual Funeral Directors with various one-on-one sessions as the need arose. Topics generally included interpretation of legislation and its application in the context of administrative and operational requirements, use of the audio-visual systems, and OSH matters such as safe work practices.

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

As the largest authority responsible for the management of cemeteries in Western Australia, the MCB continues to provide guidance to local governments and cemetery boards across the state on policy and procedural issues relating to cemetery management and operations in accordance with the *Cemeteries Act*.

The MCB maintains collaborative and productive relationships with key government stakeholders such as the Department of Health, Office of the State Coroner, Department of Communities' Child Protection and Family Support, Office of Multicultural Interests, Department of Finance, Department of Treasury, Department of Planning, Lands and Heritage, Department of Water and Environmental Regulation, Department of Transport, Department of Local Government, Sport and Cultural Industries, the State Library and the Public Trustee. This enables the MCB to continually work towards improving services to the community, particularly on cross-jurisdictional matters.

This stakeholder connectivity also ensures that the MCB plays an active role in industry relevant consultation processes. During the year, the MCB actively engaged in consultations regarding pre-paid funerals, a review of the *Aboriginal Heritage Act 1972* (WA), an inquiry into the reform of business licensing in WA, an inquiry into issuing single funeral permits, and consultation on regulation of morgues in a manner that maintains public health.

## Capital Works

The MCB's capital works program for the year included the restoration and refurbishment of the Fremantle Mausoleum. The works included improvements to the central water feature, the total replacement of the cruciform glazing and other safety improvements, and the conversion of a family crypt room to a contemporary private niche display room. These essential works were undertaken as part of a multi-year restoration program to maintain the facilities in a safe and presentable condition and to ensure the MCB continues to meet community needs.

The replacement of the analogue chapel audio-visual systems in MCB chapels was completed during the year. All chapels that require modern audio-visual facilities now offer a cloud-based digital solution to meet the needs of Funeral Directors and people using our facilities who are accustomed to using modern technology and having high-quality sound and visual displays and presentations.

Works continued on the progressive development of the mausoleum facilities at Karrakatta Cemetery. The innovative environmentally sustainable design of the Stage 7 development commenced in 2017 and has been undertaken with a focus on energy saving.



**DID YOU KNOW?**  
 The first person buried at Karrakatta Cemetery was Robert Creighton on the 24 April 1899.

The Stage 7 development will provide the following additional crypts and niches in keeping with the community's interests and requirements.

Crypt/niche type	Number
External single crypts	136
External double crypts	600 (300 doubles)
Family crypts	4
Family chapel crypts	32 (16 doubles)
Chapel crypts	160 (80 doubles)
Oversized crypts	4
Columbarium niches	168

The expected date for practical completion of Stage 7 is during 2019.

### Cemetery Renewal

Division 4 of the *Cemeteries Act 1986* (WA) permits the MCB to undertake redevelopment of sections of cemeteries for re-use for any of the purposes authorised under the *Cemeteries Act*. This process is managed under the cemetery renewal program.

Cemetery renewal is an alternate approach to ensure the 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. Cemetery renewal involves redeveloping existing burial land to accommodate new burial plots and memorial gardens. New burial plots are placed in the pathways between the old graves so that no remains in existing graves are disturbed.

The program is very important for Karrakatta in particular, as it ensures the finite resources of this cemetery are available to meet ongoing community requirements for burial land into the future.

For many years the MCB has worked with the community to assist them in gaining a greater understanding and appreciation of the renewal program's intent. The consultative approach of the MCB has ensured a general community acceptance of cemetery renewal by people who are affected by the process. The MCB works closely with families to ensure that their needs are met before, during and after implementation. This approach has resulted in the ongoing acceptance of the program.

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In 2018/19 following a further three-month public consultation, Congregational BA was redeveloped into a new lawn and garden area creating 254 new burial positions and over 200 new memorial positions. A memorial wall was constructed incorporating the monuments that were removed in order to commemorate all those interred in the area prior to renewal.

Planning began for the commencement of the renewal process for Anglican ZO and Anglican ZK in 2019. Both areas will be redeveloped into lawn burial and memorial areas to ensure that the future requirements of the community are met for burials and memorials at Karrakatta.

### **Business Systems Review**

The MCB has been aligning itself with the wider State Government reforms to increase productivity, efficiency and collaboration. This year the MCB progressed with the implementation of Microsoft Dynamics, a cloud-based system that will replace the legacy Cemetery Records System. The MCB will also move to Office 365 as part of this transition.





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## OUTCOME FOUR: **Our World**

We operate under a legislative framework for service providers, which ensures high standards of service delivery for the community.

Our environmental and social impact is underpinned by a strong awareness of our corporate responsibilities. This includes the delivery of cemetery facilities and services that are environmentally respectful.

Our ICT plans, business systems and processes are technologically forward thinking.

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## Stakeholder Engagement

The MCB is committed to supporting ongoing industry education and development. The MCB provides opportunities for various groups such as Funeral Directors, celebrants and the clergy to run education and learning programs at their facilities and offer practical field training venues for onsite training. Training opportunities for the industry service providers has a positive flow-on effect to the community.

The MCB hosts tours to industry-related stakeholder visitors to demonstrate best practice in areas such as grave digging and cemetery operational equipment, and the latest in crematoria design and operations, cemetery design and maintenance and administration.

The MCB maintains an excellent and collaborative working relationship with the Department of Health. The shared interests include legislative provisions regarding cremation, licensing of crematoria and Funeral Directors, and various public health matters such as licensing of morgues. This ongoing collaboration is integral to protecting the interests of the community by maintaining health-related standards in the funeral industry.

## Funeral Industry

The MCB maintains very close working relationships with industry associations. These include the Australian Funeral Directors Association (AFDA) National and WA Divisions, the Cemeteries and Crematoria Association of Western Australia (CCAWA), and the Australasian Cemeteries and Crematoria Association (ACCA).

The MCB was invited to present at the AFDA WA September 2018 Annual General Meeting and gave presentations on the OSH issues associated with burials and the MCB's new audio-visual system.

The MCB continues to foster and maintain a good working relationship with CCAWA. This forum of sharing industry knowledge and best practice from around the state is invaluable to ensuring high standard service delivery to the Western Australian community.

The MCB's Karrakatta Planning and Operations Coordinator is the CCAWA President, and as part of the CCAWA annual seminar in March 2019, the MCB provided a workshop session on a range of operational issues, including the standardisation of forms, applications, transfers and renewals; codes of practice; marking of graves; grave presentation; and safety.

The MCB also provided a presentation to the British Institute of Embalmers Australasian Conference, held in Fremantle in February 2019 and provided a tour of the Karrakatta cortege route, chapels and crematorium for celebrants as part of their professional development activities.

The MCB offered free workshops to all funeral providers covering administrative and operational training. Ongoing training to individual Funeral Director companies and community service providers was delivered on request throughout the year. In addition, the MCB offered a number of training sessions on its new audio-visual system for Funeral Directors.



### DID YOU KNOW?

Cremation facilities did not develop until 1930 in Western Australia.

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### Support for Regional Cemeteries

While the MCB's jurisdiction is metropolitan Perth, MCB staff frequently provide expert advice to regional cemetery and crematorium operators. The MCB supports regional activities by providing advice on cemetery best practice in areas such as cemetery administration, management, operations and OSH. The MCB has facilitated operational training and provided digging services including exhumations.

The MCB welcomes visits from regional cemeteries to observe the MCB's crematorium facilities, digging and preparation of grave sites, cemetery design and memorial gardens.

### Water Management

Water management improvements continued at Pinnaroo, Fremantle and Rockingham over the past year. Major maintenance and upgrades to the outdated systems at Pinnaroo and Fremantle have increased efficiency and resulted in reduced water consumption.

Turf maintenance practices including fertigation, coring, vertimowing and the application of wetting agents have been effective in increasing water penetration and turf health, resulting in a reduction in the amount of irrigation required.

The upgrade of irrigation systems at Rockingham has continued over the last year with the installation of additional two-wire irrigation and a new central control system, which will provide complete monitoring and control of Rockingham's watering operations from one location.

### Asbestos Management

In line with the MCB's commitment to ensure that it manages all asbestos appropriately, the MCB commissioned a new asbestos management plan and new asbestos registers for all MCB sites, including the parcel of land that was formally the Swan Animal Haven. The Swan Animal Haven site contains a number of old buildings that have asbestos as part of their structure as well as soil that has also been contaminated with asbestos. The MCB plans to start removing the asbestos from this site in 2019/20.

The MCB will also continue to undertake the necessary asbestos remediation works across all its other sites.



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## Solar Power

The MCB has continued to progress with its goal to reduce the cost of electricity through the continued installation of solar panel systems on the roofs of suitable buildings within its cemeteries.

The MCB has installed systems at Karrakatta, Fremantle, Pinnaroo and Rockingham. These combined systems have generated approximately 3,300 GJ of power. After taking into account the cost of the systems, the MCB has saved approximately \$140,000 since they were installed.

In 2018/19 new monitoring equipment was installed on all the electrical solar panel systems at all sites. This new hardware will allow the MCB to monitor exactly how much energy and money each system is saving on a day-to-day basis. The in-depth information gained from this software will aid the decision as to when it is economically viable to install solar power batteries and other new renewable energy technologies.

Currently Karrakatta, Fremantle, Pinnaroo and Rockingham have reached their limit in the amount of large solar panel systems that can be installed. Under current regulations, the MCB is limited to 30kW of solar power on the one electricity meter. Although businesses may apply for a larger system, the large fees involved in this process make it cost prohibitive.

By installing a storage battery, the panel system can run independently from the power grid with no restriction on the size of the system that can be installed.

In 2018/19 new solar powered fuel tanks were installed at five sites. These are capable of having a battery installed for backup power, but this has not been deemed necessary at this point.

In 2019/20 the MCB will install an electrical solar panel system at Guildford Cemetery and the system at Karrakatta Mausoleum Stage 7 will be completed. This 7.9 kW system will save an extra \$2,600 per year.

The MCB will continue to invest in solar power and will take advantage of lower price commercial solar batteries once they become available.

## Recycling of Metals Following Cremation

The recycling of surgical metals remaining after cremation is an important program the MCB has been involved in for a number of years. This program demonstrates the MCB's commitment to reducing its impact on the environment by ensuring that non-renewable resources are managed in a responsible manner.

The 2018/19 period saw the MCB collect 7,110 kilograms of metal for recycling, which amounted to \$345,115. The MCB has donated this money to Cancer Council WA.

This donation will be used to fund Crawford and Milroy Lodges, which provide accommodation for regional patients undergoing cancer treatment in Perth. The MCB has now donated a total of \$474,634 to the Cancer Council WA since 2015.

## Knowledge and Records Management

Recognising that our records are among our most important assets, work has continued on improving recordkeeping systems and processes for MCB users while strengthening the MCB's compliance with the *State Records Act 2000 (WA)*. As part of its ICT roadmap, MCB records management has been focusing on digitisation of the records and implementing systems and process to create digital information and records where possible.

The Record Keeping Plan is current and was approved by the State Records Office on 23 March 2018.

HPE Content Manager 9 (CM9), the Electronic Document and Records Management System (EDRMS), ensures records are retrievable, with appropriate security assigned where necessary. A new EDRMS Security and Access Framework was fully implemented in September 2018. CM9 security caveats were reviewed and extra security caveats added.

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Records management projects have been ongoing throughout the year including the continued digitisation of significant hard-copy documents as part of a vital records audit.

Recordkeeping initiatives planned for the next 12 months include:

- Kofax Total Mobility scanning solution to be expanded and installed on all multi-function devices enabling fully compliant document processing directly to CM9.
- Review of the current Business Classification Scheme and Document Titling Naming Conventions.
- Continuing the disposal program to ensure hard-copy records are appraised for legal disposal reducing storage requirements.
- Introduction of an online Records Awareness Training course and online CM9 tutorials for all employees.

In line with the State Government's Digital WA Strategy, the MCB will seek to focus on the transition and promotion of a 'digital first' working environment.

### **Information & Communications Technology**

The MCB ICT Branch ensures the provision of continuous service delivery to meet customer expectations. It provides support for the front and back end ICT infrastructure, business systems, databases, technology and software used for MCB operations and service delivery.

The MCB developed its three-year 2018 ICT strategic plan to better align with business outcomes and to benefit from State Government ICT reforms by utilising services through GovNext. The MCB is committed to improving service delivery and customer satisfaction by commissioning better ICT systems and technologies. Mobile devices have become an increasing part of MCB service delivery.

The MCB is also implementing a new Cemetery Records System (CRS) on a customer relationship management platform to replace its legacy system. The new CRS will allow a more self-service oriented set-up and will also enhance the customer experience when dealing with the MCB.

### **Midland Master Planning 2018/19**

In January 2018 a master plan was developed for the landscaping of Midland Cemetery to enhance the overall appearance of the cemetery. The design incorporated planting approximately 100 native and ornamental trees along the avenues and throughout the cemetery. Approximately 50 trees were planted in May 2018 and the remaining trees were planted in June 2019. When mature, these trees will create dappled shade and enhance the existing landscape of the cemetery.

### **Terrestrial Ecosystems Detection Dog Training**

In February 2017, the Board endorsed Terrestrial Ecosystems to train a Conservation Wildlife Detection Dog in bushland and parkland areas at Karrakatta Cemetery.

The dog is professionally trained to locate feral cats, foxes, bilbies and northern quolls. The detection dog will find the scent from scats, retreat sites and the actual animals. Detection of feral cats and foxes will be used in feral species control programs, and the detection of bilbies and northern quolls in pre-approval fauna site assessments and ongoing monitoring programs.

The MCB continues to support Terrestrial Ecosystems through the training of conservation wildlife detection dogs at Karrakatta Cemetery.

### Adoption of ISO26000 Guidance on Social Responsibility

In April 2019, the Board endorsed its intention to adhere to the principles contained in ISO 26000 *Guidance on Social Responsibility* as a framework to implement social responsibility into its values and practices.

This is a voluntary international standard that provides guidance on how any organisation can improve its social responsibility and thus contribute to sustainable environmental, social and economic development.

This standard is not certifiable but it will allow the MCB to improve its operating processes and impacts through socially responsible behaviour.

Social responsibility is the responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that:

- contributes to sustainable development, including the health and welfare of society
- takes into account the expectations of stakeholders
- is in compliance with applicable law and consistent with international norms of behaviour
- is integrated throughout the organisation and practiced in its relationships.

By applying the concept of social responsibility, the MCB demonstrates a commitment to continual improvement that can contribute to sustainable development while reducing harmful environmental, social and economic impacts and creating a robust and stable supply chain.

### Reconciliation Action Plan

The MCB has reviewed its actions and achievements under its last Reconciliation Action Plan, and has initiated steps to commence the development of a new Reflection Reconciliation Action Plan for 2020–2024.

### Profile and Performance of MCB Cemeteries and Memorial Parks 2018/19

	Karrakatta Cemetery	Fremantle Cemetery	Midland Cemetery	Guildford Cemetery	Pinnaroo Valley Memorial Park	Rockingham Regional Memorial Park	TOTAL
Established	1899	1898	1903	1890	1978	2007	
Hectares	97.7	45.7	23.7	30.7	118.8	60.9	<b>377.5</b>
Number of Interments	907	494	104	234	411	69	<b>2,219</b>
Number of Cremations	3,747	2,808	0	0	2,431	845	<b>9,831</b>
Employee FTE	63.9	30.1	0	0	29.5	3	<b>126.5</b>

#### Notes:

FTEs are operational and do not include corporate support.  
Pinnaroo FTEs provide support to Midland and Guildford Cemeteries.



# FINANCIAL OVERVIEW

Year ending 30 June 2019

## Financial Performance



Total Number of funerals  
**12,050**



Average cost per funeral \$  
**2,128**  
(-3.75% from 2018)

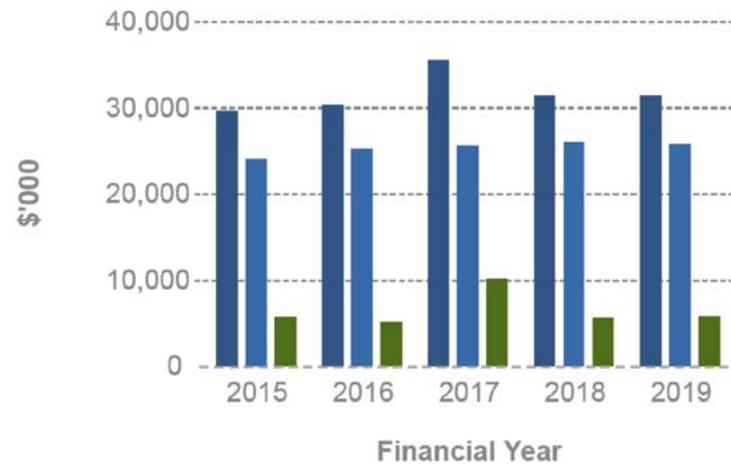


Expense \$'000  
**25,644**  
(-1.2% from 2018)



Revenue \$'000  
**31,378**  
(+0.3% from 2018)

■ REVENUE  
■ EXPENSE  
■ SURPLUS



### SOURCES OF REVENUE (BY TYPES OF FUNERAL OR SERVICE)



# FINANCIAL OVERVIEW

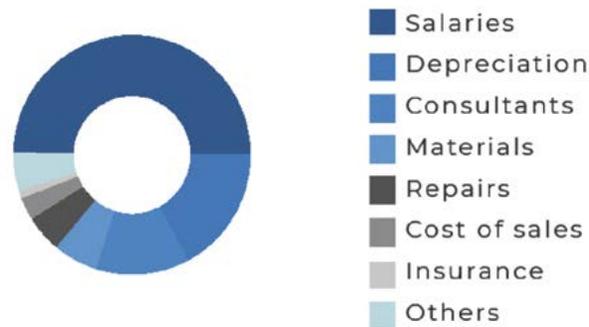
Year ending 30 June 2019

## STRATEGIC OUTCOMES

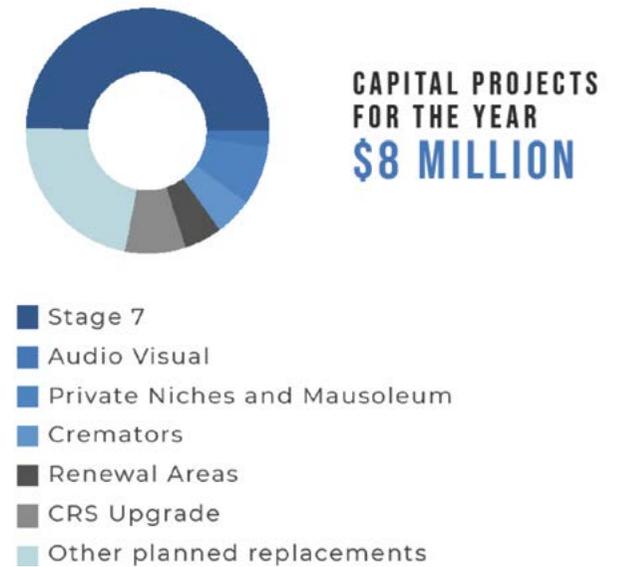
### RESULTS VS TARGET



### EXPENSE CATEGORY



### PROJECTS UNDERTAKEN DURING THE YEAR







**SIGNIFICANT  
ISSUES  
IMPACTING  
THE AGENCY**

# SIGNIFICANT ISSUES IMPACTING THE AGENCY

## **Review of the Metropolitan Cemeteries Board By-law 1992**

The review and amalgamation of the *Cemeteries Act 1986* (WA), *Cremation Act 1929* (WA) and *Cremation Regulations 1954* (WA) will not be conducted during this term of government.

The MCB conducted a complete review of the Metropolitan Cemeteries Board By-law 1992. This review has resulted in the decision to re-draft these by-laws after the *Cemeteries Act 1986* has been reviewed.

The MCB will continue to advocate for the legislation review believing that an updated Act that better meets the needs of the community will benefit our whole community.

## **Review of the Cemetery Records System**

The MCB Business Systems Review program identified that the current CRS would in the near future no longer meet the needs of the business or the users. The MCB historically has been a very paper oriented organisation and therefore most processes required human intervention at every stage.

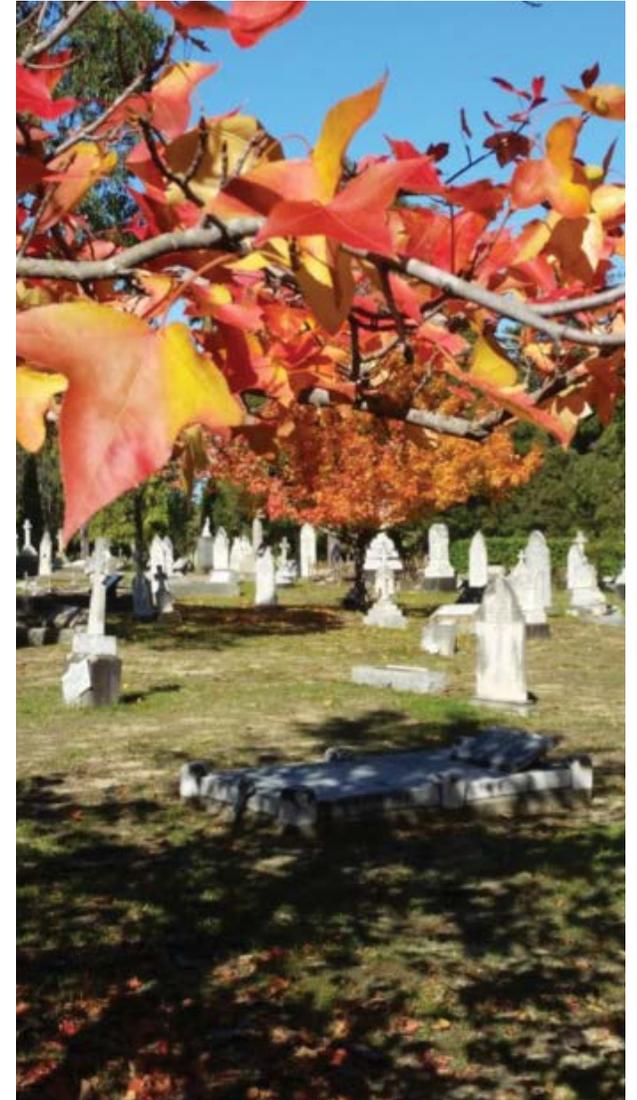
Microsoft Dynamics CRM was selected as a suitable solution that aligned with the MCB ICT vision into the future.

The system provides a platform that will be continuously improved to enhance MCB business processes, to deliver a better experience to the end users with improved privacy, to provide business continuity and to ensure continuous service evolution. The new system, along with other integrations and enhancements, will require the MCB to review its business processes and present with opportunities to maximise automation and create digital records, hence moving away from paper-based processes and records creation.

It is anticipated that the new CRS will be operational in the 2019/20 financial year.

## **Karrakatta Mausoleum Stage 7**

Construction of Stage 7 started in 2017 and is scheduled to be completed in the second half of 2019. The construction program has fallen behind the original program due to several issues, including achieving the required finish to the concrete crypts and changes to the construction methodology of the crypts. At present, the construction program is approximately 75 per cent complete. The construction team is working hard to minimise any delays while ensuring the delivery of a quality product in late 2019.





**DISCLOSURES  
AND LEGAL  
COMPLIANCE**



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## RESPONSIBLE PERSON'S DECLARATION FOR FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2019

### Responsible Person's Declaration

The Chair declares that in her opinion:

- (a) There are reasonable grounds to believe that the Metropolitan Cemeteries Board is able to pay all of its debts, as and when they become due and payable.
  - (b) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.
- Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



**Brenda Robbins**

CHAIR

Responsible person's declaration

Dated this 12<sup>th</sup> day of August 2019

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## AUDITOR GENERAL'S REPORT

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD

Report on the Financial Statements

### *Opinion*

I have audited the financial statements of the Metropolitan Cemeteries Board, which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Metropolitan Cemeteries Board for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

### *Basis for Opinion*

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Board in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibility of the Board 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Board.



Auditor General



### ***Auditor's Responsibility for the Audit of the Financial Statements***

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on Controls**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Metropolitan Cemeteries Board. The controls exercised by the 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 (the overall control objectives).



My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, 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 2019.

### ***The Board's Responsibilities***

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

### ***Auditor General's Responsibilities***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### ***Limitations of Controls***

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.



## Report on the Key Performance Indicators

### *Opinion*

I have undertaken a reasonable assurance engagement on the key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2019.

### *The 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 internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### *Auditor General's Responsibility*

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.



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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2019 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.

JORDAN LANGFORD-SMITH  
ACTING ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia Perth, Western Australia

15 August 2019



## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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.

**Brenda Robbins**  
CHAIR  
12 August 2019

**Joe O'Dea Jnr**  
BOARD MEMBER

**Joseph Fortuna**  
CHIEF FINANCE OFFICER

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The Board has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2019 which provides users with the information about the Board's stewardship of resource entrusted to it. The financial information is presented in the following structure:

<b>FINANCIAL STATEMENTS</b>		
<b>STATEMENT OF COMPREHENSIVE INCOME</b> ...	54	
<b>STATEMENT OF CHANGES IN EQUITY</b> .....	56	
<b>STATEMENT OF CASH FLOWS</b> .....	57	
<b>NOTES TO THE FINANCIAL STATEMENTS</b> .....	58	
1. BASIS OF PREPARATION.....	58	
2. BOARD OUTPUTS.....	59	
2.1 Board objectives.....	59	
3. OUR FUNDING SOURCES.....	59	
3.1 Trading Profit.....	59	
3.2 Provision of Services.....	60	
3.3 Investment Income .....	60	
3.4 Income from State Government .....	61	
3.5 Gains.....	61	
3.6 Other Income.....	61	
4. USE OF OUR FUNDING .....	62	
4.1(a) Employee benefits expenses.....	62	
4.1(b) Employee related provisions .....	63	
4.2 Supplies and Services.....	64	
4.3 Other Expenses.....	65	
5. KEY ASSETS.....	65	
5.1 Property, plant, equipment, vehicles and infrastructure .....	66	
5.2 Intangible Assets .....	70	
5.2 Intangible Assets .....	70	
6. OTHER ASSETS AND LIABILITIES .....	72	
6.1 Receivables .....	72	
6.2 Payables.....	73	
6.3 Other Liabilities .....	73	
6.4 Pre-need Agreements.....	73	
6.5 Grant Renewals .....	74	
7. FINANCING .....	74	
7.1 Cash and cash equivalents.....	74	
7.2 Financial assets at fair value through other comprehensive income .....	75	
7.3 Commitments .....	78	
8. RISKS AND CONTINGENCIES.....	79	
8.1 Financial risk management.....	79	
8.2 Contingent assets and liabilities .....	84	
8.3 Fair value measurements .....	85	
9. OTHER DISCLOSURES .....	87	
9.1 Events occurring after the end of the reporting period .....	87	
9.2 Initial application of Australian Accounting Standards.....	87	
9.2 Initial application of Australian Accounting Standards (continued).....	88	
9.3 Future impact on Australian Accounting Standards not yet operative...	89	
9.4 Key management personnel .....	93	
9.5 Related party transactions.....	95	
9.6 Related bodies.....	95	
9.7 Affiliated bodies.....	95	
9.8 Remuneration of auditor.....	95	
9.9 Equity.....	96	
9.10 Supplementary financial information .....	96	
9.11 Explanatory statement .....	97	

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Trading profit (sales of mausoleum crypts and vaults)	3.1	3,317	3,822
Provision of services	3.2	23,612	23,464
Investment income	3.3	3,713	3,251
Other revenue	3.6	584	681
<b>Gains</b>	<b>3.5</b>		
Gain on disposal of non-current assets		152	67
<b>TOTAL INCOME</b>		<b>31,378</b>	<b>31,285</b>
<b>EXPENSES</b>			
Cost of sales	3.1	869	1,246
Employee benefits expense	4.1	12,693	12,194
Supplies and services	4.2	5,465	5,600
Depreciation and amortisation expense	5.1, 5.2	4,266	4,478
Other expenses	4.3	2,351	2,442
<b>TOTAL EXPENSES</b>		<b>25,644</b>	<b>25,960</b>

	Note	2019 \$'000	2018 \$'000
Profit for the period before Income from State Government		5,734	5,325
<b>Income from State Government</b>	<b>3.4</b>		
Assets transferred		–	109
<b>PROFIT FOR THE PERIOD</b>		<b>5,734</b>	<b>5,434</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	9.9	203	(477)
Changes in financial asset revaluation reserves <sup>(i)</sup>	9.9	1,045	3,755
Management fees incurred through other comprehensive income	9.9	(1,100)	–
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>148</b>	<b>3,278</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>5,882</b>	<b>8,712</b>

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

(i) Financial asset revaluation reserves refer to:

2019: Fair value through Other Comprehensive Income Revaluation Reserves (FVOCI Reserves).

2018: Available-for-sale Financial Asset Revaluation Reserves (AFS Reserves).

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	2,730	1,755
Inventories	3.1	3,945	4,821
Receivables	6.1	4,962	4,126
<b>Total Current Assets</b>		<b>11,637</b>	<b>10,702</b>
<b>Non-Current Assets</b>			
Available-for-sale financial assets	7.2	58,503	56,797
Property, plant, equipment and vehicles	5.1	67,483	64,144
Infrastructure	5.1	21,503	20,734
Intangible assets	5.2	436	872
<b>Total Non-Current Assets</b>		<b>147,925</b>	<b>142,547</b>
<b>TOTAL ASSETS</b>		<b>159,562</b>	<b>153,249</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.2	405	750
Employee benefits provisions	4.1	2,238	2,089
Other current liabilities	6.3	82	109
Pre-need agreements	6.4	711	700
Grant extensions	6.5	61	60
<b>Total Current Liabilities</b>		<b>3,497</b>	<b>3,708</b>

	Note	2019 \$'000	2018 \$'000
<b>Non-Current Liabilities</b>			
Provisions	4.1	454	398
Pre-need agreements	6.4	7,986	7,943
Grant extensions	6.5	2,459	2,551
<b>Total Non-Current Liabilities</b>		<b>10,899</b>	<b>10,892</b>
<b>TOTAL LIABILITIES</b>		<b>14,396</b>	<b>14,600</b>
<b>NET ASSETS</b>		<b>145,166</b>	<b>138,649</b>
<b>Equity</b>			
Contributed equity	9.9	13,641	13,641
Reserves		33,700	33,551
Retained earnings		97,825	91,457
<b>TOTAL EQUITY</b>		<b>145,166</b>	<b>138,649</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Contributed Equity \$'000	Asset Revaluation Reserves \$'000	Financial Asset Revaluation Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2017</b>		13,641	31,008	(735)	86,023	129,937
Profit (loss) for the period	9.9	–	–	–	5,434	5,434
Other comprehensive income	9.9	–	(477)	3,755	–	3,278
Total comprehensive Income for the period		–	(477)	3,755	5,434	8,712
<b>Balance at 30 June 2018</b>		<b>13,641</b>	<b>30,531</b>	<b>3,020</b>	<b>91,457</b>	<b>138,649</b>
<b>Balance at 1 July 2018</b>		13,641	30,531	3,020	91,457	138,649
Effect of the adoption of new Accounting Standard AASB 9	9.2	–	–	(634)	634	–
<b>Restated 1 July 2018 balance</b>		<b>13,641</b>	<b>30,531</b>	<b>2,386</b>	<b>92,091</b>	<b>138,649</b>
Profit (loss) for the period	9.9	–	–	–	5,734	5,734
Other comprehensive income	9.9	–	203	580	–	783
Total comprehensive income for the period		–	203	580	5,734	6,517
<b>Balance at 30 June 2019</b>		<b>13,641</b>	<b>30,734</b>	<b>2,966</b>	<b>97,825</b>	<b>145,166</b>

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services		23,650	23,468
Sales of mausoleum crypts		3,325	3,784
Investment income received		2,896	982
GST receipts on sales		2,973	3,041
GST receipts from taxation authority		79	3
Other receipts		583	681
<b>Payments</b>			
Supplies and services		(8,432)	(7,956)
Employee benefits		(12,419)	(12,316)
GST payments on purchases		(1,792)	(1,813)
GST payments to taxation authority		(1,217)	(1,284)
<b>Net cash provided by operating activities</b>	<b>7.1</b>	<b>9,646</b>	<b>8,590</b>

	Notes	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		258	216
Purchase of investments		(1,000)	(1,000)
Purchase of non-current assets		(7,929)	(8,008)
<b>Net cash used in investing activities</b>		<b>(8,671)</b>	<b>(8,792)</b>
Net increase/(decrease) in cash and cash equivalents		975	(202)
Cash and cash equivalents at the beginning of the period		1,755	1,957
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>7.1</b>	<b>2,730</b>	<b>1,755</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 1. BASIS OF PREPARATION

The Metropolitan Cemeteries Board (MCB or Board) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Board is a not-for-profit entity, as profit is not its principal objective.

A description of the nature of its operations and its principal activities has been included in the 'Overview' section of the Board's Annual Report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Chair and Board members of the MCB on the 12 August 2019.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (**the Instructions or TI**)
- 3) Australian Accounting Standards (**AAS**) – Reduced Disclosure Requirements
- 4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The FMA and the Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. 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.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis).

Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

### Judgement and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

### Reduced disclosure requirements – Tier 2 agency

These general purpose financial statements comply with AAS – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board. The general purpose financial statements have been prepared in accordance with AAS, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Instructions.

### Contributed equity

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 owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 2. BOARD OUTPUTS

### How the Board operates

This section includes information regarding the nature of funding the Board receives and how this funding is utilised to achieve the Board's objectives.

### 2.1 Board objectives

#### Mission

The Board's mission is to be a *leader in cemetery management; delivering a caring and sensitive experience with burial, cremation and memorialisation services that reflect the Community's values and belief.*

The MCB is a fully self-funded statutory authority which manages six cemetery and memorial park sites throughout metropolitan Perth. The Board's fees are charged on a cost recovery basis, all surpluses generated are re-invested back into the cemeteries and memorial parks it manages for the benefit of the community.

Under the *Australian Charities and Not-for-profits Commission Act 2012*, the MCB's governance, activities, services and objectives are subject to an annual assessment by the Australian Charities and Not-for-profits Commission (ACNC). During the last assessment period, the ACNC recognised the services provided by the Board are solely for the benefit of the community and merited the Board with a Registered Australian Charity certification for another year.

#### Service

The Board provides the following service:

*Service:* To provide funerals (burials, cremations and entombments) and memorial services that meet the needs and expectations of the community.

## 3. OUR FUNDING SOURCES

### How we obtain our funding

This section provides additional information about how the Board obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The income received by the Board and the relevant notes are:

	Notes	2019 \$'000	2018 \$'000
Trading profit	3.1	2,448	2,576
Provision of services	3.2	23,612	23,464
Investment income	3.3	3,713	3,251
Income received from State Government	3.4	–	109
Gains	3.5	152	67
Other income	3.6	584	681

### 3.1 Trading Profit

	2019 \$'000	2018 \$'000
Sales of Mausoleum Crypts and Vaults	3,317	3,822
<b>Cost of Sales:</b>		
Opening Inventory	(4,557)	(5,803)
<i>Less</i> Closing Inventory	3,688	4,557
<b>Cost of Sales</b>	<b>(869)</b>	<b>(1,246)</b>
<b>Trading Profit</b>	<b>2,448</b>	<b>2,576</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 3. OUR FUNDING SOURCES (CONTINUED)

<b>3.1 Trading Profit</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Closing Inventory comprises of:</b>		
Mausoleum crypt stock – Stage 5 – at cost	9	74
Mausoleum crypt stock – Stage 6 – at cost	1,083	1,530
Mausoleum crypt stock – Guildford – at cost	39	66
Mausoleum crypt stock – Fremantle – at cost	2,462	2,788
Vault stock – Midland – at cost	39	39
Vault stock – Fremantle – at cost	28	28
Ossuary stock – at cost	28	32
<b>Total Inventories held for resale</b>	<b>3,688</b>	<b>4,557</b>
<b>Inventories not held for resale:</b>		
Stores – at cost	257	264
<b>Total Inventories not held for resale</b>	<b>257</b>	<b>264</b>
<b>Total Current Inventory</b>	<b>3,945</b>	<b>4,821</b>

### Sales of Mausoleum Crypts and Vaults

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.

### Inventories

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

Stock of mausoleum crypts held for resale is valued at the lower of cost and net realisable value. No write-off has been recognised in the Statement of Comprehensive Income for the year ended 30 June 2019 (2018: \$179,000).

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.

<b>3.2 Provision of Services</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Burials	8,050	8,153
Cremations	10,719	10,038
Memorials	4,843	5,273
<b>Total income collected from the provision of services</b>	<b>23,612</b>	<b>23,464</b>

Revenue is recognised and measured at the fair value of consideration received or receivable. Further, each revenue is recognised on delivery of the service(s) to the client or by reference to the stage of completion of the transaction. Refer to [Note 6.3 'Other Liabilities'](#) for obligations to provide services or deliver goods to the customers in future periods.

<b>3.3 Investment Income</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Interest	59	58
Dividends	323	394
Distributions	3,204	2,799
Management fee rebates	127	–
<b>Total investment income</b>	<b>3,713</b>	<b>3,251</b>

Revenue is recognised when the right to receive interest, dividend or distribution income is established. Distributions from the Managed Funds are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 3. OUR FUNDING SOURCES (CONTINUED)

### 3.3 Investment Income (continued)

Fee rebates are calculated based on the difference between the 'Standard' fee deducted within each Managed Fund (the fund) and the (lower) rate agreed between the fund manager and the Board. The rebate is 'settled' by the issuance of further units to MCB's Managed Funds based on fund manager's predetermined fair valuation. As the rebate on the management fee is not 'received' within the fund itself and the agreement to pay the rebated management fees is between MCB and the fund manager, the rebate is recorded as a revenue separate from the existing investment in the funds and will be classified as income in the profit and loss account.

In accordance with AASB 9.7.2.15, the Board has not restated the comparative information.

	2019 \$'000	2018 \$'000
<b>3.4 Income from State Government</b>		
<b>Fair value of assets transferred from other government agencies during the period:</b>		
Vesting of a reserved land from Department of Planning, Lands and Heritage	–	109
<b>Total Income from State Government</b>	<b>–</b>	<b>109</b>

For assets transferred or services that have been received free of charge or for nominal cost, the Board recognises revenue and a corresponding asset or expense, equivalent to the fair value of the assets or the fair value of those services that can be reliably determined and which would have been purchased if not donated. Land assets transferred are stated at their fair value.

	2019 \$'000	2018 \$'000
<b>3.5 Gains</b>		
<b>Net proceeds on disposal of non-current assets</b>		
Plant, equipment and vehicles	298	216
<b>Carrying amount of non-current assets disposed</b>		
Cost of non-current assets disposed	(1,163)	(1,417)
Depreciation reversed on disposals	1,017	1,268
Carrying Amount – Costs of disposal	(146)	(149)
<b>Net gain on non-current assets disposed</b>	<b>152</b>	<b>67</b>
<b>Total Gains</b>	<b>152</b>	<b>67</b>

**Realised and unrealised gains** are usually recognised on a net basis. Gains and losses on the disposal of non-current assets are presented by deducting, from the proceeds on disposal, the carrying amount of the asset and related selling expenses. All other gains and losses incurred within the Managed Funds (including management fees and performance fees) forming part of the movement in the fair value of units held will be recognised in Other Comprehensive Income.

	2019 \$'000	2018 \$'000
<b>3.6 Other Income</b>		
Rentals of kiosks	146	143
Rental from leased land	350	350
Insurance recoveries	28	116
Miscellaneous income	60	72
	<b>584</b>	<b>681</b>

Lease income from operating leases is recognised as income on a straight-line basis over the term. Insurance recoveries and Miscellaneous income are recognised and measured at the fair value of consideration received or receivable.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 4. USE OF OUR FUNDING

### Expenses incurred in the delivery of services

This section provides additional information about how the Board's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Board in achieving its objectives and the relevant notes are:

	Notes	2019 \$'000	2018 \$'000
Employee benefits expenses	4.1(a)	12,693	12,194
Employee related provisions	4.1(b)	2,692	2,487
Supplies and Services	4.2	5,465	5,600
Other Expenses from ordinary activities	4.3	2,351	2,442
<b>4.1(a) Employee benefits expenses</b>			
		2019 \$'000	2018 \$'000
Wages and Salaries <sup>(a) (d)</sup>		9,934	9,739
Termination Benefits		–	85
Superannuation – defined contributions plans <sup>(c)</sup>		1,332	1,327
Long Service Leave Expenses <sup>(b)</sup>		425	168
Annual Leave Expenses <sup>(b)</sup>		1,002	875
<b>Total employee benefits expense</b>		<b>12,693</b>	<b>12,194</b>

<sup>(a)</sup> Includes the value of the fringe benefit to employees plus the fringe benefits tax component.

<sup>(b)</sup> Includes a superannuation and on-cost component.

<sup>(c)</sup> Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries and fringe benefits tax. Provision for employees' on-costs is included as part of the Board's leave expenses. Actual employment on-cost expenses such as workers' compensation insurance are included at [Note 4.3 'Other Expenses'](#).

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Board is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the Gold State Superannuation Scheme (GSS) concurrent contributions, the West State Superannuation Scheme (WSS), the Government Employees Superannuation Board (GESB), or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

Two employees contributing to the GSS, a defined benefit lump sum scheme closed to new members since 1995, resigned during the reporting period.

Eighteen 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 WSS. Employees commencing employment on or after 16 April 2007 became members of the GESB. Both of these schemes are accumulation schemes.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for the Board's purposes because the concurrent contributions (defined contributions) made by the Board to GESB extinguishes the Board's obligations to the related superannuation liability. Up until the time of employees' resignation, the Board does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 4. USE OF OUR FUNDING (CONTINUED)

### 4.1(a) Employee benefits expenses (continued)

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

The Board has no liabilities under the Pension Scheme.

### Local Government Superannuation Fund and other defined contribution plans

Employees of the MCB are entitled, under the government's superannuation choice legislation, to elect to have their contributions paid into qualifying superannuation funds of their choice.

The MCB Board contributes to accumulation 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.

### 4.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019 \$'000	2018 \$'000
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave <sup>(i)</sup>	792	721
Long service leave <sup>(ii)</sup>	1,309	1,241
	<b>2,101</b>	<b>1,962</b>
<u>Other provisions</u>		
Employee on-costs <sup>(iii)</sup>	137	127
<b>Total current employee related provisions</b>	<b>2,238</b>	<b>2,089</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave <sup>(ii)</sup>	427	374
	<b>427</b>	<b>374</b>
<u>Other provisions</u>		
Employee on-costs <sup>(iii)</sup>	27	24
<b>Total non-current employee related provisions</b>	<b>454</b>	<b>398</b>
<b>Total employee related provisions</b>	<b>2,692</b>	<b>2,487</b>

(i) **Annual leave liabilities:** classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(ii) **Long service leave liabilities:** 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 end of 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 4. USE OF OUR FUNDING (CONTINUED)

### 4.1(b) Employee related provisions (continued)

The components of the long service leave liabilities are calculated at present value as the Board does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, 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.

(iii) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

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 [Note 4.3 'Other expenses'](#) (apart from actuarial provisions including the unwinding of the discount (finance cost)) and are not included as part of the Board's [Note 4.1\(a\) 'Employee benefits expense'](#). The related liability is included in [Note 4.1\(b\) 'Employee related provisions'](#) under 'Other provisions'.

### Key sources of estimation uncertainty – long service leave

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 amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Board's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

### 4.2 Supplies and Services

	2019 \$'000	2018 \$'000
Communications	211	223
Consultants and Contractors	3,434	3,415
Consumables	204	204
Materials	1,594	1,745
Travel	22	13
<b>Total supplies and services expenses</b>	<b>5,465</b>	<b>5,600</b>

**Supplies and services:** Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

**Consultants and Contractor expenses:** Expenses include operating lease payments of office printers totalling \$41,000 (2018: \$39,000), which are recognised on a straight line basis over the lease term.

The Board's Consultant and Contractor expense balance for 2018 includes both fee rebates (negative expense) and ongoing performance and management fees incurred in respect of the Board's Managed Funds. In accordance with AASB 9.7.2.15, the Board has not restated the 2018 Consultants and Contractors comparative balance, management fee expense (including fee rebates) for that period totalled \$336,000.

Refer to [Note 7.2 'Financial assets at fair value through other comprehensive income'](#) for our accounting policy and disclosures of management fees and [Note 3.3 'Investment Income'](#) for the Board's fee rebate disclosure.

The remaining balance of Consultants and Contractor expense are recognised as expenses as incurred.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 4. USE OF OUR FUNDING (CONTINUED)

4.3 Other Expenses	2019 \$'000	2018 \$'000
Building and infrastructure maintenance	581	514
Board expenses	52	58
Equipment repairs and maintenance	589	502
Kiosk operations expenses	4	–
Employment on-costs	(50)	211
Administration	156	134
Other staffing	200	236
Utilities	629	612
Insurance	189	175
	<b>2,351</b>	<b>2,442</b>

### Other expenses:

Other expenses generally represent the day-to-day running costs incurred in normal operations.

### Building and infrastructure maintenance and equipment repairs and maintenance:

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

### Employment on-costs:

Employment on-costs include workers' compensation insurance and other employment costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at [Note 4.1\(b\) 'Employee related provisions'](#). Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 5. KEY ASSETS

### Assets the Board utilises for economic benefit or service potential

This section includes information regarding the key assets the Board utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$'000	2018 \$'000
Property, plant, equipment and vehicles	5.1	67,483	64,144
Infrastructure	5.1	21,503	20,734
Intangibles	5.2	436	872
<b>Total key assets</b>		<b>89,422</b>	<b>85,750</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure	Plant equipment and vehicles \$'000	Office equipment \$'000	Cemetery renewal \$'000	Freehold land \$'000	Buildings \$'000	Buildings and projects under construction \$'000	Total property, plant equipment and vehicles \$'000	Infrastructure \$'000
<b>Year ended 30 June 2018</b>								
<b>1 July 2017</b>								
Gross Carrying amount	12,600	3,220	3,411	17,080	33,404	5,730	75,445	21,915
Accumulated Depreciation	(7,708)	(2,022)	(2,695)	–	(1,949)	–	(14,374)	(1,131)
<b>Carrying amount at start of year</b>	<b>4,892</b>	<b>1,198</b>	<b>716</b>	<b>17,080</b>	<b>31,455</b>	<b>5,730</b>	<b>61,071</b>	<b>20,784</b>
Transfers between asset categories	–	–	–	–	–	–	–	–
Additions	2,192	47	–	–	2,776	8,200	13,215	1,099
Assets transferred at free of charge	–	–	–	109	–	–	109	–
Transfers out of Works in Progress	–	–	–	–	–	(6,574)	(6,574)	–
Disposals (at Written Down Value)	(149)	–	–	–	–	–	(149)	–
Transfers to operating expense	–	–	–	–	–	(151)	(151)	–
Revaluation Increments/(Decrements) <sup>(a)</sup>	–	–	–	(15)	68	–	53	(530)
Depreciation	(1,759)	(283)	(260)	–	(1,128)	–	(3,430)	(619)
<b>Carrying amount at 30 June 2018</b>	<b>5,176</b>	<b>962</b>	<b>456</b>	<b>17,174</b>	<b>33,171</b>	<b>7,205</b>	<b>64,144</b>	<b>20,734</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure	Plant equipment and vehicles \$'000	Office equipment \$'000	Cemetery renewal \$'000	Freehold land \$'000	Buildings \$'000	Buildings and projects under construction \$'000	Total property, plant equipment and vehicles \$'000	Infrastructure \$'000
<b>Year ended 30 June 2019</b>								
<b>1 July 2018</b>								
Gross Carrying amount	13,375	3,267	3,411	17,174	33,171	7,205	77,603	20,734
Accumulated Depreciation	(8,199)	(2,305)	(2,955)	–	–	–	(13,459)	–
<b>Carrying amount at start of year</b>	<b>5,176</b>	<b>962</b>	<b>456</b>	<b>17,174</b>	<b>33,171</b>	<b>7,205</b>	<b>64,144</b>	<b>20,734</b>
Transfers between asset categories	–	–	–	–	–	–	–	–
Additions	1,875	1,208	185	–	620	8,031	11,919	1,353
Transfers out of Works in Progress	–	–	–	–	–	(5,252)	(5,252)	–
Disposals (at Written Down Value)	(144)	–	–	–	–	–	(144)	–
Transfers to operating expense	–	–	–	–	–	(150)	(150)	–
Revaluation Increments/(Decrements) <sup>(a)</sup>	–	–	–	–	203	–	203	–
Depreciation	(1,666)	(301)	(233)	–	(1,037)	–	(3,237)	(584)
<b>Carrying amount at 30 June 2019</b>	<b>5,241</b>	<b>1,869</b>	<b>408</b>	<b>17,174</b>	<b>32,957</b>	<b>9,834</b>	<b>67,483</b>	<b>21,503</b>
Gross Carrying amount	14,151	4,410	3,596	17,174	32,958	9,834	82,123	22,087
Accumulated Depreciation	(8,910)	(2,541)	(3,188)	–	(1)	–	(14,640)	(584)

<sup>(a)</sup> Impairment losses (if any) are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Information on fair value measurements levels is provided in [Note 8.3 'Fair Value Measurement'](#).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

### 5.1 Property, plant, equipment, vehicles and infrastructure (continued)

#### Initial recognition

Items of property, plant, equipment, vehicles and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant, 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).

#### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land;
- buildings; and
- infrastructure

Land is carried at fair value; Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$13,400,000 (2018: \$13,400,000).

For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Infrastructure is independently valued every 3 years by the Western Australian Land Information Authority (Valuations and Property Analytics). Infrastructure assets were independently revalued by the Western Australian Land Information Authority (Valuations and Property Analytics) as at 30 June 2018. For year ending 30 June 2019, infrastructure assets are carried at a revalued amount, less any subsequent accumulated depreciation.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. 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, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

#### Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market 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.

(b) Fair value in the absence of market-based evidence:

#### **Buildings and infrastructure are specialised or where land is restricted:**

Fair value of land, buildings and infrastructure is determined on the basis of existing use.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

### 5.1 Property, plant, equipment, vehicles and infrastructure (continued)

**Existing use buildings and infrastructure:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings and infrastructure is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

**Restricted use land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

**Significant assumptions and judgements:** The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the Western Australian Land Information Authority (Valuations and Property Analytics) is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

5.1.1 Depreciation and Impairments	2019 \$'000	2018 \$'000
Plant, equipment and vehicles	1,666	1,759
Office equipment	301	283
Buildings	1,037	1,128
Infrastructure	584	619
Renewal Areas	233	260
	<b>3,821</b>	<b>4,049</b>

As at 30 June 2019 there were no indications of impairment to property, plant and equipment, vehicles or infrastructure.

Please refer to [Note 5.2 'Intangible Assets'](#) for the Board's impairment assessment of intangible assets.

### Finite useful lives

All infrastructure, property, plant and equipment 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. The sole exception to this rule is for land held by the Board.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life in years
Buildings	40 to 63 years
Plant and equipment	3 to 10 years
Plant and equipment (Cremators)	15 years
Office equipment	3 to 10 years
Motor vehicles	3 to 7 years
Infrastructure	7 to 71 years
Cemetery renewal areas <sup>(a)</sup>	3 to 5 years

<sup>(a)</sup> 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.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

### 5.1 Property, plant, equipment, vehicles and infrastructure (continued)

#### 5.1.1 Depreciation and Impairments (continued)

##### Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Board is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

	Software Licenses \$'000	Computer Software \$'000	Total \$'000
<b>5.2 Intangible Assets</b>			
<b>Year ended 30 June 2018</b>			
<b>1 July 2017</b>			
Gross Carrying amount	204	1,545	1,748
Accumulated Depreciation	(130)	(785)	(914)
<b>Carrying amount at start of year</b>	<b>74</b>	<b>760</b>	<b>834</b>
Additions	215	252	467
Amortisation expense	(95)	(334)	(429)
<b>Carrying amount as at 30 June 2018</b>	<b>194</b>	<b>678</b>	<b>872</b>

	Software Licenses \$'000	Computer Software \$'000	Total \$'000
<b>5.2 Intangible Assets</b>			
<b>Year ended 30 June 2019</b>			
<b>1 July 2018</b>			
Gross Carrying amount	419	1,797	2,216
Accumulated Depreciation	(225)	(1,119)	(1,344)
<b>Carrying amount at start of year</b>	<b>194</b>	<b>678</b>	<b>872</b>
Additions	–	9	9
Transfers between intangible categories	(101)	101	–
Amortisation expense	(51)	(394)	(445)
<b>Carrying amount as at 30 June 2019</b>	<b>42</b>	<b>394</b>	<b>436</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

### 5.2 Intangible Assets (continued)

#### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- An intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefit;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

#### Subsequent measurement

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

5.2.1 Amortisation and Impairment	2019 \$'000	2018 \$'000
Computer Software	394	334
Software Licences	51	95
<b>Total amortisation for the period</b>	<b>445</b>	<b>429</b>

As at 30 June 2019 there were no indications of impairment to intangible assets. The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Board have a finite useful life and zero residual value. Estimated useful lives are reviewed annually. The estimated useful lives for each class of intangible asset are:

Intangible Asset	Useful life in years
Computer Software <sup>(a)</sup>	3 to 5 years
Software Licences	3 to 10 years

<sup>(a)</sup> Software that is not integral to the operation of any related hardware.

#### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing property, plant, equipment and vehicles for impairment is outlined in [Note 5.1.1 'Depreciation and Impairment'](#).

#### Software Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 5. KEY ASSETS (CONTINUED)

### 5.2 Intangible Assets (continued)

#### 5.2.1 Amortisation and Impairment (continued)

##### Computer Software

Software that is an integral part of the related hardware is recognised as part of the plant, equipment and vehicles. 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.

##### Development Costs of Intangibles

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

##### Website Costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, will only be capitalised to the extent that they represent probable future economic benefits.

## 6. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Board's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$'000	2018 \$'000
Receivables	6.1	4,962	4,126
Payables	6.2	(405)	(750)
Other Current liabilities	6.3	(82)	(109)
Pre-need agreements (deferred income)	6.4	(8,697)	(8,643)
Grant renewals (deferred income)	6.5	(2,520)	(2,611)

	2019 \$'000	2018 \$'000
<b>6.1 Receivables</b>		
<u>Current</u>		
Trade debtors	1,356	1,527
Accrued revenue	3,277	2,395
GST Receivable	37	79
Prepayments	292	125
<b>Total current</b>	<b>4,962</b>	<b>4,126</b>

The Board does not hold any collateral or other credit enhancements as security for receivables. The [accrued revenue](#) balance includes accruals for the managed investment distributions and franking credits, as well as cash at bank interests.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 6. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 6.1 Receivables (continued)

#### Impairment of receivables

The maximum exposure to credit risk at the end of the reporting period for trade debtors is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at [Note 8.1\(c\) 'Credit risk exposure'](#). The allowance for uncollectible amounts is raised using a forward-looking expected credit loss (ECL) approach. During the year, there were no debtor accounts that become uncollectible and the Board do not have a history or instances of trade debtors becoming uncollectible. Thus, ECL for the Board's trade debtors is deemed to be nil (2018: Nil). The Board does not hold any collateral as security or other credit enhancements for trade debtors.

	2019 \$'000	2018 \$'000
<b>6.2 Payables</b>		
<u>Current</u>		
Trade payables	105	223
GST payable	–	–
Accrued expenses	152	341
Accrued salaries	63	56
Retention monies held on capital projects	19	68
Other (Payroll & Workers Comp Clearing)	66	62
<b>Total current payables</b>	<b>405</b>	<b>750</b>

**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.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period (2019: 1 day, 2018: 2 days). Accrued salaries are settled within a fortnight of the reporting period end. The Board considers the carrying amount of accrued salaries to be equivalent to its fair value.

### 6.3 Other Liabilities

	2019 \$'000	2018 \$'000
<u>Current</u>		
Income received in advance	84	111
Other refunds payable	(2)	(2)
<b>Total Other current liabilities (current)</b>	<b>82</b>	<b>109</b>

Revenue is recognised on delivery of the service(s) to the client or by reference to the stage of completion of the transaction. Other liabilities mostly relate to miscellaneous fees paid in advance. Amounts received are recognised as liabilities until such time as the service is performed or goods delivered and a transfer will be made to revenue.

	2019 \$'000	2018 \$'000
<b>6.4 Pre-need Agreements</b>		
<u>Current</u>		
Cremation	543	517
Burial	168	183
<b>Total current pre-need agreements</b>	<b>711</b>	<b>700</b>
<u>Non-Current</u>		
Cremation	6,166	6,187
Burial	1,820	1,756
<b>Total Non-current pre-need agreements</b>	<b>7,986</b>	<b>7,943</b>
<b>Balance at end of period</b>	<b>8,697</b>	<b>8,643</b>

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 6. OTHER ASSETS AND LIABILITIES (CONTINUED)

	2019 \$'000	2018 \$'000
<b>6.5 Grant Renewals</b>		
<u>Current</u>		
Other grant renewals	61	60
<b>Total current grant renewals</b>	<b>61</b>	<b>60</b>
<u>Non-Current</u>		
Mausoleum grant renewals	851	972
Other grant renewals	1,608	1,579
<b>Total Non-current grant renewals</b>	<b>2,459</b>	<b>2,551</b>
<b>Balance at end of period</b>	<b>2,520</b>	<b>2,611</b>

### 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.

## 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cash flows of the Board.

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Financial assets at fair value through other comprehensive income	7.2
Commitments	7.3

## 7.1 Cash and cash equivalents

### 7.1.1 Reconciliation of cash

	2019 \$'000	2018 \$'000
Cash and cash equivalents	2,730	1,755
<b>Balance at end of period</b>	<b>2,730</b>	<b>1,755</b>

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprises of cash at bank, net of outstanding bank overdrafts.

### 7.1.2 Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities

	Notes	2019 \$'000	2018 \$'000
Profit from ordinary activities		5,734	5,434
<b>Profit attributable to investing activities:</b>			
Gain on disposal of non-current assets	3.5	(152)	(67)
<b>Non-cash items:</b>			
Distributions revenue reinvested	3.3, 7.2	–	(120)
2019: Fair value through OCI management fee rebates	3.3	(127)	–
2018: Management fees expense	4.2	–	336
Depreciation of non-current assets	5.1, 5.2	4,266	4,478
Assets assumed free of charge	3.4	–	(109)
Adjustment for other non-cash items		1	–

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 7. FINANCING (CONTINUED)

### 7.1 Cash and cash equivalents (continued)

#### 7.1.2 Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities

Notes	2019 \$'000	2018 \$'000
<b>(Increase) / decrease in assets</b>		
Other current assets <sup>(a)</sup>	(839)	(2,410)
Current inventories	876	1,208
Changes in GST in receivables <sup>(c)</sup>	42	(56)
<b>Increase / (decrease) in liabilities</b>		
Current accounts payable	(296)	(180)
Pre-need agreements	(37)	231
Other Current Liabilities	(27)	43
Employee provisions	205	(123)
Net GST receipts / (payments) <sup>(b)</sup>	–	(75)
<b>Net cash provided by operating activities</b>	<b>9,646</b>	<b>8,590</b>

<sup>(a)</sup> Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

<sup>(b)</sup> This is the net GST paid/received, i.e. cash transactions.

<sup>(c)</sup> This reverses out the GST in receivables.

### 7.2 Financial assets at fair value through other comprehensive income

#### (2018: Available-for-sale financial assets)

	2019 \$'000	2018 \$'000
<b>At beginning of year</b>	<b>56,797</b>	<b>52,258</b>
Additions	1,000	1,000
Distributions reinvested back to funds	–	120
Disposals (sale and redemption)	–	–
Net gains and losses recognised in OCI <sup>(i)</sup>	706	3,419
<b>Balance at end of period</b>	<b>58,503</b>	<b>56,797</b>
Composition of financial assets at fair value through OCI:		
Managed Units	58,503	56,797
<b>Balance at end of period</b>	<b>58,503</b>	<b>56,797</b>

<sup>(i)</sup> The 'Net gains and losses recognised in OCI' line disclosure is a required AASB 7.20(a) (vii) disclosure, as a result, the 2018 comparatives balance was restated. This balance comprises of management fees totalling (\$336,000) that were recorded as an expense rather than through OCI and revaluation surplus transferred to equity \$3,755,000 during comparative year ending 30 June 2018.

The Board has elected to account for all three of its investments in managed funds at fair value through other comprehensive income (fair value through OCI), as permitted by AASB 9.5.7.5.

This decision to elect to account for the managed funds at fair value through OCI is, in the Board's opinion, mainly due to the absence of contractual terms and specified dates of payments of interest in outstanding principal in each of our managed funds; and our objective of long term capital growth and return, rather than holding these investments for trading purposes. Refer to [Note 9.2 'Initial application of Australian Accounting Standards'](#) for the extent and summary of the Board's elected reclassifications as at 1 July 2018.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 7. FINANCING (CONTINUED)

### 7.2 Financial assets at fair value through other comprehensive income (2018: Available-for-sale financial assets (continued))

The fair value of the managed funds as at the end of each reporting period is as follows:

Name of Fund	2019 \$'000	2018 \$'000
Russell Investments Balanced Fund	46,859	45,330
Russell Investments Australian Cash Enhanced Fund	5,540	5,437
Russell Investments Australian Opportunities Fund	6,104	6,030
	<b>58,503</b>	<b>56,797</b>

Managed funds comprise of funds invested predominantly in shares and unit trusts, listed or about to be listed on the Australian Securities Exchange.

The Board's Managed funds are available to be traded in active markets and the fair value of these securities is based on quoted market prices at the reporting period end date. Information on fair value measurements is provided in [Note 8.3 'Fair value measurements'](#).

#### Initial recognition and measurement

Investments in managed funds are initially measured at the entry price, being the fair value of the units plus transaction costs that are directly attributable to their acquisition.

The fair value of the units are provided by our independent, qualified, fund manager and the initial transaction costs are the amounts that are determined and deducted by the relevant managed fund.

#### Subsequent measurement

Investments in managed funds are subsequently measured at fair value.

Fair value is determined with reference to the unit price of the managed funds as provided by the fund manager and determined by the fund's administrator. The fund's administrator determines the fair value of the units in the managed funds with reference to the market value of the underlying assets. The fair values of the underlying assets are determined with reference to quoted prices (for listed equities) and by the use of valuation techniques (for unlisted equities and debt instruments).

Gains or losses due to movements in the fair value of units held in managed funds are recognised in other comprehensive income and remain in the FVOCI reserve until disposal of those units. At the date that the units in the managed fund are disposed of, the Board can elect to transfer the cumulative gain or loss in the FVOCI reserve (being the difference between the exit price fair value and the entry price fair value) to the retained earnings. Transfers (if any) from FVOCI reserves to retained earnings will be disclosed in both [Note 9.9 'Equity'](#) and "Disposals of managed funds during the period" section below.

Upon the sale (de-recognition) of fair value through OCI assets in its entirety, all fair value gains and losses will be recognised in OCI. Immediately prior to disposal any fair value gains and losses, the Board would recognised in OCI, bringing the carrying value of the investment to be disposed of to its then fair value. As such, there would then be no gain or loss on disposal to be recognised in in profit or loss.

Exit prices of units are determined with reference to the fair value of the units and after deducting transaction costs to be incurred on disposal of the units. Commission and transactions costs incurred upon the de-recognition of FV OCI assets will be expensed in in profit or loss. Distributions from managed funds are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 7. FINANCING (CONTINUED)

### 7.2 Financial assets at fair value through other comprehensive income (2018: Available-for-sale financial assets (continued))

#### Management and performance fees

Year ended 30 June 2019

All other gains and losses incurred within the managed funds (including management fees and performance fees) form part of the movement in the fair value of units held and are recognised in other comprehensive income. As the 'Standard' management fees reduce the net assets (and hence the valuation) of the fund, under AASB 9, management fees represent fair value movements which will be accounted through Other Comprehensive Income. These gains and losses are not recycled to profit and loss when units in the managed fund are disposed of.

Refer to [Note 9.2 'Initial application of Australian Accounting Standards'](#) and [9.9 'Equity'](#) for the disclosures of management and performance fees.

Year ended 30 June 2018

Management fees and performance fees (including any rebates) totalling \$336,000 are recognised in profit or loss (within [Note 4.2 'Supplies and Services'](#)) when incurred and credited against the managed assets.

#### Impairment

Year ended 30 June 2019

Investments in managed funds are treated as equity investments and consequently are not tested for impairment.

Year ended 30 June 2018

At the end of each reporting period, the movements in the fair value of the units are considered for impairment. Significant and/or prolonged decreases in the fair value of the unit prices are considered to be an impairment. Generally, the Board considers a decline of 10% in the fair value of an investment to be significant and a decline in the fair value for more than 12 months to be prolonged.

At the date that the investment is considered to be impaired, the cumulative gain or loss in the available-for – sale reserve is recycled to profit or loss. The difference between the original cost of the investment and the fair value at the date of impairment is recognised in profit or loss.

#### Distributions received

Distributions may relate to dividends received on managed fund investments disposed of during the period or retained at the end of the period as follows:

	2019 \$'000	2018 \$'000
On investments retained at the end of the period	3,204	2,799
<b>Total distributions received</b>	<b>3,204</b>	<b>2,799</b>

#### Disposals of managed funds during the period

Depending on the Board's working capital requirements, the Board may dispose (sell) units in the managed funds in order to meet capital expenditure obligations. Cash that is considered surplus to short term operational needs may be transferred to the managed funds. Similarly, if cash is required for short term operational needs, units in the managed funds are sold in order to realise cash.

	2019 \$'000	2018 \$'000
Fair value of managed funds disposed of at date of disposal (exit price)	–	–
Original cost (entry price) of managed funds disposed of	–	–
Cumulative gain / loss on disposal (including amounts previously recognised in OCI)	–	–
Amounts transferred from FVOCI reserve to retained earnings on disposal of units in managed funds	–	–

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 7. FINANCING (CONTINUED)

### 7.3 Commitments

#### 7.3.1 Non-cancellable operating lease commitments

	2019 \$'000	2018 \$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	19	28
Later than 1 year and not later than 5 years	11	30
Later than 5 years	–	–
	<b>30</b>	<b>58</b>

The totals presented for operating lease commitments are GST inclusive.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased IT equipment. The Board has entered into a number of IT equipment leases with a non-cancellable lease period (expressed as “Minimum Term” in each of the agreement) of five years and the equipment leases are payable monthly in advance. The monthly lease rates are fixed and it's not subject to yearly rate revisions nor CPI increases. There is currently no option to renew the IT equipment at the end of the term.

#### Judgements made by the Board in applying accounting policies – operating lease commitments

The Board has entered into a number of leases for IT equipment (multi-function printers). The Board has also determined that the lessor retains substantially all the risks and rewards incidental to ownership, accordingly, these leases have been classified as operating leases.

#### 7.3.2 Capital expenditure commitments

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

	2019 \$'000	2018 \$'000
Within 1 year	2,268	7,126
<b>Total Capital Commitments</b>	<b>2,268</b>	<b>7,126</b>

#### The capital commitments include amounts for:

	2019 \$'000	2018 \$'000
Buildings	–	242
Mausoleum	1,768	5,696
Infrastructure	–	83
Software	500	1,105
<b>Total Capital Commitments</b>	<b>2,268</b>	<b>7,126</b>

The totals presented for capital commitments are GST inclusive.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES

This note sets out the key risk management policies and measurement techniques of the Board.

	<u>Notes</u>
Financial risk management	<b>8.1</b>
Contingent assets	<b>8.2.1</b>
Contingent liabilities	<b>8.2.2</b>
Fair value measurements	<b>8.3</b>

### 8.1 Financial risk management

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

#### (a) Summary of risks and risk management

##### 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 managed funds (fair value through OCI), the credit risk is managed by the independent fund manager. 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. In addition, receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk. The Board's trade receivables comprise 72 debtors (2018: 61 debtors) that represent 100% of trade receivables.

As the Board does not hold any collateral, the maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment (nil in 2018) as shown in the table at [Note 8.1\(c\) 'Credit risk exposure'](#) and [Note 6.1 'Receivables'](#).

##### 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 to enable the Board to meet its normal operating commitments. Liquidity risk exposure from managed fund investments classified as fair value through OCI managed by the independent fund manager. 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (a) Summary of risks and risk management (continued)

##### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Board's income or the value of its holdings of financial instruments. The Board is exposed to equity security price risk because of the underlying investments invested through the managed funds, held by the Board that are classified as fair value through OCI. Units held by the Board were invested to both Australian and International equities.

To manage its price risk arising from investment in the managed funds, the Board diversifies its portfolio by implementing target asset allocation ranges. In turn, funds are managed and diversified in accordance with the limits set by the Board. Other than as detailed in the interest rate sensitivity analysis table at [Note 8.1\(e\) 'Sensitivity Analysis'](#), the Board is not exposed to any further interest rate risk.

##### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Foreign currency risk relating to the managed fund investments is managed by the independent fund manager.

#### (b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 \$'000	2018 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	2,730	1,755
Receivables <sup>(a)</sup>	–	4,047
Available-for-sale financial assets	–	56,797
Financial assets at amortised cost <sup>(a)</sup>	4,925	–
Fair value through OCI	58,503	–
<b>Total financial assets</b>	<b>66,158</b>	<b>62,599</b>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	405	750
<b>Total financial liability</b>	<b>405</b>	<b>750</b>

<sup>(a)</sup> The amount of Financial assets at amortised cost (2018: Receivables) excludes GST recoverable from the ATO (statutory receivable).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (c) Credit risk exposure

The following table details the credit risk exposure on the Board's trade receivables using a provision matrix.

	Total \$'000	Days past due			
		Current \$'000	<30 days \$'000	31-60 days \$'000	61-90 days \$'000
<b>30 June 2019</b>					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default <sup>(a)</sup>	<b>4,925</b>	<b>4,916</b>	–	<b>8</b>	<b>1</b>
Expected credit losses	–	–	–	–	–
<b>1 July 2018 (Remeasurement)</b>					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default <sup>(a)</sup>	<b>4,047</b>	<b>3,965</b>	–	<b>39</b>	<b>43</b>
Expected credit losses	–	–	–	–	–

<sup>(a)</sup> The carrying amount excludes GST recoverable from the ATO (statutory receivable).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (d) Liquidity risk and Interest Rate Exposure

The following table details the Board's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure				Maturity Date		
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable Interest \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	Between 3 to 5 years \$'000
<b>2019</b>							
<u>Financial assets</u>							
Cash and cash equivalents	1.39%	2,730	2,728	2	2,730	2,730	–
Receivables <sup>(a)</sup>	–	4,925	–	4,925	4,925	4,925	–
Fair value assets through OCI <sup>(b)</sup>	–	58,503	–	58,503	58,503	–	58,503
<b>Total Financial Assets</b>		<b>66,158</b>	<b>2,728</b>	<b>63,430</b>	<b>66,158</b>	<b>7,655</b>	<b>58,503</b>
<u>Financial liabilities</u>							
Payables		405	–	405	405	405	–
<b>Total Financial Liabilities</b>		<b>405</b>	<b>–</b>	<b>405</b>	<b>405</b>	<b>405</b>	<b>–</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (d) Liquidity risk and Interest Rate Exposure (continued)

##### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure				Maturity Date		
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable Interest \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	Between 3 to 5 years \$'000
<b>2018</b>							
<u>Financial assets</u>							
Cash and cash equivalents	1.40%	1,755	1,753	2	1,755	1,755	–
Receivables <sup>(a)</sup>	–	4,047	–	4,047	4,047	4,047	–
Available-for-sale financial assets <sup>(b)</sup>	–	56,797	–	56,797	56,797	–	56,797
<b>Total Financial Assets</b>		<b>62,599</b>	<b>1,753</b>	<b>60,846</b>	<b>62,599</b>	<b>5,802</b>	<b>56,797</b>
<u>Financial liabilities</u>							
Payables	–	750	–	750	750	750	–
<b>Total Financial Liabilities</b>		<b>750</b>	<b>–</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>–</b>

<sup>(a)</sup> The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

<sup>(b)</sup> The Board's financial assets are open ended funds and could be liquidated at any time. The Board has elected to classify these financial assets as "Between 3 to 5 years" to reflect the Board's investment strategy of increasing long term capital growth to support the operations of the cemeteries and memorial parks in the Board's care. The Board would only drawdown some of the financial assets should there be a material expenditure requirements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (e) Sensitivity analysis

##### Sensitivity analysis—prices

If prices for managed funds change by 10% with all other variables being held constant, the profit and equity will be:

	2019		2018	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>FV through OCI</b>				
<b>Managed funds</b>				
<u>Balanced fund</u>				
– increased by	–	4,686	–	4,533
– decreased by	–	(4,686)	–	(4,533)
<u>Opportunities fund</u>				
– increased by	–	610	–	603
– decreased by	–	(610)	–	(603)
<u>Cash enhanced fund</u>				
– increased by	–	554	–	544
– decreased by	–	(554)	–	(544)

##### Sensitivity analysis—interest rates

The following table represents 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.

Interest rate sensitivities for fixed income instruments held in the Fair value through OCI assets (Managed funds) are not provided as the interest rate exposure is managed by the independent fund manager and it is not provided to the Board.

	2019			2018		
	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Carrying Amount \$'000	Profit \$'000	Equity \$'000
<b>Financial assets</b>						
<b>Cash and cash equivalents</b>	<b>2,728</b>			<b>1,753</b>		
– increased by*		27	27		18	18
– decreased by*		(27)	(27)		(18)	(18)
<b>FV through OCI</b>						
<b>Managed funds</b>	<b>5,539</b>			<b>5,438</b>		
– increased by* #		55	55		54	54
– decreased by* #		(55)	(55)		(54)	(54)

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

\* Only the Board's Cash Enhanced Managed Fund class is directly exposed to interest rate risks.

### 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.2 Contingent assets and liabilities (continued)

#### 8.2.1 Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

#### Compensation Order – Civil Debt:

A Compensation Order totalling \$5,241 was awarded by Midland Magistrates Court to compensate the Board for damages to a toilet block in Midland Cemetery. The Board is in the process of reviewing the available enforcement options.

#### 8.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

#### Contaminated Sites

Under the *Contaminated Sites Act 2003* (Act) the Board is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as *contaminated–remediation required* or *possibly contaminated–investigation required*, the Board may have a liability in respect of investigation or remediation expenses.

During the year, asbestos contaminated soil at Rockingham Memorial Park (RRMP) was successfully remediated and is now classified as 'decontaminated' under the Act and deemed to be suitable for all land uses by both DWER and the Department of Health.

The Board has one site remaining which has asbestos contamination that has been registered with the DWER.

Description	DWER Ref	Site ID	Address
Crown Reserve 6955 Midland Cemetery, Lot 11313, #1674 Myles Road + Blanchard Road Swan View	11/90/683	520 (5827)	11313 Myles Rd Swan View 6056 WA

As a result of State Government's decision to temporarily suspend QED Environmental Services from receiving any contracts from any State Government Department or Agencies, the Board commissioned WSP Australia (WSP) to undertake an asbestos survey of Midland Cemetery. Asbestos Containing Materials (ACM) have been identified and located in the 'bush forever' section of Midland Cemetery which are not used for burial and operational purposes.

An Asbestos Management Plan outlining the appropriate procedures for managing, removing and/or disposing of ACM (if required) from Midland Cemetery was completed by WSP in June 2019. The Board is currently appointing a panel of contractors that are able to carry out remediation works in accordance with the Asbestos Management Plan.

#### 8.3 Fair value measurements

Detailed fair value disclosures under AASB 13 *Fair Value Measurement* are no longer required for Tier 2 agencies. As a result, Fair value measurement disclosures have been simplified to mostly disclose information pertaining to the Board's financial assets ([Note 7.2 'Financial assets at fair value through other comprehensive income'](#)). Valuation process and basis of valuation for the Board's land, buildings and infrastructure are stated at [Note 5.1 'Property, plant, equipment, vehicles and infrastructure'](#).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.3 Fair value measurements (continued)

The fair value of financial assets is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

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

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

#### Valuation processes

There were no changes in valuation techniques during the period.

#### Managed Funds (Level 1 fair values)

Fair value are measured using quoted prices in active markets. The managed fund investments classified as fair value through OCI (2018: available-for-sale assets) are considered Level 1 in the fair value hierarchy, as the fair value of the managed fund is determined with reference to the net asset value of the underlying units in the fund. The net asset value prices are regularly provided and the managed fund is considered to trade in an active market.

The fair value of the managed funds (the net asset value of the underlying asset in the fund) is obtained from the fund manager appointed to each managed fund. The Board does not develop any quantitative inputs to determine the fair value of the managed funds. The fund managers determine the fair value of each unit in the managed fund with reference to its quoted price, if available, and by the use of valuation techniques where quoted prices are not available.

Assets measured at fair value:	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
<b>2019</b>				
Fair value financial assets through OCI (Note 7.2)	58,503	–	–	58,503
Land (Note 5.1)	–	13,400	3,774	17,174
Buildings (Note 5.1)	–	–	32,956	32,956
	<b>58,503</b>	<b>13,400</b>	<b>36,730</b>	<b>108,633</b>

#### 2018

Available-for-sale financial assets (Note 7.2)	56,797	–	–	56,797
Land (Note 5.1)	–	13,400	3,774	17,174
Buildings (Note 5.1)	–	–	33,171	33,171
Infrastructure (Note 5.1)	–	–	20,734	20,734
	<b>56,797</b>	<b>13,400</b>	<b>57,679</b>	<b>127,876</b>

There were no transfers between Levels 1, 2 or 3 during the current and previous periods. Infrastructure assets are independently valued every 3 years with the last valuation date taking place on 30 June 2018.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Future impact on Australian Accounting standards not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Remuneration of auditor	9.8
Equity	9.9
Supplementary financial information	9.10
Explanatory statement	9.11

### 9.1 Events occurring after the end of the reporting period

There were no known events occurring after the end of the reporting period and up to date of this report.

### 9.2 Initial application of Australian Accounting Standards

Adoption of AASB 9 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

### AASB 9 Financial instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Board applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Board has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in retained earnings and other components of equity.

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustment Reference	1 July 2018 \$'000
<b>Assets</b>		
Receivables	(a),(c)	–
Fair value equity assets through Other Comprehensive Income (fair value through OCI)	(a),(b)	–
<b>Total Assets</b>		–
<b>Total adjustments on Equity</b>		
Retained Earnings	(b)	634
Fair value through OCI Revaluation Reserves	(a),(b)	(634)
<b>Total Equity</b>		–

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.2 Initial application of Australian Accounting Standards (continued)

The nature of these adjustments are described below:

#### (a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L).

The classification is based on two criteria: the Board's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Board's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

#### Fair value through OCI

The Board has elected to account for all three of our Managed Fund investments, previously classified as Available-for-sale, at fair value through OCI, as permitted by AASB 9.5.7.5. This decision to elect to account for the Managed funds at fair value through OCI is mainly due to, in the Board's opinion, the absence of contractual terms and specified dates of payments of interest in outstanding principal in each of our Managed funds; and our objective of long term capital growth and return, rather than holding these investments for trading purposes.

#### Receivables

The classification and measurement requirements of AASB 9 did not have a significant impact to the Board's receivables. As *Receivables* classified as either trade debtors or receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.

In summary, upon the adoption of AASB 9, the Board had the following required and elected reclassifications as at 1 July 2018:

		AASB 9 Category		
		Amortised Cost \$'000	Fair value through OCI \$'000	Fair value through P/L \$'000
<b>AASB 139 category</b>	<b>\$'000</b>			
Receivables	4,126	4,126	–	–
Available-for-sale financial assets	56,797	–	56,797	–
		<b>4,126</b>	<b>56,797</b>	<b>–</b>

#### (b) Management fee and rebates

Under AASB 139, both components of the management fee (comprising of 'standard' management fee and the rebate) of the Board's Managed funds were recognised as an expense (credit expense for the rebate) in the profit and loss account.

'Standard' management fees are calculated at a percentage of the net asset value of each managed fund, together with any performance related fees (if applicable). As the 'standard' management fee is recognised and settled within the Managed funds (the funds), the fee deductions reduces the net assets and essentially, the fair valuation of the funds.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.2 Initial application of Australian Accounting Standards (continued)

Consequently, the management fees would form part of the funds' fair value movements, together with movements in the fair values of the underlying assets of the funds and other expenses incurred within the funds. As such, under AASB 9 the funds' management fee would form part of the fair value movement recognised through OCI as opposed to an expense in the profit and loss account under AASB 139. Refer to [Note 7.2 'Financial assets at fair value through other comprehensive income'](#) for the extent of the Board's accounting policies under AASB 9.

On the other hand, the rebate on the management fee is not settled within the funds itself as this is an incentive specific to the Board. The fund managers' agreement to pay the rebated management fees through the issuance of additional Managed Fund units, is a specific arrangement between the Board and fund's managers (Russell's Investments). Therefore, this incentive will be accounted for separately to the existing investment in the funds and will not be recognised through OCI. Rather, this would be classified as income recognised in the profit and loss account in [Note 3.3 'Investment Income'](#). Prior to the transition to AASB 9, the rebates were accounted as a negative expense in [Note 4.2 'Supplies and services'](#). These changes in profit and loss accounts bear no impact to the Board's opening equity balance as at 1 July 2018.

In summary, the adoption of AASB 9 has resulted in changes in the Board's accounting policies and adjustments to the amounts recognised in the equity balances as at 1 July 2018:

	Balance at 1 July 2018 \$'000	Equity Adjustments \$'000	Restated Balance at 1 July 2018 \$'000
Retained Earnings	91,457	634	92,091
Fair value through OCI Revaluation Reserves	3,020	(634)	2,386
	<b>94,477</b>	<b>-</b>	<b>94,477</b>

Refer to [Note 7.2 'Financial assets at fair value through other comprehensive income'](#) for the extent of the Board's accounting policies under AASB 9.

### (c) Impairment

The adoption of AASB 9 has fundamentally changed the Board's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Board to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Investments held at fair value through OCI are treated as equity investments and consequently are not tested for impairment

Upon the adoption of AASB 9, no adjustments nor additional impairment allowances were required. Historically, the Board has not needed to raise provisions for doubtful debts as all trade debtors were generally settled fully.

### 9.3 Future impact on 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 or by an exemption from TI 1101. Where applicable, the Board plans to apply the following Australian Accounting Standards from their application date.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.3 Future impact on Australian Accounting Standards not yet operative (continued)

The Board, as a Tier 2 agency under TI 1107 and AASB 1053 *Application of Tiers of Australian Accounting Standards*, have only included disclosures of the impacts of future Australian Accounting Standards that are estimated to have significant or material impact to the Board's operations and reported balances.

	Operative for reporting periods beginning on/ after
<b>AASB 15 Revenue from Contracts with Customers</b>	1 Jan 2019
<i>Nature of Change</i>	This Standard establishes the principles that the Board shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.
<i>Impact</i>	When effective, the Standard will replace the current risk and rewards based model and instead, the Standard requires the Board to consider what separate performance obligations exists under each contract with our customers.

Operative  
for reporting  
periods  
beginning on/  
after

<b>AASB 15 Impact</b>	Operative for reporting periods beginning on/ after
<b>Revenue from Contracts with Customers</b>	1 Jan 2019
	Based on this assessment performed over each type of the remaining contracts with Board's customers, the effects of AASB 15 are expected to have the following impacts on the initial application:

#### Statement of Financial Position Debit / (Credit)

Retained earnings \$5,790,000

Income in advance – Pre-need Memorials purchases (\$5,790,000)

The above assessment is based on the following accounting policy positions:

- Consistent with paragraph 5(a) and paragraph 7 of the Standard, the Board's core business services and contracts with customers are partially within the scope of both AASB 15 and AASB 16;
- The Board has determined that Grant of Right of Burial, Mausoleum Entitlements and Grant of Right of Memorials are considered to be leases under the requirements of AASB 16 and thus, these contracts are excluded from the scope of AASB 15; and

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.3 Future impact on Australian Accounting Standards not yet operative (continued)

	Operative for reporting periods beginning on/ after		Operative for reporting periods beginning on/ after
<b>AASB 15 Revenue from Contracts with Customers</b>	1 Jan 2019	<b>AASB 16 Leases</b>	1 Jan 2019
<i>Impact</i>	<ul style="list-style-type: none"> <li>For the remaining core business services contracts (Memorial product sales, Cremations, Interments, Genealogy services, Monument and Funeral Director licences), the Board applied the Core Principle of the Standard, depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Board expects to be entitled in exchange for the goods or services, allocated the transaction price to the performance obligations in the contract(s); and recognise revenue when (or as) the performance obligations are satisfied</li> </ul>	<i>Nature of Change</i>	<p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>With regards to lessor accounting, when effective, the Standard will replace the current accounting requirements applicable to AASB 117 – Leases and related interpretations.</p>
<i>Transition</i>	The Board will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the Board will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.	<i>Impact</i>	<p>The recognition of additional assets and liabilities, mainly from operating leases, will increase the Board's total assets by \$30,000 and total liabilities by \$30,000. In addition, interest and depreciation expenses will increase, offset by a decrease in Consultant and Contractors expense. (within <a href="#">Note 4.2 'Supplies and services'</a>) for the year ending 30 June 2020 and beyond.</p> <p>The above lessee accounting assessment is based on the following accounting policy positions:</p>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.3 Future impact on Australian Accounting Standards not yet operative (continued)

<b>AASB 16 Leases</b>	<b>Operative for reporting periods beginning on/ after</b>	<b>AASB 16 Leases</b>	<b>Operative for reporting periods beginning on/ after</b>
<i>Impact</i>	<i>1 Jan 2019</i>	<i>Impact</i>	<i>1 Jan 2019</i>
<ul style="list-style-type: none"> <li>Option 2 (Measure the ROU asset to equal the lease liability) of the modified retrospective approach on transition;</li> <li>the 'low value asset' threshold set at AUD \$5,000;</li> <li>For leases classified as 'short term' (12 months or less), these are not recognised under AASB 16; and</li> <li>Discount rates are sourced from WA Treasury Corporation (WATC).</li> </ul> <p>With regards to lessor accounting, based on a preliminary assessment performed over each lease contracts, the effects of AASB 16 are estimated to have the following impact on the initial application:</p> <p><b>Statement of Financial Position Debit / (Credit)</b></p> <p>Retained earnings \$74,737,000</p> <p>Grant Extensions Liability – Non Current \$2,521,000</p> <p>Mausoleum buildings \$27,544,000</p> <p style="padding-left: 20px;">Accumulated Depreciation – Mausoleum (\$3,661,000)</p> <p style="padding-left: 20px;">Lease Income in advance – Current (\$5,086,000)</p>		<p>Lease Income in advance – Non Current (\$92,433,000)</p> <p>Mausoleum and Ossuary inventory (\$3,622,000)</p> <p>The above lessor accounting assessment is based on the following accounting policy positions:</p> <ul style="list-style-type: none"> <li>Grant of Right of Burial, Mausoleum Entitlements and Grant of Right of Memorials are considered to be leases under the requirements of AASB 16. This is on the basis that these lease contracts provide economic benefits and exclusive rights to our customers (lessees) to direct the use of the underlying asset (land or mausoleum assets) over the lease term (contract tenure) and upon the completion of the contract tenure, the Board retains the right to the underlying asset;</li> <li>All Grant of Right of Burial, Mausoleum Entitlements and Grant of Right of Memorial contracts, including any extensions, will be accounted for as operating leases as income on a straight-line basis over the lease term.</li> </ul>	

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.3 Future impact on Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/ after
		1 Jan 2019
<b>AASB 16</b>	<b>Leases</b>	
<i>Impact</i>	<p>These contracts have been assessed as being operating leases in accordance with AASB 16 paragraph 62 as the contract tenure (up to a maximum of 75 years) is not for substantially all of the useful life of the underlying asset being leased;</p> <ul style="list-style-type: none"> <li>As per paragraph 82 through 87 of the Standard, the Board will present all underlying assets subject to operating leases, in the statement of financial position, classified according to the nature of the assets (mausoleum assets as Buildings). Further, the Board will also recognise and calculate depreciation expense in accordance with AASB 116 and subject the mausoleum to impairments under AASB 136. Consistent with the Board's policy for similar assets (Buildings), subsequent to the initial recognition, all mausoleums will be carried at a revalued amount (fair value); and</li> <li>The Board is required by paragraph 17 of the Standard to apply the provisions of paragraphs 73 through to 90 (Allocating the transaction price to performance obligations) of AASB 15 in order to determine and allocate stand-alone prices of the lease and non-lease components of customer contracts.</li> </ul>	

		Operative for reporting periods beginning on/ after
		1 Jan 2019
<b>AASB 16</b>	<b>Leases</b>	
<i>Impact</i>	<p>As a result, components of the Board's Memorial contracts that constitute a sale of memorial products or services will be accounted under AASB 15 whilst the Grant of Right of Memorial lease component will be accounted under AASB 16.</p>	
<i>Transition</i>	<p>The Board will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the Board will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.</p>	

### 9.4 Key management personnel

The MCB has determined key management personnel to include cabinet ministers, Board members and senior officers of the MCB. The MCB does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.4 Key management personnel (continued)

#### Compensation of Board Members

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

Compensation bands	2019	2018
\$0 – \$10,000 <sup>(a)</sup>	6	6
\$10,000 – \$20,000	1	1
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The total compensation of Board Members</b>	<b>55</b>	<b>61</b>

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

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

#### Compensation of senior officers

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

Compensation bands	2019	2018
\$90,001 – \$100,000	–	1
\$170,001 – \$180,000	1	1
\$190,001 – \$200,000	–	1
\$230,001 – \$240,000	1	1
\$260,001 – \$270,000	1	–
\$320,001 – \$330,000	1	–
\$330,001 – \$340,000	–	1
	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The total compensation of senior officers</b>	<b>1,008</b>	<b>1,073</b>

The total remuneration includes the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Board. No senior officers are members of the Pension Scheme.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.5 Related party transactions

The MCB is a wholly owned public sector entity that is controlled by the State of Western Australia.

#### Related parties of the MCB include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all Board Members and senior officers of MCB and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- The Government Employees Superannuation Board (GESB).

#### Material transactions with other related parties

Outside of normal citizen type transactions, the MCB had transacted with one related party, Board member, Mr Joseph O'Dea Jnr, who is the Managing Director of Bowra and O'Dea Pty Ltd, a funeral director.

All funeral directors operating within the Perth Metropolitan area transact with the MCB as the provider of cemetery services. Funeral directors are charged fees, which are approved by the Board, the State Government and are advertised in the Government Gazette.

Bowra and O'Dea Pty Ltd transacts with the MCB in a commercial, arm's length manner, on the same terms and conditions as all other funeral directors who operate in the Perth Metropolitan area. Bowra and O'Dea Pty Ltd do not transact with the MCB in any other manner. For the reported period, funeral transactions with Bowra and O'Dea Pty Ltd had approximately 3,400 funeral transactions with MCB and the appropriate gazetted funeral fees were paid to MCB.

In addition, all Board members must disclose any conflict of interests at Board meetings, or before making any decisions for the MCB. Mr O'Dea on all occasions excuses himself from meetings when any decisions on financial matters affecting funeral directors are discussed or made, thus ensuring neither he, nor Bowra and O'Dea Pty Ltd, is afforded any benefit that may affect the MCB's financial position and performance.

### 9.6 Related bodies

The Board does not have related bodies.

### 9.7 Affiliated bodies

The Board does not have affiliated bodies.

### 9.8 Remuneration of auditor

Remuneration payable to the Auditor General for the reporting period is as follows:

	2019 \$'000	2018 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	46	45
	46	45

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

	2019 \$'000	2018 \$'000
<b>9.9 Equity</b>		
<u>Contributed equity</u>		
Balance at start of period	13,641	13,641
<b>Balance at end of period</b>	<b>13,641</b>	<b>13,641</b>
<u>Asset Revaluation Surplus</u>		
Balance at start of period	30,531	31,008
<i>Net revaluation increments/(decrements)</i>		
Land	–	(15)
Buildings	203	68
Infrastructure	–	(530)
<b>Reserves balance at end of period</b>	<b>30,734</b>	<b>30,531</b>
<u>Financial Assets Revaluation Reserve</u>		
2019: FVOCI Revaluation Reserves		
2018: AFS Financial Asset Revaluation Reserves		
Balance at start of period	3,020	(735)
<i>Effect of the adoption of new accounting standard AASB 9</i>	(634)	–
<b>Balance at start of period as restated</b>	<b>2,386</b>	<b>(735)</b>
Management fees resulting in reduction of asset valuations	(466)	–
<i>Net revaluation increments / (decrements):</i>		
Fair value through OCI (2018: Available-for-sale financial assets)	1,045	3,755
<b>Reserves balance at end of period</b>	<b>2,966</b>	<b>3,020</b>
<b>Total Reserves balance at end of period</b>	<b>33,700</b>	<b>33,551</b>

	2019 \$'000	2018 \$'000
<b>9.9 Equity</b>		
<u>Retained earnings</u>		
Balance at start of period	91,457	86,023
<i>Effect of the adoption of new accounting standard AASB 9</i>	634	–
<b>Balance at start of period as restated</b>	<b>92,091</b>	<b>86,023</b>
Net profit	5,734	5,434
<b>Balance at end of period</b>	<b>97,825</b>	<b>91,457</b>

## 9.10 Supplementary financial information

### (a) Write-offs

During the financial year, property, plant, equipment and vehicles totalling \$4,310 (2018: \$7,404) was written off MCB's asset register under the authority of the Board. During the financial year ending 30 June 2019, there was no bad debt written off under the authority of the Board (2018: nil).

### (b) Losses through theft, defaults and other causes

	2019 \$'000	2018 \$'000
Losses of public property through theft	4	–
Amounts recovered	–	–
	<b>4</b>	<b>–</b>

Public property (asset) lost through theft was written-off by the Board [in Note 9.10 \(a\) – Write-offs](#). The asset was never recovered and the insurance claim for this asset totalled \$9,800.

### (c) Gifts of public property

There were no gifts of public property during the financial year or the comparative year.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.11 Explanatory statement

Details and reasons for the significant variations between actual results with the corresponding items in the preceding year are detailed below. Narratives are provided for significant variations.

Significant variations are considered to be those greater than 5% and \$500,000.

#### (i) Significant variances between current and prior year – actual revenues and expenditures

	Variance Note	2019 Actual \$'000	2018 Actual \$'000	Variance \$'000	Variance %
<b>INCOME</b>					
<b>Revenue</b>					
Sales of mausoleum crypts and vaults	1	3,317	3,822	(505)	(13)
Provision of services		23,612	23,464	148	1
Investment Income		3,713	3,251	462	14
Other revenue		584	681	(97)	(14)
<b>Gains</b>					
Gain on disposal of non-current assets		152	67	85	129
<b>Income from State Government</b>					
Assets transferred and services received free of charge		–	109	(109)	(100)
<b>TOTAL INCOME</b>		<b>31,378</b>	<b>31,394</b>	<b>(16)</b>	<b>(1)</b>

	Variance Note	2019 Actual \$'000	2018 Actual \$'000	Variance \$'000	Variance %
<b>Expenses</b>					
Cost of sales		869	1,246	(377)	(30)
Employee benefits expense		12,693	12,194	499	4
Supplies and services		5,465	5,600	(135)	(2)
Depreciation and amortisation expense		4,266	4,478	(212)	(5)
Other expenses		2,351	2,442	(91)	(4)
<b>TOTAL EXPENSES</b>		<b>25,644</b>	<b>25,960</b>	<b>(316)</b>	<b>(1)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>5,734</b>	<b>5,434</b>	<b>300</b>	<b>6</b>

#### Variance Notes

##### 1. Sales of Mausoleum crypts and Vaults

The variance is due to lower number of Mausoleum crypts sales for the year compared to 2018. Demand for Mausoleum crypts declined partially due to subdued consumer confidence, affecting both pre-need and general sales of discretionary products and services.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.11 Explanatory statement (continued)

#### (ii) Significant variances between actual and estimated results for the financial year

	Variance Note	2019 Actual \$'000	2019 Estimate \$'000	Variance \$'000	Variance %
<b>INCOME</b>					
<b>Revenue</b>					
Sales of mausoleum crypts and vaults	1	3,317	4,386	(1,069)	(24)
Provision of services	2	23,612	25,020	(1,408)	(6)
Investment Income	3	3,713	2,595	1,118	30
Other revenue		584	460	124	27
<b>Gains</b>					
Gain on disposal of non-current assets		152	–	152	100
<b>TOTAL INCOME</b>		<b>31,378</b>	<b>32,461</b>	<b>(1,083)</b>	<b>(3)</b>
<b>EXPENSES</b>					
Cost of sales		869	1,047	(178)	(17)
Employee benefits expense	4	12,693	13,349	(656)	(5)
Supplies and services	5	5,465	7,069	(1,603)	(23)
Depreciation and amortisation expense		4,266	3,850	416	11
Impairment of financial assets		–	200	(200)	(100)
Other expenses		2,351	2,458	(107)	(4)
<b>TOTAL EXPENSES</b>		<b>25,644</b>	<b>27,973</b>	<b>(2,329)</b>	<b>(8)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>5,734</b>	<b>4,488</b>	<b>1,246</b>	<b>28</b>

#### Variance notes

##### 1. Sales of mausoleum crypts and vaults

The variance is due to lower than anticipated number of mausoleum crypts sales. This is as a result of subdued consumer confidence, affecting both pre-need and general sales of discretionary products and services.

##### 2. Provision of services

The variance is mainly due to lower memorials sales and lower burials for the year than forecasted. This decline is offset slightly by an increase in the number of cremations during the year.

##### 3. Investment Income

The Board received higher than expected managed fund distribution as a result of improved domestic and international equity market conditions towards the end of the financial year.

##### 4. Employee benefits expense

Salaries and Wages for the year was under budget due to ongoing vacancies, lower overtime and shift allowance claims.

##### 5. Supplies and services

The variance is mainly due to management fee expenses that are now incurred through other comprehensive income in accordance with AASB 9. During the year, grounds maintenance contractor's expenditure and minor equipment purchases were also considerably lower than planned.



## CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

We hereby certify that the Key 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 2019.

**Brenda Robbins**  
CHAIR

12 August 2019

**Joe O'Dea Jnr**  
BOARD MEMBER

**Peter Deague**  
CHIEF EXECUTIVE OFFICER

## KEY PERFORMANCE INDICATORS

A key component of the 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 these services.

### Outcome

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

### Effectiveness Indicator

*The extent of customer satisfaction with funeral and memorial services provided.*

Performance targets and the framework to maintain or invest in value adding cemetery infrastructure are approved by the Minister and Board at the beginning of each financial year. Customer satisfaction with the MCB overall continues to be high, with the proportion of completely satisfied and highly satisfied respondents remaining above the target.

Target %	2018/19 %	2017/18 %	2016/17 %	2015/16 %
85.0	95.6	96.9	95.6	95.7

The annual survey results exceeded the target by 10.6% mainly due to higher than anticipated positive ratings given to the:

- overall presentation of our cemetery sites, in particular, the internal areas that our customers visit to attend services – chapels and the condolence lounges. This can be attributed to the increased buildings and infrastructure maintenance expense during the year, the stage 3 refurbishments to the Norfolk chapel as well as the completion of Sanctuary private niche walls and furniture and chapel upgrades in Fremantle;

- customer service experience, in particular, disseminating easy to understand information and being compassionate and understanding to our customers' needs. Staff members are required to attend a suite of operational and corporate training programs including: complaints handling skills, understanding and managing grief, communication as well as customer service skills; and
- a 50% reduction in the number of complaints relating to MCB's renewal program subsequent to the public consultation process, which was offset by an increase in the number of facilities and technology-related complaints.

Factors that contributed to the overall high customer satisfaction rate are outlined in each indicator.

### 1. Facilities

#### a. Appropriateness for differing religious and cultural beliefs

In 2018/19, 96.5% felt the MCB accommodated their loved one's religious or cultural beliefs extremely or very well. This marks a slight decrease from prior period's 98.1% rating.

	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Accommodation for religious and cultural beliefs	96.5	98.1	98.5	96.3

## b. Presentation of the grounds and buildings

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

Area or Facility	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Chapels	97.7	99.8	98.9	98.8
Condolence lounges	96.7	99.6	99.1	98.5
Memorial gardens	93.8	97.0	96.8	94.9
Lawn burial areas	92.6	94.0	94.4	94.8
Natural burial areas	94.0	94.6	94.6	92.3
Cafes	90.1	97.1	98.3	91.3
Mausoleum	89.8	94.5	94.0	90.9
Toilets	86.7	91.2	90.7	90.7
Monumental burial areas	82.1	87.0	89.9	82.8

Monumental burial areas and toilet blocks received lower ratings compared to 2017/18. A number of toilet upgrade and burial area development projects in Rockingham, Midland and Guildford cemeteries are currently underway to hopefully address this decline.

## 2. Number of funerals performed with no incident

	2018/19 No	2017/18 No	2016/17 No	2015/16 No
No of funerals	12,050	11,742	11,921	11,493
No of incidents	-	-	-	-

### 3. Number of complaints received on customer service issues

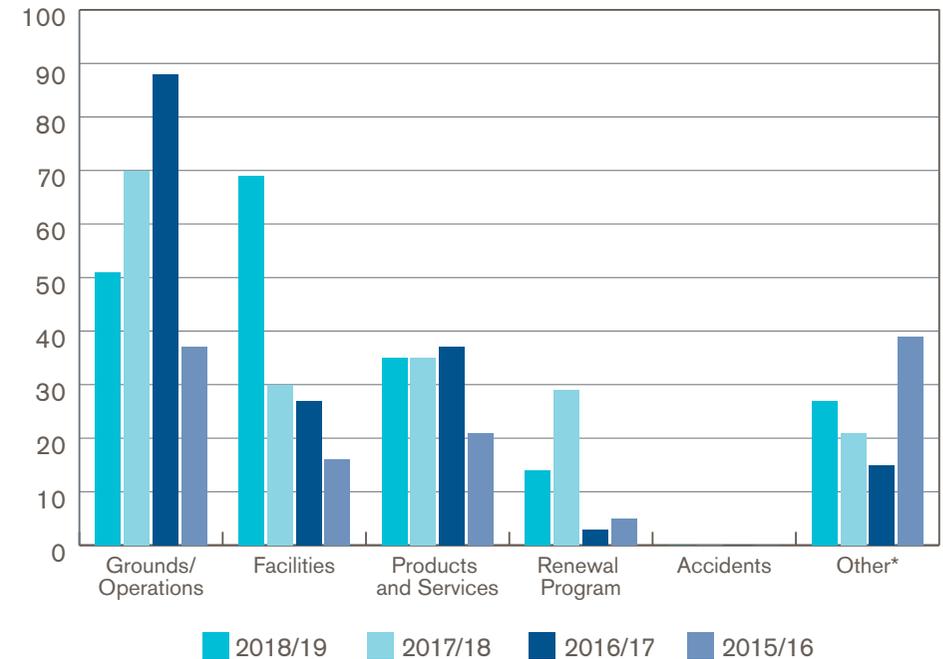
There were 196 complaints registered during the reporting period (2017/18: 185). The main areas of complaints recorded were:

Area of complaint	2018/19		2017/18		2016/17		2015/16	
	%	No.	%	No.	%	No.	%	No.
Grounds/ operations	26.0	51	37.8	70	51.8	88	31.4	37
Facilities	35.2	69	16.2	30	15.9	27	13.6	16
Products & services	17.9	35	18.9	35	21.8	37	17.8	21
Renewal program	7.1	14	15.7	29	1.8	3	4.2	5
Accidents	0.0	0	0.0	0	0.0	0	0.0	0
Other*	13.8	27	11.4	21	8.8	15	33.1	39
<b>Total</b>	<b>100.0</b>	<b>196</b>	<b>100.0</b>	<b>185</b>	<b>100.0</b>	<b>170</b>	<b>100.0</b>	<b>118</b>

\* Other relates to complaints about masons, funeral directors and the café.

Compared to the 2017/18 reporting period, the number of facilities and technology-related complaints increased by 130%. During the year, the Board rolled-out new audio-visual systems across MCB's cemetery chapels which essentially introduced interfaces that are different to what our funeral directors are used to. The Board is actively managing this risk by conducting free training sessions and providing audio-visual user manuals and materials to the funeral directors prior to each chapel service.

### Number of customer complaints



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

The MCB's complaints handling system is consistent with the Australian Standard on complaints handling AS ISO 10002-2006. The 196 complaints that the MCB received during the reporting period (2017/18: 185) met the following criteria:

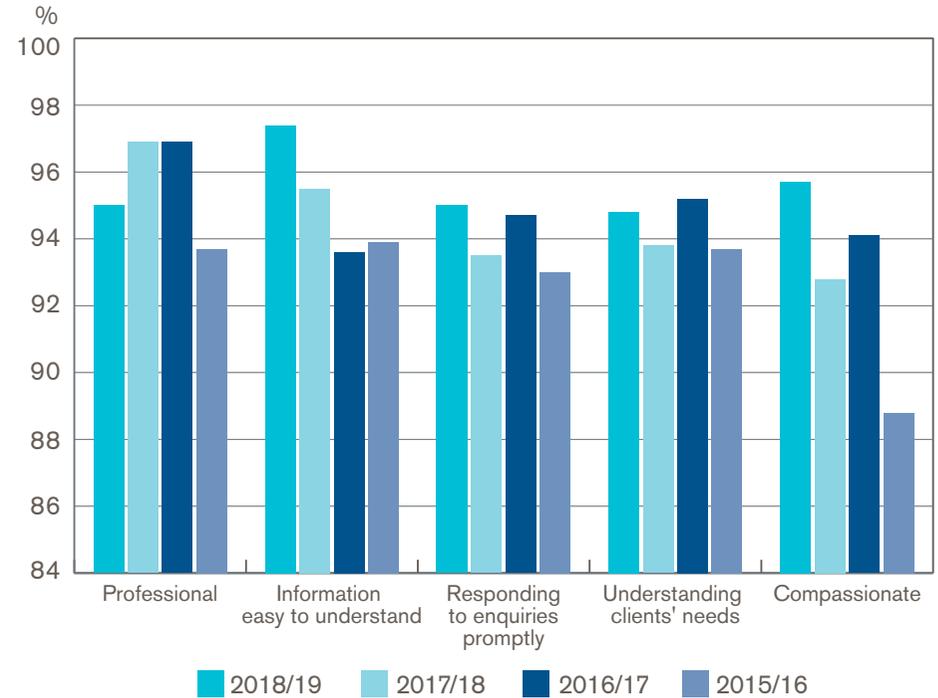
Complaint handling criteria	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Acknowledged within 5 working days	99.5	100.0	100.0	100.0
Responded to within 15 working days	99.5	100.0	100.0	100.0
Investigated and responded to within 2 working days	59.0	65.0	65.0	65.0
Resolved without further incident	100.0	100.0	99.5	99.0

#### 5. Customer service experience

Satisfaction with the service provided by staff continues to be highly rated. Overall, staff were given the following ratings of extremely or very satisfied:

Service area	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Information given was easy to understand	97.4	95.5	93.6	93.9
Professional	95.0	96.9	96.9	93.7
Understanding the clients' needs	94.8	93.8	95.2	93.7
Responding to enquiries promptly	95.0	93.5	94.7	93.0
Compassionate	95.7	92.8	94.1	88.8

#### Customer Service Experience



Satisfaction over services provided by our staff members continues to be highly rated. Commitment to staff members' professional development is paramount for maintaining an exceptionally high level of satisfaction over services received from MCB. Thus, staff members are required to participate in ongoing skills training development, this includes: complaints handling skills, understanding and managing grief as well as communication and customer service skills.

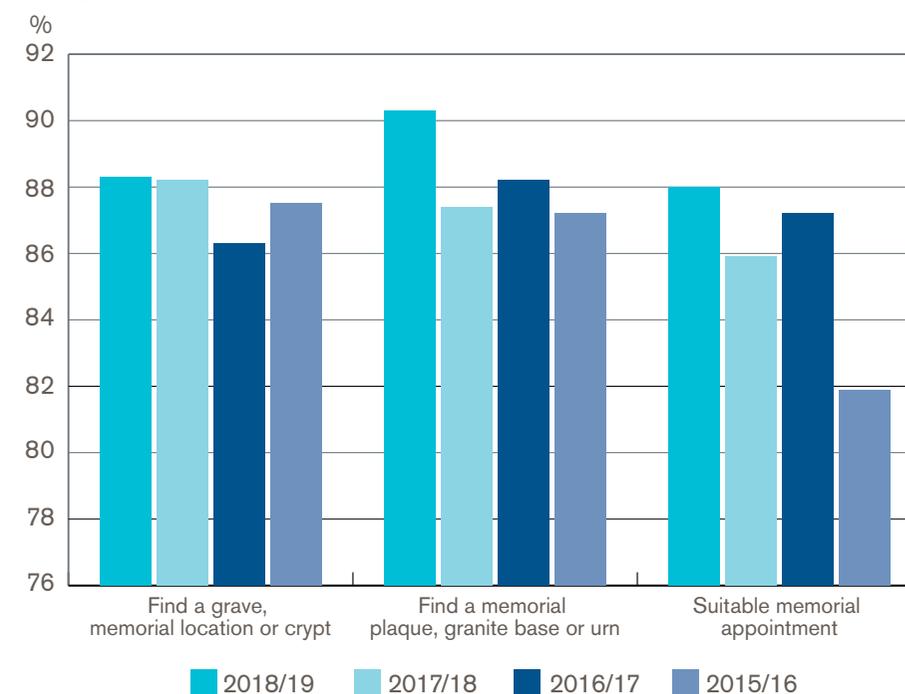
### 6. Pricing, products and services

The MCB seeks to provide a range of products and services at prices that enable everyone to find something to meet their needs:

Pricing, Products and Services	2018/19 %	2017/18 %	2016/17 %	2015/16 %
Find a grave, memorial or crypt location	88.3	88.2	86.3	87.5
Find a memorial plaque, granite base or urn	90.3	87.4	88.2	87.2
Find a suitable memorial appointment	88.0	85.9	87.2	81.9

Customers' satisfaction surrounding MCB's pricing and range of products and services are higher compared to prior periods. MCB's cost recovery pricing model ensure that more than 4 in 5 of our customers who sought a grave, memorial location or crypt found it extremely or very easy to find one that met their needs and 9 in 10 who sought a memorial plaque, granite base or urn found it easy to find one.

### Pricing, products and services



**Notes:**

1. A target of 85% was set for each indicator. The target percentage 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 between 6 January 2018 and 6 January 2019. Visitors and mourners were not included in the 'Public' group as the survey was targeted at users of the services. Respondents were mailed a personalised letter and reply-paid envelope with their questionnaire to complete on their own accord. Those who didn't return a completed survey or indicate to MCB's research provider their intention to not participate, were sent a reminder letter with a replacement questionnaire and reply-paid envelope. Both the invitation and reminder letters included an option to respond online, via a unique shortened URL. The survey ran from 25 March 2019 and officially closed on 7 June 2019.

The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed.

Group	Population sample	Number of responses	RR%	Error
Public	2,000	641	34.2%	±3.64%

Group = Customer Groups; Number of responses = Sample Frame;  
RR% = Response Rate %; Error = Survey Error at 95% confidence level.

**Efficiency Indicator**

Average cost per funeral

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

	Actual \$	Target \$
2018/19	2,128	2,339
2017/18	2,211	2,289
2016/17	2,137	2,309
2015/16	2,119	2,273
2014/15	2,088	2,255
2013/14	2,055	2,189

The average cost per funeral includes all operating expenses. There has been a decrease in the current year's average cost of a funeral compared to the previous year by \$83. The average cost per funeral declined as the total number of funeral services exceed 12,000 for the first time, driven largely by a considerable increase in the number of cremation services.

The actual average cost is lower when compared to the target figure for the year by \$211, mainly due to lower grounds maintenance contractor's expenditure and minor burial equipment purchases than anticipated. Decreases in these burial related expenses are in-line with the higher than anticipated increase in the number of cremations services.



A comparison of the calculated costs per funeral with other government controlled cemetery operators in Australia, based upon data sourced from the published annual reports of the following cemeteries for the year ending 30<sup>th</sup> June 2018:

	Average cost per funeral	% cost greater/(less) than MCB*	Number of funerals
<b>Metropolitan Cemeteries Board*</b>	\$2,211	-	11,742
Southern Metropolitan Cemeteries Trust – Victoria	\$3,892	76%	13,658
Greater Metropolitan Cemeteries Trust – Victoria	\$3,738	69%	11,997
Adelaide Cemeteries Authority – South Australia	\$3,440	56%	3,136

\* For comparative purposes, the % cost greater/(less) than MCB has been expressed against the actual MCB figures for the 2017/18 financial year.

Average cost per funeral in other states are higher as a result of higher mix of ground burials and Mausoleum entombment services relative to the total number of funerals. Consequently, this led to higher burial and entombment related expenses.

**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.

## MINISTERIAL DIRECTIVES

No Ministerial Directives were received during the financial year relevant to the setting of desired outcomes or operational objectives; the achievement of desired outcomes or operational objectives; or investment activities and financing activities.

## OTHER FINANCIAL DISCLOSURES

### Pricing Policies of Services Provided

The MCB charges for goods and services rendered on a full cost recovery basis; as applicable. These fees and charges were determined in accordance with the Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by Treasury.

The current list of fees and charges were published in the Gazette on 5 June 2018 and introduced/payable from 1 July 2018. Details are available on the MCB website at <http://www.mcb.wa.gov.au/our-cemeteries>.

### Major Capital Projects

#### Karrakatta Mausoleum Stage 7

Colgan Industries commenced construction of Karrakatta Mausoleum Stage 7 in 2017. The construction program has fallen behind the original program due to several issues including achieving the required finish to the concrete crypts and changes to the construction methodology of the crypts.

At present, the construction program is approximately 75 per cent complete. The construction of the crypts and chapel are structurally complete, leaving the stone facings and internal finishing works still to be completed. External works still to be completed include the remaining concrete paths, the gazebo and walkway roofs between the crypts and the landscaping.

It is expected that the project will reach practical completion in 2019.

### Fremantle Mausoleum Repairs Stage 2

The MCB has been rectifying design and construction issues at the Fremantle Mausoleum. The staged works have now addressed most of the major issues.

Byte Construction carried out the Stage 2 repairs, which consisted of replacing the cruciform glazing throughout the building, repainting the internal walls and external front façade and repairing the waterproofing of the water feature. The works were conducted from January to March 2019.

The impact to families was reduced by consecutively closing the east and west sides of the Mausoleum and by installing scaffolding and hoarding to maintain access to the building during the construction for all but the most intrusive of works. There will be one further stage where the remainder of the issues will be rectified.

### Employment and Industrial Relations

#### Staff Profile

Full-time equivalent (FTE) employees as at 30 June 2019:

	2018/19	2017/18
Full-time permanent	119.0	123.0
Full-time contract	9.0	7.0
Part-time permanent	22.0	18.5
Part-time contract	2.6	3.8
Casual contract	0.2	0.4
On secondment	nil	nil
Total FTE	152.8	152.7
Actual head count	169	164

## GOVERNANCE DISCLOSURES

### Contracts with Senior Officers

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 MCB.

### Board and Committee Remuneration

Metropolitan Cemeteries Board						
Position	Name	Type of remuneration	Period of membership for 2018/19	Gross/actual remuneration 2018/19	Superannuation 2018/19	Total remuneration
Chair	Brenda Robbins			\$14,281	\$1,356	\$15,637
Deputy Chair	Joe O'Dea Jnr			\$7,140	\$678	\$7,818
Member	Darrell Jones	Board Fees	1 July 2018 to 30 June 2019	\$7,140	\$678	\$7,818
Member	Tony Evans			\$7,140	\$678	\$7,818
Member	Ricki Smith			\$7,140	\$678	\$7,818
Member	Bernadine Tucker			nil	nil	nil
Member	Dianne Guise			\$7,140	\$678	\$7,818

Note: Ms. Tucker is not eligible to receive Board fees as she is employed in the local government sector

### 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 and 14 of the *Statutory Corporations (Liability of Directors) Act 1996* (WA). The amount of the insurance premium paid in 2018/19 was \$4,850 (including GST).

### Unauthorised Use of Credit Cards

Officers of the MCB hold corporate credit cards where their functions warrant usage of this facility. There were no instances where the Western Australian Government purchasing card was used for a personal purpose.

Monument Assessment and Advisory Committee			
Name	Role	Type of remuneration	Gross/actual remuneration 2018/19
Dianne Guise	Chair		nil
Darrell Jones	Member		nil
Leonie Liveris	Historian		\$86
Peta Alderman	OAWG Representative		nil
Don Whittington	Community Representative	Sitting fee (\$86 per meeting)	\$86
Yvonne Coate	Genealogist		\$86
Ronald Bodycoate	Architect (Heritage)		\$86

## 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:

Market research – Research Solutions	\$33,522
Media advertising – Initiative Media	\$317
Total expenditure for 2018/19	\$33,839

### Disability Access and Inclusion Plan

The MCB continues to implement its Disability Access and Inclusion Plan (DAIP) 2017–2021.

### Targeted training for client services employees

In implementing the DAIP, the MCB provides training to employees to enhance their diversity awareness, including:

- Elder Abuse awareness sessions
- Working with interpreters training.

The MCB Client Relations Officer attended a number of seminars to ensure complaints handling is accessible to people with a disability and people with diverse backgrounds. This included:

- Working with Interpreters Workshop conducted by the Association for Services to Torture and Trauma Survivors.

- Community of Practice seminar held by the Society of Consumer Affairs Professionals discussing complaints handling from clients with vulnerabilities such as illness, domestic violence, poverty, mental illness and disabilities.
- An across government network meeting held by Western Australian Culturally and Linguistically Diverse to review the Western Australian Language Services Policy 2019 and Guidelines at the Office of Multicultural Interests.

### Improved disability access for the community

The MCB is conducting building and facility assessments at all of its sites, which is resulting in various improvements for disability access.

Hearing loops have been installed and some repaired in all chapels. This allows hearing aids to tune into the AV presentations played in a chapel during a funeral service.

The car park next to the café at Karrakatta Cemetery has been re-marked to include three new wheelchair accessible car bays. These are near the Administration Building and allow greater access to visitors with a disability.

A new main road was completed at Fremantle Cemetery with kerbs that are wheelchair accessible to memorial areas.

The Samson Pavilion stairs at Fremantle Cemetery were removed and a new ramp was installed, improving access to this waiting area for visitors before proceeding on the cortege route to the burial.

Other DAIP activities that are now 'business as usual' include:

- Continuing compliance of the MCB's internet and intranet in meeting Web Content Accessibility Guidelines (WCAG) accessibility standards level AA in accordance with the State Government Standards.
- Utilising the Access Inclusion Resource Kits for Creating Accessible Events.
- Completing the Building and Facilities Checklist, which is applied to all Planning and Operations capital works and parking projects.
- Engaging people with a disability through ongoing contracts with disability employment organisations, to assist with grounds maintenance work at all metropolitan cemeteries.

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## Compliance with Public Sector Requirements Annual Conflict of Interest Declaration

All employees are required to complete an annual Conflict of Interest Declaration in which they need to consider and report on any real, perceived or potential conflict of interest in relation to:

- Personal behaviour and accountable decision making.
- Secondary employment, personal interests and outside activities.
- Personal relationships (internal and external).
- Purchasing and contracting decisions.
- Gifts, benefits or hospitality offered.
- Use of public resources for personal use or gain.
- Confidentiality of official information and appropriate recordkeeping.
- Inappropriate disclosure of information or comments on MCB business to the media, on social media or to any persons outside the MCB without proper authorisation.

## Secondary employment

All employees are required to obtain CEO approval each year for any secondary employment in accordance with section 102 of the *Public Sector Management Act 1994* (WA), and declare any voluntary service that may impact on their work attendance or performance or pose a real, potential or perceived conflict of interest with their role at the MCB.

## Gifts and hospitality declarations

All employees are required to declare any gifts or hospitality offered to them in the course of their employment with the MCB by completing the Gift Decision Form, the details of which are then registered on the Gift Decision Register or the Hospitality Register.

The MCB Gift Decision Policy, Hospitality Policy and Guidelines provide clear guidance to employees on what can and cannot be accepted, and the requirement to declare everything, even gifts that are declined and returned. The small token gifts that are offered by grateful clients, such as chocolates or cupcakes, are usually shared among employees.

Key stakeholders such as Funeral Directors, contractors and suppliers have been asked not to offer or give gifts to any employees. A simple thank you or a thank you card is sufficient and appreciated.

## National Police Clearance Certificate

The MCB has identified positions of trust that require a National Police Clearance Certificate. These include positions with financial responsibilities, access to confidential records and access to cremators and burials. Employees occupying these positions must have a current National Police Clearance Certificate on appointment and this must be renewed every three years.

All employees, irrespective of whether they occupy an identified position or not, must immediately inform their supervisor or the MCB of any criminal convictions or pending criminal charges laid against them, in accordance with the MCB National Police Clearance Policy.

## Public Interest Disclosures

Employees are informed about the aims and objectives of the *Public Interest Disclosure Act 2003* (WA) at their corporate induction, and are encouraged to report any improper conduct to the nominated Public Information Disclosure (PID) officers. The PID Guidelines and names of the PID Officers are available online for all employees.

## Compliance with Public Sector Standards

There were no breaches of the Public Sector Standards this year.

## Compliance with the Code of Ethics and the MCB Code of Conduct

The MCB addressed seven grievances against employees for behaviour that was not consistent with the MCB Code of Conduct, and five discipline matters.

### Grievances

Seven employees reported grievances for assisted grievance resolution:

- Three grievance matters were resolved by formal external mediation, three were addressed by HR and one resolved by the supervisor.
- An investigation into one grievance raised in 2017/18 was closed in 2018/19.
- One grievance matter was concluded with lawful instructions given to the employee to comply with the MCB Code of Conduct.

### Discipline

There were five formal discipline matters in relation to:

- Disobeying or disregarding lawful instructions.
- Breaches of the Code of Conduct in relation to being disrespectful to colleagues, supervisors or clients.
- Breaches of the Code of Conduct in relation to integrity.
- Being careless or negligent in the performance of duties.

The outcomes of these resulted in:

- A formal reprimand and an improvement action.
- A formal improvement action and a lawful instruction to comply with all lawful and work instructions, and to treat supervisors and colleagues with respect.
- A lawful instruction to communicate with colleagues and clients in a way that demonstrates our values, particularly respect.
- A lawful instruction to comply with the MCB Code of Conduct.
- A third reprimand within 12 months and proposed termination of employment; however, the employee chose to resign.

### Misconduct

There were no serious or minor misconduct cases to be reported to the Public Sector Commission or Corruption and Crime Commission this year.

### Accountable and Ethical Decision Making Training

In the past three years, 97 per cent of all employees have attended Accountable and Ethical Decision Making training.

## Records Management

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) and has in place an approved Recordkeeping Plan that outlines in detail its recordkeeping program.

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 MCB's Recordkeeping Plan is evaluated not less than once every five years.

The MCB's reviewed Recordkeeping Plan was approved by the State Records Commission on 23 March 2018 for a period of five years.

## **2. The MCB conducts a recordkeeping training program.**

### *Recordkeeping training plan and program*

The annual recordkeeping training plan and program was developed by the Senior Knowledge Management Officer. The training program provides ongoing information sessions on recordkeeping awareness raising and using HPE Content Manager 9 (CM9). Training has 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.

During 2018/19 a wide variety of recordkeeping and CM9 training was delivered in line with the MCB's records management training plan. The training plan includes recordkeeping inductions, one-on-one training for relevant staff and specific work-related groups.

The investment in one-on-one CM9 training once again remained the popular choice and has resulted in further improvement in records processed.

### *Recordkeeping awareness raising*

Presentations on various aspects of the recordkeeping program are delivered on an as required basis to relevant staff by the Senior Knowledge Management Officer.

These sessions advise staff of their recordkeeping responsibilities, requirements for compliance with the MCB's Recordkeeping Plan and the consequences of poor recordkeeping to ensure accountability. The Knowledge Management team were also given the opportunity to attend external recordkeeping training throughout the year.

### *CM9 training*

Individual hands-on CM9 training was delivered by the Senior Knowledge Management Officer to staff at all sites as required. This training reintroduces the basic fundamentals of the system or gives users more advanced options with sessions targeted to each user's specific requirements.

### *Recordkeeping induction*

A recordkeeping presentation is provided for all new employees as part of the MCB's induction program and is presented by the Senior Knowledge Management Officer. The presentation advises staff of their recordkeeping responsibilities, requirements for compliance with the MCB's Recordkeeping Plan and the consequences of poor recordkeeping to ensure accountability. Relevant MCB staff are provided with further one-on-one awareness sessions and CM9 training.

## **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. Feedback is sought from all participants and is incorporated into future training sessions. New recordkeeping projects are included in the training program to advise all staff of new and updated policies, procedures and system functionality.

## GOVERNMENT POLICY REQUIREMENTS

### Substantive Equality

The MCB is committed to the principles of substantive equality and the elimination of systemic racial discrimination from all its policies, practices and services. The MCB works towards providing services that meet the different needs of Western Australia's diverse community.

### Government Building Contracts

The MCB had one contract in scope of the State Government building training policy in the financial year that has a labour component of \$2 million and over.

Measure	Number of contracts
<b>Awarded</b>	0
<b>Reported on</b>	
Commenced reporting	0
Continued reporting from previous financial year	1
<b>Target training rate</b>	
Met or exceeded	1
Did not meet	Nil
Granted a variation	Nil

### Occupational Safety, Health and Injury Management Commitment

The MCB is committed to undertaking appropriate safety and health measures so as to minimise hazards and risks of workplace injury or illness. The MCB's executive team provide the necessary direction and support to ensure the MCB meets its responsibilities and accountabilities under the requirements of the *Occupational Safety and Health Act 1984 (WA)*, the *Occupational Safety and Health Regulations 1996 (WA)* and any other relevant legislation, codes of practice, guidance notes and Australian Standards as far as is practical. The MCB provides guidance for all employees (including school-based trainees and apprentices), contractors and visitors in meeting their legal obligations.

The MCB's executive team demonstrates commitment by:

- Supporting safe systems of work
- Encouraging the reporting of incidents including hazards and near miss occurrences
- Reviewing and implementing opportunities for improvement
- Valuing employee contributions and involving them in decisions

- Providing safe and effective tools and support to perform the safety function and achieve desired work outcomes
- Providing resources for training

All MCB policies are reviewed and signed by the CEO. The policies are available on the MCB's intranet site and, where relevant, provided to employees in pre-employment commencement packs and during Corporate and site inductions.

### Consultation with Employees

The MCB believes consultation and communication between employees, executives, supervisors and contractors is an essential part of ensuring a safe and healthy workplace. The MCB encourages all levels of employees to:

- Participate as Safety and Health Representatives (SHR).
- Make recommendations and provide feedback on OSH matters.
- Identify hazards and become involved in eliminating or minimising the hazards and assessing risks through active participation in documenting Risk Assessments.
- Contribute to the design/development or change of safety practices or equipment within job tasks.
- Express their views and contribute in a timely fashion to the resolution of safety, health and injury management in the workplace

The MCB shares relevant information about safety, health and injury management with management, employees and contractors via the following methods:

- Mandatory three-hour corporate OSH induction sessions and site specific inductions.
- Workplace Noticeboards and MCB intranet site.
- Coordinator Meetings, Corporate Executive Meetings, Board Meetings and Toolbox Meetings where OSH is an Agenda item.
- OSH Committee Meetings with an executive and SHR attending.
- Training on equipment, procedures and injury management for supervisors.
- Safe Work Month workshops for SHR and OSH Officers.
- OSH Officer conducting site visits across the six sites.
- the MCB intranet and noticeboards.
- Contractor Handbook, which is provided to contractors prior to works commencing.

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

The safety, health and wellbeing of all MCB employees, visitors and contractors is of the utmost importance to the MCB. The MCB uses a systematic approach to planning and the implementation of workers' compensation and injury management, consistent with the *Workers' Compensation and Injury Management Act 1981 (WA)* and the *Workers' Compensation and Injury Management Regulations 1982 (WA)*.

The MCB has an Injury Management Policy, which is available to employees via the MCB intranet. This is discussed during the corporate OSH induction.

The MCB provides strong support during injury management and rehabilitation through the following methods:

- A safe and healthy workplace (the MCB's primary aim).
- Consultation between the employee, their medical practitioners and the MCB on the management of the injury or illness.
- Commencement of injury management/ rehabilitation programs as soon as medically appropriate.
- A documented return to work program for both work-related and non-work related injuries or illness.

- Providing suitable and meaningful job tasks within the workplace for injured or ill employees.
- Enlisting a rehabilitation provider to work with the injured or ill employee to achieve a positive recovery at work.

### **Workers' Compensation Claims**

The MCB carried forward four workers' compensation claims from 2017/18 into the 2018/19 financial year. Of these four claims, three have been finalised.

Of the 11 new workers' compensation claims received in 2018/19, seven have been finalised, resulting in the MCB having five open workers' compensation claims at the end of 2018/19.

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

For the MCB to succeed in providing and maintaining a safe and healthy workplace, it is essential that all employees, contractors and visitors participate in safe work practices as part of daily activities. To assist with employees achieving this goal, the MCB is continually developing and maintaining an Occupational Safety and Health Management System (OSHMS).

The MCB utilises the WorkSafe Plan, comprising five elements: management commitment; planning; consultation and reporting; hazard management; training and supervision. This OSHMS assists in hazard identification and risk management, which reduces the likelihood of workplace injuries or illness, provides for continual evaluation and improvement and ensures compliance with legislation. The MCB continued to use and improve the online incident reporting system, which was implemented at the start of 2018 and which forms part of the OSHMS, with a noticeable increase in hazard reporting.

The MCB monitors the OSHMS, which was reviewed by an external auditor in the 2017/18 financial year. The MCB has been working on the findings and recommendations raised by the audit, with the MCB now having completed 75 per cent of the audit recommendations. The MCB is planning to complete the outstanding recommendations in the 2019/20 financial year.

#### Occupational safety and health and injury management performance against targets

Measure	Actual Results			Results Against Target	
	2018/19	2017/18	2016/17	Target	Comment on result
Number of fatalities	0	0	0	0	Target achieved
Lost time injury/disease (LTI/D) incidence rate	3.27%	3.27%	3.25%	0 or 10% reduction*	Same number of LTI/D in 2018/19 as previous financial year = no reduction. Results have stayed consistent for three-year period
LTI/D severity rate	0%	20%	0%	0 or 10% reduction*	Target achieved Five claims resulted in an LTI/D; however, none had a LTI/D severity rating, which is a reduction on the previous year
Percentage of injured workers returned to work: (i) within 13 weeks	100%	80%	80%	Actual result to be stated Greater than or equal to 80%	Target achieved
(ii) within 26 weeks	100%	80%	100%	Actual result to be stated Greater than or equal to 80%	Target achieved
Percentage of managers trained in OSH and injury management responsibilities	81%	94%	78%	Greater than or equal to 80%	Target achieved Several new managers appointed in 2018/19

\* The reduction is calculated over a three-year period.

## Corporate Governance

The corporate governance framework guided the actions of individuals by providing clarity of direction as to appropriate behaviour and decision making. It encouraged the efficient and effective use of resources and required accountability for the stewardship of those resources and associated outcomes.

The Board Governance Charter details clear guidelines on the role, responsibilities and operations of Board members. It was reviewed in 2018/19.

The Committee for Finance, Audit and Risk (CFAR) provides assurance and assistance to the Board on financial, audit and risk-related matters. The CFAR met five times in 2018/19 and ensured that risk management was effective.

The MCB's delegation of authority comprises appointments, authorisations, financial authorisations, procurement, ICT and HR. 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 delegation and authorisation ensure the transfer of decision making and accountability within the MCB's operations and are critical to the achievement of outcomes.

The policy framework provides for the development, approval, implementation, review and availability of all policies. MCB policies are generally brief, outcomes-focused statements that clearly identify the particular way in which the MCB manages key issues and responsibilities arising from a variety of sources including legislation, general government policy and the directions and goals as set by the CEO and the Board. During the review period, 31 policies (mostly Operational and Finance) were updated.

The MCB's risk register was reviewed and updated continually during 2018/19. The risk 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.

A risk dashboard is presented to the CFAR and the Board on a quarterly basis. 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 the risk software system Tickit-on-Demand.

## Accountability

Accountability comprises audit reports, complaints handling, Freedom of Information, Public Information Disclosure, 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 and Feedback

The MCB treats complaints and feedback very seriously and as opportunities for continuous improvement. There were 196 complaints recorded during the period 1 July 2018 to 30 June 2019, an increase from 185 in 2017/2018. All complaints except one were acknowledged within five days as per the Complaint Handling Guidelines; an explanation and apology was sent to the affected client.

The majority of complaints requiring investigation were resolved within 15 working days from the date the complaint was received. Those that were finalised after 15 days were kept informed of developments and assured that the investigation was ongoing. Of the complaints, 59 per cent were investigated and resolved within two working days, exceeding expectations with regards to the Complaint Handling Guidelines. The majority of complaints handled by the MCB were resolved without further incident.

A marked increase in complaints regarding MCB facilities were received, with 69 received in 2018/2019 compared to 30 in 2017/2018. This is a result of teething problems associated with the implementation of the MCB's new audio-visual system rolled out to all MCB chapels. Complaints received regarding Grounds/Operations decreased from 70 to 51. There was also a reduction in complaints regarding the MCB's Cemetery Renewal program, with 14 complaints received compared to 29 in 2017/2018.

Complaints in the 'Other' category included issues with the MCB's website, insects, dogs, wildlife and car break-ins.

Complaints by Category		
Facilities	69	35%
Grounds/Operations	51	26%
Products/Services	35	18%
Cemetery Renewal	14	7%
Other	27	14%
<b>Total</b>	<b>196</b>	<b>100%</b>

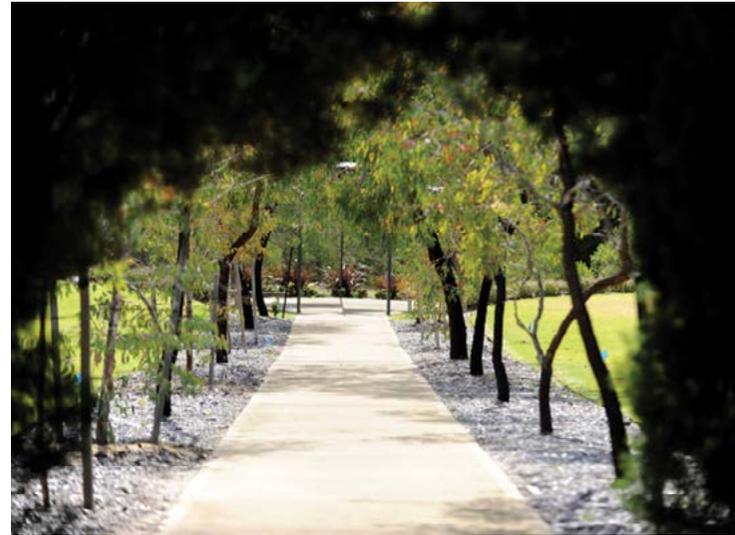
## Compliments

The MCB received 107 registered compliments and notes of appreciation, an increase of eight from 2017/2018.

The continued increase in appreciation can be attributed to the assistance received by clients from Memorial Consultants with more intricate and personalised memorial plaque orders and the assistance provided by Client Services staff. Compliments were also received regarding the upkeep of grounds and assistance by Operations staff.



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