

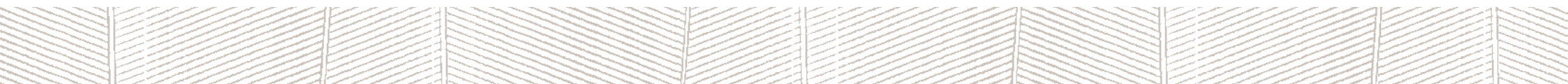
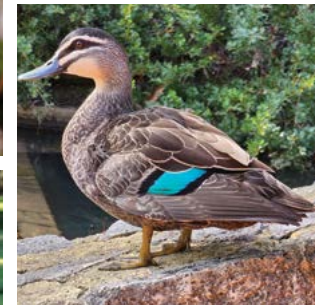
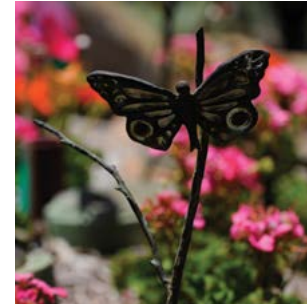


METROPOLITAN  
CEMETERIES BOARD



# ANNUAL REPORT 2022-2023

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](mailto:mcb@mcb.wa.gov.au)

### Acknowledgement of Country:

We acknowledge that we are on Aboriginal land and recognise the strength, resilience and capacity of the Noongar people in this land and we acknowledge and respect their continuing culture and the contributions they make to the life of this city and this region.

## 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

### Gnangara Aboriginal Cemetery\*

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

\* Conditions apply

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# STATEMENT OF COMPLIANCE

For the year ended 30 June 2023

**Hon David Michael MLA**

Minister for Local Government

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 2023.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* (WA), Treasurer's Instructions 903 and 104C, 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.



**Joe O'Dea**

CHAIR




**Kathlene Oliver**

CHIEF EXECUTIVE OFFICER



**Hon David Michael MLA**

Minister for Local Government



# Agency Performance

# 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.



# AGENCY PERFORMANCE

## Services Provided

The level of satisfaction with the MCB's services continues to be high, with a community rating of 92.1%, as measured through the annual customer satisfaction survey. The MCB has consistently returned high customer satisfaction results that can be attributed to staff working together to provide high quality facilities and services that continue to meet customer expectations.

In addition to the survey, the MCB has received fewer complaints than prior years, and more letters of appreciation than ever before. The majority of the 94 notes of appreciation relate to the excellent customer service, but also relating to a range of services including the aesthetics of grounds, high quality of maintenance of gardens, understanding and respect for cultural and religious needs, assistance in genealogical research as well as mapping and name search facilities and assistance.

During the year there were 14,276 funerals comprising 11,862 cremations, 2,414 burials and entombments across the seven cemeteries under MCB management. This was an increase of 904 funerals from 2021-2022. In addition to these core services, staff assisted families in the provision of 545 burial plaques and 2,744 cremation memorials and 127 mausoleum entitlements.

## Community Participation

### Connecting with history

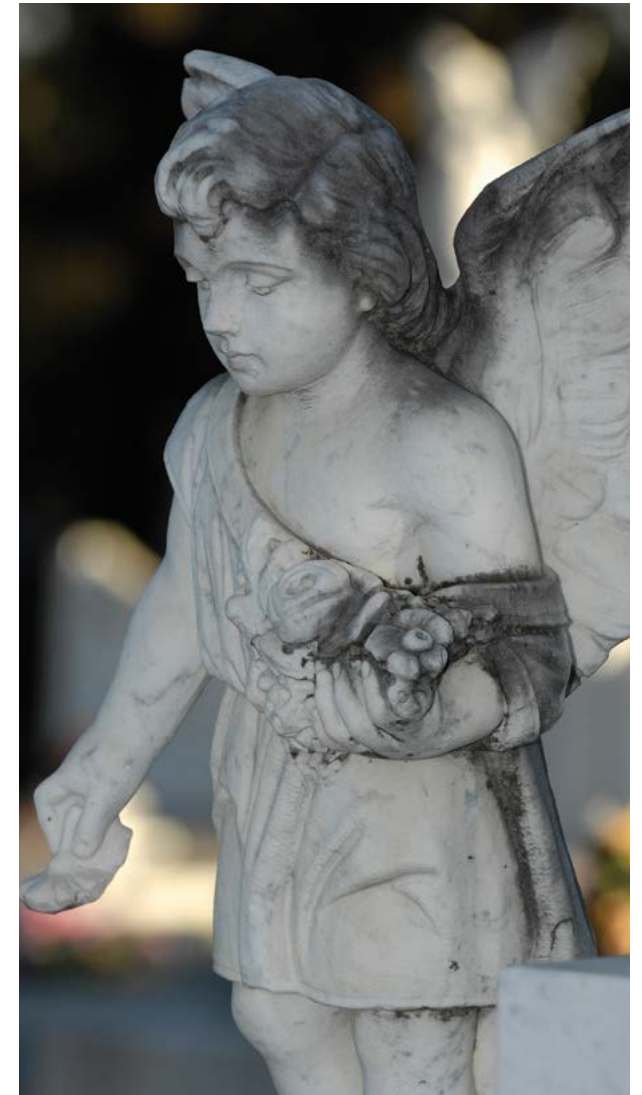
The MCB remains committed to community education and to encourage learning about the cemetery environment and promotes visitations at Fremantle and Karrakatta cemeteries through the provision of historical walking trail maps.

As has long been the case, the MCB continued its collaboration with the Office of Australian War Graves (OAWG) to ensure that the records and commemorations of Official War Graves and private commemorations of our War Dead are identified and maintained.

As part of the cemetery renewal program, the MCB engages historical assessment of cemetery areas planned for renewal, to ensure that historically significant graves and information are recorded and preserved.

### Catering for a diverse community

The MCB is respectful of and caters for the end-of-life needs of Perth's diverse community and works directly with religious and community groups to tailor cemetery policies, services and operations accordingly.



During the year, MCB adapted its services to enable improved services for communities where religious doctrines were unaligned to the MCB operating environment. This included enabling some services out of the MCB standard operating hours, and identifying locations that met the physical requirements of those religious beliefs.

To enable these services to commence, training and workshops were conducted with religious and community leaders, ensuring that culturally sensitive services are delivered that meets the MCB's complex legal requirements.

Karrakatta, Fremantle, Rockingham, Midland and Guildford Cemeteries include denominational areas. From time to time, the MCB undertakes a review of expired grants within cemetery areas. Where they relate to a specific denomination, the MCB engages with that community to ensure that any review is handled appropriately, and to work together to identify and communicate with impacted families. During the year, the MCB engaged with the Perth Chevra Kadisha with regards to pre-need expired grants within the Jewish Orthodox area at Karrakatta Cemetery, and with the Chinese Aged Society of WA Inc. with regards to pre-need expired grants at Midland Cemetery.

The MCB also works with organisations and individuals that represent, or provide services for, Perth's Aboriginal community, including the management of the Gnangara Aboriginal Cemetery, and the Aboriginal Keeping Place, where the remains of Aboriginal people are held until repatriation to country can be arranged. The MCB works with the Aboriginal Heritage team at the Department of Planning, Lands and Heritage in delivering this important service.

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

With the lifting of the COVID-19 pandemic public health emergency declaration and the removal of community restrictions, events have been held for the first time since 2019.

A mass to commemorate Easter Sunday was held in the Karrakatta Mausoleum this year. It is expected that over the next year, spiritual events in the Mausoleums will return, including All Souls Day mass, and a rosary to mark the Feast of the Annunciation.





### **Metal Recycling and donations**

The MCB's Recycling of Surgical Metal Program has continued successfully with \$812,685 raised during the year. The Cancer Council of WA received the monies to provide financial support towards the ongoing operational costs of both Crawford and Milroy Lodges. These facilities to provide accommodation for regional cancer patients requiring treatment in the city.

Since 2013, the MCB has sent more than 27 tonnes of precious metals to be melted down and recycled and has now donated over \$2million. Recycling of metals remaining after cremation is now fully accepted in over 15 countries across Europe, including the U.K. and also in some states of the U.S.A. In Australia it is a growing trend with a number of interstate cemetery authorities also participating in the program.

### **Product Development**

To ensure that customer expectations continue to be met regarding cremation memorial options and burial land availability, the range of memorials and burial options offered by the MCB is constantly reviewed and subject to continuous improvement.

The MCB has also rolled out digital information kiosks at Karrakatta and Fremantle Cemeteries to provide visitors with important information regarding daily services and how to find them. The kiosks enable researchers to undertake onsite digital searches and scan a custom generated QR code via their smartphone to enable navigation to the location being sought. This will assist the number of visitors that struggle to navigate the sheer size of Karrakatta and Fremantle Cemeteries when trying to locate an individual burial location.

### **Jewish Prayer Hall Revamp**

Karrakatta Cemetery has been the final resting place for the Jewish Orthodox community for over 100 years. Over that time almost 1000 burials have taken place for both the general Jewish Orthodox community and members of the Cohen. The Cohen, Kohen or Kohanim have a lineage that goes back over 3000 years and are said to be descendants of Moses' brother Aaron.

Cohen observe rules for ritual purity around the deceased that requires distance or separation from a dead body. This means they can't be under the same roof or canopy (even tree canopy) as a dead body and can't come within about seven feet of a dead body.

The MCB provides burial locations at Karrakatta Cemetery that are intended to provide sufficient viewing access from paths and roads, and ensuring that trees and planting do not overhang Cohen graves, or the cemetery entry and exit routes.

Karrakatta Cemetery is a very old cemetery and over its 100-year lifetime a substantial tree canopy has developed. Many trees and shrubs that would have been small when planted have now become large established specimens.





This is mainly a positive outcome and is what makes Karrakatta Cemetery so appealing and attractive to visitors and provides food and habitat for local fauna.

In some instances, trees can cause issues around access to graves for visitation and burials. There are several large established trees that overhang graves in the Jewish Orthodox sections, particularly behind and around the Jewish Prayer Hall, these also overhang the path taken by the community to a funeral and burial site.

Representatives from the MCB team recently met with the President of the Perth Chevra Kadisha, Mr Johnathon Silbert, and Rabbi Lieberman to discuss maintenance issues particularly as they relate to accessibility for the Cohens.

Since that meeting the MCB has been busy remodelling the gardens around the Jewish Orthodox area to ensure that the Cohens can freely access and move around the Jewish Prayer Hall and burial areas.

### **Cultural Burial Training**

MCB liaises with, and provides burial information and training, to a range of community groups including Muslim, Jewish and Aboriginal communities. This liaison ensures that all legislative requirements are sensitively met whilst still enabling traditional cultural burial requirements for those communities.

# 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:

- Develop a Talent and Succession Management Plan to ensure that the MCB has the skills and capabilities required to meet current and future challenges.
- Implementing an Integrity Framework to model and embody a culture of integrity.
- Increase cultural competency skills of staff to build respect and awareness of diverse cultures and practices through the establishment of cultural and diversity awareness training programs and recognition of days of observation and events.
- Ensure all human resource policies and practices incorporate best practice, support the elimination of discrimination and capitalise on pathways to increase and maintain diversity in the workforce.
- Establish the frameworks and plans that allow our staff to do their best work every day.
- Develop a Work Health and Safety Framework and Plan to support the management of risks and hazards.
- Working with the State Government to achieve broader Public Sector outcomes and to meet our statutory and compliance obligations.

### Key Areas of Focus

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

- Establishing a workforce that builds and retains skills and expertise, embraces technology and focuses on work, and life balance through the introduction of more flexible work practices and strengthens integrity and leadership capability.
- The introduction and mainstreaming of new Work Health and Safety Legislation to support a safe and healthy workforce.
- The delivery of training to support staff development and build flexibility.
- Developing stronger cultural competencies across the MCB workforce.
- Working with the Public Sector Commission in building leadership impact and supporting the implementation of ethical foundations.
- Reviewing recruitment practices to modernise the approach to develop streamlined and less complex processes whilst maintaining compliance with a view to attracting more youth indigenous people and seniors.
- Ensuring workforce stability with permanent employment.

- Enhancing diversity and inclusion within the workforce.
- Ensure a respectful and trustworthy workforce living by our values.
- Ensuring the MCB operational model is properly aligned in terms of its functions to ensure the appropriate distribution of resources to maximise the delivery of services to the community.

### Developing Leadership Capability

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

- Continuing to maintain a strong focus on the implementation of the Public Sectors Building Leadership Impact program.
- Emergency Management Training for Wardens, Incident Management Team and Crisis Management Team.
- Injury Management for Managers.
- Domestic Violence Awareness training.
- The Public Sector Commission's Propel program.
- Industry forums and conferences.

## Developing a Capable and High Performing Workforce Culture

Training was provided to employees to develop their capabilities and encourage a high performing, respectful, safe and inclusive workforce culture.

Emergency Management Training and Role specific training including:

- Targeted ICT systems training for all frontline employees who are users of the new Cemetery Records System.
- Targeted training for employees on the TechOne finance system.
- ChemAlert system.
- Investigations and Procedural Fairness.

Job specific training is provided to cemetery workers, as required, to develop their on-the-job capability. This year, this has included:

- On-the-job training to multi-skill employees.
- Polesaw.
- Chainsaw.
- Working Safely in Cemeteries.
- WHS Refresher.
- Manual Tasks.
- Telehandler.
- Excavator training.
- Chemical Handling.
- Skid Steer.

New employees' induction training includes Online modules:

- Introduction to the Public Sector.
- Aboriginal and Torres Strait Islander Cultural Awareness.
- Diverse WA.

A refreshed Corporate Induction program will be developed during the coming financial year that includes information on:

- Code of Conduct.
- Public Interest Disclosure .
- Public Sector Accountability Framework.
- Accountable and Ethical Decision Making.
- EEO and Diversity.
- Payroll.
- Records Management.
- Cyber Security.

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

The MCB undertook a review of fixed term contract employees and casual employees in June 2022 in accordance with the Public Sector Commissioner's Instruction No. 23: Conversion and Appointment of Fixed Term Contract and Casual Employees to Permanency.

No employees met the criteria for conversion in 2022-2023.

The MCB continues to offer permanent appointment to contract employees who are employed to fill temporary vacancies when suitable permanent vacancies become available in accordance with Commissioner's Instruction No. 2: Filling a Public Sector Vacancy.

## Enhancing Diversity and Inclusion Within the Workforce

The MCB has a diverse workforce. Over one third of the workforce is female, including the Chief Executive Officer and over half of the Tier 2 and 3 of management are female. 33.3 per cent are from culturally diverse backgrounds.

The MCB is working towards achieving the new Public Sector Commission diversity targets and has almost achieved the youth employment target by offering traineeship and apprenticeship opportunities.

The MCB continues to invite applicants for vacant positions from all diversity groups, including Aboriginal and Torres Strait Islander people, young people, people with a disability and people from cultural and linguistic diverse backgrounds.

Workforce Diversity	Public Sector Commission Targets	MCB Profile 30 June 2022	MCB Profile 30 June 2023
Male employees	N/A	63.6%	62.3%
Female employees	N/A	36.4%	37.7%
Women in Tier 2 & 3 management	43%	36.8%	58.3%
Aboriginal	3.7%	1.9%	1.9%
People with a disability	5%	2.6%	5.9%
Cultural & linguistic diversity	15%	10.5%	33.3%
Youth (under 25 years)	5.8%	3.5%	3.3%
Mature age (over 45 years)	N/A	66.7%	66.7%
Mature age (over 55 years)	N/A	31.8%	31.8%

### Increasing diversity – youth employment

The MCB has five employees under 25 years of age. The majority of these are current and former apprentices and trainees.

As at 30 June 2023, the MCB has two youth Horticultural Apprentices, one of which is an Aboriginal Apprentice. The MCB also has one School Based Trainee through the Public Sector Commission's School Based Traineeship Program.

A former School Based Trainee has progressed to a Public Sector Commission Youth Traineeship.

### Increasing diversity – Aboriginal employment

All vacant positions are advertised on the WA Aboriginal jobs board.

The MCB continues to offer employment opportunities to Aboriginal and Torres Strait Islander people, particularly in grounds positions, apprentice and traineeship positions.

### Gender Pay Gap Analysis

A Gender Pay Gap analysis of MCB employees was conducted at 30 June 2023 to identify gender representation gaps across the organisation and to identify actual pay differentials across each business area of the MCB.

This enabled the MCB to analyse the results and seek to create strategies that will action gender pay equity across the MCB.

Whole of MCB Gender Pay Gap Analysis	MCB Profile 30 June 2023
Number of Employees	155
Number of Female Employees	59
Number of Male Employees	96
Base Salary Pay Equity %	91%
Average Base Salary (Female)	\$76,351
Average Base Salary (Male)	\$83,836
Organisational gap %	9%
Total Remuneration Pay Equity %	91%
Average Remuneration Salary (Female)	\$85,533
Average Remuneration Salary (Male)	\$94,152
Organisational gap %	9%

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

All employees are required to attend Accountable and Ethical Decision Making training every three years, and all new employees are required to attend in their first year of employment.

The MCB promotes a positive, collaborative working environment free from unlawful discrimination, harassment, bullying, bias, patronage and nepotism, and has policies in place 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, serious breaches and serious misconduct may result in the termination of employment.

### **A Safe and Healthy Workforce – Work Health and Safety and Wellbeing Initiatives**

Various Work Health and Safety (WHS), risk assessment and emergency training was provided to employees:

- WHS Induction for new employees.
- Injury Management for (new) Managers.
- Warden Emergency Management Training.
- First Aid and CPR training and refresher training.
- WHS Representatives training.
- WHS seminars for WHS Representatives.

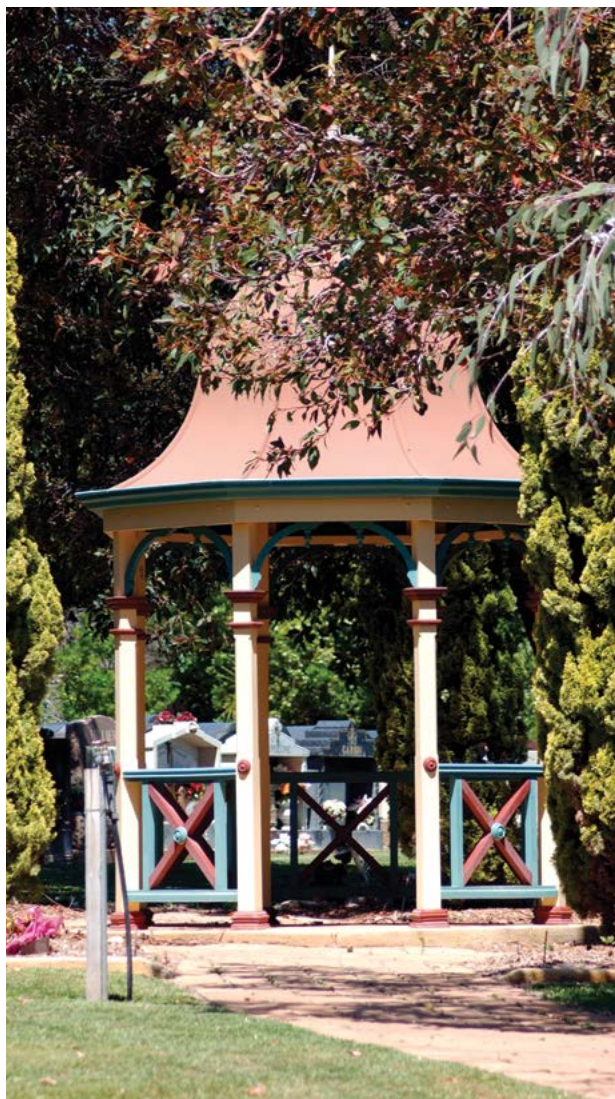
To meet work health safety mandatory requirements the MCB has conducted:

- Audiometric testing of designated workers.
- Noise testing of equipment.
- Health monitoring – Hazardous chemicals and air monitoring.

Other health and wellbeing initiatives offered to employees include:

- Influenza vaccinations.
- Tetanus injections for outdoor workers.
- Hepatitis A and B vaccinations for outdoor workers and First Aid Officers.





- Wellness subsidy for fitness, health and wellness activities.
- Skin cancer checks by a health professional.
- Workstation ergonomic assessments and upgrades.
- Personal counselling services through the Employee Assistance Program.

### Working From Home

Working from home is managed on an as needs basis. Employees are required to submit a working from home application for a Work, Health and Safety assessment of the proposed work area and management approval.

### Employee Assistance Program

The MCB' current Employee Assistance Provider is PeopleSense who were awarded the contract in July 2022.

PeopleSense provide a broad range of services which is available to employees and their immediate family members to assist them with 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.

They also offer additional support to MCB in terms of:

- Organisational development.
- Management support services.
- Critical incident response service.

EAP Services Provided in 2022-2023		
Quarter	No. Employees	Hours
September Quarter	2	3 hrs
December Quarter	6	15 hrs
March Quarter	5	10 hrs
June Quarter	4	6 hrs
<b>Total</b>	<b>17</b>	<b>34 hrs</b>

Note: some employees had multiple counselling sessions

This is a confidential service which is charged on a fee for service basis based on the number of counselling hours provided. No employee names are reported to MCB.



## Reducing Psychosocial Hazards

Initiatives to reduce psychosocial hazards in the workplace at the MCB include:

- Promoting “Living our Values” of Respect, Compassion, Understanding and Integrity.
- Zero tolerance for violence, bullying, unlawful discrimination, harassment and disrespectful behaviour in the workplace.
- Allowing employees to take leave if work is adversely affecting their mental wellbeing.
- Offering EAP support as needed.
- Clearly defined roles and reporting relationships for employees.
- One-on-one performance management meetings focused on Guiding Personal Success and career aspirations.
- Providing flexible working arrangements balanced with operational requirements.
- Injury management support and Return to Work rehabilitation programs for injured employees.
- Clearly defined Code of Conduct.

- HR Policies on Grievance Resolution; Prevention of Workplace Bullying, Violence and Aggression; Equal Opportunity, the Elimination of Unlawful Discrimination and Harassment; Managing Misconduct, and Health and Wellbeing are in place to support staff.
- Proactively addressing performance, discipline, 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 an Executive panel, and the Award winners are recognised and congratulated at an annual corporate event and presented with a Reward and Recognition Certificate by the Chief Executive Officer.

Other achievements and successes are celebrated at the Team or Division level, or by a congratulatory email to all employees from the Chief Executive Officer or the relevant Director.



# 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.



## Industry and Stakeholders

During 2022-2023 the MCB reintroduced regular industry liaison meetings with Funeral Directors. This provides opportunities for feedback, information sharing and identifying opportunities for improvement to delivery of services, facilities and policies.

The forum provides valuable opportunities to continue to build on the positive working relationship between the MCB and Funeral Directors. The meetings have provided a productive forum to identify and discuss industry wide challenges to support planning for our future.

The sessions have resulted in improvements to the MCB's booking system, improved safety practices, and addressed some common areas of complaints, including the availability of livestreaming and audio visual facilities.

## Licensing

Under the provisions of the *Cemeteries Act 1986* (WA), 31 Funeral Directors were licensed to operate within cemeteries controlled by the MCB and 12 Monumental Masons were licensed by the MCB.

## Industry Regulatory Training

Between 2020 and 2022, regulatory and practical training for Funeral Directors was made available online only through the MCB's Industry Portal. In 2022-2023, the MCB commenced the development of a new learning framework, focussed on regulatory compliance and online booking services.

The MCB is consulting with Funeral Directors as well as cultural and community based leaders to better understand challenges faced in planning and arranging funerals, and improve support through training, education and awareness of MCB legal environment, procedures and standards.

## Safe graves

In October 2022, the MCB initiated Safe Graves Practice and Learning for Funeral Directors to enable onsite field training, covering safe grave access and egress, completing job safety analysis, and conducting safe burials within MCB cemeteries.

## Regional Cemeteries Boards

The MCB has provided policy and operational advice during the year to the regional cemeteries upon request.

In November and December 2022 the MCB provided support to the Bunbury Regional Cemeteries Board by providing cremation services at Rockingham Regional Memorial Park, whilst maintenance work was being completed.

One meeting of the senior officers of combined Metropolitan and Regional Cemeteries Boards was held to share information and advice with regard to challenges and opportunities facing the industry.

## Community survey

During the year, the MCB engaged Research Solutions to undertake a strategic market research community survey, to understand community attitudes and beliefs regarding cemeteries, identify opportunities to shore up revenue streams, and to support future strategic planning and initiatives.

The survey yielded valuable insights regarding awareness of MCB cemeteries, location preferences, community understanding of death, dying and funeral processes, and new options that are, or could be, available to the community.

## Capital Works

During 2022-2023, the MCB developed several new burial and memorial areas and gardens at Guildford, Karrakatta, and Fremantle Cemeteries and Pinnaroo Valley Memorial Park. These developments provide additional burial sites and beautiful memorial options for families that will ensure the MCB meets the needs of the community during the coming 5 years.

MCB undertook a major project upgrading the Pinnaroo, Fremantle and Karrakatta Crematoriums ensuring MCB is well placed to meet future needs of the community. The updated crematorium technology supports MCB progress towards meeting its Net Zero Carbon commitments.

The crematorium upgrades included the roofs of the Karrakatta and Fremantle Crematoriums with the Norfolk Chapel, the Fremantle East and the Central Chapel roofs completely replaced.

Significant road works have been carried out across MCB sites. Works include installation of a new car park and service road at Guildford Cemetery, resurfacing and extension of the car parks at Midland Cemetery, resurfacing of the staff compound car park at the Karrakatta Cemetery; and resurfacing of the Zamia and Acacia Court car parks at Pinnaroo Valley Memorial Park. Multiple smaller sections of roads across the seven MCB sites were also resurfaced.

An important improvement was made to the stability of the MCB's electrical, AV and ICT systems with the installation of new Uninterrupted Power Supply (UPS) units in various Administration buildings, Chapels, and Crematoriums. The new UPS units enable an improved delivery of funeral services including the ability to stream services to better meet the needs of the community.



### Midland Cemetery Entry Statement

Marking the 120th anniversary of the opening of Midland Cemetery the MCB transformed the cemetery with a new entrance statement consisting of a sign and decorative pillars. The concept was designed to reflect the natural bushland environment of the cemetery. A collaborative effort between MCB teams culminated in a fresh new look for Midland Cemetery.

MCB received positive feedback from stakeholders and public acknowledgement of how wonderful Midland Cemetery is looking with the new entry statement featured in The Echo Newspaper.

### Elements Garden – Fire Garden Memorial

Construction of the Fire Garden memorial at Pinnaroo Valley Memorial Park was completed for release. The space was named Bulgalla Walk in reference to the Nyungar name for the Firewood Banksia (*Banksia menziesii*) as it is indigenous to the area and Banksia is a well-known plant that people connect with.

The Firewood Banksia is endemic to the Swan Coastal Plain which includes much of the Perth metropolitan area including Pinnaroo Valley Memorial Park. The flower of the Firewood Banksia is featured on the laser cut screen in the seats along the Fire Garden deck.

The Fire Garden is one of four gardens making up the Elements Garden consisting of Earth, Water Fire and Wind. The existing Sir Thomas Meagher Lake represents water and the mound overlooking the lake represents earth.

### Cemetery Renewal

Part V, 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 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 Cemetery 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 engaged 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.

The MCB has a Memorandum of Understanding with the Office of Australian War Graves (OAWG) to specify the activities between the MCB and the OAWG in relation to World War 1 and World War 2 War Graves and Memorials in cemeteries controlled and managed by the MCB. This includes Victoria Cross, George Cross and Cross of Valour recipients. The MCB also liaises with the RSLWA regarding concerns around cemetery renewal and other war grave issues which has resulted in a positive relationship between the two parties that has been maintained for many years.

During the year, the Director of the OAWG attended an assessment of monuments located within the Anglican IA section, and expressed appreciation for the thoughtful and considered approach taken in the assessment and consultation process with impacted stakeholders by the MCB with regards to cemetery renewal.

In February 2023 the Minister approved the submission for the renewal of General CA and General DA.

In August 2022 work commenced on the redevelopment of Anglican ZK and in September 2022 the public consultation phase commenced for Anglican FA and General AA. The redevelopment of both these sections will create new lawn burial and memorial positions to ensure the future requirements of the community for ongoing burials and memorials.

## Business Systems

The MCB has completed a Digital Strategy document covering the next three years and is planning its implementation.

The Digital Strategy details where we are and where we could be in the future. It outlines how the MCB might integrate digital technology into its operations enhancing our customer experience and streamlining processes.

The Digital Strategy looks to add to our offerings while still respecting tradition by leveraging technological advances.

Work continues on improving the Cemetery Records System and other business systems to support the Digital Strategy; such as Self-Service kiosks having been implemented at the Fremantle and Karrakatta sites allowing the public easier access to information.



# 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.



## Stakeholder Engagement

The MCB is committed to supporting ongoing industry education and development.

Whilst there was limited opportunity to host tours during the review period the MCB has, when able, continued to demonstrate best practice in areas such as grave digging and cemetery operational equipment, the latest in crematoria design and operations, cemetery planning, design, maintenance and administration.

The MCB maintains an excellent and collaborative working relationship with the Western Australian 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.

The MCB has a close working relationship with the Department of Local Government, Sports and Cultural Industries maintaining a collaborative approach in State-wide policy development in line with administrative and operational imperatives.

## Funeral Industry

The MCB maintains very close ties 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 continues to foster and maintain the 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.

Further to the MCB's roll out of the Funeral Director on-line bookings and funeral application industry portal, the MCB has been working closely with Funeral Directors to make continuous improvement changes and offer ongoing individual training. The MCB also offers ongoing safe graves training, audio visual operation, training and support throughout the year. Compliance advice was mostly offered via the phone, email or video conferencing.

A new code of practice requiring that all Funeral Directors provide upfront and transparent prices for all funeral goods and services was released during the year. The MCB ensures the provisions of the new Code is covered in the MCB Funeral Director Licence Conditions of Issue.

The MCB works with Funeral Directors with regard to the approval and bookings for all funeral services within MCB cemeteries. This includes provision of supporting information and materials, training and onboarding for new Funeral Directors, and working with Funeral Directors that provide cultural or religious based services to ensure the needs of the communities are met.

## Support for Regional Cemeteries

While the MCB's jurisdiction is the Greater Perth Metropolitan Region, MCB staff frequently provide expert operational 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 Workplace Health and Safety.



The MCB regularly shares industry information over the course of the year and has hosted one meeting with staff from Regional Cemeteries Boards to discuss industry and regulatory matters.

### **MCB Path to Carbon Neutrality**

The MCB has continued in its commitment to be carbon neutral by 2050 and to meet the State interim target of 80% emissions reduction from 2020 levels by 2030.

To achieve this goal Pleiades Consulting was engaged to measure MCB carbon emissions for the 2021-2022 financial year and to develop a Net Zero Transition Plan. This plan details the steps needed for the MCB to become carbon neutral by 2050.

The emissions for the 2021-2022 financial year were 3% less than the previous year even though the number of funerals had increased by a significant 5.5%.

The biggest reduction was achieved through improvements of our waste management. In 2020-2021 waste disposal was the largest contributor to our carbon emissions. After directing a large amount of waste away from landfill to green waste recycling facilities waste disposal is now the MCB's second largest contributor with electricity use now being number one.

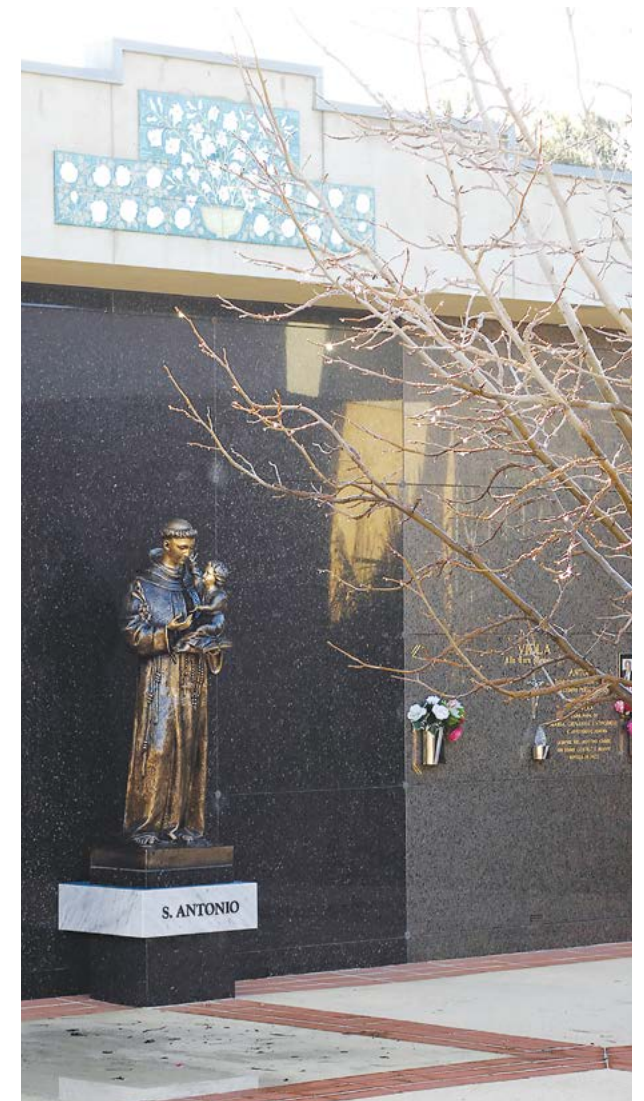
With electricity use being our major cause of carbon emissions working towards a shift to 100% renewable energy is our number one priority. This will be achieved by the further installation of solar panels and batteries, introducing waste heat recovery technology in the cremators and purchasing electricity from green sources.

This year the MCB has installed a large 70kw solar panel system on the roof of the Fremantle Chapel complex and more solar installations are planned for next year.

### **Knowledge and Records Management**

Preservation of historical records and the wider records and knowledge management is an ongoing area of focus and improvement to ensure compliance with the *State Records Act 2000* (WA). As such, the MCB reviewed the 2018 Record Keeping Plan and records processes during the year to ensure the plan meets the current requirements of the *State Records Act 2000* (WA).

The expectations of transparency and accountability within the public sector and the related Freedom of Information requests have increased over the past few years. The Knowledge and Records Management section play a vital role in ensuring that MCB is compliant with all relevant Acts and actions requests within legislative timeframes.



## Information & Communications Technology

ICT continues to play a crucial role in ensuring that business services are delivered effectively against the increasing demand and complexity of the business environment.

This was a year of consolidation and implementation of improvements to several ICT systems to allow ICT to continue to support the business, to deliver services and to begin readiness to support the new Digital Strategy.



With Cybersecurity becoming increasingly critical, this area has been further enhanced by the implementation of several tools to increase the protection of digital assets and ensure continued availability of business systems for MCB staff and other external parties.

## Reconciliation Action Plan

The MCB received endorsement from Reconciliation Australia in 2022 for its first official Reconciliation Action Plan (RAP).

The MCB launched the RAP at Midland Cemetery on 3 November 2022. The Hon. John Carey MLA, former Minister for Housing; Lands; Homelessness; Local Government and the Hon. Michelle Roberts MLA, Member for Midland attended along with the Chief Executive Officer for Reconciliation WA and the Mayor of the City of Swan. The launch consisted of a Welcome to Country and smoking ceremony and was a great opportunity to showcase the beautiful Midland Cemetery, recognising the importance of this Cemetery for the local Aboriginal community.

This RAP will continue to help the MCB build a safe and inclusive environment to enable First Nations People to thrive.

## Multicultural Plan

The MCB developed its inaugural Multicultural Plan 2021-2023 based upon the WA Multicultural Policy Framework 2020. The Plan supports the State Government's commitment to ensure that every Western Australian has the opportunity to participate equitably in all aspects of our civic, social, economic and cultural life. The MCB will be seeking an extension to the plan from the Minister for Citizenship and Multicultural Interests to continue to achieve Key Performance Indicators in the plan.

The MCB Multicultural Plan is aimed at guiding MCB employees in working with and providing services to people from culturally and linguistic diverse backgrounds, removing barriers, improving access, and promoting awareness of the cultural diversity of the WA community. The MCB is committed to identifying and creating opportunities for continuous improvement across its services to ensure inclusivity of all peoples.

### ISO26000 Guidance on Social Responsibility

The Board has previously 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 allows 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.

### Profile and Performance of MCB Cemeteries and Memorial Parks 2022/23

	Karrakatta Cemetery	Fremantle Cemetery	Midland Cemetery	Guildford Cemetery	Pinnaroo Valley Memorial Park	Rockingham Regional Memorial Park	Gnangara Aboriginal Cemetery	TOTAL
Established	1899	1898	1903	1890	1978	2007	2016	
Hectares	97.7	45.7	23.7	30.7	118.8	60.9	1.1	<b>378.6</b>
Number of Burials and Entombments	914	558	116	301	456	68	1	<b>2,414</b>
Number of Cremations	3,071	2,780	0	0	2,640	3,371	0	<b>11,862</b>
Employee FTE	52.5	29.5	0	5	20.3	3.5	0	<b>110.8</b>

# FINANCIAL OVERVIEW

## Financial Performance

**14,276**

Total Number of funerals



**\$2,171**

Average cost per funeral



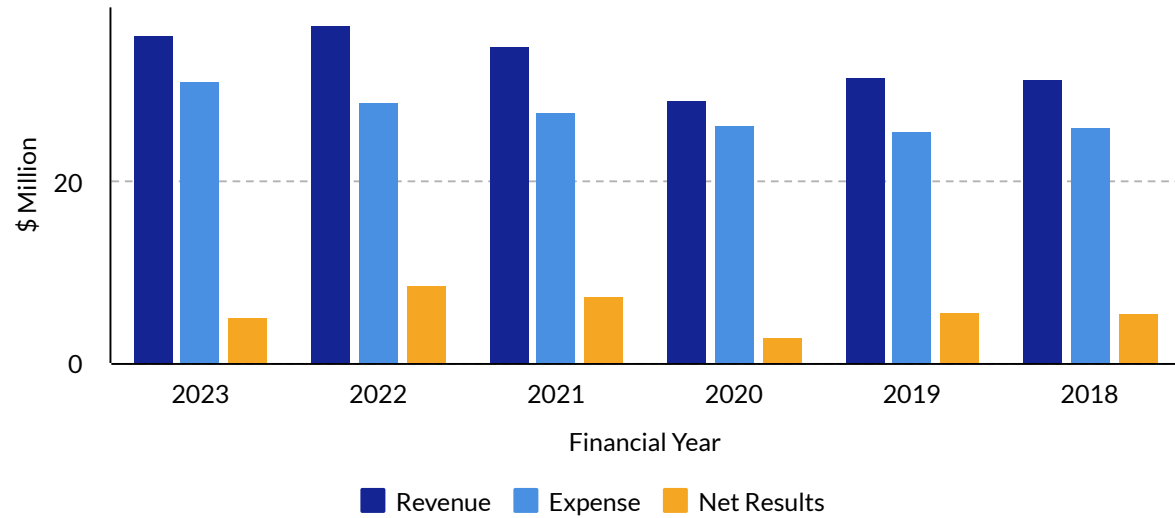
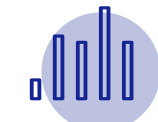
**\$30.99m**

Expense



**\$36.07m**

Revenue



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



CREMATIONS

**43%**



BURIALS

**28%**



MEMORIALS

**20%**



MAUSOLEUM

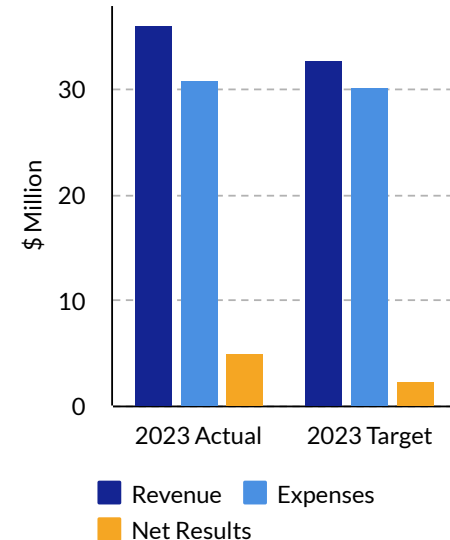
**9%**

# STRATEGIC OUTCOMES

## Expenses Incurred in the Delivery of Services

	Employee salaries and wages	<b>\$14.4 million</b>
	Supplies and services	<b>\$10.5 million</b>
	Asset depreciation	<b>\$3.5 million</b>
	Maintenance expenses	<b>\$2.6 million</b>

## Performance Highlights



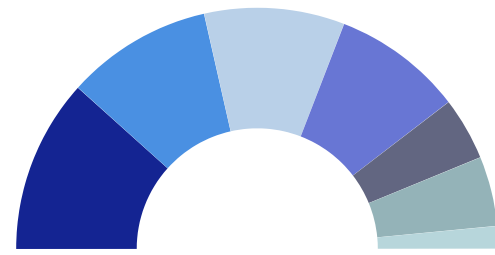
- ### Key Drivers
-  Higher Contractor and maintenance Costs with lower depreciation costs.
  -  Higher number of funeral services
  -  Higher revenue from core services

### Financial Sustainability








The Board's purpose is to ensure the *financial sustainability* of the Perth Metropolitan Cemetery System. A component of the Net Results are held as *Investments*, utilised to fulfil the Board's future obligations.

### Long term care

Certain proportion of Net Results are reinvested as capital projects for the *long term continuation* of the cemeteries and memorial parks in the Board's care.



### Completed Projects in 2022/23

-  Crematorium Buildings and Roof Upgrade (23.33%)
-  Roads and Landscaping (19.58%)
-  Mausoleum and Chapel upgrades (18.84%)
-  Other capital projects (17.43%)
-  Burial and Memorial Densification Works (8.44%)
-  ICT Upgrades (9.33%)
-  Plant and Fleet replacement (3.04%)



# Disclosures and Legal Compliance

# RESPONSIBLE PERSON'S DECLARATION FOR FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2023

*Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2022*

The Chair declares that in his 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 2022*.



**Joe O'Dea (Jnr)**

CHAIR

Responsible person's declaration

Dated this 28th day of August 2023

# AUDITOR GENERAL'S REPORT

## INDEPENDENT AUDITOR'S REPORT 2023

Metropolitan Cemeteries Board

To the Parliament of Western Australia



Auditor General

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

I have audited the financial statements of the Metropolitan Cemeteries Board (Board) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- 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 2023 and the financial position at the end of that period

in accordance with Australian Accounting Standards, the *Financial Management Act 2006*, the Treasurer's Instructions and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and *Australian Charities and Not-for-profits Commission Regulation 2022*.

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

### RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL STATEMENTS

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006*, the Treasurer's Instructions and the *ACNC Act*
- such internal control as it 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 entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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's responsibilities 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. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **REPORT ON THE AUDIT OF 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 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 the State's financial reporting framework (the overall control objectives).

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 the State's financial reporting framework during the year ended 30 June 2023.

## The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investments 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 Engagement 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 were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance 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 AUDIT OF 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 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 2023.

#### **The Board's responsibilities 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 controls 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 Instructions 904 Key Performance Indicators.

#### **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 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 entity'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 management relating to the report on financial statements, controls and key performance indicators**

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

## Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2023 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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 contact the entity to confirm the information contained in the website version.



Efthalia Samaras

Senior Director Practice Manager Financial Audit Delegate of the Auditor General for Western Australia Perth, Western Australia

30 August 2023

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and the financial position as at 30 June 2023.

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.



**Joe O'Dea (Jnr)**  
CHAIR

28th August 2023



**Darrell Jones**  
BOARD MEMBER



**Joe Fortuna**  
CHIEF FINANCE OFFICER

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Board has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2023 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:

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# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Trading profit	3.1	5,563	4,481
Provision of services and Cemetery leases	3.2	26,723	25,078
Investment income	3.3	3,087	6,911
Other revenue	3.6	688	533
<b>Gains/losses</b>			
Gains/(losses) on disposal of non-current assets	3.5	9	222
<b>TOTAL INCOME</b>		<b>36,070</b>	<b>37,225</b>
<b>EXPENSES</b>			
Cost of sales	3.1	1,177	1,107
Employee benefits expense	4.1	14,412	12,547
Supplies and services	4.3	8,634	7,631
Finance costs	7.4	1	2
Depreciation and amortisation expense	5.3, 5.4	3,466	3,627
Amortisation of Right-of-Use Assets	5.2	22	26
Cemetery lease and other expenses	4.4	3,281	3,718
<b>TOTAL EXPENSES</b>		<b>30,993</b>	<b>28,658</b>

	Note	2023 \$'000	2022 \$'000
Profit for the period before Income from State Government		5,077	8,567
<b>Income from State Government</b>			
Services received free of charge	3.4	–	4
<b>PROFIT FOR THE PERIOD</b>		<b>5,077</b>	<b>8,571</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	9.8	8,062	(549)
Changes in financial asset revaluation reserves	9.8	519	(12,465)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>8,581</b>	<b>(13,014)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>13,658</b>	<b>(4,443)</b>

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

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	3,828	1,918
Inventories	3.1	286	351
Receivables	6.1	5,329	8,998
<b>Total Current Assets</b>		<b>9,443</b>	<b>11,267</b>
<b>Non-Current Assets</b>			
Financial assets through other comprehensive income	7.2	80,257	74,125
Property, plant, equipment and vehicles	5.1	105,202	91,553
Infrastructure	5.1	20,193	20,772
Right-of-use assets	5.2	82	84
Intangible assets	5.4	1,731	2,027
<b>Total Non-Current Assets</b>		<b>207,465</b>	<b>188,561</b>
<b>TOTAL ASSETS</b>		<b>216,908</b>	<b>199,828</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.2	1,240	943
Employee related provisions	4.2	2,392	2,035
Other current liabilities	6.3	137	105
Lease liabilities	7.3	–	25
Pre-need agreements	6.4	608	844
Deferred lease income	6.5	6,109	5,800
<b>Total Current Liabilities</b>		<b>10,486</b>	<b>9,752</b>

	Note	2023 \$'000	2022 \$'000
<b>Non-Current Liabilities</b>			
Employee related provisions	4.2	347	433
Lease liabilities	7.3	104	61
Pre-need agreements	6.4	31,664	32,367
Deferred lease income	6.5	88,700	85,265
<b>Total Non-Current Liabilities</b>		<b>120,815</b>	<b>118,126</b>
<b>TOTAL LIABILITIES</b>		<b>131,301</b>	<b>127,878</b>
<b>NET ASSETS</b>		<b>85,607</b>	<b>71,950</b>
<b>Equity</b>			
	9.8		
Contributed equity		13,641	13,641
Reserves		32,114	23,533
Retained earnings		39,853	34,776
<b>TOTAL EQUITY</b>		<b>85,607</b>	<b>71,950</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 2023

	Notes	Contributed Equity \$'000	Asset Revaluation Reserves \$'000	Financial Asset Revaluation Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance 1 July 2021</b>		13,641	29,929	6,618	26,205	76,393
Profit for the period	9.8	–	–	–	8,571	8,571
Other comprehensive income	9.8	–	(549)	(12,465)	–	(13,014)
<b>Total comprehensive income for the period</b>		–	(549)	(12,465)	8,571	(4,443)
<b>Balance at 30 June 2022</b>		13,641	29,380	(5,847)	34,776	71,950
<b>Balance at 1 July 2022</b>		13,641	29,380	(5,847)	34,776	71,950
Profit for the period	9.8	–	–	–	5,077	5,077
Other comprehensive income	9.8	–	8,062	519	–	8,581
<b>Total comprehensive income for the period</b>		–	8,062	519	5,077	13,658
<b>Balance at 30 June 2023</b>		13,641	37,442	(5,328)	39,853	85,607

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 2023

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Provision of services and Cemetery leases		30,128	27,138
Mausoleum crypt leases		3,867	3,637
Investment income received		7,404	6,816
GST receipts on sales		2,802	2,615
Other receipts		688	533
<b>Payments</b>			
Supplies and services		(11,901)	(10,631)
Employee benefits		(14,071)	(12,891)
Payments of Interest on leases	7.4	–	(2)
GST payments on purchases		(2,080)	(1,829)
UGST payments to taxation authority		(708)	(830)
<b>Net cash provided by operating activities</b>		<b>16,129</b>	<b>14,556</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		32	281
Purchase of investments		(6,000)	(10,000)
Purchase of non-current physical assets		(8,245)	(6,971)
<b>Net cash used in investing activities</b>		<b>(14,213)</b>	<b>(16,690)</b>

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Principal elements of lease payments		(6)	(27)
<b>Net cash used in financing activities</b>		<b>(6)</b>	<b>(27)</b>
Net increase/(decrease) in cash and cash equivalents		1,910	(2,161)
Cash and cash equivalents at the beginning of the period		1,918	4,079
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>7.1</b>	<b>3,828</b>	<b>1,918</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 2023

## 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 28<sup>th</sup> of August 2023.

### 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**) – Simplified 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.

### 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 2023

## 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 seven 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	2023 \$'000	2022 \$'000
Trading profit	3.1	4,386	3,374
Provision of services and Cemetery leases	3.2	26,723	25,078
Investment income	3.3	3,087	6,911
Income received from State Government	3.4	–	4
Gains/losses on disposal of non-current assets	3.5	9	222
Other revenue	3.6	688	533

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

3.1 Trading Profit	Notes	2023 \$'000	2022 \$'000
Sales of Memorial products		5,563	4,481
<b>Cost of Sales:</b>			
Opening Inventory		(207)	(209)
Purchases (at cost)		(1,145)	(1,104)
Closing Inventory		175	207
<b>Cost of Sales</b>		<b>(1,177)</b>	<b>(1,106)</b>
<b>Trading Profit</b>		<b>4,386</b>	<b>3,375</b>
<b>Closing Inventory comprises of:</b>			
Vault stock – Midland – at cost		31	31
Vault stock – Fremantle – at cost		28	28
Memorial, Urns and Plaques – at cost		116	148
<b>Total Inventories held for resale</b>		<b>175</b>	<b>207</b>
<b>Inventories not held for resale:</b>			
Stores – at cost		111	144
<b>Total Inventories not held for resale</b>		<b>111</b>	<b>144</b>
<b>Total Current Inventory</b>		<b>286</b>	<b>351</b>

### Sales of Memorial products and Vaults

Sales of Memorial products (henceforth Memorial contract) can be purchased at the time of death (at-need) or in advance of death (pre-need) and are partially within the scope of both AASB 15 and AASB 16.

Aside from specific Memorial keepsakes and metal plaque purchase contracts, each Memorial contract is considered to be a bundled product containing distinct set of goods or services that represent the combined output for which the customer has contracted:

- Interment or placement of ash service and a sale of Memorial product; and
- Grant of Right of Memorial (refer **Note 3.2 'Provision of services and Cemetery leases'**)

Memorial product is any plaque, monumental work, inscription, kerbing, enclosure and any other fixture sold and placed on a stated MCB memorial plot, to commemorate the placement of ashes. Price of commemorative plaque, tribute or monument and the burying of ash remains are included in the purchase price of a Memorial contract.

Revenue from the purchase price of at-need placement of ashes and memorial product will be recognised as revenue at a point in time when the interment service and memorial product is provided to the customer. The allocation will be measured at the consideration received from the customer, based on a prevalent fee set through a Gazetted Board resolution.

A similar accounting policy has been adopted for single use, open-air setting burial vaults. Vaults are concrete lined and sealed outer receptacle that houses a deceased's coffin. The vaults were built and are marketed by MCB to the general public.

Where payment for Memorial products or Vaults is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within **Note 6.4 'Pre-need Agreements'**.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

### 3.1 Trading Profit (continued)

#### 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 memorial products 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 2023 (2022: Nil).

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 and Cemetery leases</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Burial (interment) services	4,221	4,181
Cremation services	13,962	12,756
Grant of Right of Burial (grave and cemetery land leases)	4,798	4,567
Grant of Right of Memorial (cemetery infrastructure leases)	894	851
Certificate of Entitlement (Mausoleum building leases)	2,848	2,723
<b>Total income collected from cemetery leases and provision of services</b>	<b>26,723</b>	<b>25,078</b>

#### Burial (interment) services

Interment refers to the act of burying a coffin into a stated burial plot. Interment fee or agreement can be purchased at the time of death (at-need) or can be purchased in advance of death (pre-need).

- For at-need services, revenue is recognised and measured at the transaction price of the interment service provided to the customer.
- Where payment for the interment service is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within **Note 6.4 'Pre-need Agreements'**.

#### Cremation Services

Cremation is the process in which a deceased human body is reduced to ashes by fire through purpose-built cremators. Cremation fee or agreement can be purchased at-need or can be purchased pre-need.

- For at-need services, revenue is recognised and measured at the transaction price of the cremation service provided to the customer.
- Where payment for the cremation service is received prior to control transferring to the customer, revenue recognition is deferred in contract liabilities within **Note 6.4 'Pre-need Agreements'**.

#### Grant of Right of Burial (grave and cemetery land leases)

Tenure agreement over a stated burial plot (either a grave, land or a mausoleum crypt) which confers upon the holder of the Grant, the exclusive right to conduct burials, erect a monument within the burial plot and the right to receive maintenance on the burial plot (e.g. mowing of lawns, maintenance of surrounding patches or mausoleum floor) over the period of the agreement. Grant agreements can be purchased at-need or can be purchased pre-need. Grant of right of Burial will be accounted for as operating leases as income on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

### 3.2 Provision of services and Cemetery leases (continued)

Where full payment for Grant of Right of Burial is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within **Note 6.5 'Deferred lease income'**. MCB considers all unelapsed portion of the Grant of Right of Burial as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists, for which MCB has received full consideration (of the amount due) from the customer.

#### Certificate of Entitlement (mausoleum crypt and ossuary leases)

An agreement that grants the certificate holder, an exclusive entitlement over a stated crypt or mausoleum. This entitlement also grants the holder the 'option' to exercise the purchase and associate a Grant of Right of Burial and interment fee against the Certificate of Entitlement. The Certificate can be purchased at-need or pre-need. Certificate of Entitlement will only be activated when a Grant of Right of Burial is purchased and associated to the crypt, or when a body is interred into the crypt/ossuary as stated in the Certificate of Entitlement (whichever is the earliest).

MCB considers all unelapsed portion of at-need Certificate of Entitlements as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists for which the Board has received full consideration from the customer. Where full payment for Certificate of Entitlement is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within **Note 6.5 'Deferred lease income'**. Pre-need Certificate of Entitlement purchased in advance of death is deferred in contract liabilities within **Note 6.4 'Pre-need Agreements'**.

#### Grant of Right of Memorial (cemetery infrastructure leases)

Memorial contract can be purchased at-need or pre-need. Each Memorial contract are partially within the scope of both AASB 15 and AASB 16.

Aside from specific Memorial keepsakes and metal plaque purchase contracts, each Memorial contract is considered to be a bundled product containing distinct set of goods or services that represent the combined output for which the customer has contracted:

- Interment/placement of ash service and a sale of Memorial product (refer **Note 3.1 'Trading profit'**); and
- Grant of Right of Memorial.

Grant of Right of Memorial is a tenure agreement over a stated memorial plot which confers upon the holder of the Grant, the exclusive right to inter (place) ashes, erect/display memorial product(s) within the stated plot and the right to receive maintenance on the memorial plot (e.g. mowing of lawns, maintenance of surrounding patches) over the period of the agreement. The original amount paid/consideration received will be accounted for as operating leases as income on a straight-line basis over 25 years, less any non-leasing components.

Where full payment for Grant of Right of Memorial component of memorial contract is received in advance of the completion of the lease/agreement period, revenue recognition is deferred in contract liabilities within **Note 6.5 'Deferred lease income'**. The Board considers all unelapsed portion of the Grant of Right of Burial as an AASB 16 contract liability where an obligation to transfer leasing services to a customer exists for which the Board has received full consideration from the customer.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

### 3.2 Provision of services and Cemetery leases (continued)

#### Significant assumptions and judgement – Recognition of non-leasing and operating lease income components:

Grant of Right of Burial and Memorial as well as at-need Certificate of Entitlement contracts (henceforth collectively referred as lease contracts) have both a leasing component and non-leasing component.

Management, pursuant to paragraph 17 of the AASB 16, have applied 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. Transaction price was measured at the consideration received, set in accordance with the prevalent fee approved through a Board resolution.

#### Non-leasing component:

- Each Certificate of Entitlement contract contains an up-front component recognised as revenue at the point in time the contract is issued. This is costed at 10% of the purchase consideration of each contract, being the non-refundable fee to meet record keeping requirements of the *Cemeteries Act 1986* surrounding the crypt holder and permit the interment of the remains of the person to whom the Certificate of Entitlement relates, at the site identified in, or determined in accordance with, the Certificate of Entitlement.

- Each Grant of Right of Burial/Memorial contract contains an up-front component recognised as revenue at a point in time the contract is issued. This is costed at 20% of the purchase consideration of each contract, being the non-refundable fee to permit the interment of the remains of the person to whom the Grant of Right of Burial/Memorial relates, at the site identified in, or determined in accordance with, the Grant of Right of Burial/Memorial, establish cemetery grounds that are fit for burial and memorialisation purposes and meeting record keeping requirements of the *Cemeteries Act 1986* surrounding the Grant holder.

#### Leasing Component:

- The remainder of the transaction price in each lease contract (including any extensions) will be accounted for as operating lease income on a straight-line basis over the lease term.
- This judgement was made on the basis that these lease contracts provide economic benefits and exclusive rights to our customers or lessees, to direct the use of the underlying asset (e.g. cemetery land, memorial infrastructure, land, garden beds or mausoleum building) over the lease or contract tenure and upon the completion of the contract tenure, MCB retains the right to the underlying asset.
- All lease 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.
- Underlying assets subject to operating leases have been disclosed in the statement of financial position, according to the nature of the underlying asset (buildings, land or infrastructure) and the Board have applied depreciation expense policy consistent with depreciation policy for similar assets. Refer **Note 5 'Key Assets'** for the disclosure of underlying assets subject to operating leases.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

	2023 \$'000	2022 \$'000
<b>3.3 Investment Income</b>		
Interest	128	5
Franking credit refunds	196	560
Distributions	2,762	6,346
<b>Total investment income</b>	<b>3,087</b>	<b>6,911</b>

Revenue is recognised when the right to receive interest, franking credit refund 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.

	2023 \$'000	2022 \$'000
<b>3.4 Income from State Government</b>		
<b>Resources received from other public sector entities during the period<sup>(a)</sup>:</b>		
Provision of Rapid Antigen Tests by the Department of Finance	–	4
<b>Total Income from State Government</b>	<b>–</b>	<b>4</b>

(a) **Transfer of assets:**  
Discretionary transfer of assets between State government agencies are reported under Income from State Government.

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.

	2023 \$'000	2022 \$'000
<b>3.5 Gains/(losses) on disposal of non-current assets</b>		
<b>Net proceeds on disposal of non-current assets</b>		
Plant, equipment and vehicles	118	314
<b>Carrying amount of non-current assets disposed</b>		
Cost of non-current assets disposed	(109)	(462)
Depreciation reversed on disposals	–	370
Carrying Amount – Costs of disposal	(109)	(92)
<b>Net gain/(loss) on non-current assets disposed</b>	<b>9</b>	<b>222</b>
<b>Total Gains/losses</b>	<b>9</b>	<b>222</b>

**Realised and unrealised gains/losses** 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 3. OUR FUNDING SOURCES (CONTINUED)

3.6 Other Revenue	2023 \$'000	2022 \$'000
Rentals of Kiosks	154	146
Rental from lease of non-cemetery land and buildings	350	350
Insurance recoveries	78	18
Miscellaneous income	106	19
	<b>688</b>	<b>533</b>

Lease income from operating leases (rental of kiosks/café and non-cemetery land and buildings) is recognised as income on a straight-line basis over the lease 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 2023

## 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	2023 \$'000	2022 \$'000
Employee benefits expenses	4.1	14,412	12,547
Employee related provisions	4.2	2,739	2,468
Supplies and Services	4.3	8,634	7,631
Cemetery lease and other expenses	4.4	3,281	3,718

### 4.1 Employee benefits expenses

	2023 \$'000	2022 \$'000
Short-term employee benefits <sup>(a)</sup>	12,867	11,074
Superannuation – defined contributions plans <sup>(b)</sup>	1,545	1,473
<b>Total employee benefits expense</b>	<b>14,412</b>	<b>12,547</b>

(a) Include wages, salaries and social contributions, paid annual leave and paid sick leave and non-monetary benefits (such as cars and free or subsidised goods or services) for current employees.

(b) 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, fringe benefits tax and leave entitlements. 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 4.4 'Cemetery lease and other expenses'**.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to 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.

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

The MCB contributes, to accumulation superannuation plans, an amount of the statutory as well as non-statutory contribution obligations under the Local Government Superannuation Plan. This arrangement was closed for new members in 2011 and only continued to be disbursed to a handful of employees under a 'grandfathered' ruling.

The Board's legal or constructive obligation is limited to these employee's defined contributions. Contributions for all employees are expensed for the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 4. USE OF OUR FUNDING (CONTINUED)

### 4.2 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.

	2023 \$'000	2022 \$'000
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave <sup>(i)</sup>	942	855
Long service leave <sup>(ii)</sup>	1,402	1,139
	<b>2,344</b>	<b>1,994</b>
<u>Other provisions</u>		
Employee on-costs <sup>(iii)</sup>	48	41
<b>Total current employee related provisions</b>	<b>2,392</b>	<b>2,035</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave <sup>(ii)</sup>	340	424
	<b>340</b>	<b>424</b>
<u>Other provisions</u>		
Employee on-costs <sup>(iii)</sup>	7	9
<b>Total non-current employee related provisions</b>	<b>347</b>	<b>433</b>
<b>Total employee related provisions</b>	<b>2,739</b>	<b>2,468</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.

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 4.4 'Cemetery lease and 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 'Employee benefits expense'**. The related liability is included in **Note 4.2 'Employee related provisions'** under 'Other provisions'.

	2023 \$'000	2022 \$'000
<u>Employment on-cost provision</u>		
Carrying amount at start of year	50	57
Additional/(reversals of) provisions recognised	23	23
Payments/other sacrifices of other economic benefits	(20)	(26)
Unwinding of the discount rate	2	(4)
<b>Carrying amount at end of year</b>	<b>55</b>	<b>50</b>

### 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 4. USE OF OUR FUNDING (CONTINUED)

### 4.2 Employee related provisions (continued)

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.

4.3 Supplies and Services	2023 \$'000	2022 \$'000
Communications	65	236
Consultants and Contractors	7,505	6,437
Consumables	332	154
Materials	673	790
Travel	24	–
Others	35	14
<b>Total supplies and services expenses</b>	<b>8,634</b>	<b>7,631</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. Credit balance may arise as a result of recoups of expenses incurred during the year.

**Consultants and Contractor expenses:** Consultants and Contractor expense are recognised as expenses as incurred.

4.4 Cemetery lease and other expenses	2023 \$'000	2022 \$'000
<b>Cemetery lease expenses</b>		
Building and infrastructure maintenance	1,394	1,824
Equipment repairs and maintenance	400	634
Utilities	568	624
Insurance	267	260
<b>Total Cemetery lease expenses</b>	<b>2,629</b>	<b>3,342</b>
<b>Other expenses</b>		
Employment on-costs	216	30
Administration	192	136
Other staffing	209	157
Board expenses	35	53
<b>Total other expenses</b>	<b>652</b>	<b>376</b>
<b>Total Cemetery lease and other expenses</b>	<b>3,281</b>	<b>3,718</b>

### Cemetery lease expenses:

Pursuant to paragraph 82 of AASB 16, expenses incurred in earning the operating lease income are accounted for in the Cemetery lease expenses note of the Statement of Comprehensive Income. These expenses, which directly relate to the operating lease of the Board's assets, include maintenance, utility and council rates, insurance expenses and renovations and improvements.

### Building, infrastructure 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 4. USE OF OUR FUNDING (CONTINUED)

### 4.4 Cemetery lease and other expenses(continued)

#### 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 4.2**

'**Employee related provisions**'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

#### Other expenses:

Other cemetery operation costs are recognised as expenses in the reporting period in which they are incurred.

## 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	2023 \$'000	2022 \$'000
Property, plant, equipment and vehicles	5.1	105,202	91,553
Infrastructure	5.1	20,193	20,772
Right-of-use assets	5.2	82	84
Intangibles	5.4	1,731	2,027
<b>Total key assets</b>		<b>127,208</b>	<b>114,436</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

### 5.1 Property, plant, equipment, vehicles and infrastructure

Year ended 30 June 2023 <sup>(b)</sup>	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>1 July 2022</b>								
Gross Carrying amount	14,474	4,401	3,836	18,128	60,273	7,653	108,765	21,346
Accumulated Depreciation	(10,537)	(3,031)	(3,644)	–	–	–	(17,212)	(574)
<b>Carrying amount at start of year</b>	<b>3,937</b>	<b>1,370</b>	<b>192</b>	<b>18,128</b>	<b>60,273</b>	<b>7,653</b>	<b>91,553</b>	<b>20,772</b>
Additions	–	–	–	–	–	8,412	8,412	–
Transfers from (out of) works in progress	2,299	273	–	–	–	(2,572)	–	–
Disposals at Written Down Value	(109)	–	–	–	–	–	(109)	–
Transfers to operating expense	–	–	–	–	–	(125)	(125)	–
Revaluation Increments/(Decrements) <sup>(a)</sup>	–	–	–	516	7,546	–	8,062	–
Depreciation	(1,005)	(272)	(105)	–	(1,209)	–	(2,591)	(579)
<b>Carrying amount at 30 June 2023</b>	<b>5,122</b>	<b>1,371</b>	<b>87</b>	<b>18,644</b>	<b>66,610</b>	<b>13,368</b>	<b>105,202</b>	<b>20,193</b>

(a) 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.

(b) Columns may not add due to rounding.

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 2023

## 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 directly 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.

Freehold land (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 (Landgate) 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 2022 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,100,000 (2022: \$14,100,000). 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 (Landgate) to ensure that the carrying amount does not differ materially from the asset's fair value. For year ending 30 June 2023, infrastructure assets are carried at a revalued amount, less any subsequent accumulated depreciation. Infrastructure assets comprise mainly of Mausoleums and Niches.

Infrastructure assets were independently revalued as at 30 June 2021 by the Western Australian Land Information Authority (Landgate) and recognised at 30 June 2022. In undertaking the revaluation, 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.

A significant portion of the Board's freehold land, buildings and infrastructure are subject to operating lease contracts. In addition, the Board holds certain land and kiosks for strategic purposes. Such assets are rentable properties and income from these properties are treated as operating lease income.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

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

#### Revaluation model:

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

**Freehold land:** The fair value of land is determined on the basis of current market values determined by reference to recent market transactions.

(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.

**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 whereby the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

**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 (Landgate) is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Burial and cremation plots within Mausoleum buildings, infrastructure assets and land owned and operated by the Board, are leased out to the Board's customers under one or more operating lease contracts.

#### Commitments:

Capital expenditure commitments as at 30 June 2023 are included in **Note 7.6 'Capital expenditure commitments'**, being contracted capital expenditure additional to the amounts reported in **Note 5.1 'Property, plant, equipment, vehicles and infrastructure'** and **Note 5.4 'Intangible Assets'**.

### 5.2 Right-of-use assets

Year ended 30 <sup>th</sup> June 2023	Office Equipment \$'000	Total \$'000
Carry amount at beginning of period	84	84
Additions	22	22
Depreciation	(24)	(24)
Net carrying amount at end of period	82	82

Additions to right-of-use assets during the 2023 financial year were \$21,721 (2022: \$29,925)

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

### 5.2 Right-of-use assets (continued)

#### Initial recognition:

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

#### Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

#### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Board at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in **Note 5.3 'Depreciation and Impairment'**.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2023 \$'000	2022 \$'000
Plant and equipment	22	26
<b>Total right-of-use asset depreciation</b>	<b>22</b>	<b>26</b>
Lease interest expense (included in Finance cost)	1	2

The total cash outflow for leases in 2023 was \$5,134 (2022: \$25,464).

*The Board's leasing activities and how these are accounted for:*

The Board has leases for office plant and equipment. The Board recognises these leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in **Note 7.3 'Lease Liabilities'**.

5.3 Depreciation and Impairment	2023 \$'000	2022 \$'000
Plant, equipment and vehicles	1,005	1,102
Office equipment	272	253
Buildings	1,209	1,258
Infrastructure	579	572
Renewal Areas	105	115
	<b>3,170</b>	<b>3,300</b>

As at 30 June 2023 there were no indications of impairment to property, plant and equipment, vehicles or infrastructure. Please refer to **Note 5.4 'Intangible Assets'** for the Board's impairment assessment of intangible assets.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

### 5.3 Depreciation and Impairment (continued)

#### 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 100 years
Plant and equipment	3 to 10 years
Plant and equipment (Cremators)	10 to 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

(a) 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 year 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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

### 5.4 Intangible Assets

Year ended 30 June 2023	Software Licenses \$'000	Computer Software \$'000	Total \$'000
1 July 2022			
Gross Carrying amount	289	4,511	4,800
Accumulated Amortisation	(289)	(2,484)	(2,773)
<b>Carrying amount at start of year</b>	<b>–</b>	<b>2,027</b>	<b>2,027</b>
Transfers from (out of) works in progress	–	–	–
Disposals at Written Down Value	–	–	–
Amortisation expense	–	(296)	(296)
<b>Carrying amount as at 30 June 2023</b>	<b>–</b>	<b>1,731</b>	<b>1,731</b>

#### 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;
- 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.

### 5.5 Amortisation and Impairment

	2023 \$'000	2022 \$'000
Computer Software	296	314
Software Licenses	–	13
<b>Total amortisation for the period</b>	<b>296</b>	<b>327</b>

As at 30 June 2023 there were no indications of impairment of 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 10 years
Software Licenses	3 to 10 years

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 5. KEY ASSETS (CONTINUED)

### 5.5 Amortisation and Impairment (continued)

#### 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 5.3 'Depreciation and Impairment'**.

#### Software Licences

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

#### 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.

## 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	2023 \$'000	2022 \$'000
Receivables	6.1	5,329	8,998
Payables	6.2	(1,240)	(943)
Other Current liabilities	6.3	(137)	(105)
Pre-need agreements	6.4	(32,272)	(33,211)
Deferred lease income	6.5	(94,809)	(91,065)

### 6.1 Receivables

#### Current

	2023 \$'000	2022 \$'000
Trade debtors	2,303	2,229
Accrued revenue	2,285	6,216
GST Receivable	42	55
Prepayments	699	498
<b>Total current</b>	<b>5,329</b>	<b>8,998</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 interest. 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 2023

## 6. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 6.1 Receivables (continued)

#### Impairment of receivables – expected credit losses

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 became uncollectible. Thus, ECL for the Board's trade debtors is deemed to be nil (2022: Nil). The Board does not hold any collateral as security or other credit enhancements for trade debtors.

6.2 Payables	2023 \$'000	2022 \$'000
<u>Current</u>		
Trade payables	498	222
Accrued expenses	461	496
Accrued salaries	296	227
Retention monies held on capital projects	19	19
Other (Payroll & Workers compensation payable)	(34)	(21)
<b>Total current payables</b>	<b>1,240</b>	<b>943</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 (2023: 6 days, 2022: 5 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 Current Liabilities	2023 \$'000	2022 \$'000
<u>Current</u>		
Income received in advance	139	107
Other refunds payable	(2)	(2)
<b>Total Other current liabilities</b>	<b>137</b>	<b>105</b>

The balance primarily relates to instances where the Board has received consideration in advance of satisfying the performance obligation. 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 based on the transaction price of the service or goods.

Other current liabilities relate to miscellaneous café/building rental, Genealogy services, Monument and Funeral Director licence fees paid in advance and legal dispute value claim.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 6. OTHER ASSETS AND LIABILITIES (CONTINUED)

	2023 \$'000	2022 \$'000
<b>6.4 Pre-need Agreements</b>		
<u>Current</u>		
Cremation	473	547
Burial	135	297
Certificate of Entitlement		–
<b>Total current pre-need Agreements</b>	<b>608</b>	<b>844</b>
<u>Non-Current</u>		
Cremation	6,246	6,204
Burial	1,943	1,745
Memorial products	6,296	6,519
Certificate of Entitlement	17,179	17,899
<b>Total Non-current pre-need Agreements</b>	<b>31,664</b>	<b>32,367</b>
<b>Balance at end of period</b>	<b>32,272</b>	<b>33,211</b>

### Pre-need Agreements

Pre-need agreements represent consideration received for performance obligations not yet satisfied. Refer to **Note 3.1 'Trading profit'** and **3.2 'Provision of services and Cemetery leases'** for details of the Board's revenue recognition policy.

Substantially all of the income deferred at period end will be recognised as income when:

- Pre-need cremation – at the time of passing or death and the cremation service is provided to the customer. Transfer to revenue will be measured at the transaction price as at the time of purchase of the pre-need agreement.

- Pre-need burial – at the time of passing or death and the burial/ interment service is provided to the customer. Transfer to revenue will be measured at the transaction price as at the time of purchase of the pre-need agreement.
- Pre-need memorial products – at the time of passing or death and the memorial product is delivered to, or collected by, the customer. Transfer to revenue will be measured at the transaction price of the memorial product component of the bundle, as at the time of purchase of the memorial agreement.

Transaction price of the performance obligation will be accounted for as operating lease income on a straight-line basis over 25 years when:

- Pre-need Certificate of Entitlement – at the time of the holder's death and the entombment service is provided or when Grant of Right of Burial is purchased and associated with the Certificate of Entitlement, whichever is the earliest.

	2023 \$'000	2022 \$'000
<b>6.5 Deferred lease income</b>		
<u>Current</u>		
Grant of Right of Memorial	684	650
Grant of Right of Burial	2,955	2,805
Mausoleum Certificate of Entitlement	2,470	2,345
<b>Total current Deferred Grant and leases income</b>	<b>6,109</b>	<b>5,800</b>
<u>Non-Current</u>		
Grant of Right of Memorial	10,277	10,132
Grant of Right of Burial	46,765	45,089
Mausoleum Certificate of Entitlement	31,658	30,044
<b>Total Non-current Deferred Grant and leases income</b>	<b>88,700</b>	<b>85,265</b>
<b>Balance at end of period</b>	<b>94,809</b>	<b>91,065</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 6. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 6.5 Deferred lease income (continued)

Where full payment for Grant of Right of Burial, Grant of Right of Memorial or at-need Certificate of Entitlement is received in advance of the completion of the lease period, revenue recognition is deferred as deferred lease income (contract liabilities).

The unelapsed tenure is recognised as deferred lease income to recognise the fact that an obligation to transfer or provide leasing services to customer exists for which MCB has received full consideration of the amount due, in advance of satisfying the performance obligation. The Board has a performance obligation of providing a lease or exclusive right to the Grant or Certificate of Entitlement holder over an underlying asset (e.g. cemetery land, memorial infrastructure, land and garden beds or mausoleum assets etc.) over the lease term.

Thus, transfer to revenue will be made over the remaining unelapsed lease term of the agreement on a straight-line basis and at the transaction price as at the time of purchase.

Refer to **Note 3.1 'Trading profit'** and **3.2 'Provision of services and Cemetery leases'** for details of the Board's revenue recognition policy and the distinction between the leasing and non-leasing components of the Board's contracts with customers.

## 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
Financial assets at fair value through other comprehensive income	7.2
Lease Liabilities	7.3
Finance costs	7.4
Operating expenditure commitments	7.5
Capital expenditure commitments	7.6

### 7.1 Cash and cash equivalents

#### Reconciliation of cash

	2023 \$'000	2022 \$'000
Cash and cash equivalents	3,828	1,918
<b>Balance at end of period</b>	<b>3,828</b>	<b>1,918</b>

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 7. FINANCING (CONTINUED)

### 7.2 Financial assets at fair value through other comprehensive income (OCI)

	2023 \$'000	2022 \$'000
<b>At beginning of year</b>	74,125	76,442
Additions	6,000	10,000
Management fees reclassified to Income Statement	(387)	–
Management fee rebates reinvested	–	148
Net gains and (losses) recognised in OCI	519	(12,465)
<b>Balance at end of period</b>	<b>80,257</b>	<b>74,125</b>
<u>Composition of financial assets at fair value through OCI:</u>		
Managed Units	80,257	74,125
<b>Balance at end of period</b>	<b>80,257</b>	<b>74,125</b>

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.

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

Name of Fund	2023 \$'000	2022 \$'000
Russell Investments Balanced Fund	56,662	51,238
Russell Investments Australian Floating Rate Fund	8,046	8,105
Russell Investments Australian Opportunities Fund	15,549	14,782
	<b>80,257</b>	<b>74,125</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 values 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 7. FINANCING (CONTINUED)

### 7.2 Financial assets at fair value through other comprehensive income (OCI) (continued)

#### 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 fair value through other comprehensive income (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 9.8 'Equity'** and "Disposals of managed funds during the period" section below.

Upon the sale (de-recognition) of FVOCI assets in its entirety, all fair value gains and losses will be recognised in other comprehensive income (OCI). Immediately prior to disposal any fair value gains and losses, the Board would recognise 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 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 FVOCI assets will be expensed 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.

#### Management and performance fees

All other gains and losses incurred within the managed funds form part of the movement in the fair value of units held and are recognised in OCI. The 'Standard' management fees is recognised as fees payable in the income statement.

#### Impairment

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

#### 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:

	2023 \$'000	2022 \$'000
On investments retained at the end of the period	2,762	6,197
<b>Total distributions received</b>	<b>2,762</b>	<b>6,197</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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 7. FINANCING (CONTINUED)

### 7.2 Financial assets at fair value through other comprehensive income (OCI) (continued)

	2023 \$'000	2022 \$'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	–	–

### 7.3 Lease liabilities

	2023 \$'000	2022 \$'000
Current	–	25
Non-current	104	61
	<b>104</b>	<b>86</b>

The Board measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Board uses the incremental borrowing rate provided by Western Australia Treasury Corporation (WATC) of 4.5%.

Lease payments included by the Board as part of the present value calculation of lease liability include:

- (a) Fixed payments (including in-substance fixed payments); and
- (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that termination option.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Lease liabilities presented by the Board do not have extension nor termination options.

### Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

7.4 Finance costs	2023 \$'000	2022 \$'000
Lease interest expense	1	2
<b>Finance costs expensed</b>	<b>1</b>	<b>2</b>

Finance costs relates to the interest component of lease liability repayments recognised in accordance with AASB 16.

## 7.5 Operating expenditure commitments

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

	2023 \$'000	2022 \$'000
Within 1 year	–	337
	–	<b>337</b>

## 7.6 Capital expenditure commitments

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

	2023 \$'000	2022 \$'000
Within 1 year	912	1,413
	<b>912</b>	<b>1,413</b>

The commitment relates to the cremator replacement project and is GST inclusive.

## 8. RISKS AND CONTINGENCIES

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

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

### 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

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

##### Credit risk (continued)

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 of 67 debtors (2022: 64 debtors) that represent 100% of trade 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 available-for-sale assets is 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."

##### 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.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 8.1 Financial risk management (continued)

#### (b) Categories of financial instruments

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

	2023 \$'000	2022 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	3,828	1,918
Financial assets at amortised cost <sup>(a)</sup>	4,589	8,445
Fair value through OCI	80,257	74,125
<b>Total Financial Assets</b>	<b>88,674</b>	<b>84,488</b>
<b>Financial liabilities</b>		
Payables	1,240	943
<b>Total financial liability</b>	<b>1,240</b>	<b>943</b>

(a) The amount for receivables excludes the GST recoverable from the ATO (statutory receivable).

#### (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 2023</b>					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default <sup>(a)</sup>	<b>4,589</b>	<b>4,003</b>	<b>0</b>	<b>396</b>	<b>190</b>
Expected credit losses	–	–	–	–	–
<b>30 June 2022</b>					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default <sup>(a)</sup>	<b>8,445</b>	<b>7,883</b>	<b>0</b>	<b>380</b>	<b>182</b>
Expected credit losses	–	–	–	–	–

(a) The carrying amount excludes GST recoverable from the ATO (statutory receivable).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 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.

#### 8.2.1 Contingent assets

The Board does not have any contingent assets.

#### 8.2.2 Contingent liabilities

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

##### Dispute in progress

In 2020, a supplier lodged a Notice of Dispute in relation to an alleged breach of contract. The dispute has escalated with the supplier commencing a Supreme Court proceeding with a writ of summons encompassing all matters in dispute. Since the lodgement of the writ, the value for breach of contract has been amended to \$1.4m.

##### Estimated future legal costs and expert fees

Given the dispute is currently in legal proceedings, the Board expects further legal costs to be incurred in the next few financial years. If a settlement is reached during the mediation process, the related court costs could amount to \$500,000.

### Contaminated Sites

Under the *Contaminated Sites Act 2003* (the 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.

The Board has one site remaining which has asbestos contamination. Due to the low risk of the contamination, the site no longer appears on DWER contaminated sites register.

Description	Address
Crown Reserve 6955 Midland Cemetery, Lot 11313, #1674 Myles Road + Blanchard Road Swan View	11313 Myles Rd Swan View 6056 WA

Planned works and remediation is still ongoing. The Board has adhered to the Asbestos Management Plan procedures for detecting, managing, removing and/or disposing of Asbestos Containing Materials (ACM) identified and located in the 'bush forever' section of Midland Cemetery which are not used for burial and operational purposes. A north/south orientated fence as well as a gravel and mulch barrier over the known contaminated area are in place to restrict the movement of vehicles and pedestrians and to reduce emergence or dispersal of ACM's.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 8. RISKS AND CONTINGENCIES (CONTINUED)

### 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'**.

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 values are measured using quoted prices in active markets. The managed fund investments classified as fair value through OCI 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.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
<b>2023</b>				
Fair value financial assets through OCI (Note 7.2)	80,257	–	–	80,257
Land (Note 5.1)	–	14,100	4,544	18,644
Buildings (Note 5.1)	–	–	66,610	66,610
Infrastructure (Note 5.1)	–	–	20,193	20,193
	<b>80,257</b>	<b>14,100</b>	<b>91,347</b>	<b>185,705</b>

#### Assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
<b>2022</b>				
Fair value financial assets through OCI (Note 7.2)	74,125	–	–	74,125
Land (Note 5.1)	–	14,100	4,028	18,128
Buildings (Note 5.1)	–	–	60,273	60,273
Infrastructure (Note 5.1)	–	–	20,772	20,772
	<b>74,125</b>	<b>14,100</b>	<b>85,073</b>	<b>173,298</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 2022.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES

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

	<u>Notes</u>
Events occurring after the end of the reporting period	9.1
Changes in accounting policy	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Remuneration of auditor	9.7
Equity	9.8
Supplementary financial information	9.9
Explanatory statement	9.10

### 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 Changes in accounting policy

The following standard is operative for reporting periods ended on or after 30 June 2022 and affects MCB reporting requirements:

AASB 1060 – General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities where the financial instrument note has a reduced disclosure application.

### 9.3 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.

### 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:

<u>Compensation bands</u>	<u>2023</u>	<u>2022</u>
\$0 – \$10,000 <sup>(a)</sup>	5	6
\$10,000 – \$20,000	1	1

(a) One Board member receives no compensation.

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Short term employee benefits	33	46
Post-employment benefits	3	5
<b>The total compensation of Board Members</b>	<b>36</b>	<b>51</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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.3 Key management personnel (continued)

#### 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	2023	2022
\$0 – \$50,000	1	1
\$50,001 – \$100,000	–	–
\$100,001 – \$150,000	–	–
\$150,001 – \$200,000	2	1
\$200,001 – \$250,000	–	2
\$250,001 – \$300,000	1	–

	2023 \$'000	2022 \$'000
Short term employee benefits	528	409
Post-employment benefits	71	76
Other (long term) employee benefits	120	179
Termination benefits	–	9
<b>The total compensation of senior officers</b>	<b>719</b>	<b>673</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.

### 9.4 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 agencies 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 and Acting Chair, Mr Joseph O'Dea Jnr, who is the Executive Chairman 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, Bowra and O'Dea Pty Ltd had approximately 4,020 funeral transactions with MCB and the appropriate gazetted funeral fees were paid to MCB.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.4 Related party transactions (continued)

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.

### 9.5 Related bodies

The Board does not have related bodies.

### 9.6 Affiliated bodies

The Board does not have affiliated bodies.

### 9.7 Remuneration of auditor

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

	2023 \$'000	2022 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	41	47
	<b>41</b>	<b>47</b>

9.8 Equity	2023 \$'000	2022 \$'000
<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>

9.8 Equity (continued)	2023 \$'000	2022 \$'000
<u>Asset Revaluation Surplus</u>		
Balance at start of period	29,380	29,929
<i>Net revaluation increments/(decrements)</i>		
Land	516	840
Buildings	7,546	(1,389)
Infrastructure	–	–
<b>Reserves balance at end of period</b>	<b>37,442</b>	<b>29,380</b>
<u>Financial Assets Revaluation Reserve</u>		
FVOCI Revaluation Reserves		
Balance at start of period	(5,847)	(6,618)
Management fees resulting in reduction of asset valuations	–	(527)
<i>Net revaluation increments / (decrements):</i>		
Fair value assets through OCI	519	(11,938)
<b>Reserves balance at end of period</b>	<b>(5,328)</b>	<b>(5,847)</b>
<b>Total Reserves balance at end of period</b>	<b>32,114</b>	<b>23,533</b>
<u>Retained earnings</u>		
Balance at start of period	34,776	26,205
Net profit	5,077	8,571
<b>Balance at end of period</b>	<b>39,853</b>	<b>34,776</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.9 Supplementary financial information

#### (a) Write-offs

During the financial year no property, plant and equipment was written off MCB's asset register under the authority of the Board (2022: \$11,713). Further, there was no salary overpayment written off under the authority of the Board (2022: nil).

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

There were no losses through theft, defaults and other causes. (2022:nil)

	2023 \$'000	2022 \$'000
Losses of public property through theft	–	–
Amounts recovered	–	–
	–	–

#### (c) Gifts of public property

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

### 9.10 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	2023 Actual \$'000	2022 Actual \$'000	Variance \$'000	Variance %
<b>INCOME</b>					
<b>Revenue</b>					
Trading Profit	1	5,563	4,481	1,082	24
Provision of services and Cemetery leases	2	26,723	25,078	1,645	7
Investment Income	3	3,087	6,911	(3,824)	(55)
Other revenue		688	533	155	29
<b>Gains</b>					
Gain/(loss) on disposal of non-current assets		9	222	(213)	(96)
<b>Income from State Government</b>					
Assets transferred and services received free of charge		–	4	(4)	(100)
<b>TOTAL INCOME</b>		<b>36,070</b>	<b>37,229</b>	<b>(1,159)</b>	<b>(3)</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.10 Explanatory statement (continued)

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

	Variance Note	2023 Actual \$'000	2022 Actual \$'000	Variance \$'000	Variance %
<b>Expenses</b>					
Cost of sales		1,177	1,107	70	6
Employee benefits expense	4	14,412	12,547	1,865	15
Supplies and services	5	8,634	7,631	1,003	13
Depreciation and amortisation expense		3,466	3,627	(161)	(4)
Cemetery lease and other expenses		3,281	3,718	(437)	(12)
Amortisation of Right of Use Assets		22	26	(4)	(15)
Finance costs		1	2	(1)	(50)
<b>TOTAL EXPENSES</b>		<b>30,993</b>	<b>28,658</b>	<b>2,335</b>	<b>8</b>
<b>PROFIT FOR THE PERIOD</b>		<b>5,077</b>	<b>8,571</b>	<b>(3,494)</b>	<b>(41)</b>

### Variance Notes

#### 1. Trading Profit

The variance is due to higher number of Memorial products sold for the year. The increased demand is in line with the higher number of cremation services completed for the year.

#### 2. Provision of services and Cemetery leases

The variance is due to higher than anticipated funeral services provided to the public compared to prior year with the total number of funeral services exceeding 14,000 for the first time, driven largely by a considerable increase in the number of cremation services.

#### 3. Investment Income

The Board received lower than forecast managed fund distributions brought on by lower corporate earnings results from Global and Australian companies.

#### 4. Employee benefits expenses

Employee benefits expense was higher due to additional expenses required as part of the revised Government Wages policy including back pays as part of the new Wages Agreements as well as higher shift allowance claims per the higher funeral services completed for the year, in addition to higher salary cost payments for new staff transferring to the MCB from other WA government agencies.

#### 5. Supplies and services

The Board incurred higher expenses mainly due to higher temporary labour hire costs to cover staff vacancies, additional garden and grounds maintenance requirements for all sites.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.10 Explanatory statement (continued)

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

	Variance Note	2023 Actual \$'000	2023 Estimate <sup>(a)</sup> \$'000	Variance \$'000	Variance %
<b>INCOME</b>					
<b>Revenue</b>					
Trading Profit	1	5,563	4,287	1,276	30
Provision of services and Cemetery leases	2	26,723	24,897	1,826	7
Investment Income		3,087	2,944	143	5
Other revenue		688	627	61	10
<b>Gains</b>					
Gain on disposal of non-current assets	9	–	–	9	100
<b>Income from State Government</b>					
Assets transferred and services received free of charge		–	–	–	
<b>TOTAL INCOME</b>		<b>36,070</b>	<b>32,755</b>	<b>3,315</b>	<b>10</b>

	Variance Note	2023 Actual \$'000	2023 Estimate <sup>(a)</sup> \$'000	Variance \$'000	Variance %
<b>Expenses</b>					
Cost of sales		1,177	950	(227)	24
Employee benefits expense		14,412	14,381	(31)	–
Supplies and services	3	8,634	5,964	(2,670)	45
Depreciation and amortisation expense	4	3,466	5,434	1,968	(36)
Cemetery lease and other expenses		3,281	3,524	243	7
Amortisation of Right of Use Assets		22	–	(22)	100
Finance costs		1	–	(1)	100
<b>TOTAL EXPENSES</b>		<b>30,993</b>	<b>30,253</b>	<b>(740)</b>	<b>(2)</b>
<b>PROFIT FOR THE PERIOD</b>		<b>5,077</b>	<b>2,502</b>	<b>2,575</b>	<b>103</b>

(a) 2023 estimates have been reclassified to align with the Board's Statement of Comprehensive Income's classifications.

#### Variance Notes

##### 1. Trading Profit.

The variance is due to higher than expected Memorial products sold for the year.

##### 2. Provision of services and Cemetery leases

The variance is due to the unprecedented funeral service levels than anticipated provided to the public.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## 9. OTHER DISCLOSURES (CONTINUED)

### 9.10 Explanatory statement (continued)

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

#### 3. Supplies and services

The Board incurred higher expenses mainly due to higher temporary labour hire costs to cover staff vacancies, additional garden and grounds maintenance requirements for all sites.

#### 4. Depreciation and amortisation

A number of the Board's building assets and fixed assets have been judged to have longer useful lives than initial estimates as well as a lower number of projects being capitalised for the year, this resulted in a lower overall depreciation expense when compared to initial budgeted estimates.



# CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2023

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 2023.



**Joe O'Dea (Jnr)**  
CHAIR

28th August 2023



**Darrell Jones**  
BOARD MEMBER



**Kathlene Oliver**  
CHIEF EXECUTIVE OFFICER



# KEY PERFORMANCE INDICATORS

A key component of the Metropolitan Cemeteries Board's (MCB) 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 %	2022/23 %	2021/22 %	2020/21 %	2019/20 %
85.0	92.1	96.4	96.3	96.5

The annual survey results exceeded the target by 7.1% mainly due to higher than anticipated positive ratings given to the:

- overall presentation of our cemetery sites, in particular chapels, condolence lounges and memorial gardens. This satisfaction rate is in line with the Board's 2022/23 asset investment program which included improvement works for the chapels, gardens and condolence lounges at all the major sites Fremantle, Pinnaroo and Karrakatta;

- 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
- 25.8% reduction in the number of complaints with better outcomes for ground and operations and 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. This is the second consecutive decrease and is the lowest number of complaints received since 2019/20.

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 2022/23, 89.4% of the respondents felt that the MCB accommodated their loved one's religious or cultural beliefs extremely or very well. The positive result, although lower when compared to 2021/22, is due to the MCB's ongoing stakeholder connectivity with members of Perth's different religious and cultural communities.

	2022/23 %	2021/22 %	2020/21 %	2019/20 %
Accommodation for religious and cultural beliefs	89.4	96.0	96.1	97.9

## 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	2022/23 %	2021/22 %	2020/21 %	2019/20 %
Chapels	98.5	97.6	98.2	99.7
Condolence lounges	99.1	98.1	98.1	98.9
Memorial gardens	94.0	96.0	97.7	97.9
Lawn burial areas	85.7	93.7	95.1	95.4
Natural burial areas	89.0	93.0	94.3	92.4
Cafes	92.0	92.0	94.1	95.7
Mausoleum	93.3	90.5	99.5	97.4
Toilets	87.6	92.3	88.8	92.1
Monumental burial areas	85.3	84.6	88.3	86.4

All of MCB's facilities continue to be rated highly for cleanliness and tidiness with no major areas of concern arising. During the year, the Natural burial areas, Lawn burial areas and Toilets received lower ratings of tidiness compared to extremely or very clean ratings when compared to the grounds and other cemetery facilities.

## 2. Number of funerals performed with no incident

	2022/23 No	2021/22 No	2020/21 No	2019/20 No
No of funerals	14,276	13,372	12,454	12,037
No of incidents	–	6	2	–

No incidents were reported in 2022/23, a marked improvement compared to prior year. The Board's ongoing investment and roll out of enhancements to the Cemetery Record System ensures that errors which might result in an incident are minimised.

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

There were 109 complaints registered during the reporting period (2021/22: 147). The main areas of complaints recorded were:

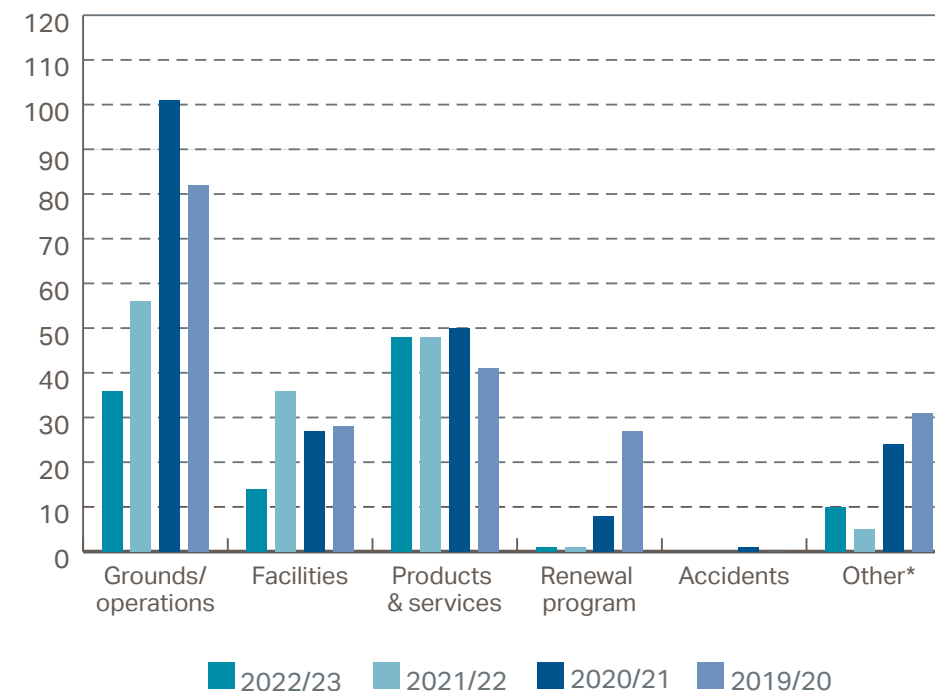
Area of complaint	2022/23		2021/22		2020/21		2019/20	
	%	No.	%	No.	%	No.	%	No.
Grounds/ operations	33.0	36	38.1	56	47.8	101	39.2	82
Facilities	12.8	14	24.5	36	12.8	27	13.4	28
Products & services	44.0	48	32.7	48	23.7	50	19.6	41
Renewal program	1.0	1	1.3	2	3.8	8	12.9	27
Accidents	0.0	0	0.0	0	0.5	1	0.0	0
Other*	9.2	10	3.4	5	11.4	24	14.8	31
<b>Total</b>	<b>100.0</b>	<b>109</b>	<b>100.0</b>	<b>147</b>	<b>100.0</b>	<b>211</b>	<b>100.0</b>	<b>209</b>

\* Other relates to complaints about MCB's website, wildlife and funeral directors.

Compared to the 2021/22 reporting period, the number of complaints relating to products and services was the same, however it was the largest category of complaints for the current year. This is the first year that it has overtaken grounds/operations as the main source of complaints. Most of the products and services complaints were related to difficulties in getting through on phone, time lag in booking appointments, and length of time to have memorial plaques manufactured. There were also a number of complaints relating to fees and charges that are included in this section.

Nonetheless, staff will continue to receive training on the complaint handling guidelines process pursuant with the Australian Standard on Complaints Handling and good practice for effective complaint handling. This training is included in the staff induction program and is focussed on the whole of organisation approach. Additional and ongoing skills training development are also offered to all staff members.

#### 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. All 109 complaints that the MCB received during the reporting period (2021/22: 147) were handled within the following criteria:

Complaint handling criteria	2022/23 %	2021/22 %	2020/21 %	2019/20 %
Acknowledged within 5 working days	94.5	98.0	100.0	97.6
Responded to within 15 working days	89.9	98.0	98.5	99.5
Investigated and responded to within 2 working days	33.9	59.2	55.0	54.8
Resolved without further incident	98.2	95.0	76.3	100.0

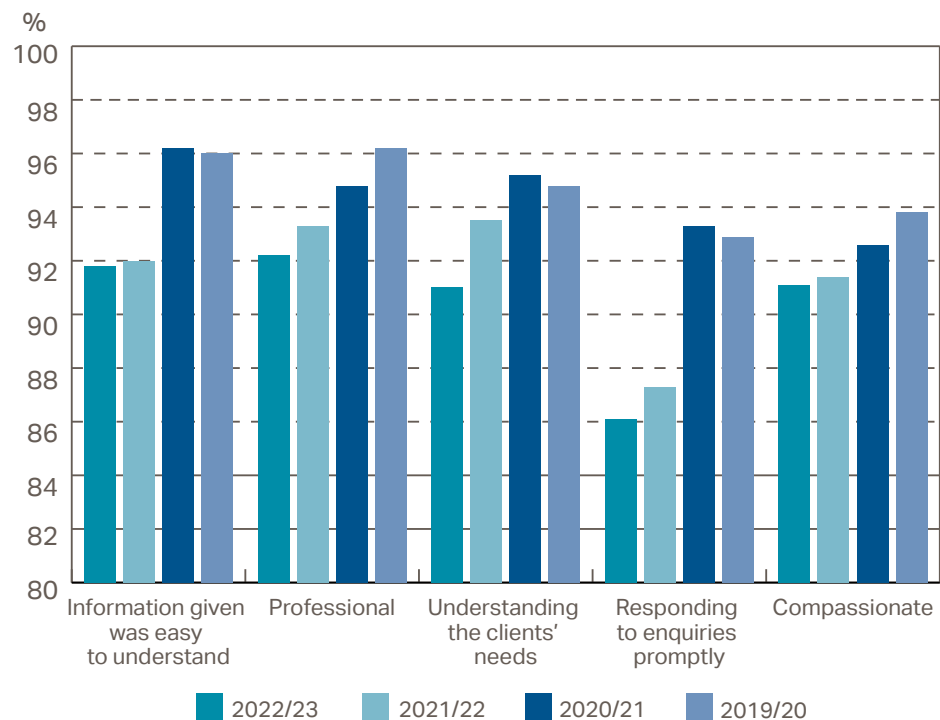
The complaint handling rating decreased from 98% from prior year due to six instances where a complaint was not acknowledged within five days as the matters were thought to have been resolved immediately hence not recorded as a complaint initially.

#### 5. Customer service experience

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

Service area	2022/23 %	2021/22 %	2020/21 %	2019/20 %
Information given was easy to understand	91.8	92.0	96.2	96.0
Professional	92.2	93.3	94.8	96.2
Understanding the clients' needs	91.0	93.5	95.2	94.8
Responding to enquiries promptly	86.1	87.3	93.3	92.9
Compassionate	91.1	91.4	92.6	93.8

## Customer Service Experience



Satisfaction over services provided by our staff members whilst declining continues to be highly rated, though categories such as professionalism, understanding clients' needs and responding to enquiries promptly have yet to improve compared to prior year. Despite the slight dip in ratings, MCB received 91 registered compliments and notes of appreciation, a pleasing increase from 76 in 2021/22.



## 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:

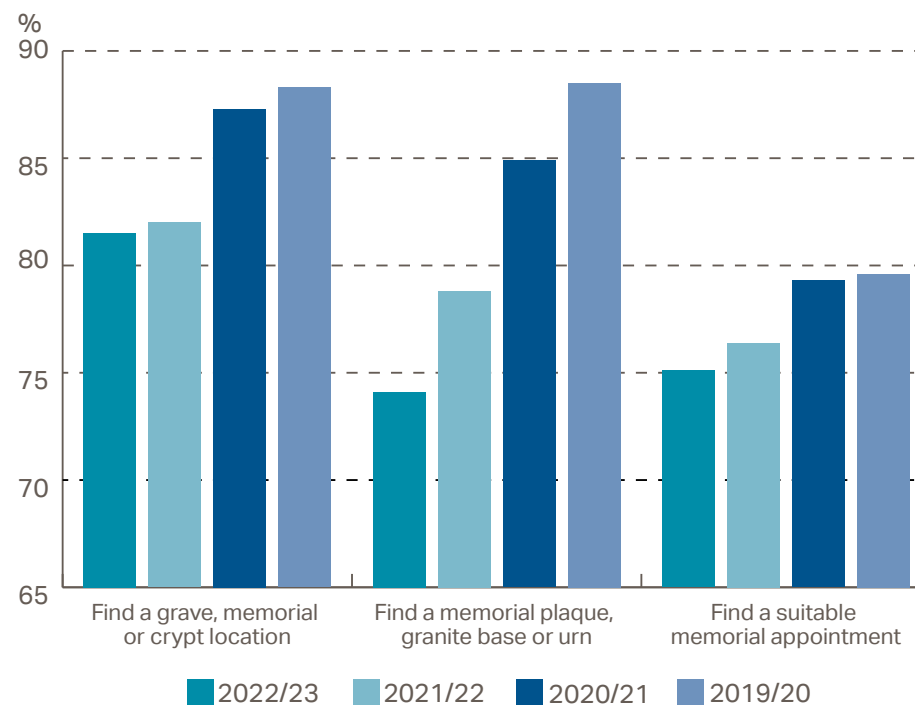
Pricing, Products and Services	2022/23 %	2021/22 %	2020/21 %	2019/20 %
Find a grave, memorial or crypt location	81.5	82.0	87.3	88.3
Find a memorial plaque, granite base or urn	74.1	78.8	84.9	88.5
Find a suitable memorial appointment	75.1	76.4	79.3	79.6

Customers' satisfaction surrounding MCB's pricing and range of products and services declined again compared to survey results from prior period albeit only by small amounts. The last few years have been very disruptive for many organisations and MCB has faced similar challenges, having had to navigate lockdowns and restrictions that impacted on both staff and customers. And although the last 12 months has seen some things improve (e.g., buildings are now open to the public), there continues to be staffing challenges and the replacement of cremators program has also affected the availability of facilities.

The board is actively managing this with additional staff hires and related ICT software upgrades to mitigate this concern.

MCB's cost recovery pricing model ensures that more than 4 in 5 of our customers who sought a grave, crypt or memorial plaque, found it extremely or very easy to find one that met their needs.

## Pricing, products and services



Slight decrease in customers' satisfaction over the pricing of MCB's memorial, plaque and Urn fees can be attributed to the general yearly CPI escalation to MCB's fees and charges as well as increase in the bronze and copper spot prices in 2022/23 due to relatively low global inventory levels and longer wait times for delivery from suppliers.

### 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 8 January 2022 and 7 January 2023. 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 did not 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, reply paid envelope along with a tear-off opt-out slip. Both the invitation and reminder letters included an option to respond online, via a unique shortened URL. The survey ran from 6th March 2023 to 12<sup>th</sup> May 2023, however, in hopes of continually improving the response rate, the Board left the survey open beyond the official reply by date, to allow for tardy responses. The survey officially closed on 20th June 2023.

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 <sup>#</sup>	550	29.1%	+ 3.96%

Group = Customer Groups; Number of responses = Sample Frame; RR% = Response Rate %; Error = Survey Error at 95% confidence interval level; # = 79 of the respondents opted out of the survey and a further 34 letters were returned to the survey provider.

### Efficiency Indicator

#### Average cost per funeral

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

	Actual \$	Target \$
2022/23	2,171	2,433
2021/22	2,143	2,357
2020/21	2,216	2,335
2019/20	2,171	2,330
2018/19	2,128	2,339
2017/18	2,211	2,289

The average cost per funeral includes all operating expenses. There has been an increase in the current year's average cost of a funeral compared to the previous year by \$28 however was still below target assisted by a record number of funeral services which exceeded 14,000 for the first time, driven largely by a considerable increase in the number of cremation services.

Compared to the target figure for the year, the actual average cost per funeral is lower by \$262. This is due to the unexpected higher total services completed than estimated.

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 June 2022 are as follows:

	Average cost per funeral	% Cost greater/(less) than MCB*	Number of funerals
<b>Metropolitan Cemeteries Board*</b>	<b>\$2,143</b>	<b>–</b>	<b>13,372</b>
Southern Metropolitan Cemeteries Trust – Victoria	\$5,128	135%	12,968
Greater Metropolitan Cemeteries Trust – Victoria	\$6,158	181%	12,896
Adelaide Cemeteries Authority – South Australia	\$3,286	52%	3,765
Centennial Park – South Australia	\$2,945	36%	3,774

\* For comparative purposes, the % cost greater/(less) than MCB has been expressed against the actual MCB figures for the 2021/22 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, higher fixed asset bases as well as perpetual maintenance and leasing model adopted by the benchmarked cemetery boards. Consequently, these lead to higher cost of sales, higher borrowing costs, depreciation and maintenance 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.

### Board and committee remuneration

#### Metropolitan Cemeteries Board

Position	Name	Type of remuneration	Period of membership for 2022/23	Gross/actual remuneration 2022/23	Superannuation 2022/23	Total remuneration
Chair	Brenda Robbins			\$3,623	\$380	\$4,003
Deputy Chair/Chair	Joe O'Dea			\$9,057	\$951	\$10,008
Member/Deputy Chair	Darrell Jones			\$5,434	\$571	\$6,005
Member	Bernadine Tucker	Board Fees	1 July 2022 to 30 June 2023	nil	nil	nil
Member	Tom Monks			\$5,434	\$571	\$6,005
Member	Tanvi Haria			\$3,623	\$380	\$4,003
Member	Dianne Guise			\$5,434	\$571	\$6,005

*Note: As an employee of the local government sector, Ms. Tucker was not entitled to receive Board fees for the period of 1 July 2022 to her resignation effective 21 April 2023.*

*Due to being employed by the public sector for part of the year, Ms Haria only received a portion of Board fees for 2022/23.*

*Brenda Robbins retired from her position as Chair, effective 21 August 2022.*

*Joe O'Dea as Deputy Chair was requested to act as Chair until the position was filled. The Board appointed Darrell Jones to Deputy Chair on 27 October 2023.*

## Monument Assessment and Advisory Committee

Name	Role	Type of remuneration	Gross/actual remuneration 2021/22
Dianne Guise	Chair		nil
Darrell Jones	Member		nil
Bernadine Tucker	Deputy Member		nil
Penny O'Connor	Historian		\$86
Scott Rogers	OAWG	Sitting fee (\$86 per meeting)	nil
Don Whittington*	Community Representative		nil
Fiona Bush	Genealogist		\$86
John Taylor*	Architect (Heritage)		nil

*Note: Sitting fees are only paid on attendance to members who are not on the MCB Board or employed in the government sector.*

*\* Don Whittington and John Taylor did not receive a fee as they were apologies for the meeting.*

## OTHER LEGAL REQUIREMENTS

### 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.

### Expenditure on Advertising, Market Research, Polling and Direct Mail

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

• Advertising – Facebook	\$80
• Market research – Research Solutions	\$169,526
• Market research – Survey Monkey	\$1,638
• Media advertising – GL Initiative Media	\$1,124

The total expenditure for 2022-2023 on advertising and market research was \$172,368

### Disability Access and Inclusion Plan

The MCB has previously developed and published a Disability Access and Inclusion Plan (DAIP) 2022-2026 and during the 2022-2023 period the MCB continued its focus for achieving access and inclusion for people with a disability when accessing the MCB buildings, facilities and services.

### New employment related initiatives

MCB has utilised section 66R of the *Equal Opportunity Act 1984* to encourage people with disability to apply for positions at the MCB.

MCB job advertisements encourage people with access needs that may require adjustment to fully participate in the application and interview process or require alternative methods of communication to phone a contact person for assistance.

Suitable workplace adjustments continue to be implemented for existing employees with disability on an as needed basis.

### Improved disability access for the community

The MCB includes access and inclusion considerations when conducting building and facility assessments at all cemetery sites to ensure that people with a disability have the same opportunities as other people to access the services of, and any events organised by the MCB.

This year, disability access improvements to building and facilities for the community included:

- All funeral services held at all MCB chapels are livestreamed which allows people who are unable to attend the service can access the service on their laptops or screens from anywhere. Remote attendance is an important tool for accessibility.
- The front entrance to the Board Room and Training Room at Karrakatta Cemetery was updated to facilitate access for people with wheelchair/mobility issues which ensures people with mobility needs can easily access the Board Room and Training Room without having gradient and/or step barriers/difficulties.
- The reception areas are monitored for barriers to access for people with a disability.
- Wheelchairs are available upon request to improve access to chapel and cemetery facilities. New automatic controller doors have been installed which allow people in wheelchairs easier access to open the door.
- The MCB has commenced planning for a new community hub at Fremantle Cemetery, which will replace the current reception area. Customer friendly and accessible facilities will be prioritised in the design.

- At Karrakatta Cemetery the accessible toilet in the Cortège entrance area has been upgraded with a new door control system and the accessible toilet at the Norfolk Chapel has been upgraded to meet the current building codes allowing improved access and manoeuvrability for people with disability.
- Car park upgrades at Pinnaroo Valley Memorial Park have been completed to include 5 accessible parking bays.
- The entrance paving at John Curtin Avenue at Karrakatta Cemetery has been replaced with liquid limestone concrete to ensure a safe and easy access for people with a disability improving manoeuvrability for people in wheelchairs to access the Mausoleum.

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

- Planned works at Fremantle Cemetery is in place with 3 digital information stations available. Works will progress at Pinnaroo Valley Memorial Park in the new financial year which may assist people with disability access information about funeral services and information retrieval regarding burial and memorial locations.
- The MCB website is compliant with the guidelines for accessibility of the World Wide Web Consortium (@3C) and includes descriptive text for images that can be read by assistive technologies, a high contrast colour scheme that assists users with visual impairments and the use of lightweight images and design to decrease load times.
- Publications are available in alternative formats on request, and client liaison staff are aware and responsive to the individual needs of clients for greater access and that documents are user friendly for people with a disability.
- The complaints system and policy is monitored to ensure continued accessibility for people with disability, their families and carers.

## Compliance with Public Sector Standards and Ethical Codes

### Annual Conflict of Interest Declaration

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

- Personal behaviour.
- Accountable decision making.
- Secondary employment.
- Personal relationships (internal and external).
- Purchasing and contracting decisions.
- Gifts, benefits or hospitality offered.
- Use of public resources for personal use.
- 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

Employees engaging in secondary employment are required to obtain written approval from the Chief Executive Officer in accordance with section 102 of the *Public Sector Management Act 1994* (WA).

Employees are also asked to declare any defence force and voluntary service that may impact on their work attendance or performance, or pose a real, potential, or perceived conflict of interest with their MCB role.

### **Gifts and Hospitality Declarations**

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. Small token gifts that are offered by grateful clients, such as chocolates, may be accepted and shared among employees.

Key stakeholders such as Funeral Directors, contractors and suppliers have been asked not to offer or give gifts to any employees, so as not to create Conflicts of Interest or expectations. They have been advised that a simple thank you is a sufficient gesture that is appreciated.

All employees are required to declare any gifts, benefits or hospitality offered to them during the course of their employment with the MCB by completing a Gift Decision Form and providing the details of the gift and gift giver. This is registered in the Gift Decision Register. The content of the Gift Register is reported to Corporate Executive twice a year for review.

### **National Police Clearance Certificate**

The MCB National Police Clearance Policy identifies that all positions are positions of trust that require a National Police Clearance Certificate. As a result, all employees are required to have a current National Police Clearance Certificate on appointment, and this must be renewed every three years.

All employees must also complete an annual declaration and 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. Any such declarations are considered on a case by case basis, taking into consideration the nature of the charge/ conviction and their role at the MCB.

### **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 officers. The Public Interest Disclosure Guidelines and the names of the Public Information Disclosure officers are available online for employees.

There were no Public Interest Disclosures in 2022-2023.

### **Compliance with Public Sector Standards**

There were no breaches of the Public Sector Standards claims received in 2022-2023.

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

The MCB Code of Conduct is aligned with the Public Sector Code of Ethics. The MCB Code of Conduct was updated and published in November 2022.

The MCB Code of Conduct and related conduct policies are provided to all new employees in their commencement pack with their employment contract. New employees are required to confirm they have read and understand the Code of Conduct and related policies when signing and returning their contract of employment.

All employees are reminded of the key content of the MCB Code of Conduct in their Accountable and Ethical Decision Making training, and refresher training every three years.

Related Policies that were reviewed in 2022/23 include:

- Managing Misconduct Policy
- Fraud and Corruption Control Plan
- Equal Employment Opportunity Policy
- National Police Clearance Policy
- Secondary Employment Policy
- Working from Home Policy
- Performance Management (Guiding your Personal Success) Policy
- Back on Track Policy (performance management)

### **Grievances**

There were two formal workplace grievances lodged in 2022-2023. Both matters have been managed internally with one being resolved through mediation and one matter remains ongoing.

### **Discipline**

There were two formal disciplinary matters being managed in 2022-2023.

These discipline matters were in relation to:

- Breaches of the Code of Conduct in relation to failing to uphold workplace safety requirements.
- Being negligent and careless in the performance of functions.
- Contraventions of the Government procurement requirements.

Both matters remain under investigation.

### **Misconduct**

There was one allegation of misconduct in 2022-2023 which was subject to an independent investigation and was not substantiated.

### **Accountable and Ethical Decision Making Training**

The MCB conducts Accountable and Ethical Decision Making training every year for new employees. Existing employees attend refresher training every three years. 21.5% of employees completed the training in 2022-2023.

This program is under review due to the release of a new Commissioners Instruction No. 40 – Ethical Foundations.

### **Records Management**

As required by the *State Records Act 2000 (WA)* the MCB reviewed its 2018 Recordkeeping Plan during the financial year. This outcome has been acknowledged by the State Records Office.

The MCB has, as part of the review, committed to a re-write of its Recordkeeping Plan to consider emerging technologies and consequential changes to processes.

The MCB addresses its compliance with the State Records Commission Standard 2 Recordkeeping Plans: Principle 6 – Compliance as follows:

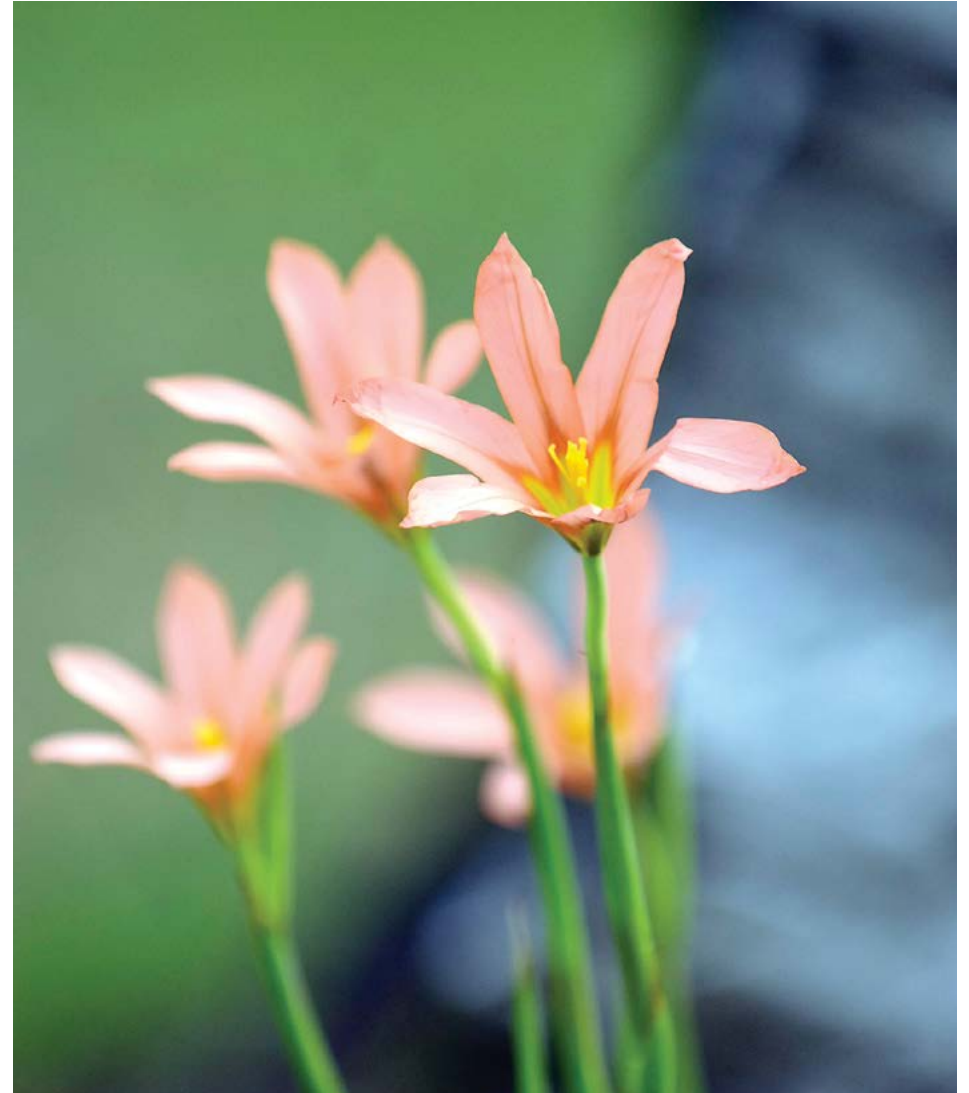
#### **1. The efficiency and effectiveness of the MCB's Recordkeeping Plan is evaluated not less than once every five years.**

The official review of the MCB Recordkeeping Plan was forwarded to the State Records Office on 28 February 2023. This was accepted and the MCB's amended Recordkeeping Plan is due to the State Records Office by 29 March 2024 .

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

The Recordkeeping Training Plan will provide education awareness on recordkeeping responsibilities and knowledge on the use of the MCB approved electronic records and document management system HP Content Manager 9.1.0.

A new training program is under development. The training program will include induction and refresher training ensuring the provision and delivery of training is targeted in its approach to satisfy the recordkeeping requirements and business needs of the various groups of administrative, professional and Executive Management staff on new and emerging technologies.



# GOVERNMENT POLICY REQUIREMENTS

## Government Building Contracts

The MCB had no contracts 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>	Nil
<b>Reported on</b>	
Commenced reporting	Nil
Continued reporting from previous financial year	Nil
<b>Target training rate</b>	
Met or exceeded	Nil
Did not meet	Nil
Granted a variation	Nil

## Substantive Equality

The MCB remains committed to substantive equality and the elimination of discrimination from all its policies, practices and services. Relevant policies have been updated and staff work towards providing services that meet the different needs of Western Australia's community.

The MCB recognises that there may be barriers to employment access, opportunities and entitlements that can result in unequal outcomes for people from particular groups. The MCB is committed to addressing Substantive Equality with the review of current policies with the aim in developing contemporary an overarching MCB Substantive Equality policy. The MCB seeks to commence this process by engaging in meaningful consultation with different Indigenous and ethnic minority groups to ascertain needs and barriers to guide and shape policy and to ensure equal outcomes.

## WA Multicultural Policy Framework

The MCB developed its inaugural Multicultural Plan 2021-2023 to support the State Government's commitment to ensuring that every Western Australian has the opportunity to participate equitably in all aspects of our civic, social, economic and cultural life.

## Work Health and Safety and Injury Management

### Commitment

The MCB has a risk management framework in place and is committed to implementing appropriate measures to minimise the risk of injuries or illnesses. The MCB's leadership team provide direction and support to ensure the MCB is compliant with all Legislation, Codes of Practice, guidance notes and Australian Standards as far as is reasonably practical. The MCB provides training and support to all workers (including school-based trainees and apprentices), contractors and visitors in meeting their legal obligations.



The MCB is compliant with all Legislation, Regulations and Codes of Practice:

- Implementing safe systems of work
- Encouraging the reporting of incidents, hazards and near miss occurrences.
- Reviewing and implementing opportunities for continuous improvement
- Consulting with employees and involving them in decision making.
- Providing professional staff to oversee the safety function to facilitate outcomes.
- Providing adequate resources for necessary training.

All MCB policies are reviewed and signed by the Chief Executive Officer. Policies are available on the MCB's intranet site and, where relevant, provided to workers in pre-employment commencement packs and during Corporate and site inductions.

### **Consultation with Workers**

The MCB believes consultation and communication between workers, the leadership team, supervisors and contractors form a fundamental part of ensuring a safe and healthy workplace for all. The MCB encourages all levels of workers to:

- Participate as Health and Safety Representatives (HSR).
- Make recommendations and provide feedback on WHS matters.
- Identify and assist in eliminating or minimising hazards.
- Assess risks through active participation in Risk Assessment procedures.
- Participate in the design/development or change of safe work practices or equipment within job roles and responsibilities.
- Express their views and contribute in a timely fashion to the resolution of safety, health and injury risks and management within the workplace.

The MCB is committed to information sharing through:

- Mandatory three-hour corporate WHS induction sessions and site-specific inductions.
- Workplace Noticeboards and MCB intranet site.
- Coordinator Meetings, Corporate Executive Meetings, Board Meetings and Toolbox Meetings where WHS is a standing Agenda item.
- WHS Committee Meetings with Executive, Coordinators and HSR's attending.
- Mandatory training on equipment and safe work procedures.
- Injury management training for managers and supervisors, to promote prompt return to work.
- Safe Work Month breakfast events for all staff lead by the CEO and WHS Officer.
- Safe Work Month workshops for HSR and WHS Officer.
- WHS Officer attending all sites to promote safety within the workplace, provide training, guidance and assist with WHS matters that may arise.
- Contractor Handbook, which is provided to all contractors prior to works commencing.

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

The safety, health, and wellbeing of all MCB workers, visitors and contractors is of primary importance to the MCB. The MCB uses a systematic approach to planning and the implementation of workers' compensation and injury management, consistent the *Work Safety and Health Act 2020*, the *Workers' Compensation and Injury Management Act 1981 (WA)* and the *Workers' Compensation and Injury Management Regulations 1982 (WA)*.

The MCB has a Workers Compensation and Injury Management Policies, which are available to all employees via the MCB intranet.

The MCB provides ongoing support to all workers during injury management and rehabilitation by:

- Promoting a safe and healthy workplace
- Ongoing consultation between the worker, their medical practitioners and the MCB team on the management of the injury or illness.
- Commencing appropriate injury management and rehabilitation programs as soon as medically recommended.
- Having a documented return to work program for both work-related and non-work-related injuries or illness.
- Providing reasonable, suitable and meaningful job tasks within the workplace for injured or ill workers.
- Enlisting where required, a rehabilitation provider to work with the injured or ill worker to achieve a positive recovery and return to work.

### **Workers' Compensation Claims**

The MCB carried forward four workers' compensation claims from 2021-2022, all were finalised during 2022-2023.

In 2022-2023, the MCB received 11 new workers' compensation claims, of which six have been finalised.

The MCB has five active workers' compensation claims as at 30 June 2023. All of these have been referred for conciliation with a view to achieving settlement.

### **Work Safety and Health Management Systems**

The MCB is committed to the safety of all and maintaining an effective Work Health and Safety Management System (WHSMS).

To assist workers in maintaining a safe, health workplace, the MCB develops and maintains the WHSMS as a priority and utilises the WorkSafe Plan, comprising five elements:

- Management commitment.
- Planning.
- Consultation and reporting.
- Hazard management.
- Training and supervision.

This WHSMS 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 relevant legislation.

The MCB's online incident reporting system forms part of the WHSMS. The system records incidents, exposure, near miss, hazards and damage to equipment and infrastructure. Consideration for an improved and simpler WHS, operational reporting and accountability system to improve the current WHSMS to be investigated.

Workers are currently being assisted in making detailed reports, and supervisors and HSR representatives are being assisted in conducting incident investigations using the five why approach.

The MCB monitors the WHSMS, which has been reviewed by an external auditor in the 2022/23 financial year. The MCB is working towards implementing the recommendations to make further improvements.

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

Measures	Results Prior year 2020/21	Results Prior year 2021/22	Results Current reporting year 2022/23	Targets	Comments about targets
Number of fatalities	0	0	0	0	Target achieved.
Lost time injury and disease incidence (LTI/D) rate	1.35%	0%	2.98%	0 or 10% reduction in incidence rate	Target not achieved. 5 claims for LTI/D requiring time off work.
Lost time injury and disease (LTI/D) severity rate	2.03%	0%	0%	0 or 10% reduction in severity rate	Target achieved. Zero severe lost time injuries and diseases (actual or estimated 60 days or more lost from work).
Percentage of injured workers returned to work within 13 weeks	100%	100%	100%	Greater than or equal to 80%	Target achieved. All injured workers returned to work within less than 13 weeks.
Percentage of injured workers returned to work within 26 weeks	100%	100%	100%	Greater than or equal to 80%	Target achieved. 100% of injured employees were back at work within 26 weeks.
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	90%	20%	87.5%	Greater than or equal to 80%	Target achieved.

## MCB WHS Policy Statement

Objectives and Targets: To continually improve workplace safety and health the MCB this financial year will work towards:	2021/22	2022/23	Result
A reduction in the incidence rate of Workers' Compensation claims resulting in one or more weeks off work of at least 30%	1	5	Target not met. All claims exceeding 1 week off work.
A reduction in the incidence rate of Workers' Compensation claims for musculoskeletal disorders resulting in one or more weeks off work of at least 30%	1	3	Target not met. All claims exceeding 1 week off work.
Improve Safety Performance by increasing hazard and near miss reporting by at least 10% (compared with the previous financial year)	36	47	Target met. 30.55% increase.

## Corporate Governance

The MCB Corporate Governance Framework guides the actions of individuals by providing clarity of direction as to appropriate behaviour and decision making. It encourages the efficient and effective use of resources and required accountability for the stewardship of those resources and associated outcomes. This policy and framework was reviewed and updated last year, and the process commenced in June 2023 to commence the next review.

The Board Governance Charter details clear guidelines on the role, responsibilities and operations of Board members. It was last reviewed in 2021 to ensure it aligns with the Public Sector Board Essentials. The Charter will be reviewed in the next financial year.

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 2022-2023 and ensured that risk management was effective and oversaw the internal audit program. This year internal audits included all areas of the MCB operations including the Risk Management Framework, the Cyber Risk of Social Engineering and the Operations Process for Cremations and Burials and a WHS Maturity Assessment.

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. This policy and framework, including all delegation levels was reviewed and updated early in 2023 to reflect current operational requirements.

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 Chief Executive Officer and the Board. During 2022-2023 16 policies were drafted or reviewed and updated.

The MCB's Risk Management Framework was reviewed and updated during 2022-2023. The Risk Management 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 session was held during the financial year to review all the MCB's risks. This resulted in a complete update of the MCB Risk Register with all existing risks retired and a new set of risks identified and recorded, guided by the principles of AS/ISO Standard 31000: 2018 *Risk Management – Guidelines*.

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 by an external audit firm provide an independent overview of the MCB's controls environment.

## Complaints and Feedback

The MCB complaints handling system is consistent with the Australian Standard on Complaints Handling AS ISO 10002-2006.

All frontline staff have received training on the complaint handling guidelines process including information relating to Australian Standard on Complaints Handling and good practice for effective complaint handling. Additional and ongoing skills training development for staff includes complaints handling skills, grief management, understanding grief and customer service.

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

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

There were 109 complaints recorded from 1 July 2022 to 30 June 2022, a marked decrease from 147 in 2021-2022.

- 94% of complaints were acknowledged within five days as per the Complaint Handling Guidelines. The six instances where a complaint was not acknowledged within five days were due to the matter being resolved immediately and not initially being recorded as a complaint, being incorrectly handled at the point of receipt, and one complaint being received on the final day of the reporting period so it was not acknowledged before the reporting period closed.
- 89.9% 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. In most cases the delay was a result of waiting for external reporting.
- 33.9% of complaints were investigated and resolved within two working days, exceeding expectations with regards to the Complaint Handling Guidelines.
- 98% of complaints handled by the MCB were resolved without further incident.

Complaints about Grounds/Operations decreased for the second consecutive year, falling by a third. They fell from 101 in the year ended 30 June 2021, to 56 last year, and now down to 36 this year. They also comprise a smaller proportion of overall complaints, down from 38.1% last year to 33.0% this year. The majority of Grounds/Operations complaints related to the loss, theft or removal of flowers and ornaments or damage to monuments.

Complaints about Facilities fell from 36 last year to 14 this year, and also comprise a smaller proportion of overall complaints, down from 24.5% last year to 12.8% this year. These mostly related to issues with the livestreaming of funeral services.

Complaints about Products/Services have stayed at a same level as last year but in line with the overall decrease in the number of complaints now comprise 44.0% of all complaints. Most Products/Services complaints related to difficulties in getting through on phone, time lag in booking appointments, and length of time to have bronze memorial plaques manufactured. There were also a number of complaints relating to fees and charges.

There was one complaint relating to the cemetery renewal program this year, down from 2 in 2021/22, 8 in 2020/21 and 27 in 2019/20.

Complaints by Category	Number	%
Accidents	0	0.0%
Facilities	14	12.9%
Grounds/Operations	36	33.0%
Products/Services	48	44.0%
Cemetery Renewal	1	0.9%
Other	10	9.2%
<b>Total</b>	<b>109</b>	<b>100%</b>

## Compliments

94 registered compliments and notes of appreciation were received, a pleasing increase from 76 in 2021-22.

The majority of these notes relate to service provided by specific officers, reflecting the MCB values and provision of supportive services in difficult circumstances.

MCB also received compliments for the aesthetics and high standards of maintenance of the gardens, variety of roses, the availability and quality of livestreaming of funeral services, Books of Remembrance, mapping and name search facility enabling easy location of graves and memorials, understanding and respect for cultural and religious needs, assistance in genealogy research, prompt service in addressing maintenance issues, and support to the funeral industry.

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