



METROPOLITAN
CEMETERIES BOARD



ANNUAL REPORT 2021-2022



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

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

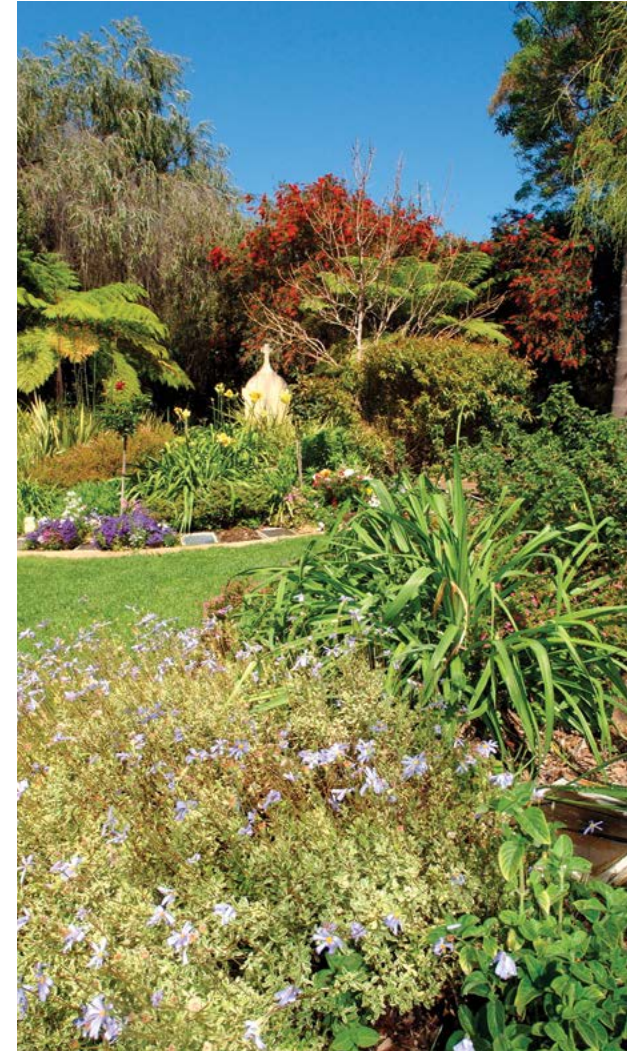
Gnangara Aboriginal Cemetery*

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 2022

Hon. John Carey MLA

Minister for Housing; Lands; Homelessness; 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 2022.

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.



Hon. John Carey MLA

Minister for Housing; Lands; Homelessness;
Local Government

A handwritten signature in black ink, appearing to read 'Joe O'Dea'.

Joe O'Dea (Jnr)

ACTING CHAIR

A handwritten signature in blue ink, appearing to read 'Kathlene Oliver'.

Kathlene Oliver

CHIEF EXECUTIVE OFFICER



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

During the year there were 13,372 funerals comprising 10,952 cremations, 2,420 burials and entombments across the seven cemeteries under MCB management. This was an increase of 918 funerals from 2020-2021. In addition to these core services, staff assisted families in the provision of 489 burial plaques and 2,623 cremation memorials and 124 mausoleum entitlements.

The level of satisfaction with the MCB's services continues to be high, with a community rating of 96.4 per cent, 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.

For the second year, satisfaction has remained high during the challenging times presented by the COVID-19 pandemic. There were periods of significant COVID-19 related restrictions during the review period. Restrictions, at times, meant the community needed to reduce the number of attendees at funerals and negotiate various measures such as the wearing of masks.

As an essential services agency, the MCB also had to put in place a number of measures to ensure continuity of service delivery. As case numbers increased, these measures largely comprised the reduction in face-to-face engagements and a need to embrace digital delivery in the delivery of non-core services. The fact that customer satisfaction remains high is testament to the agility of MCB staff and the community's resilience during such trying times.

Community Participation

Connecting with history

The MCB remains committed to community education and to encourage learning in the cemetery environment but, like most forms of social community engagement, COVID-19 continued to be a difficult force to negotiate

Whilst the MCB has traditionally hosted tours and welcomes groups into the grounds during the year this was subdued as WA COVID-19 case numbers increased. Prior to restrictions being reintroduced the MCB was able to welcome students from Freshwater Bay Primary School into Karrakatta to place temporary commemorative crosses at the burial sites of returned servicemen. This event, facilitated by local RSL Sub-Branches, is anticipated to become a regular event should the RSL request it to be so.

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

In March, MCB staff were able to welcome key OAWG staff from Canberra to Karrakatta and hosted a tour of the site and discussed the intricacies of the cemetery renewal program.

The State Manager of the OAWG is a member of the MCB's Monument Assessment and Advisory Committee (MAAC), which ensures that all identified war graves are retained when undertaking cemetery renewal projects. The MCB and OAWG are committed to maintaining and strengthening a decades old working relationship, which was formalised in 2008 with the signing of a Memorandum of Arrangement (MoA). The agreement enables cooperation between the state and federal governments, particularly in relation to grave tenure, renewal and the provision of official commemoration of war dead in cemeteries controlled and managed by the MCB.

MCB staff continue to maintain dialogue with OAWG and the RSL on a project to reinstate official commemorations of service personnel on privately owned graves with lapsed tenure whose official commemorations were relocated to the Garden of Remembrance adjacent to the Perth War Cemetery many years ago.

With face-to-face interaction being limited for parts of the year, MCB staff focussed upon the digital evolution of many of our services. Particularly popular with Researchers and Genealogists, in April 2022, the popular Name Search function on the corporate website was enhanced to include Google mapping functionality as a navigational aid.

The enhanced feature was developed to provide a greater level of service to the community and to assist the countless visitors to the grounds who would frequently get lost by following traditional maps. Through the utilisation of geographic information system (GIS) technology, visitors can now access a dynamic map on their smart phone that will direct them to the exact location of the grave. Initially covering all burial locations across the sites, the addition of all cremation memorial and entombments is currently being progressed in the second phase of the project.

The MCB looks forward to renewing the tradition of hosting community groups and tours once the threat of COVID-19 subsides.

Catering for a diverse community

The MCB continues to be respectful of the needs of Perth's diverse community.

MCB staff continue to have ongoing dialogue with representatives of different ethnic and religious communities and maintain an active stakeholder engagement plan. MCB staff continued discussions with the Jewish and Muslim communities in order to ensure their religious and cultural needs are met now and for the sustainable future.

The MCB continues to be responsive to requests from individual interest groups and works with them to realise the outcome of cemetery facilities that meet specific requirements.

During the review period, MCB staff worked with senior leaders of the Muslim community to ensure sufficient cultural funeral services are delivered to members of this community.

The MCB also worked closely with the Jewish community to ensure opportunities for religious rites are maintained.





The MCB is also responsible for the management of Gnangara Aboriginal Cemetery; a place where persons of Aboriginal descent, and their families, including the wider Nyoongah community can be buried. Burials at the cemetery require the approval of the Nyoongah Community Aboriginal Corporation (NCAC) before taking place. The MCB has an ongoing relationship with the NCAC to ensure that the cultural requirements of Aboriginal people are met.

Events to Celebrate, Honour and Engage with our Communities

As has been previously stated COVID-19 continued to disrupt many of the community engagement events operated or facilitated by the MCB.

A lack of restrictions in the second half of 2021 meant that the long-standing spiritual events at the mausoleums (All Souls Day masses) were able to proceed as planned. Although, as a result of a seeming degree of caution still prevalent within the community, attendance numbers were well below those of pre-pandemic times.

The significant increase in case numbers as well as the associated public health measures in the first half of 2022 made staging events problematic.

The traditionally intimate Feast of the Annunciation Rosary proceeded at Fremantle Cemetery in March albeit with a change of venue so as to enable social distancing and live streaming of the event for those wishing to join from home. The Rosary was poorly patronised.

The Easter Sunday mass, traditionally the largest event on the MCB events calendar was cancelled for 2022. An outdoor event staged within a confined space, it was determined to pose too higher a risk to proceed given the significant localised increase in COVID-19 cases and the reality that the mass is generally patronised by elderly members of the community.

A similar fate befell the Easter Sunday Sunrise Service at Pinnaroo Valley Memorial Park. Hosted by the Anglican Parishes of Kingsley North-Woodvale and Whitfords Anglican Community Church, the MCB looks forward to welcoming the Parishes back to Pinnaroo in the future.

The MCB remains committed to staging a range of community engagement events and looks forward to reactivating our suite of activities as the State transitions to a living with COVID-19 approach.

The MCB's partnership with the Cancer Council WA via the Cremation Metal Recycling Program continues to grow in strength and important community financial outcomes. Funds raised from the program provide financial support towards the ongoing operational costs of both Crawford and Milroy Lodges; facilities operated by the Cancer Council WA 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 \$1 million. 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.

The MCB remains committed to this important initiative and proud of the community impact. The Cancer Council WA continues to express its gratitude to the MCB and in July 2021 welcomed the MCB Chair and a group of staff to Milroy Lodge for a small acknowledgement ceremony. This was followed by a meal for all guests with the food prepared by MCB staff as part of the Cook A Meal 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.

In July 2021, construction of a second mausoleum at Fremantle Cemetery received endorsement for funding with construction expected to commence in 2023/24. The project is estimated to cost \$6.4 million and provide employment opportunities for local businesses.

Mausoleums are facilities in which members of Perth's community can continue to practice the ancient tradition of above ground entombment as an alternate to traditional below ground burial. The MCB offers mausoleums at Karrakatta, Fremantle, Midland and Guildford Cemeteries with the first facility being constructed in the 1990s in response to requests from the Perth Italian community.

The first Fremantle Mausoleum was opened in 2005 and has provided above ground entombment and cremation ash interment facilities to meet community demand but is now nearing capacity. With 30-40 interments per year, the facility will be completely full within the next 3-4 years.

The new mausoleum will comprise 900 crypt and niche spaces arranged in a series of configurations.

In the existing Fremantle Mausoleum, works progressed to reconfigure key spaces within the building to accommodate additional spaces for the popular display niche option. Display niches have proven themselves to be particularly popular with Chinese, Italian and Croatian families at Fremantle.

At Karrakatta, a range of new memorial gardens have been integrated within the recently renewed COEA burial sections. These gardens will provide a range of traditional memorial options, bordered by new and established burials and will be popular both as stand-alone cremation memorials but also will provide options for families seeking cremation memorials close to family burials.

Responding to community demand for memorials amongst Karrakatta's older garden areas, a number of these gardens have been refurbished to provide new options within areas that were previously considered to be at capacity.

Starting at Karrakatta, the MCB has also commenced rolling out digital information kiosks. In addition to providing visitors with important information regarding daily services and how to find them, the kiosks also act as a hub for 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 in reducing over the counter enquiries but, more importantly, reduce the number of visitors that struggle to navigate the sheer size of Karrakatta's geography when trying to locate an individual burial location.

At Pinnaroo, the Santalum Court memorial precinct continues to be a popular choice for many families and further extension works have needed to be progressed. Works on the Grevillea Trails memorial area were also commenced and are nearing completion. This new memorial section will provide a range of options for families: trees, seats, rocks and the enduring choices of ground niches and memorial garden commemorations. Stage two of Pinnaroo's Elements of Life Garden are also progressing with a unique boardwalk area for memorialisation being progressed.

To ensure continued provision of exceptional facilities for our families, refurbishment works on Pinnaroo's East Condolence Lounge also commenced.

Hosting thousands of mourners since opening as the first chapel at Pinnaroo, the refurbished lounge will include bespoke furniture sourced from West Australian timbers, with upgrades to AV screens, lighting and ceiling work to create an enhanced atmosphere.

At Midland Cemetery, the Swan View memorial area was extended to provide a range of new memorial options at the site and concerted efforts to enhance the tree canopy at the site progressed.

Guildford Cemetery continues to expand with the extension of the Lawn K burial area that also integrates several memorial gardens. Increasingly popular with the Muslim community, a new Muslim burial section was also completed in addition to continued efforts to improve the general botanical density across the site.

Rockingham Regional Memorial Park continues to grow in the southern corridor with the number of burial services and the demand for cremation memorials increasing each year. The Lawn C burial area has recently been completed, as have works to expand the range of memorials offered within both the Balranald Path and the Batavia Lawn areas.



East Perth Cemeteries Memorial Garden

In October 2021, Our Minister, the Hon. John Carey MLA welcomed the community to the East Perth Cemeteries Memorial Gardens at Karrakatta. The event was attended by members of Perth's Chinese communities and stakeholders who had worked together to ensure a respectful transition from East Perth to Karrakatta for those perpetually laid to rest within the grounds.

The gardens are the final resting place for over 450 individuals, largely those following the Presbyterian faith, or of Chinese origin, who were exhumed from the former East Perth Girls School site at 20 Bronte Street in East Perth that was originally part of the East Perth Cemeteries. These burials were some of the very earliest in Perth.

Whilst a portion of the East Perth Cemeteries is under the care of the National Trust, the burials adjoining the old East Perth Girls School were, for many years, covered by a sports oval for the school and, following that, a carpark. The East Perth site was decommissioned as a cemetery when Karrakatta Cemetery opened.

As an important point of closure, members of Perth's Chinese community performed a spiritual blessing ceremony at the event.

The gardens feature a central commemorative feature which details the history of the East Perth project and provides insights into those who were buried at the site.

Peter MacLean Gardens established at Karrakatta Cemetery

On 5 July 1976, Peter MacLean took up his duties as General Manager for two separate cemeteries at Karrakatta Cemetery and the newly formed Pinnaroo Valley Memorial Park. Peter served as inaugural Chief Executive Officer following the amalgamation in 1988 of four cemeteries into the Metropolitan Cemeteries Board. This Board later incorporated the Fremantle Cemetery in 2002 and opened Rockingham Regional Memorial Park in 2007.

Karrakatta Cemetery was already facing possible closure when Peter began his 34-year service, and it remains open today due to the forward planning and programs of change and innovation, in particular the cemetery renewal project, implemented during Peter's tenure.

Given Peter's 34-year contribution to the MCB as Administrator (1976–1998) and Chief Executive Officer (1998–2011), the MCB discussed the possibility of acknowledging Peter for his service by naming a memorial garden after him.

In the past, the MCB has acknowledged long-standing Chairs and senior staff such as Lance Howard (1979–1987), Sir Thomas Meagher (1951–1971) and the Karrakatta Administrator Bill Manners (1961-1976).

In April 2021, the MCB Board approved renaming the Karrakatta Cemetery section ANVC to the Peter MacLean Gardens. Master planning for the garden has now been completed with preparatory works for the first plantings underway.





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:

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

KEY AREAS OF FOCUS

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

- Developing leadership capability.
- Developing a capable and high performing workforce culture.
- Building a talented, capable and agile workforce.
- Ensuring workforce stability with permanent employment.
- Enhancing diversity and inclusion within the workforce – Youth and Indigenous employment.
- A respectful and trustworthy workforce – living our Values and doing the right thing.
- A safe and healthy workforce – Work Health and Safety, health and wellbeing initiatives, and COVID-19 safety precautions.

Developing Leadership Capability

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

- Emergency Management Training for Wardens, Incident Management Team and Crisis Management Team.
- Injury Management for Managers.
- Accountable and Ethical Decision Making (refresher training)
- 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.

This included:

- Corporate Induction (for new employees).
- Accountable and Ethical Decision Making refresher training.
- Emergency Management Training.

Role specific training included:

- Targeted ICT systems training for all frontline employees who are users of the Cemetery Records System (CRS).

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 in preparation for a possible pandemic workload or workforce impact.
- Excavator training.
- Scissor Lift training.
- Articulated Mini Loader (integrated tool carrier) training.
- Chemical Alert training which included the attainment of three competencies:

- AHCPMG301 Control weeds
- AHCCHM307 Prepare and apply chemicals to control pest, weeds and diseases
- AHCCHM304 Transport and store chemicals Other training was deferred due to COVID-19 restrictions.

New employees' induction training includes:

- Corporate introduction.
- Code of Conduct, Public Information Disclosure and expectations of integrity and ethical behaviour.
- Accountability Framework (legislative and regulatory).
- EEO and diversity.
- Performance management, grievance, discipline and misconduct processes.
- Emergency management and evacuation procedures.
- OSH, manual handling and ergonomics.
- Payroll, leave and timesheets.
- Cyber security.
- Records management.
- Site and on-the-job induction.
- PSC induction for new public sector employees.
- Accountable and Ethical Decision Making for new employees.

Ensuring Workforce Stability with Permanent Employment – Conversion to Permanency Review

The MCB undertook its 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. One fixed term employee met the criteria for conversion.

The MCB continues to offer permanent appointment to contract employees who are employed to fill temporary vacancies through pool recruitment processes, 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 one-third of Tier 2 and 3 of management are female. 10.5 per cent are from culturally diverse backgrounds.

Workforce Diversity	PSC Targets	MCB Profile 30 June 2020	MCB Profile 30 June 2022
Male employees	N/A	60%	63.6%
Female employees	N/A	40%	36.4%
Women in Tier 2 & 3 management	43%	30.4%	36.8%
Aboriginal	3.7%	2.6%	1.9%
People with a disability	5%	3.9%	2.6%
Cultural & linguistic diversity	15%	12.3%	10.5%
Youth (under 25 years)	5.8%	5.8%	3.5%
Mature age (over 45 years)	N/A	63.5%	66.7%
Mature age (over 55 years)	N/A	32%	31.8%

The MCB is working towards achieving the new PSC 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 young people, people with a disability and from cultural and linguistic diverse backgrounds.

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 2022, 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, who progressed to a Youth Traineeship, then a Level 1 Trainee transition position, was successful being appointed to a permanent Level 2 vacancy through a pool recruitment process.

Increasing diversity – Aboriginal employment

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

The MCB continues to offer employment opportunities to Aboriginal people, particularly in grounds positions, apprentice and trainee positions.

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 its 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.

In 2021-2022, disciplinary action was commenced for one employee for serious breach of the Code of Conduct, disrespectful conduct, and disobeying or disregarding lawful instructions.

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 OSH 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:

- 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.
- Encouraging employees to take their full entitlement to annual leave each year for their health and wellbeing and to clear excess leave entitlements.

Working From Home

Employees were encouraged to submit a working from home application for WHS and management assessment and approval, in readiness for the need for the MCB to close its offices and require employees to work from home.

Vulnerable employees took advantage of this opportunity during COVID-19 lockdowns and worked from home.

Other employees also submitted applications and worked from home on an ad-hoc basis or a rostered basis to reduce the number of employees in the workplace.

IT arrangements were made for employees working from home to have remote access to the MCB network.

Employee Assistance Program

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

The MCB's current Employee Assistance Program provider's contract expired in June 2022 and the MCB has worked through the tender process to secure a new service provider.

EAP Services Provided in 2020-2021		
Quarter	No. Employees	Hours
September Quarter	6	17 hrs
December Quarter	9	16 hrs
March Quarter	12	12 hrs
June Quarter	6	6 hrs
Total	33	51 hrs

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

Other initiatives to reduce psychosocial hazards in the workplace 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
- Encouraging employees to stay at home if not well, especially through COVID-19.
- Supporting employees who needed to work from home due to serious underlying health issues during COVID-19 shutdowns.
- 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.
- Providing part-time work options for employees with family responsibilities and for older employee’s pre-retirement.

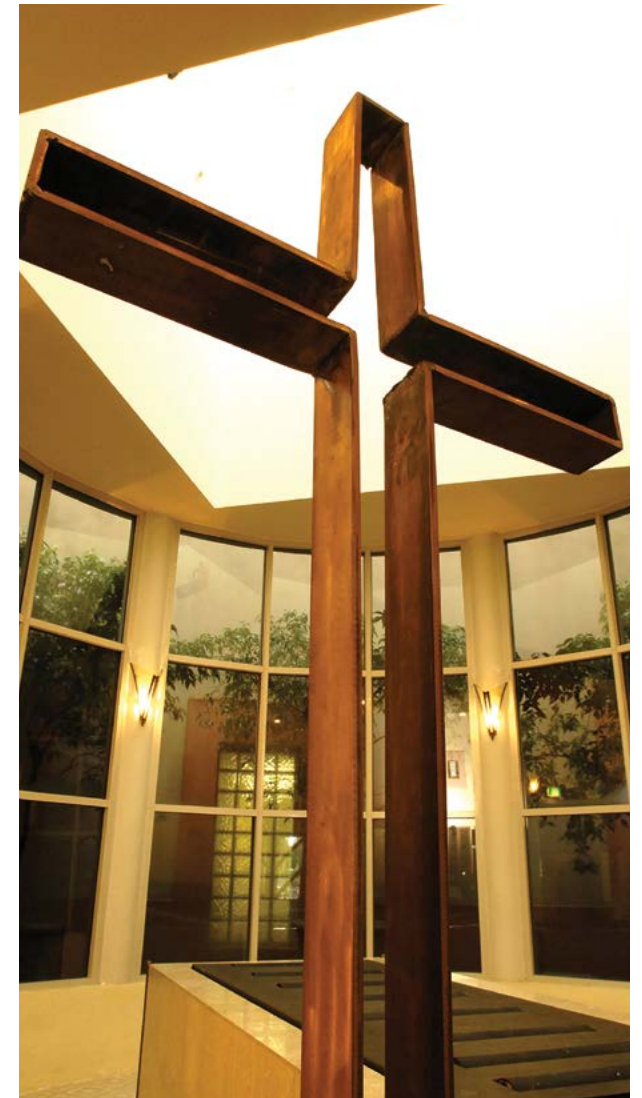
- Injury management support and Return to Work programs for injured employees.
- Clearly defined Code of Conduct.
- HR Policies on Grievance Resolution; Prevention of Workplace Bullying, Violence and Aggression; Equal Opportunity, the Elimination of Unlawful Discrimination and Harassment; Managing Misconduct, and Health and Wellbeing.
- 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 CEO.

Other achievements and successes are celebrated at the Team or Division level, or by a congratulatory email to all employees from the CEO 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

Under the provisions of the *Cemeteries Act 1986* (WA), 29 Funeral Directors were licensed to operate within cemeteries controlled by the MCB and 12 monumental masons were licensed by the MCB.

The MCB continues in its commitment to supporting the industry through ongoing opportunities for education and learning and consistent communications and assistance. The MCB values the contributions that industry stakeholders make in maintaining high industry standards and excellent service delivery to the community.

The MCB continued to offer learning support as required to individual Funeral Directors as opportunities for collective education and training were limited again this year in between COVID-19 focussed activities and various gathering restrictions. Further training and support was offered with respect to the MCB's new on-line bookings portal with feedback from end users contributing to the continuous improvement of the system.

The MCB continues to support Funeral Directors with administrative and operational guidance for the conduct of funerals at the cemetery, use of the audio-visual (AV) systems, and work health and safety matters such as safe work practices.

The MCB has undertaken a 3-month trial of providing a chapel concierge service to provide support and training for Funeral Directors in the use of the MCB's AV Portal and Chapel AV operations. The concierge service has been greatly appreciated and is being considered for an extension into the new financial year.

The MCB holds regular liaison meetings with industry representatives to discuss and resolve safety and administrative issues, and to explore joint opportunities to ensure a high level of services to families. These meetings however have been less frequent than in previous years due to the pandemic however contact has been maintained virtually.

Under the provisions of the *Cemeteries Act 1986*, the MCB continued to inspect licensed funeral director premises, equipment and vehicles to ensure the high standards of the industry are maintained. During these visits, it is a good opportunity to provide industry support and obtain feedback relating to the individual needs of each funeral services provider.

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

The MCB maintains collaborative and productive relationships with key government and community stakeholders such as the Department of Local Government, Sport and Cultural Industries, Department of Health (WA), Office of Australian War Graves, RSLWA, National Trust, Office of the State Coroner, Department of Communities, Office of Multicultural Interests, Department of Mines, Industry Regulation and Safety, Department of Justice, Department of Finance, Department of Treasury, Department of Planning, Lands and Heritage, Department of Water and Environmental Regulation, Department of Transport, the State Library, the Public Trustee, and the Ombudsman WA.

The MCB also maintains close dialogue with key religious and ethnicity groups to meet our community obligations. This strong organisational focus upon stakeholder engagement enables the MCB to continually work towards improving services to the community, particularly on cross-jurisdictional matters.

Stakeholder connectivity also ensures that the MCB plays an active role in industry relevant consultation processes. During the year, the MCB actively engaged in consultations regarding the Cemeteries and Cremation Act review, and Consumer Affairs legislative reform including codes for pre-paid funerals, contracts and pricing.

The MCB provides essential core services, specifically burial and cremation services, with MCB staff having been identified as critical workers during the pandemic. The impact of COVID-19 on MCB service delivery from the time when the public health state of emergency was declared in mid-March 2020 has continued to be profound.

The dedicated workforce of the MCB has undertaken considerable planning, care and due diligence to maintain respectful and dignified services during the course of the pandemic, from providing core services to maintaining discretionary memorialisation services and customer service information and support.

Critical to our success is delivering a contemporary customer experience harnessing digital initiatives whilst maintaining a customer focus, modifying work practices, and expanding working from home where practicable. Staff and stakeholders have embraced the ICT functionality that allowed them to maintain the ability to mobilise staff and resources to retain normal service delivery.

Maintaining close liaison with broader Government and our industry stakeholders, gave the agency the ability to respond swiftly to a fast-changing operating environment. This was, and continues to be, a strong example of the organisation's resilience, ability to remain agile, and adapt service delivery during a time of distinct societal challenge.

Capital Works

During 2021/22, the MCB developed several new burial and memorial areas and gardens at Guildford Cemetery, Karrakatta Cemetery, Pinnaroo Valley Memorial Park and Rockingham Regional Memorial Park cemeteries. 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 five years.

Planning was undertaken for several capital works projects due to commence in the 2022-2023 financial year. These include the upgrading of the Pinnaroo, Fremantle & Karrakatta cremators and crematoriums and significant roof chapel & chapel roof replacements at both Fremantle & Karrakatta sites.

Planning has also been undertaken to improve the disability access to the Karrakatta Board Room, main reception, and staff amenities areas.

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 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.

In September 2021 the Minister approved the submission for the renewal of Anglican ZO and Anglican ZK.

In February 2022 work commenced on the redevelopment of Anglican ZO and the public consultation phase commenced for Anglican ZK. The redevelopment of both these sections will create over 1000 new lawn burial positions and will ensure the future requirements of the community for ongoing burials and memorials.

The NSW government recently commissioned a comprehensive review of the cemeteries and crematoria sector further to the 2012 Legislative Reforms, Report. Dated August 2020, released July 2021, titled, *The 11th Hour – Solving Sydney's Cemetery Crisis* report provided a detailed overview of the challenges facing cemeteries in NSW. The review dealt with sustainable burial practices and noted the high costs associated with the acquisition and construction of new cemeteries. Identified best practice solutions were those of cemetery renewal and renewable interment tenure with the report citing that "*Australia's best example of cemetery renewal is at Karrakatta Cemetery, undertaken by the Metropolitan Cemetery (sic) Board (MCB)*".

The process of cemetery renewal was identified and endorsed as an important option for NSW cemetery operators which could significantly extend a cemetery's life expectancy.

It would also ensure NSW cemeteries remain relevant and valued by their communities through ongoing revitalisation, new interments and the ability to ensure funds that can contribute to the maintenance of the cemetery.

Business Systems Review

The MCB continued its ICT transformation journey while maintaining business as usual throughout the COVID-19 period.

Work continued on further improving the Cemetery Records System and the online funeral director portal.

In a major shift MCB moved from on premise-based server infrastructure to cloud services. Significant enhancements were made to the network using GovNext to ensure ongoing business continuity and service delivery and minimal inter-site dependency. MCB continued ongoing cybersecurity improvements including the use of multifactor authentication

Self-service kiosks were introduced at Karrakatta to provide information to the public with minimum contact between people where possible. The new kiosks provide better access and inclusion for all visitors to the site. Further kiosks are planned to be installed at other sites.



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. Some opportunities this year were lessened due to the various impacts of COVID-19 with limited numbers for gatherings and various restrictions.

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 Department of Health (WA). The shared interests include legislative provisions regarding cremation, licensing of crematoria and Funeral Directors, and various public health matters such as licensing of morgues. This ongoing collaboration is integral to protecting the interests of the community by maintaining health-related standards in the funeral industry and responding to the COVID-19 pandemic.

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

The MCB continued to work closely with AFDA and licenced Funeral Directors to ensure maintaining funerals and normal service delivery under government guidelines during the pandemic.

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

The CCAWA seminar was held 31 March 2022 to 1 April 2022. The focus was on self-care for industry providers whilst caring for clients, grave safety, headstones and monuments, review of the Cemeteries and Cremation Acts and changes happening within the industry.

The MCB's Business Systems Analyst is the CCAWA President and the MCB's Coordinator Operations Fremantle and Rockingham is a Board Director.



The MCB continues to support CCAWA on a range of operational issues, including cemetery planning, grave presentation and safety. The MCB provided resources for CCAWA such as meeting room facilities and resources for video conferencing during the pandemic.

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.

In December 2021 the MCB was advised that the Australian Competition and Consumer Commission had released their Competition and Consumer Issues Report which focussed on clear promotional materials, pricing, contracts and invoice terms. The MCB covers these issues in the Funeral Director Conditions of Licence.

A new code of practice requiring that all funeral directors provide upfront and transparent prices for all funeral goods and services is being prepared. Once enacted, the MCB will ensure the provisions of the new Code is covered in the MCB Funeral Director Licence Conditions of Issue.

Support for Regional Cemeteries

While the MCB's jurisdiction is the greater metropolitan Perth 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 Work Health and Safety. The MCB had facilitated training such as crematorium training, and safe grave digging, however this has not resumed as a result of COVID-19 restrictions.

The MCB regularly shares industry information over the course of the year.

MCB path to Carbon Neutrality

The MCB is committed to becoming carbon neutral by 2050.

To help achieve this goal 360 Environmental was engaged to complete a full carbon footprint assessment of all the MCB's operations.

The report showed that waste disposal is the MCB's biggest contributor to carbon emissions. A waste audit, with our current waste contractor SUEZ, was also completed. The audit discovered some easy changes to make a big reduction in the carbon emissions caused by waste disposal.

These changes included increasing the number of green waste bins, adding co-mingled recycling bins in public areas and providing the cafés with food waste bins.

Most of these changes have now been implemented, and when completed, a further 18% of waste is expected to be diverted away from landfill. This will achieve an approximate reduction of 200 tonnes of CO2 per year.

The second largest contributor to carbon emissions is electricity consumption. The MCB is working to reduce this through measures such as the expansion of our solar electricity project, changing light globes to those with a better energy rating and adjusting the air-conditioning to use less power.

Practices such as soil management, mulching and planting of waterwise species where possible are contributing to the reduction of water consumption.

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).

The expectations of transparency and accountability within the public sector and the related Freedom of Information requests have been increasing over the past few years. The knowledge management and records section play a vital role in ensuring that MCB is compliant with all relevant acts.

MCB will be reviewing the recordkeeping plan and records processes during the coming year and plans on implementing improved systems to better integrate the recordkeeping systems with other core systems.

Information & Communications Technology

This has been another challenging year with increased demand and expectations from the ICT systems. ICT yet again played a pivotal role in the delivery of business services and ensuring that MCB upholds its high standards.

It was also a year of opportunities to enhance ICT's role in the longer term by incorporating the lessons learnt from COVID-19.

MCB is technologically setup to work through any future pandemic or site access issues with working from home capabilities for staff, online portal for funeral directors and other permit holders allowing for minimum contact and a live streaming solution for the viewing of funeral services remotely.

MCB is committed to improving its Cybersecurity initiatives by implementing tools to ensure secure access, storage and protection of all its digital assets.

Reconciliation Action Plan

The MCB received conditional approval from Reconciliation Australia in June 2022 for its first official Reconciliation Action Plan. This Plan will help us to build a safe and inclusive environment to enable First Nations People to thrive.

Moving forward, to assist us on this journey the MCB will be reaching out to staff asking that they express an interest in establishing a Reconciliation Working Group. It is intended that, participation in this Group will assist us in delivering the actions in our Plan.

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 Multicultural Plan is aimed at guiding MCB employees in working with and providing services to people from culturally and linguistic diverse (CaLD) 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

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

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

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

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

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

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



Profile and Performance of MCB Cemeteries and Memorial Parks 2021/22

	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	378.6
Number of Burials and Entombments	1,028	508	111	263	446	63	1	2,420
Number of Cremations	3,671	2,847	0	0	2,687	1,747	0	10,952
Operational Employee FTE	54.7	31.4	0	5	20.3	3.7	0	115.1

Notes:

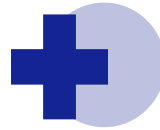
The 5 FTE at Guildford Cemetery support Midland Cemetery
Admin trainees are not counted as operational staff

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

13,372

Total Number of funerals



\$2,143

Average cost per funeral



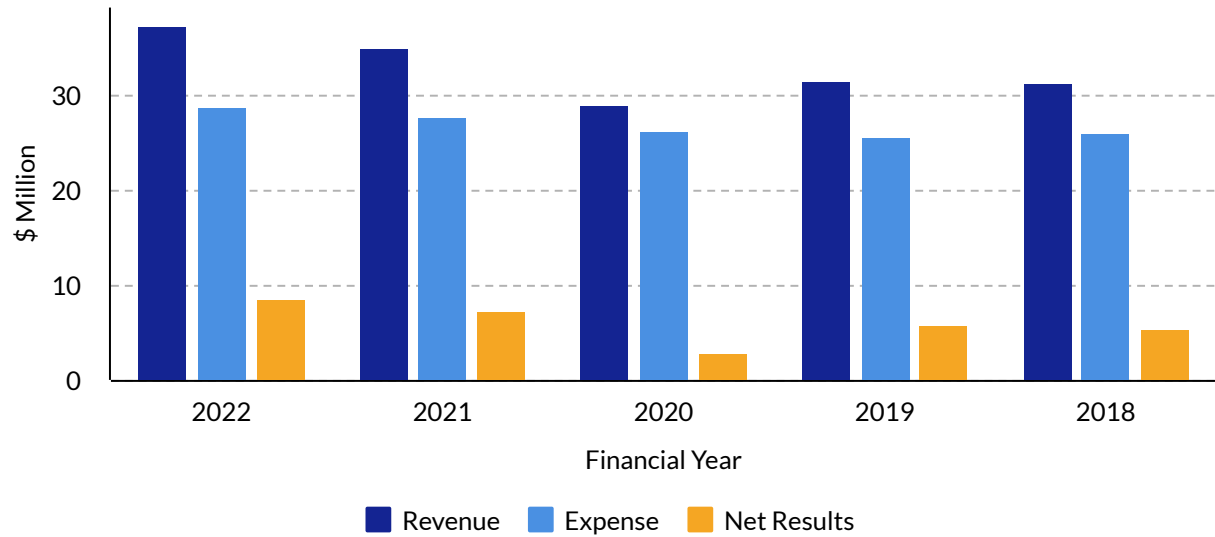
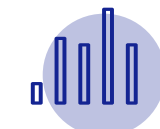
\$28.7m

Expense



\$37.2m

Revenue



SOURCES OF REVENUE (BY TYPES OF FUNERAL OR SERVICE)



CREMATIONS

43%



BURIALS

30%



MEMORIALS

18%



MAUSOLEUM

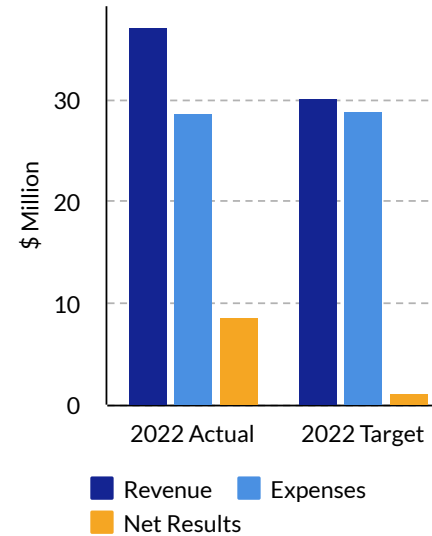
9%




STRATEGIC OUTCOMES

EXPENSES INCURRED IN THE DELIVERY OF SERVICES

	Employee salaries and wages	\$12.5 million
	Supplies and services	\$7.6 million
	Asset depreciation	\$3.7 million
	Maintenance expenses	\$3.8 million

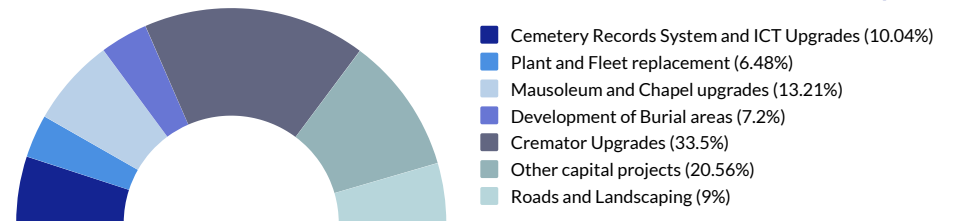
PERFORMANCE HIGHLIGHTS



- Key Drivers**
-  Lower Salaries and depreciation spend with higher Contractor costs
 -  Higher number of funeral services
 -  Higher revenue from investment income

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.





Disclosures and Legal Compliance

RESPONSIBLE PERSON'S DECLARATION FOR FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2022

Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013

The Acting 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 2013*.



Joe O'Dea (Jnr)

ACTING CHAIR

Responsible People's declaration

Dated this 31st day of August 2022

AUDITOR GENERAL'S REPORT

INDEPENDENT AUDITOR'S REPORT 2022

Metropolitan Cemeteries Board

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

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

- the Statement of Financial Position at 30 June 2022, 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 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006*, 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 2013*.

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.



Auditor General

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 Entity.

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.

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 Entity 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 legislative provisions (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 legislative provisions during the year ended 30 June 2022.

The Board's responsibilities

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and 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 2022. 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 Entity's performance and fairly represent indicated performance for the year ended 30 June 2022.

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

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

Auditor General's 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 control relating to the reports on 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2022, 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

This auditor's report relates to the financial statements and key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2022 included in the annual report on the Entity's website. The Entity's management is responsible for the integrity of the Metropolitan Cemeteries Board's website.

This audit does not provide assurance on the integrity of the Entity'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, controls 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.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia Perth, Western Australia
31 August 2022

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 2022 and the financial position as at 30 June 2022.

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)
ACTING CHAIR

31 August 2022



Darrell Jones
BOARD MEMBER



Joseph Fortuna
CHIEF FINANCE OFFICER

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Board has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2022 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 2022

	Note	2022 \$'000	2021 \$'000
INCOME			
Revenue			
Trading profit	3.1	4,481	4,122
Provision of services and Cemetery leases	3.2	25,078	23,374
Investment income	3.3	6,911	6,482
Other revenue	3.6	533	816
Gains/losses			
Gains/(losses) on disposal of non-current assets	3.5	222	142
TOTAL INCOME		37,225	34,936
EXPENSES			
Cost of sales	3.1	1,107	984
Employee benefits expense	4.1	12,547	13,391
Supplies and services	4.2	7,631	6,578
Finance costs	7.4	2	3
Depreciation and amortisation expense	5.1, 5.2	3,653	3,874
Cemetery lease and other expenses	4.3	3,718	2,774
TOTAL EXPENSES		28,658	27,604

	Note	2022 \$'000	2021 \$'000
Profit for the period before Income from State Government		8,567	7,332
Income from State Government			
Resources received	3.4	4	–
PROFIT FOR THE PERIOD		8,571	7,332
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.8	(549)	(1,053)
Changes in financial asset revaluation reserves	9.8	(11,938)	9,842
Management fees incurred through other comprehensive income	9.8	(527)	(524)
TOTAL OTHER COMPREHENSIVE INCOME		(13,014)	8,266
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(4,444)	15,598

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	1,918	4,079
Inventories	3.1	351	325
Receivables	6.1	8,998	8,522
Total Current Assets		11,267	12,926
Non-Current Assets			
Financial assets through other comprehensive income	7.2	74,125	76,442
Property, plant, equipment and vehicles	5.1	91,553	88,398
Infrastructure	5.1	20,772	21,344
Right-of-use assets	5.1.1	84	80
Intangible assets	5.2	2,027	2,355
Total Non-Current Assets		188,561	188,619
TOTAL ASSETS		199,828	201,545
LIABILITIES			
Current Liabilities			
Payables	6.2	943	817
Employee benefits provisions	4.1	2,035	2,276
Other current liabilities	6.3	105	130
Lease liabilities	7.3	25	21
Pre-need agreements	6.4	844	922
Deferred lease income	6.5	5,800	5,544
Total Current Liabilities		9,752	9,710

	Note	2022 \$'000	2021 \$'000
Non-Current Liabilities			
Provisions	4.1	433	523
Lease liabilities	7.3	61	61
Pre-need agreements	6.4	32,367	31,973
Deferred lease income	6.5	85,265	82,884
Total Non-Current Liabilities		118,126	115,441
TOTAL LIABILITIES		127,878	125,151
NET ASSETS		71,950	76,394
Equity			
	9.8		
Contributed equity		13,641	13,641
Reserves		23,533	36,548
Retained earnings		34,776	26,205
TOTAL EQUITY		71,950	76,394

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 2022

	Notes	Contributed Equity \$'000	Asset Revaluation Reserves \$'000	Financial Asset Revaluation Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance 1 July 2020		13,641	30,981	(2,699)	18,873	60,796
Profit for the period	9.8	–	–	–	7,332	7,332
Other comprehensive income	9.8	–	(1,052)	9,319	–	8,266
Total comprehensive income for the period		–	(1,052)	9,318	7,332	15,598
Balance at 30 June 2021		13,641	29,929	6,619	26,205	76,394
Balance at 1 July 2021		13,641	29,929	6,619	26,205	76,394
Profit for the period	9.8	–	–	–	8,571	8,571
Other comprehensive income	9.8	–	(549)	(12,465)	–	(13,014)
Total comprehensive income for the period		–	(549)	(12,465)	8,571	(4,444)
Balance at 30 June 2022#		13,641	29,380	(5,846)	34,776	71,950

#Columns may not add due to rounding.

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 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services and Cemetery leases		27,138	25,724
Mausoleum crypt leases		3,637	5,620
Investment income received		6,816	2,397
GST receipts on sales		2,615	2,629
Other receipts		533	811
Payments			
Supplies and services		(10,631)	(8,778)
Employee benefits		(12,891)	(13,370)
Payments of Interest on leases	7.4	(2)	(3)
GST payments on purchases		(1,829)	(1,284)
GST payments to taxation authority		(830)	(1,486)
Net cash provided by operating activities		14,556	12,260
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of non-current physical assets		281	269
Purchase of investments		(10,000)	(10,000)
Purchase of non-current physical assets		(6,971)	(3,271)
Net cash used in investing activities		(16,690)	(13,002)

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(27)	(22)
Net cash used in financing activities		(27)	(22)
Net increase/(decrease) in cash and cash equivalents			
		(2,161)	(764)
Cash and cash equivalents at the beginning of the period			
		4,079	4,842
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7.1	1,918	4,079

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 2022

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 31 August 2022.

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.

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.*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. BOARD OUTPUTS (CONTINUED)

2.1 Board objectives (continued)

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	2022 \$'000	2021 \$'000
Trading profit	3.1	3,374	3,138
Provision of services and Cemetery leases	3.2	25,078	23,374
Investment income	3.3	6,911	6,482
Income received from State Government	3.4	4	–
Gains/losses	3.5	222	142
Other income	3.6	533	816

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. OUR FUNDING SOURCES (CONTINUED)

3.1 Trading Profit	2022 \$'000	2021 \$'000
Sales of Memorial products	4,481	4,122
Cost of Sales:		
Opening Inventory	(209)	(213)
<i>Transfer to Property, Plant and Equipment</i>	–	–
Reclass of inventory previously classified as not for resale	–	–
Purchases (at cost)	(1,104)	(980)
Closing Inventory	207	209
Cost of Sales	(1,107)	(984)
Trading Profit	3,375	3,138
Closing Inventory comprises of:		
Vault stock – Midland – at cost	31	31
Vault stock – Fremantle – at cost	28	28
Memorial, Urns and Plaques – at cost	148	150
Total Inventories held for resale	207	209
Inventories not held for resale:		
Stores – at cost	144	116
Total Inventories not held for resale	144	116
Total Current Inventory	351	325

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 2022

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 2022 (2021: 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.

3.2 Provision of services and Cemetery leases	2022 \$'000	2021 \$'000
Burial (interment) services	4,181	3,693
Cremation services	12,756	11,734
Grant of Right of Burial (grave and cemetery land leases)	4,567	4,287
Grant of Right of Memorial (cemetery infrastructure leases)	851	814
Certificate of Entitlement (Mausoleum building leases)	2,723	2,846
Total income collected from cemetery leases and provision of services	25,078	23,374

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 interment 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. OUR FUNDING SOURCES (CONTINUED)

3.2 Provision of services and Cemetery leases (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. OUR FUNDING SOURCES (CONTINUED)

3.2 Provision of services and Cemetery leases (continued)

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 leases as 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.

3.3 Investment Income

	2022 \$'000	2021 \$'000
Interest	5	11
Franking credit refunds	560	292
Distributions	6,197	6,034
Management fee rebates	149	145
Total investment income	6,911	6,482

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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

3. OUR FUNDING SOURCES (CONTINUED)

3.4 Income from State Government	2022 \$'000	2021 \$'000
Resources received from other public sector entities during the period ^(a):		
– Provision of Rapid Antigen Tests by the Department of Finance	4	–
Total Income from State Government	4	–

(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.

3.5 Gains/losses	2022 \$'000	2021 \$'000
Net proceeds on disposal of non-current assets		
Plant, equipment and vehicles	314	269
Carrying amount of non-current assets disposed		
Cost of non-current assets disposed	(462)	(1,218)
Depreciation reversed on disposals	370	1,091
Carrying Amount – Costs of disposal	(92)	(127)
Net gain/(loss) on non-current assets disposed	222	142
Total Gains/losses	222	142

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.

3.6 Other Revenue	2022 \$'000	2021 \$'000
Rentals of Kiosks	146	122
Rental from lease of non-cemetery land and buildings	350	379
Insurance recoveries	18	196
Miscellaneous income	19	119
	533	816

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 2022

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	2022 \$'000	2021 \$'000
Employee benefits expenses	4.1.1	12,547	13,391
Employee related provisions	4.1.2	2,468	2,799
Supplies and Services	4.2	7,631	6,578
Cemetery lease and other expenses	4.3	3,718	2,774

4.1.1 Employee benefits expenses	2022 \$'000	2021 \$'000
Short-term employee benefits ^(a)	11,074	11,806
Termination benefits	–	84
Superannuation – defined contributions plans ^(b)	1,473	1,501
Total employee benefits expense	12,547	13,391

(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 4.3 'Cemetery lease and other expenses'**.

Termination benefits: payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Board is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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.

Seventeen employees commencing employment prior to 16 April 2007, who were not members of either the Pension Scheme or the GSS, became non-contributory members of the WSS. Employees commencing employment on or after 16 April 2007 became members of the GESB. Both of these schemes are accumulation schemes.

Two employees contributing to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995, resigned in 2019.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for the Board's purposes because the concurrent contributions (defined contributions) made by the Board to GESB extinguishes the Board's obligations to the related superannuation liability. Up until the time of employees' resignation in 2019, the Board does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its former employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. USE OF OUR FUNDING (CONTINUED)

4.1.1 Employee benefits expenses (continued)

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

The Board has no liabilities under the Pension Scheme.

Local Government Superannuation Fund and other defined contribution plans

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.

4.1.2 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.

	2022 \$'000	2021 \$'000
Current		
<u>Employee benefits provision</u>		
Annual leave ⁽ⁱ⁾	855	1,004
Long service leave ⁽ⁱⁱ⁾	1,139	1,226
	1,994	2,230

	2022 \$'000	2021 \$'000
<u>Other provisions</u>		
Employee on-costs ⁽ⁱⁱⁱ⁾	41	46
Total current employee related provisions	2,035	2,276
Non-current		
<u>Employee benefits provision</u>		
Long service leave ⁽ⁱⁱ⁾	424	512
<u>Other provisions</u>		
Employee on-costs ⁽ⁱⁱⁱ⁾	9	11
Total non-current employee related provisions	433	523
Total employee related provisions	2,468	2,799

- (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 4.3 '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 4.1.1 'Employee benefits expense'**. The related liability is included in **Note 4.1.2 'Employee related provisions'** under 'Other provisions'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. USE OF OUR FUNDING (CONTINUED)

4.1.2 Employee related provisions (continued)

	2022 \$'000	2021 \$'000
<u>Employment on-cost provision</u>		
Carrying amount at start of year	57	51
Additional/(reversals of) provisions recognised	23	26
Payments/other sacrifices of other economic benefits	(26)	(21)
Unwinding of the discount rate	(4)	1
Carrying amount at end of year	50	57

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

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

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

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

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

4.2 Supplies and Services

	2022 \$'000	2021 \$'000
Communications	236	252
Consultants and Contractors	6,437	5,538
Consumables	154	158
Materials	791	633
Travel	–	1
Others	14	(4)
Total supplies and services expenses	7,631	6,578

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.

4.3 Cemetery lease and other expenses

	2022 \$'000	2021 \$'000
<u>Cemetery lease expenses</u>		
Building and infrastructure maintenance	1,824	1,208
Equipment repairs and maintenance	634	441
Utilities	624	534
Insurance	260	237
Total Cemetery lease expenses	3,342	2,420

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. USE OF OUR FUNDING (CONTINUED)

	2022 \$'000	2021 \$'000
4.3 Cemetery lease and other expenses		
Other expenses		
Employment on-costs	30	(39)
Administration	136	171
Other staffing	157	170
Board expenses	53	52
Total other expenses	376	354
Total Cemetery lease and other expenses	3,718	2,774

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.

Employment on-costs:

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

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	2022 \$'000	2021 \$'000
Property, plant, equipment and vehicles	5.1	91,553	88,398
Infrastructure	5.1	20,772	21,344
Right-of-use assets	5.1.1	84	80
Intangibles	5.2	1,535	2,355
Total key assets		113,944	112,177

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure

Year ended 30 June 2022 ^(b)	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
1 July 2021								
Gross Carrying amount	14,389	4,401	,3,836	17,288	62,922	1,678	104,514	21,346
Accumulated Depreciation	(9,806)	(2,778)	(3,531)	–	(2)	–	(16,116)	(2)
Carrying amount at start of year	4,583	1,623	305	17,288	62,920	1,678	88,398	21,344
Additions	–	–	–	–	–	6,786	6,786	–
Transfers from (out of) works in progress	548	–	–	–	–	(548)	–	–
Disposals at Written Down Value	(92)	–	–	–	–	–	(92)	–
Transfers to operating expense	–	–	–	–	–	(263)	(263)	–
Revaluation Increments/(Decrements) ^(a)	–	–	–	840	(1,389)	–	(549)	–
Depreciation	(1,102)	(253)	(114)	–	(1,258)	–	(2,727)	(572)
Carrying amount at 30 June 2022	3,937	1,370	191	18,128	60,273	7,653	91,553	20,772

(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 2022

5. KEY ASSETS (CONTINUED)

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

Initial recognition

Items of property, plant, equipment, vehicles and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant, equipment, vehicles and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Subsequent measurement

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

- land;
- buildings; and
- infrastructure

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 (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2021 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$14,100,000 (2021: \$13,400,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Infrastructure is independently valued every 3 years by the Western Australian Land Information Authority (Valuations and Property Analytics) to ensure that the carrying amount does not differ materially from the asset's fair value. For year ending 30 June 2022, 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 (Valuations and Property Analytics) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 (Valuations and Property Analytics) 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:

As at 30 June 2022 (2021: 80), there were no capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in **Note 5.1 'Property, plant, equipment, vehicles and infrastructure'** and **Note 5.2 'Intangible Assets.'**

	2022 \$'000	2021 \$'000
5.1.1 Right-of-use assets		
Plant and equipment	84	80
	84	80

Additions to right-of-use assets during the 2022 financial year were \$29,925 (2021: \$30,797)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. KEY ASSETS (CONTINUED)

5.1.1 Right-of-use assets (continued)

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 5.1.2 'Depreciation and Impairment'**.

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

	2022 \$'000	2021 \$'000
Plant and equipment	26	23
Total right-of-use asset depreciation	26	23
Lease interest expense (included in Finance cost)	2	3

The total cash outflow for leases in 2022 was \$25,464 (2021: \$22,480).

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'**.

5.1.2 Depreciation and Impairment

	2022 \$'000	2021 \$'000
Plant, equipment and vehicles	1,102	1,247
Office equipment	253	270
Buildings	1,258	1,309
Infrastructure	572	625
Renewal Areas	115	135
	3,300	3,586

As at 30 June 2022 there were no indications of impairment to property, plant and equipment, vehicles or infrastructure. Please refer to **Note 5.2 'Intangible Assets'** for the Board's impairment assessment of intangible assets.

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The sole exception to this rule is for land held by the Board.

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

Asset	Useful life in years	(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.
Buildings	40 to 100 years	
Plant and equipment	3 to 10 years	
Plant and equipment (Cremators)	15 years	
Office equipment	3 to 10 years	
Motor vehicles	3 to 7 years	
Infrastructure	7 to 71 years	
Cemetery renewal areas ^(a)	3 to 5 years	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. KEY ASSETS (CONTINUED)

5.1.2 Depreciation and Impairment (continued)

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.

5.2 Intangible Assets

Year ended 30 June 2022	Software Licenses \$'000	Computer Software \$'000	Total \$'000
1 July 2021			
Gross Carrying amount	289	4,511	4,800
Accumulated Amortisation	(274)	(2,171)	(2,445)
Carrying amount at start of year	15	2,340	2,355
Transfers from (out of) works in progress	–	–	–
Disposals at Written Down Value	–	–	–
Amortisation expense	(13)	(313)	(328)
Carrying amount as at 30 June 2022	2	2,026	2,027

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. KEY ASSETS (CONTINUED)

5.2 Intangible Assets (continued)

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.

5.2.1 Amortisation and Impairment	2022 \$'000	2021 \$'000
Computer Software	314	251
Software Licences	13	13
Total amortisation for the period	327	264

As at 30 June 2022 there were no indications of impairment to intangible assets. The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

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

Intangible Asset	Useful life in years
Computer Software ^(a)	3 to 10 years
Software Licences	3 to 10 years

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing property, plant, equipment and vehicles for impairment is outlined in **Note 5.1.2 '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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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	2022 \$'000	2021 \$'000
Receivables	6.1	8,998	8,522
Payables	6.2	(943)	(817)
Other Current liabilities	6.3	(105)	(130)
Pre-need agreements	6.4	(33,211)	(32,895)
Deferred lease income	6.5	(91,065)	(88,428)

6.1 Receivables

	2022 \$'000	2021 \$'000
<u>Current</u>		
Trade debtors	2,229	1,646
Accrued revenue	6,216	6,338
GST Receivable	55	9
Prepayments	498	529
Total current	8,998	8,522

The Board does not hold any collateral or other credit enhancements as security for receivables. The **accrued revenue** balance includes accruals for the managed investment distributions and franking credits, as well as cash at bank interests. Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 become uncollectible, and the Board do not have a history or instances of trade debtors becoming uncollectible. Thus, ECL for the Board's trade debtors is deemed to be nil (2021: Nil). The Board does not hold any collateral as security or other credit enhancements for trade debtors.

6.2 Payables

	2022 \$'000	2021 \$'000
<u>Current</u>		
Trade payables	222	76
GST payable	–	–
Accrued expenses	496	486
Accrued salaries	227	185
Retention monies held on capital projects	19	19
Other (Payroll & Workers compensation payable)	(21)	51
Total current payables	943	817

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 (2022: 5 days, 2021: 4 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6. OTHER ASSETS AND LIABILITIES (CONTINUED)

6.3 Other Current Liabilities	2022 \$'000	2021 \$'000
<u>Current</u>		
Income received in advance	107	132
Other refunds payable	(2)	(2)
Total Other current liabilities	105	130

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 liabilities mostly relate to miscellaneous café/building rental, Genealogy services, Monument and Funeral Director licence fees paid in advance.

6.4 Pre-need Agreements	2022 \$'000	2021 \$'000
<u>Current</u>		
Cremation	547	707
Burial	297	215
Certificate of Entitlement	–	–
Total current pre-need Agreements	844	922

Non-Current

Cremation	6,204	6,073
Burial	1,745	1,969
Memorial products	6,519	6,133
Certificate of Entitlement	17,899	17,798
Total Non-current pre-need Agreements	32,367	31,973
Balance at end of period	33,211	32,895

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

6. OTHER ASSETS AND LIABILITIES (CONTINUED)

	2022 \$'000	2021 \$'000
6.5 Deferred lease income		
<u>Current</u>		
Grant of Right of Memorial	650	615
Grant of Right of Burial	2,805	2,663
Mausoleum Certificate of Entitlement	2,345	2,266
Total current Deferred Grant and leases income	5,800	5,544
<u>Non-Current</u>		
Grant of Right of Memorial	10,132	9,967
Grant of Right of Burial	45,089	43,606
Mausoleum Certificate of Entitlement	30,044	29,311
Total Non-current Deferred Grant and leases income	85,265	82,884
Balance at end of period	91,065	88,428

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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	2022 \$'000	2021 \$'000
Reconciliation of cash		
Cash and cash equivalents	1,918	4,079
Balance at end of period	1,918	4,079

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

7.2 Financial assets at fair value through other comprehensive income (OCI)	2022 \$'000	2021 \$'000
At beginning of year	76,442	56,978
Additions	10,000	10,000
Management fee rebates reinvested	148	145
Net gains and (losses) recognised in OCI	(12,465)	9,319
Balance at end of period	74,125	76,442

Composition of financial assets at fair value through OCI:

Managed Units	74,125	76,442
Balance at end of period	74,125	76,442

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. FINANCING (CONTINUED)

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

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

Name of Fund	2022 \$'000	2021 \$'000
Russell Investments Balanced Fund	51,238	53,679
Russell Investments Australian Floating Rate Fund ^(a)	8,105	7,385
Russell Investments Australian Opportunities Fund	14,782	15,378
	74,125	76,442

(a) Russell Investments Cash Enhanced Fund. Starting from 1 October 2020, the Cash Enhanced Fund was renamed and rebranded as the Australian Floating Rate Fund, however, the investment and prudential strategies remain unchanged.

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.

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 FV OCI 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. FINANCING (CONTINUED)

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

Management and performance fees

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

Refer to **Note 9.8 'Equity'** for the disclosures of management and performance fees.

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:

	2022 \$'000	2021 \$'000
On investments retained at the end of the period	6,197	6,034
Total distributions received	6,197	6,034

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.

	2022 \$'000	2021 \$'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

	2022 \$'000	2021 \$'000
Current	25	21
Non-current	61	61
	86	82

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 1.7%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

7. FINANCING (CONTINUED)

7.3 Lease liabilities (continued)

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

- Fixed payments (including in-substance fixed payments); and
- 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.

	2022 \$'000	2021 \$'000
7.4 Finance costs		
Lease interest expense	2	3
Finance costs expensed	2	3

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:

	2022 \$'000	2021 \$'000
Within 1 year	337	41
	337	41

The commitment relates to undelivered legal representation fees, in addition to the estimated court costs as disclosed in **Note 8.2.2 'Contingent liabilities'**.

7.6 Capital expenditure commitments

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

	2022 \$'000	2021 \$'000
Within 1 year	1,413	–
	1,413	–

The commitment relates cremator replacement project and is GST inclusive.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES

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

	<u>Notes</u>
Financial risk management	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.

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 64 debtors (2021: 69 debtors) that represent 100% of trade receivables.

As the Board does not hold any collateral, the maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment (nil in 2021) as shown in the table at **Note 8.1(c) 'Credit risk exposure'** and **Note 6.1 'Receivables'**.

Liquidity risk

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

The Board manages the liquidity risk by maintaining sufficient cash to enable the Board to meet its normal operating commitments. Liquidity risk exposure from managed fund investments classified as fair value through OCI managed by the independent fund manager. The Board does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Board also does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

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

Market risk

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

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

Foreign currency risk

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

(b) Categories of financial instruments

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

	2022 \$'000	2021 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	1,918	4,079
Financial assets at amortised cost ^(a)	8,445	7,984
Fair value through OCI	74,125	76,442
Total financial assets	84,488	88,505
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	943	817
Total financial liability	943	817

(a) The amount of Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

(c) Credit risk exposure

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

	Total \$'000	Current \$'000	Days past due		
			<30 days \$'000	31-60 days \$'000	61-90 days \$'000
30 June 2022					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default ^(a)	8,445	7,883	–	380	182
Expected credit losses					
30 June 2021					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default ^(a)	7,984	7,915	–	16	53
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 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

(d) Liquidity risk and Interest Rate Exposure

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

	Interest rate exposure and maturity analysis of financial assets and financial liabilities						
	Interest rate exposure				Maturity Date		
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable Interest \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	Between 3 to 5 years \$'000
2022							
Financial assets	0.160						
Cash and cash equivalents		1,918	1,918	–	1,918	1,918	–
Receivables ^(a)		8,445	–	8,445	8,445	8,445	–
Fair value assets through OCI ^(b)		74,125	–	74,125	74,125	–	74,125
Total financial Assets		84,488	1,918	82,570	84,488	10,363	74,125
Financial liabilities							
Payables		943	–	943	943	943	–
Total Financial Liabilities		943	–	943	943	943	–

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

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

2021	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable Interest \$'000	Non-interest bearing \$'000	Nominal Amount \$'000	Up to 1 month \$'000	Between 3 to 5 years \$'000
Financial assets							
Cash and cash equivalents	0.08%	4,079	4,079	–	4,079	4,079	–
Receivables ^(a)	–	7,984	–	7,984	7,984	7,984	–
Fair value assets through OCI ^(b)	–	76,442	–	76,442	76,442	–	76,442
Total financial Assets		88,505	4,079	84,426	88,505	12,063	76,442
Financial liabilities							
Payables	–	817	–	817	817	817	–
Total Financial Liabilities		817	–	817	817	817	–

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

(e) Sensitivity analysis

Sensitivity analysis—prices

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

	2022		2021	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
FV through OCI Managed funds				
<u>Balanced fund</u>				
– increased by		5,124	–	5,368
– decreased by		(5,124)	–	(5,368)
<u>Opportunities fund</u>				
– increased by		1,478	–	1,538
– decreased by		(1,478)	–	(1,538)
<u>Floating Rate fund</u>				
– increased by		811	–	739
– decreased by		(811)	–	(739)

Sensitivity analysis—interest rates

The following table represents summary of the interest rate sensitivity of the Board's financial assets at the end of the reporting period on the profit for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

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

	2022			2021		
	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Carrying Amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	1,918			4,079		
– increased by*		19	19		41	41
– decreased by*		(19)	(19)		(41)	(41)
FV through OCI Managed funds	8,105			7,385		
– increased by* #		81	81		74	74
– decreased by* #		(81)	(81)		(74)	(74)

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

Only the Board's Floating Rate Managed Fund class is directly exposed to interest rate risks.

8.2 Contingent assets and liabilities

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

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

8.2.1 Contingent assets

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

Dispute in progress

During the financial year, the Board raised no additional claims as result of a supplier's alleged breach of contract and inability to meet the contract's practical completion date (2021: \$497k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.2 Contingent assets and liabilities (continued)

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 totalling \$356,000 in relation to an alleged breach of contract. During the financial year 2020-21, the dispute was escalated to \$1,622,000, with the supplier commencing a Supreme Court proceeding with a writ of summons encompassing all matters in dispute as well as the dismissal of the Board's counter claim as outlined in the Contingent Assets note above.

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 would 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

8. RISKS AND CONTINGENCIES (CONTINUED)

8.3 Fair value measurements (continued)

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.

2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
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
	74,125	14,100	85,073	173,298

Assets measured at fair value:

2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
Fair value financial assets through OCI (Note 7.2)	76,442	–	–	76,442
Land (Note 5.1)	–	13,400	3,888	17,288
Buildings (Note 5.1)	–	–	62,921	62,921
Infrastructure (Note 5.1)	–	–	21,344	21,344
	76,442	13,400	88,153	177,995

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 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES

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

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
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 Initial application of Australian Accounting Standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity and applies to annual reporting periods beginning on or after 1 January 2020.

As at the reporting period and up to date of this report, the Board does not have any arrangements with third-party suppliers to:

- provide public services related to a service concession asset, on behalf of the Board; or
- manage at least some of those public services under the suppliers' own discretion.

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:

Compensation bands	2022	2021
\$0 – \$10,000 ^(a)	6	6
\$10,000 – \$20,000	1	1

(a) One Board member receives no compensation.

	2022 \$'000	2021 \$'000
Short term employee benefits	46	51
Post-employment benefits	5	5
The total compensation of Board Members	51	56

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 2022

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	2022	2021
\$10,001 – \$20,000	1	–
\$140,001 – \$150,000	–	1
\$180,001 – \$190,000	–	1
\$190,001 – \$200,000	1	1
\$200,001 – \$290,000	2	–
\$290,001 – \$300,000	–	1

	2022 \$'000	2021 \$'000
Short term employee benefits	409	491
Post-employment benefits	76	85
Other (long term) employee benefits	179	165
Termination benefits	9	84
The total compensation of senior officers	673	825

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, 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, funeral transactions with Bowra and O'Dea Pty Ltd had approximately 3,500 funeral transactions with MCB and the appropriate gazetted funeral fees were paid to MCB.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES (CONTINUED)

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:

	2022 \$'000	2021 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	47	47
	47	47

9.8 Equity

	2022 \$'000	2021 \$'000
<u>Contributed equity</u>		
Balance at start of period	13,641	13,641
Balance at end of period	13,641	13,641
<u>Asset Revaluation Surplus</u>		
Balance at start of period	29,929	30,981
<i>Net revaluation increments/(decrements)</i>		
Land	840	–
Buildings	(1,389)	(822)
Infrastructure	–	(230)
Reserves balance at end of period	29,380	29,929

9.8 Equity

	2022 \$'000	2021 \$'000
<u>Financial Assets Revaluation Reserve</u>		
FVOCI Revaluation Reserves		
Balance at start of period	6,619	(2,699)
Management fees resulting in reduction of asset valuations	(527)	(524)
<i>Net revaluation increments/(decrements):</i>		
Fair value assets through OCI	(11,938)	9,842
Reserves balance at end of period	(5,846)	6,619
Total Reserves balance at end of period	23,533	36,548
<u>Retained earnings</u>		
Balance at start of period	26,205	18,873
Balance at start of period as restated	26,205	18,873
Net profit	8,571	7,332
Balance at end of period	34,776	26,205

9.9 Supplementary financial information

(a) Write-offs

During the financial year, property, plant and equipment totalling \$11,713 (2021: \$127,364) was written off MCB's asset register under the authority of the Board. The asset was demolished as the condition of the property were deemed to be irreversibly damaged. Further, there was no salary overpayment written off under the authority of the Board (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES (CONTINUED)

9.9 Supplementary financial information (continued)

(b) Losses through theft, defaults and other causes

	2022 \$'000	2021 \$'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	2022 Actual \$'000	2021 Actual \$'000	Variance \$'000	Variance %
INCOME					
Revenue					
Trading Profit	1	4,481	4,122	359	9
Provision of services and Cemetery leases	2	25,078	23,374	1,704	7
Investment Income		6,911	6,482	429	7
Other revenue		533	816	(283)	(35)
Gains					
Gain/(loss) on disposal of non-current assets		222	142	80	56
Income from State Government					
Assets transferred and services received free of charge		4	-	4	100
TOTAL INCOME		37,229	34,936	2,292	7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

	Variance Note	2022 Actual \$'000	2021 Actual \$'000	Variance \$'000	Variance %
Expenses					
Cost of sales		1,107	984	123	12
Employee benefits expense	3	12,547	13,391	(844)	(6)
Supplies and services	4	7,631	6,578	963	16
Depreciation and amortisation expense		3,653	3,874	(221)	(6)
Cemetery lease and other expenses	5	3,718	2,774	944	34
Finance costs		2	3	(1)	0
TOTAL EXPENSES		28,658	27,604	963	3
PROFIT FOR THE PERIOD		8,571	7,332	1,238	17

Variance Notes

1. Trading Profit

The variance is due to higher number of Mausoleum crypts leases sold for the year. Demand for Mausoleum crypts increased driven mainly by higher sales recorded against the newest Stage Seven Mausoleum at Karrakatta.

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 13,000 for the first time, driven largely by a considerable increase in the number of cremation services.

3. Employee benefits expense

Salaries and Wages expense was lower compared to prior year due to ongoing vacancies owing to a tight employment market, lower overtime and shift allowance claims.

4. Supplies and services

A higher variance was recorded against supplies and services due to higher additional ICT hardware purchase as part of COVID-19 mitigation measures for remote work implementation for staff members, additional legal costs, higher temporary labour hire expenditure and higher gardens and grounds maintenance costs incurred.

5. Cemetery lease and other expenses

A higher variance was recorded for Cemetery lease and other expenses mainly due to higher Buildings and Infrastructure maintenance costs, higher Fleet maintenance costs and Utilities charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

	Variance Note	2022 Actual \$'000	2022 Estimate ^(a) \$'000	Variance \$'000	Variance %
INCOME					
Revenue					
Trading Profit	1	4,871	3,255	1,616	50
Provision of services and Cemetery leases	2	25,078	23,858	1,220	5
Investment Income	3	2,437	2,954	(517)	(18)
Other revenue		533	110	423	384
Gains					
Gain on disposal of non-current assets		222	–	222	100
Income from State Government					
Assets transferred and services received free of charge		4	–	4	100
TOTAL INCOME		37,229	30,177	7,051	23

	Variance Note	2022 Actual \$'000	2022 Estimate ^(a) \$'000	Variance \$'000	Variance %
Expenses					
Cost of sales		1,107	950	157	17
Employee benefits expense	4	12,547	13,468	(921)	(7)
Supplies and services		7,631	7,386	245	3
Depreciation and amortisation expense	5	3,653	5,132	(1,479)	(29)
Cemetery lease and other expenses	6	3,718	1,997	1,721	86
Finance costs		2	–	2	100
TOTAL EXPENSES		28,658	28,933	(275)	(1)
PROFIT FOR THE PERIOD					
		8,571	1,244	7,326	589

(a) 2022 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 number of Mausoleum crypts leases sold for the year compared to 2021. Demand for Mausoleum crypts increased with higher sales recorded against the newest Stage Seven Mausoleum at Karrakatta.

2. Provision of services and Cemetery leases

The variance is due to higher number of services for the year completed with the total number of funeral services exceeding 13,000 for the first time, driven largely by a considerable increase in the number of cremation services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

3. Investment Income

The Board received higher than forecast managed fund distributions brought on by positive corporate earnings results from Global and Australian companies although slightly lower compared to prior year.

4. Employee benefits expense

Salaries and Wages expense was lower due to ongoing vacancies hampered by a tight employment market as well as lower overtime and shift allowance claims.

5. 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.

6. Cemetery lease and other expenses

The Board incurred higher Cemetery lease and other expenses mainly due to higher Buildings and Infrastructure maintenance costs being incurred as well higher Fleet maintenance costs and Utilities charges.



CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2022

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 2022.



Joe O'Dea (Jnr)
CHAIR



Darrell Jones
BOARD MEMBER



Kathlene Oliver
CHIEF EXECUTIVE OFFICER

31 August 2022

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 %	2021/22 %	2020/21 %	2019/20 %	2018/19 %
85.0	96.4	96.3	96.5	95.6

The annual survey results exceeded the target by 11.4% 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 2021/22 asset investment program which included a number of chapels, gardens and condolence lounge improvement projects at 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
- a 30% 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.

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 2021/22, 96.0% of the respondents felt that the MCB accommodated their loved one's religious or cultural beliefs extremely or very well. The positive result, similar when compared to 2020/21, is due to the MCB's ongoing stakeholder connectivity with members of Perth's different religious and cultural communities.

	2021/22 %	2020/21 %	2019/20 %	2018/19 %
Accommodation for religious and cultural beliefs	96.0	96.1	97.9	96.5

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	2021/22 %	2020/21 %	2019/20 %	2018/19 %
Chapels	97.6	98.2	99.7	97.7
Condolence lounges	98.1	98.1	98.9	96.7
Memorial gardens	96.0	97.7	97.9	93.8
Lawn burial areas	93.7	95.1	95.4	92.6
Natural burial areas	93.0	94.3	92.4	94.0
Cafes	92.0	94.1	95.7	90.1
Mausoleum	90.5	99.5	97.4	89.8
Toilets	92.3	88.8	92.1	86.7
Monumental burial areas	84.6	88.3	86.4	82.1

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 Mausoleum and Monumental burial areas 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

	2021/22 No	2020/21 No	2019/20 No	2018/19 No
No of funerals	13,372	12,454	12,037	12,050
No of incidents	6	2	–	–

Six incidents were reported in 2021/22, all of which were related to burial services. The Board anticipates that with ongoing enhancements to the Cemetery Record System the number of unfortunate incidents such as these will not occur in the future.

3. Number of complaints received on customer service issues

There were 147 complaints registered during the reporting period (2020/21: 211). The main areas of complaints recorded were:

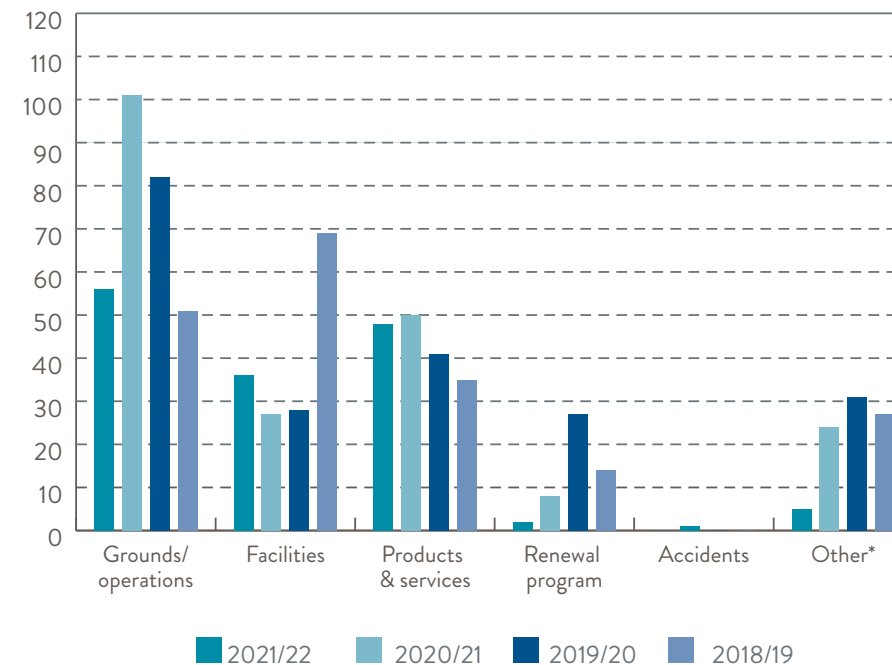
Area of complaint	2021/22		2020/21		2019/20		2018/19	
	%	No.	%	No.	%	No.	%	No.
Grounds/ operations	38.1	56	47.8	101	39.2	82	26.0	51
Facilities	24.5	36	12.8	27	13.4	28	35.2	69
Products & services	32.7	48	23.7	50	19.6	41	17.9	35
Renewal program	1.3	2	3.8	8	12.9	27	7.1	14
Accidents	0	0	0.5	1	0.0	0	0.0	0
Other*	3.4	5	11.4	24	14.8	31	13.8	27
Total	100.0	147	100.0	211	100.0	209	100.0	196

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

Compared to the 2020/21 reporting period, the number of grounds and product services complaints decreased by 64: a reduction of 30%. Most of the products and services complaints were related to staff availability in terms of getting through to staff on the phone and facilities mostly related to the chapel audio-visual system and livestreaming services. MCB has worked on addressing the audio-visual systems with better system upgrades and additional training of chapel staff members and Funeral Directors.

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 147 complaints that the MCB received during the reporting period (2020/21: 211) were handled within the following criteria:

Complaint handling criteria	2021/22 %	2020/21 %	2019/20 %	2018/19 %
Acknowledged within 5 working days	98.0	100.0	97.6	99.5
Responded to within 15 working days	98.0	98.5	99.5	99.5
Investigated and responded to within 2 working days	59.2	55.0	54.8	59.0
Resolved without further incident	95.0	76.3	100.0	100.0

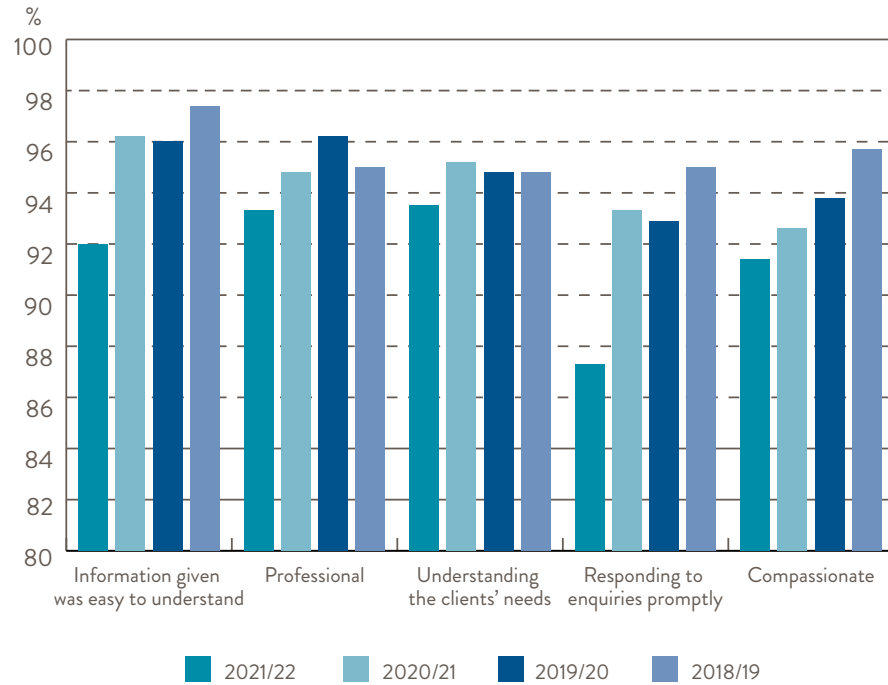
The complaint handling rating decreased from 100% from prior year due to three instances where a complaint was not acknowledged within five days due to COVID-19 related staff absences.

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	2021/22 %	2020/21 %	2019/20 %	2018/19 %
Information given was easy to understand	92.0	96.2	96.0	97.4
Professional	93.3	94.8	96.2	95.0
Understanding the clients' needs	93.5	95.2	94.8	94.8
Responding to enquiries promptly	87.3	93.3	92.9	95.0
Compassionate	91.4	92.6	93.8	95.7

Customer Service Experience



Satisfaction over services provided by our staff members continues to be highly rated, though some of last year's improvements for professionalism and level of compassion have been reversed. MCB received 76 registered compliments and notes of appreciation, a pleasing increase from 53 in 2020/21. MCB was able to achieve high satisfaction rates despite the current COVID-19 environment which has been very disruptive for MCB to deliver its services.

6. Pricing, products and services

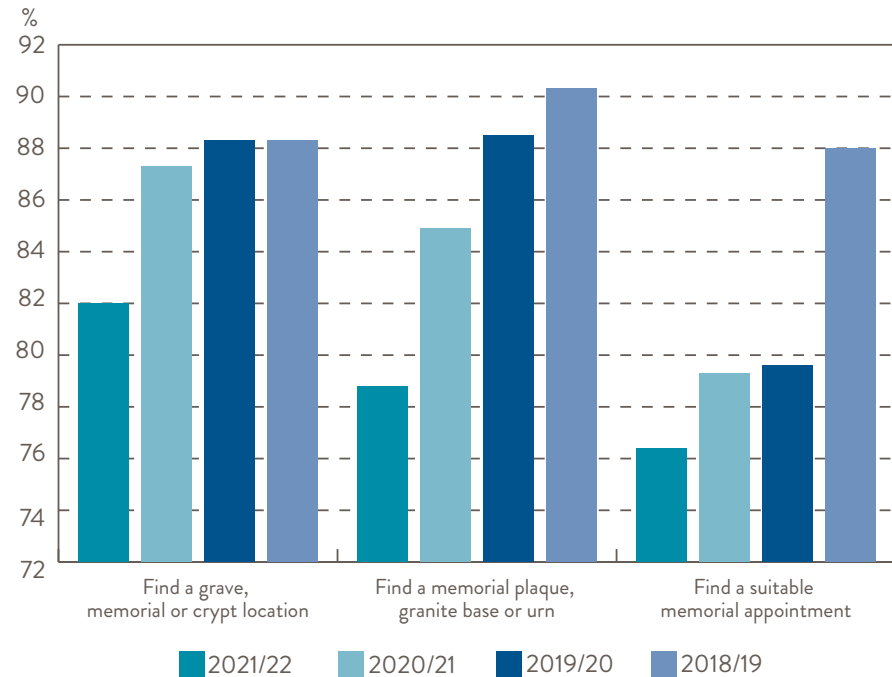
The MCB seeks to provide a range of products and services at prices that enable everyone to find something to meet their needs:

Pricing, Products and Services	2021/22 %	2020/21 %	2019/20 %	2018/19 %
Find a grave, memorial or crypt location	82.0	87.3	88.3	88.3
Find a memorial plaque, granite base or urn	78.8	84.9	88.5	90.3
Find a suitable memorial appointment	76.4	79.3	79.6	88.0

Customers' satisfaction surrounding MCB's pricing and range of products and services declined compared to survey results from prior period albeit only by small amounts. Most of the satisfaction rating falls was related to customer concerns with phone calls not being answered and not being able to get in touch with particular staff members. The board is actively managing this with additional investment into Telephony systems and related ICT software upgrades to mitigate this concern. It is also important to note that the delivery of several services needed to be modified during the review period due to the impact of COVID which may be a driver for the slight drop in satisfaction in these areas.

MCB's cost recovery pricing model ensure 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. 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 2021/22 due to relatively low global inventory levels and longer wait times for delivery from suppliers.

Pricing, products and services



Notes:

1. A target of 85% was set for each indicator. The target percentage considers the environment in which the survey is conducted. Depending on personal circumstances, respondents may be at any stage in the grieving process, which may impact upon their responses.
2. A total of 2,000 surveys were conducted. Family members of the deceased were surveyed where the date of death ranged between 8 January 2021 and 7 January 2022. 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 21 March 2022 to 3 June 2022, 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 20 June 2022.

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 [#]	584	31.1%	+ 3.83%

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 44 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 \$
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
2016/17	2,137	2,309

The average cost per funeral includes all operating expenses. There has been a decrease in the current year's average cost of a funeral compared to the previous year by \$73. The average cost per funeral declined as the total number of funeral services exceed 13,000 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 \$214. This is mainly 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 2021 are as follows:

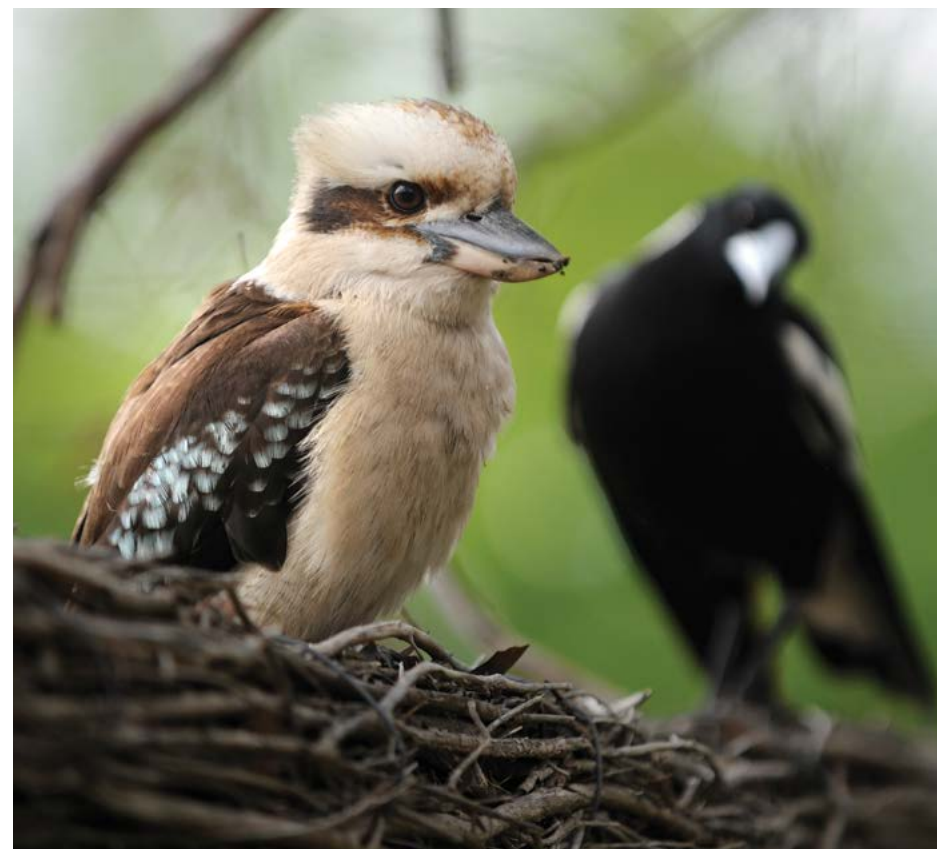
	Average cost per funeral	% Cost greater/(less) than MCB*	Number of funerals
Metropolitan Cemeteries Board*	\$2,216	–	12,454
Southern Metropolitan Cemeteries Trust – Victoria	\$4,626	111%	12,859
Greater Metropolitan Cemeteries Trust – Victoria	\$4,547	107%	12,619
Adelaide Cemeteries Authority – South Australia	\$3,783	72%	3,260

* For comparative purposes, the % cost greater/(less) than MCB has been expressed against the actual MCB figures for the 2020/21 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 2021/22	Gross/actual remuneration 2021/22	Superannuation 2021/22	Total remuneration
Chair	Brenda Robbins			\$14,492	\$1,449	\$15,941
Deputy Chair	Joe O'Dea Jnr			\$7,246	\$724	\$7,970
Member	Darrell Jones			\$7,246	\$724	\$7,970
Member	Bernadine Tucker	Board Fees	1 July 2021 to 30 June 2022	nil	nil	nil
Member	Tom Monks			\$7,246	\$724	\$7,970
Member	Tarvi Haria			\$2,717	271	\$2,988
Member	Dianne Guise			\$7,246	\$724	\$7,970

Ms. Tucker is not eligible to receive Board fees as she is employed in the local government sector. Ms. Haria was employed in the public sector for part of the year and did not receive Board fees for that period.

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
Leonie Liveris*	Historian		nil
Scott Rogers	OAWG	Sitting fee	nil
Don Whittington	Community Representative	(\$86 per meeting)	\$86
Fiona Bush	Genealogist		\$86
John Taylor	Architect (Heritage)		\$86

* Resigned 16 April 2022

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 two instances where the Western Australian Government purchasing card was inadvertently used for a personal purpose.

On both instances the responsible officers notified the Acting Chief Finance Officer and settled the full personal use amount within the required five business days period. The amount of the expenditure was immaterial, and the mistakes were due to inadvertent 'pay pass' transactions on both occurrences.

The total amount for the two instances due to personal use expenditure for the reporting period was \$122 (2020/21 Nil).

Expenditure on Advertising, Market Research, Polling and Direct Mail

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

Market research – Research Solutions	\$27,631
Media advertising – Initiative Media	\$5,535
Total expenditure for 2011/22	\$33,166

Disability Access and Inclusion Plan

The MCB developed and published a new Disability Access and Inclusion Plan (DAIP) 2022-2026. The new plan delivers a renewed focus for achieving access and inclusion for people with a disability over the next five years when accessing the MCB buildings, facilities and services.

New employment related initiatives

- New height adjustable desks installed at Reception at Karrakatta Cemetery.
- Work commenced to the Karrakatta Cemetery Board Room and Training Room to be upgraded and levels rectified to improve accessibility into buildings, and access from the building to the rest of Administration.

Improved disability access for the community

The MCB includes access and inclusion considerations when conducting building and facility assessments at all cemetery sites. This year, disability access improvements to building and facilities for the community include:

- Ambulant/disabled toilet facilities installed at the Karrakatta Cemetery's Norfolk Chapel.
- Karrakatta Cemetery Café's door upgraded to improve access into the building.
- Rolling program to upgrade car parks to ensure disabled parking is available. Karrakatta East Perth Memorial Gardens car park completed.
- Public information stations installed at Karrakatta Cemetery and Fremantle Cemetery and include relevant disability and access information. Stations will be installed at other sites in the future.

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

- Continuing compliance of the MCB's internet and intranet in meeting Web Content Accessibility Guidelines (WCAG) accessibility standards level AA in accordance with the State Government Standards.
- Utilising the Access and Inclusion Resource Kit Checklist for Creating Accessible Events.
- Utilising the Access and Inclusion Resource Kit and the Building and Facilities Checklist for all Planning and Operations capital works, pathways and parking projects.
- Monitoring and updating maps and signage for disability access parking and facilities.
- Continuing to identify and minimise access barriers in office facilities for people with a disability.

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:

- 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 CEO 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, are usually 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 or a thank you card is a sufficient gesture that is appreciated.

All employees are required to declare any gifts or hospitality offered to them in 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 has updated its National Police Clearance Policy to identify that all positions are positions of trust that require a National Police Clearance Certificate. These include positions with financial responsibilities, access to confidential records, and access to MCB assets, cremators and burials. As a result, all employees are now required 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 MCB job.

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 2021-2022.

Compliance with Public Sector Standards

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

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

The MCB Code of Conduct is aligned to the Public Sector Code of Ethics.

The MCB Code of Conduct was updated and published in 2021.

The MCB Code of Conduct and some 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 training, and refresher training every three years.

Related Policies that were reviewed and updated in 2021/22 include:

- Acceptable Behaviour and Misconduct Policy
- Hospitality/Entertainment Expenses Policy
- Misconduct Policy
- Public Interest Disclosure Policy

Grievances

There was one informal workplace grievance lodged in 2021/22 which was managed and resolved internally through mediation.

Discipline

There were two formal discipline matters being managed in 2021/22.

These discipline matters were in relation to:

- Breaches of the Code of Conduct in relation to being disrespectful to colleagues and supervisors, and offensive and inappropriate personal behaviour in the workplace, which included bullying behaviour.
- Disobeying or disregarding lawful instructions.
- Falsifying timesheets

Both matters resulted in termination of employment and both dismissals have been challenged in the Western Australian Industrial Relations Commission. Settlement was reached in one matter and the second case is ongoing and will be resolved in 2022/23.

Misconduct

There were two suspected misconduct matters in 2021/22 that were referred to the Public Sector Commission.

A final report was provided to the Public Sector Commission on the first matter, and this was closed with no further action to be taken. The second matter was subsequently referred to the Corruption and Crime Commission by the Public Sector Commission as suspected serious misconduct. Additional information was sought on this matter by the Corruption and Crime Commission and once provided, the matter was dismissed with no further action to be taken.

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.

This program was delayed in 2021/22 due to COVID-19 and is currently under review.

Records Management

The MCB is committed to using an accountable and transparent framework for the management of its records. Currently, the MCB is compliant with the *State Records Act 2000 (WA)* demonstrated by the approved Recordkeeping Plan that outlines in detail its recordkeeping program.

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

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

The MCB's Recordkeeping Plan was reviewed and approved for a period of five years by the State Records Commission on 23 March 2018 and is due for review in March 2023.

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 Metropolitan Cemeteries Board approved electronic records and document management system HP Content Manager 9.1.0.

As a consequence of COVID-19 mandated restrictions and staff changes in the Knowledge Management section the training program has not been delivered for the past twelve months.

It is anticipated a new training program will be developed which will include induction and refresher training in consultation with office-based staff at the various cemetery sites. This will ensure 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.

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
Awarded	Nil
Reported on	
Commenced reporting	Nil
Continued reporting from previous financial year	Nil
Target training rate	
Met or exceeded	Nil
Did not meet	Nil
Granted a variation	Nil

Substantive Equality

The MCB is committed to the principles of substantive equality and the elimination of systemic racial discrimination from all its policies, practices and services. The MCB EEO Policy has been updated to include Substantive Equality Staff work towards providing services that meet the different needs of Western Australia's diverse community.

WA Multicultural Policy Framework

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.

Work Health and Safety and Injury Management

Commitment

The MCB is committed to undertaking appropriate safety and health measures to minimise hazards and risks of workplace injuries or illnesses. The MCB's leadership team provide direction and support to ensure the MCB meets its responsibilities and accountabilities under the requirements of the new *Work Health and Safety Act 2020 (WA)*, the *Work Health and Safety (General) Regulations 2022 (WA)* and any other relevant legislation, codes of practice, guidance notes and Australian Standards as far as is reasonably practical. The MCB provides guidance for all workers (including school-based trainees and apprentices), contractors and visitors in meeting their legal obligations.

The MCB's leadership team demonstrates commitment by:

- supporting safe systems of work
- strongly encouraging the reporting of incidents, hazards and near miss occurrences.
- reviewing and implementing opportunities for continuous improvement
- valuing employee contributions and involving them in decision making.
- providing safe and effective mechanisms and support to perform the safety function and achieve desired work outcomes.
- providing resources for necessary training.

All MCB policies are reviewed and signed by the CEO. 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.
- Assessing 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 management within the workplace.

The MCB is committed to sharing relevant information about safety, health and injury management with management, workers and contractors via the following methods:

- 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, worksite Coordinators and HSR's attending.
- Mandatory training on equipment and safe work procedures.
- Injury management training for managers/supervisors, to promote return to work ASAP.
- Safe Work Month workshops for HSR and OSH Officer.

- OSH 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 the utmost importance to the MCB. The MCB uses a systematic approach to planning and the implementation of workers' compensation and injury management, consistent with the *Workers' Compensation and Injury Management Act 1981 (WA)* and the *Workers' Compensation and Injury Management Regulations 1982 (WA)*.

The MCB has an Injury Management Policy, which is available to all employees via the MCB intranet. This is discussed during the corporate WHS induction, and as required.

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

- Promoting a safe and healthy workplace (the MCB's primary aim).
- Consultation between the worker, their medical practitioners and the MCB team on the management of the injury or illness.
- Commencing appropriate injury management/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 one workers' compensation claim from 2018/19, and two from 2019/20. One is in dispute and the other will be finalised before the end of July 2022.

In 2021/22, the MCB received three new workers' compensation claims, of which two have been finalised.

The MCB has four active workers' compensation claims at the end of 2021/22. Three of these are open and one is in dispute from 2020/21.

Occupational Safety and Health Management Systems

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

The MCB utilises the WorkSafe Plan, comprising five elements:

- management commitment;
- planning;
- consultation and reporting;
- hazard management;
- training and supervision.

This OSHMS assists in hazard identification and risk management, which reduces the likelihood of workplace injuries or illness, provides for continual evaluation and improvement and ensures compliance with relevant legislation.

The MCB's online incident reporting system. Forms part of the OSHMS. 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 OSHMS 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 5 why approach.

The MCB monitors the OSHMS, which has been reviewed by an external auditor in March the 2020/21 financial year. The MCB is working towards implementing the recommendations to make further improvements.

The MCB is committed to the safety of all and maintaining an effective OSHMS.



Occupational safety and health and injury management performance against targets

Measures	Results Prior year 2019/20	Results Prior year 2020/21	Results Current reporting year 2021/22	Targets	Comments about targets
Number of fatalities	0	0	0	0	Target achieved
Lost time injury and disease incidence (LTI/D) rate	3.89%	1.35%	0%	0 or 10% reduction in incidence rate	Target achieved. Number of claims same as previous year, with only 2 LTI/D requiring time off work.
Lost time injury and disease (LTI/D) severity rate	17%	2.03%	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	> 80%	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	64%	90%		Greater than or equal to 80%	Target not achieved – as due to COVID-19 restrictions and operational needs unable to facilitate training.

MCB OSH Policy Statement

Objectives and Targets: To continually improve workplace safety and health the MCB this financial year will work towards:	2020/21	2021/22	Result
A reduction in the incidence rate of Workers' Compensation claims resulting in one or more weeks off work of at least 30%	1	1	Target not met. 0% reduction
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	1	Target not met. 0% reduction
Improve Safety Performance by increasing hazard and near miss reporting by at least 10% (compared with the previous financial year)	37	36	Target not met. 2.78% decrease.

Corporate Governance

The corporate governance framework guided 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 this year.

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

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 six times in 2021-22 and ensured that risk management was effective.

The MCB's delegation of authority comprises appointments, authorisations, financial authorisations, procurement, ICT and HR. The table of delegations, authorisations and appointments ensures that MCB officers have the appropriate legal authority to exercise powers and carry out certain actions for which they are personally accountable. Effective delegation and authorisation ensure the transfer of decision making and accountability within the MCB's operations and are critical to the achievement of outcomes. This policy and framework, including all delegation levels was extensively reviewed and updated early in 2022 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 CEO and the Board. During 2021/22 26 policies were drafted or reviewed and updated.

The MCB's risk register was reviewed and updated continually during 2021/22. 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.

This Framework was extensively reviewed during 2021-22 and a session is planned for the 2022-23 year to review all of the MCB's risks. Several Internal audits were completed in 2021-22 including one specifically on Fraud Risk Management.

A risk dashboard is presented to the CFAR and the Board on a quarterly basis. The dashboard is an overview of the risk register, providing a visual focus on extreme, high and moderate risks. It also contains action statements and details of work in progress to mitigate these risks. Risks are managed through the risk software system Tickit-on-Demand.

Accountability

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

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

Complaints and Feedback

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

All Client Services 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 147 complaints recorded from 1 July 2020 to 30 June 2021, a marked decrease from 211 in 2020/2021.

98% of complaints were acknowledged within five days as per the Complaint Handling Guidelines. The three instances where a complaint was not acknowledged within five days was due to staff absences.

98% 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.

59% of complaints were investigated and resolved within two working days, exceeding expectations with regards to the Complaint Handling Guidelines. 95% of complaints handled by the MCB were resolved without further incident.

The 147 complaints the MCB received in the 12 months to 30 June 2021 met the following criteria:

- Acknowledged within 5 working days 98%.
- Responded to within 15 working days 98%.
- Resolved without further incident 95%.

Complaints regarding MCB Grounds/Operations were down to 38% of complaints received, compared to 48% last financial year. There were increased complaints regarding Products and Services, which could mostly be related to difficulties clients experienced getting through to staff on the phone.

Complaints regarding Facilities also increased from 27 in 2020/2021 to 36 in 2021/2022. Complaints regarding Facilities mostly related to issues with the chapel audio-visual system and livestreaming services.

There was again a marked decrease in complaints regarding the Cemetery Renewal program – only two in 2021/2022 compared to eight in 2020/2021 and 27 in 2019/2020.

Complaints in the 'Other' category include – complaints regarding MCB contractor, issues with MCB policies and funeral directors.

23 instances of vandalism and car break-ins were reported to the MCB. This is an increase from 16 in the previous period. The MCB continues to liaise with the Police on this matter.

Complaints by Category		
Accidents	0	0%
Facilities	36	24.5%
Grounds/Operations	56	38%
Products/Services	48	33%
Cemetery Renewal	2	1.5%
Other	5	3%
Total	147	100%

Compliments

The MCB received 76 registered compliments and notes of appreciation, a pleasing increase from 53 in 2020/2021. These were mostly relating to the service and assistance provided by Client Services and Operations staff.



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