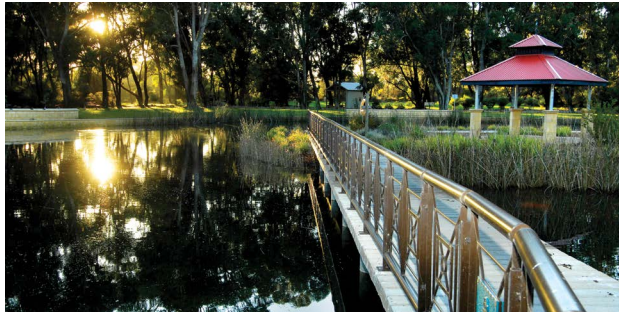




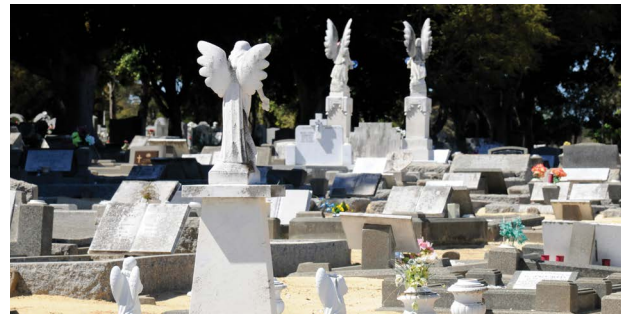
METROPOLITAN
CEMETERIES BOARD



ANNUAL REPORT 2020-2021



Commemorating lives lived



WHAT OUR CLIENTS SAID ABOUT US

“Midland grounds are very well cared for, peaceful and pleasant to visit”

“Good selection and friendly staff at Fremantle to assist with selection”

“The map and price list provided by Karrakatta staff helped with choosing before placing the order on site”

“It was very convenient to use the condolence lounge - catering was excellent”

“St Jude Chapel was a beautiful place for my Father's crypt and it presented well for the service”

“When picking up Mum's ashes, the staff at Fremantle were very compassionate”

“A very clear and concise map provided”

“The staff we dealt with were wonderful in meeting our needs for our son, who passed away suddenly and tragically”

“Very attentive and helpful”

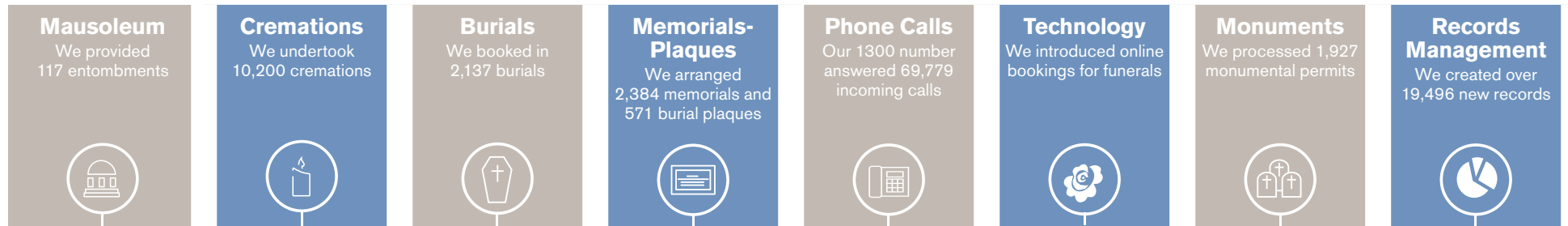
“Staff were knowledgeable and friendly”

“Pinnaroo is beautiful and peaceful. I visited Pinnaroo with my mum before her passing and I know she was happy to be buried there”

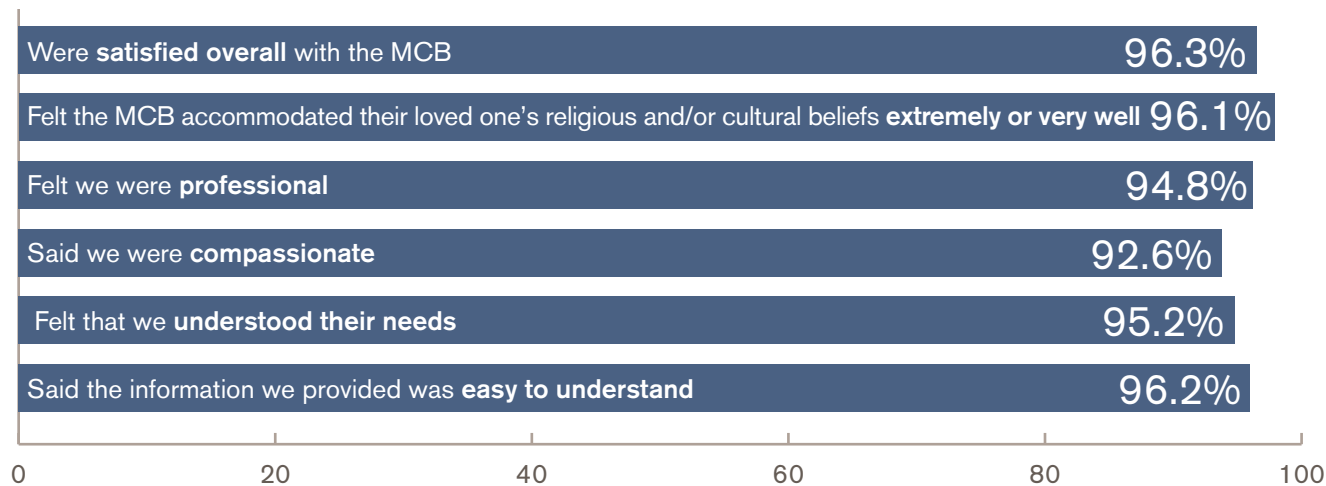
“Fremantle Cemetery is always immaculately kept”

THE YEAR IN REVIEW 2020-2021

We helped Western Australian families by providing 12,454 funerals this year



2021 CUSTOMER SATISFACTION SURVEY



OTHER KEY ACHIEVEMENTS

- A portion of Guildford Cemetery listed as Heritage 'Early Graves'
- Over \$300,000 donated to Cancer Council this year, totalling \$1.26 million contribution
- East Perth Cemeteries Memorial Gardens established at Karrakatta Cemetery
- Development of new burial area Lawn X at Fremantle Cemetery
- Over 10,000 shrubs and trees planted across all sites

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

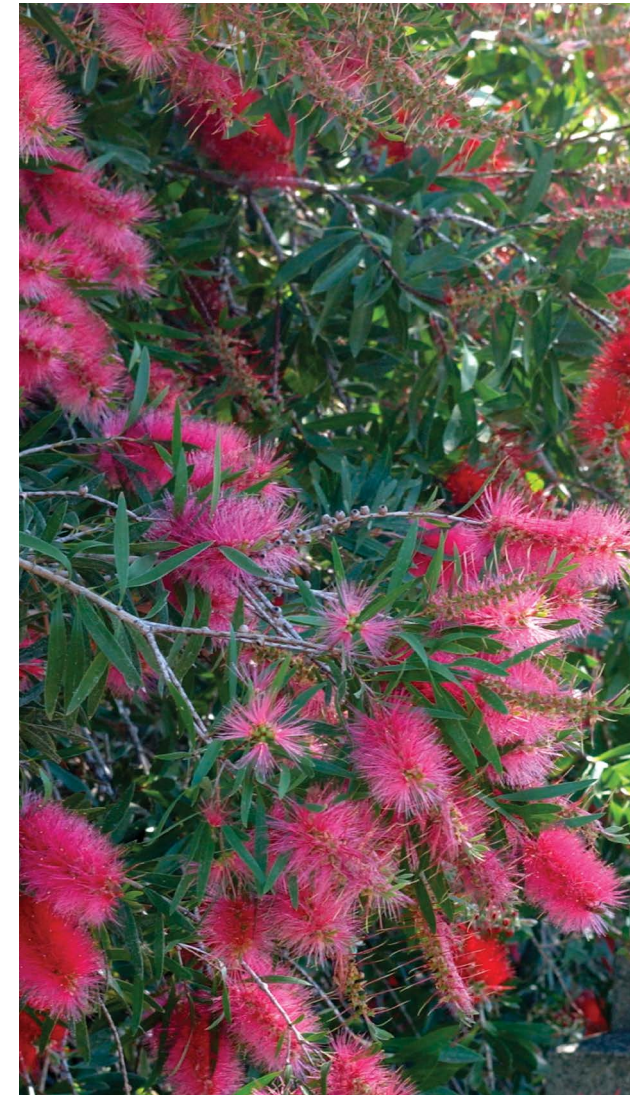
Gnangara Aboriginal Cemetery*

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 2021

Hon. John Carey MLA

Minister for Housing; 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 2021.

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; Local Government

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

Brenda Robbins

CHAIR

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

Peter Deague

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

The level of satisfaction with the MCB's services continues to be high, with a community rating of 96.3% per cent, as measured through the annual customer satisfaction survey. This result can be attributed to all MCB staff working together to understand and meet customer expectations, whether in the office, on the telephone, online or out in the grounds.

Tellingly, satisfaction has remained high throughout the pandemic despite considerable disruption to the delivery of funeral services during key lockdown periods; a testament to the agility of MCB staff and the community's willingness to band together during a difficult time.

During the year there were 12,454 funerals comprising 10,200 cremations, 2,254 burials and entombments across the seven cemeteries under MCB management. This was an increase of 417 funerals from 2019/20. In addition to these core services, staff assisted families in the provision of 571 burial plaques and 2385 cremation memorials and 184 mausoleum entitlements.

Community Participation

Connecting with history

The MCB remains committed to community education and to encourage learning in the cemetery environment. Whilst the MCB has traditionally hosted tours and welcomes groups into the grounds, COVID 19 restrictions significantly dampened these activities throughout the year. Whilst Karrakatta staff welcomed a group of palliative care Chaplains during October for a cemetery tour, the traditional school based tours and general interest activities (garden and historical tours.) remained subdued and on hiatus due to the pandemic.

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

With the ability to engage in a face to face fashion being restricted throughout the year, MCB staff took the opportunity to refurbish the three historical trails at Karrakatta and Fremantle Cemeteries that had become weathered with the passage of time. The trails enable visitors to navigate their way through the grounds following a series of interpretive signs located at sites of historical interest utilising a smart phone and QR codes that link to detailed online resources. Appropriate for the current pandemic environment: the trails are self-guiding, outdoors and naturally lend themselves to the practice of social distancing.

Conditions permitting, the MCB looks forward to continuing 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 community, the Greek community and the Muslim community in order to ensure their religious and cultural needs are met now and for the sustainable future.



Pertinent to ensuring strong relationships with cultural and religious groups, the MCB continues to be responsive to requests from individual groups and works with them to realise the outcome of cemetery facilities that meet specific requirements.

During the review period, MCB staff worked with members of the Ahmadiyya Muslim community to secure a significant number of pre-purchased grave sites at Fremantle Cemetery. These graves will enable members of this small community to be buried alongside each other for many generations to come.

The MCB is also responsible for the management of Gngangara 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.

As at June 30 the MCB's Reconciliation Action Plan is undergoing an internal review and will be complemented by the MCB's first formal Multicultural Plan which has been finalised and approved.

Events to Celebrate, Honour and Engage with our Communities

Following significant disruptions and a series of cancellations due to the pandemic, long-standing spiritual events were warmly welcomed back to the cemeteries in the second half of 2020. 2021 events, fortuitously, avoided the lockdown events that defined the first half of 2021.

Whilst events proceeded the delivery format was modified with reduced capacities, social distancing and hygiene stations all implemented in response to the pandemic. Recognising the concerns associated with large events, a live streaming service was introduced for the three community masses that are hosted by the MCB within the mausoleums. The service meant that families could enjoy mass within the comfort of their own home.

Attendance numbers at the All Souls Day Masses (Karrakatta and Fremantle), Easter Mass (Karrakatta) and Feast of the Annunciation Rosary were lower than at any other point in their long history. It is apparent that, although restrictions have, at times, been reduced, broader health concerns still weigh upon the decision to attend. The Board respects this and will continue to offer livestreaming so as to both continue the important tradition of these treasured community events and proffer some degree of societal normality during these unprecedented times.

A partial return to normal also transpired at Pinnaroo Valley Memorial Park with The Easter Sunday Sunrise Service returning to the park after being cancelled in 2020 due to the pandemic. Hosted by the Anglican Parishes of Kingsley North-Woodvale and Whitfords Anglican Community Church, the service took place and operated with COVID safe principles in place. Increasingly well patronised, the MCB was pleased to provide support staff to assist with parking and to welcome the parishes and their congregations back to Pinnaroo after their absence.

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, in 2021, reached the \$1m donation milestone. As at June 30, the MCB's donations to the Cancer Council now total over \$1.2m.

The MCB remains committed to this important initiative and proud of this important community impact. The Cancer Council WA continues to express its gratitude to the MCB and has acknowledged the value of the most recent donations particularly given the harsh climate that the pandemic has presented for organisations heavily reliant upon donated funds.

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.

During 2020/21, planning and construction works for Fremantle's newest burial area, Lawn X, were progressed. When the new lawn is completed, it will provide approximately 500 new burial plots for the community. In nearby Sainsbury Gardens a number of garden beds were reconfigured and expand so as to provide a number of new rose memorial options for Fremantle clients.

At Karrakatta, a range of new memorial gardens have been integrated within the recently renewed COBA and EA burial sections. These gardens will provide a range of traditional memorial options, bordered by new and established burials, shaded by a number of mature Eucalypts.



The establishment of the new gardens was complemented by a number of refurbishment projects across the site.

In the North, the Santalum Court memorial precinct continues to resonate with families so much that the area needed to be extended. A range of paths and gardens for memorialisation have now been added; all within earshot of the waters that run throughout the popular Santalum Creek water feature. Refurbishment works were also completed within the Sir Thomas Meagher precinct to provide new options within one of Pinnaroo's original ornamental lakes. To meet ongoing demand for memorial trees and to bolster the park's unique bushland aesthetic, a considerable volume of new tree stock was also planted throughout the park.

At Midland Cemetery, two new Reflection Walls for memorialisation were constructed as were general garden works. In neighbouring Guildford Cemetery, a number of beautification works were undertaken. Considerable tree planting also took place at Midland and Guildford; both to enhance the green aesthetic and to provide memorialisation options.

In the Southern Corridor, planning for new burial lawns at Rockingham Regional Memorial Park commenced. Significant refurbishment works were also undertaken in several of the park's older memorial gardens.

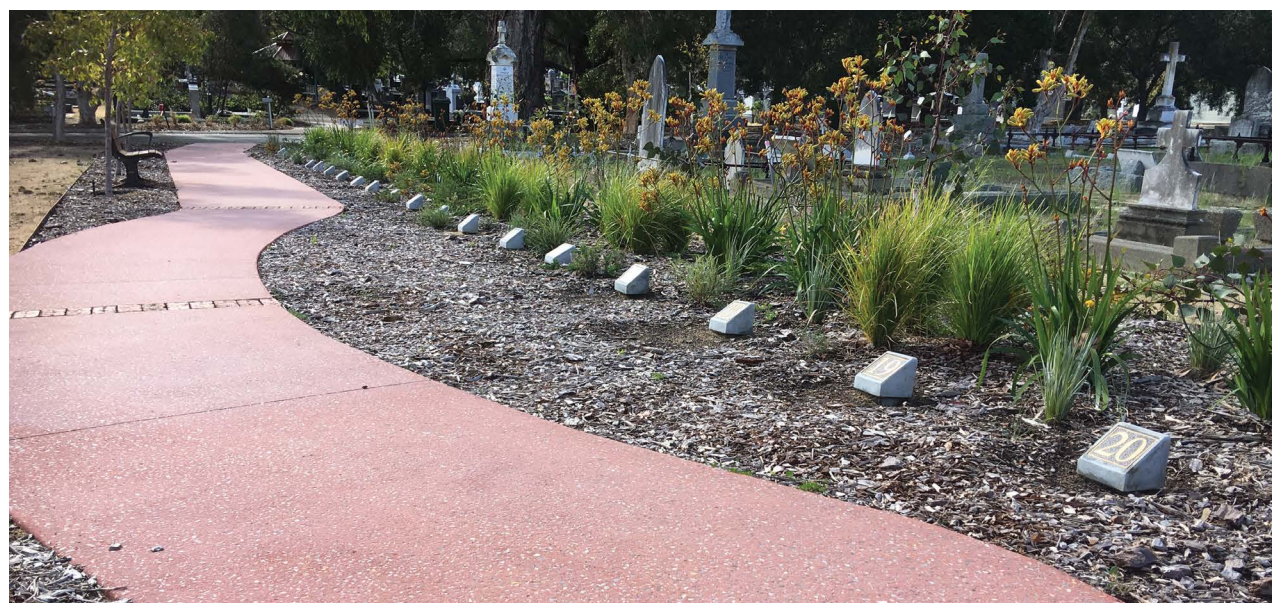
This involved a review of the site's plant palette as many of the original native species planted at the park were due for replacement.

East Perth Cemetery Repatriation

Between June and December 2020, the MCB received 291 ossuary boxes containing the remains of 456 individuals exhumed by archaeologists from the Old Perth Girl's School site at East Perth. The remains were from the Presbyterian and Chinese sections of the original East Perth Cemetery and are believed to be amongst some of the earliest burials in Perth.

The remains were interred into 33 graves in the East Perth Cemeteries Memorial Gardens at Karrakatta. The memorial garden was established within an older burial section at Karrakatta with landscaping; comprising a path, seat and native species plantings being finalised.

All details relating to each of the remains has been recorded in the MCB cemetery record system and a memorial will be erected on site later in 2021.



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 – OSH, 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.
- COVID-19 Temperature Screening Training (Supervisors and SHR Reps).
- 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 new 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.

Other training was again 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 2019 in accordance with the Public Sector Commissioner's Instruction No. 23: Conversion and Appointment of Fixed Term Contract and Casual Employees to Permanency.

No fixed term or casual employees 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, nearly one-third of Tier 2 and 3 of management are female, and 12 per cent are from culturally diverse backgrounds.

The MCB is working towards achieving the new PSC diversity targets, and has achieved and exceeded the 5% 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.

Workforce Diversity	PSC Targets	MCB Profile 30 June 2020	MCB Profile 30 June 2019
Male employees	N/A	60%	64.2%
Female employees	N/A	40%	35.8%
Women in Tier 2 & 3 management	43%	30.4%	31.6%
Aboriginal	3.7%	2.6%	3.13%
People with a disability	5%	3.89%	3.14%
Cultural & linguistic diversity	N/A	12.32%	11.95%
Youth (under 25 years)	5.8%	5.84%	7.41%

Workforce Diversity	PSC Targets	MCB Profile 30 June 2020	MCB Profile 30 June 2019
Mature age (over 45 years)	N/A	63.5%	66.66%
Mature age (over 55 years)	N/A	32%	34.57%

MCB Age Profile	Male	Female	Total
15–25 years	2.47%	4.32%	6.79%
25–35 years	9.26%	3.70%	12.96%
35–45 years	12.96%	4.32%	17.28%
45–55 years	17.90%	10.49%	28.40%
55–65 years	18.52%	11.73%	30.25%
>65 years	3.09%	1.23%	4.32%
Total	64.20%	35.80%	100.00%

The MCB has a mature age workforce with 63.5 per cent of employees over 45 years of age, and 32 per cent over 55 years of age.

Increasing diversity – youth employment

The MCB has 11 employees under 25 years of age. The majority of these are current and former apprentices and trainees.

As at 30 June 2021, the MCB had two Horticultural apprentices, one school-based trainee, and one Indigenous trainee, and recruitment action underway for two new Horticulture Apprentices, of which one is an Indigenous Apprentice.

A former school based trainee / youth trainee, who is in a Level 1 trainee transition position, has been successful in a Level 2 pool recruitment process, and is waiting for a permanent Level 2 vacancy.

One apprentice who completed his apprenticeship this year, was appointed to a permanent position.

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.

The MCB is hosting an Aboriginal trainee in an administrative position in 2020/21, and is taking on an Aboriginal Horticulture Apprentice in 2021/24.

A Respectful and Trustworthy Workforce – Living our Values

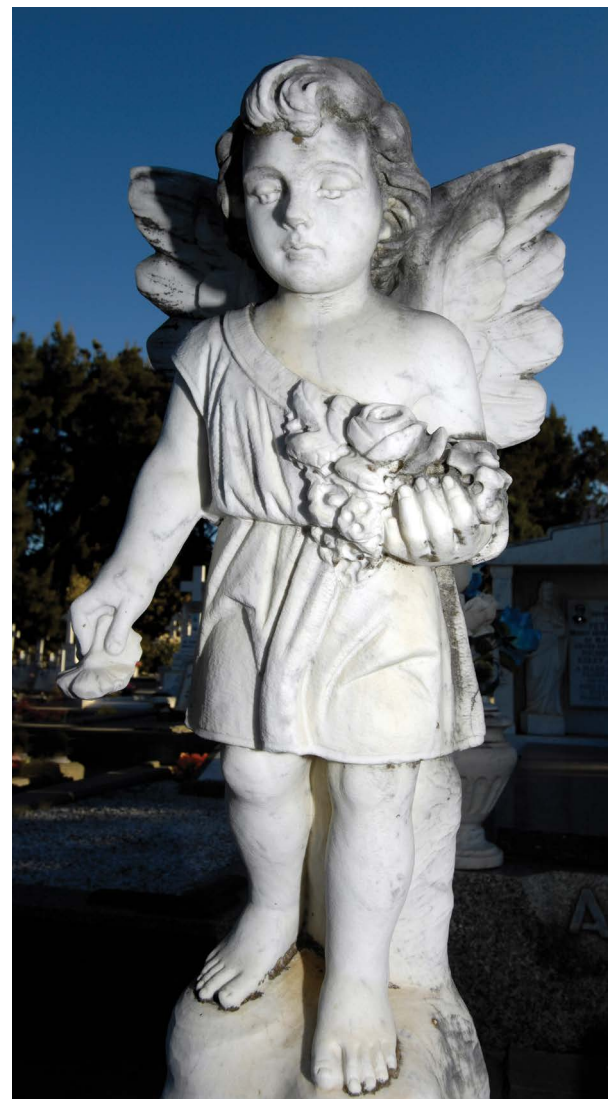
All employees are required to attend Accountable and Ethical Decision Making training every three years, and all new employees are required to attend in their first year of employment.

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

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

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

In 2020/21, discipline action was commenced for one employee for serious breach of the Code of Conduct, disrespectful conduct, and disobeying or disregarding lawful instructions to treat others with respect.



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

Various OSH, risk assessment and emergency training was provided to employees:

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

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.
- Promoting mental health days with morning teas – RUOK? Odd Socks etc.
- 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

The MCB's Working From Home Policy and Application Form were updated as part of the COVID-19 readiness plan.

Employees were encouraged to submit a working from home application for OSH 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.

EAP Services Provided in 2020-2021

Quarter	No. Employees	Hours
September Quarter	3	5 hrs
December Quarter	5	8 hrs
March Quarter	11	27.5 hrs
June Quarter	8	13.25 hrs
Total	16	53.75 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 employees 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.

Other Matters

Superannuation Guarantee Amnesty Audit

In 2020, the MCB initiated an audit of its employee Superannuation payments which revealed that superannuation guarantee contributions (SGC) was not being paid on annual leave loading based on it historically not being superable.

However, in 2019 the ATO updated its website information to provide that unless it can be demonstrated that annual leave loading is paid for loss of overtime earnings, SGC is to be paid on annual leave loading.

The MCB applied for the ATO Superannuation Amnesty for the payment of SGC on annual leave loading back to the date of effect of the 2009 SGR Ruling of 1 July 2009.

The amount of the SGC underpayments was calculated for each employee, and payments were made, together with ATO prescribed fees and interest, to employees via the ATO. These payments were finalised in 2020/21.



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), 30 Funeral Directors were licensed to operate within cemeteries controlled by the MCB and 11 monumental masons were licensed by the MCB.

The MCB is committed to supporting the ongoing education and learning within the industry and values the contributions that the industry stakeholders make in maintaining high industry standards and excellent service delivery to the community.

The MCB continued to offer learning support as required by individual FDs as opportunities for collective education and training were limited again this year in between COVID – 19 focussed activities. Training and support however was able to be offered with respect to the MCB's new on-line bookings portal. Funeral Directors have been provided with a funeral bookings system that allows on-line bookings and uploading of funeral application documents. The system is available for use 24/7. This has been a significant change in operations for funeral Directors and the MCB.

The MCB continues to assist with interpretation of legislation and its application in the context of administrative and operational requirements, use of the audio-visual systems, and OSH matters such as safe work practices.

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

Under the provisions of the *Cemeteries Act 1986*, the MCB continued to inspect 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 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 in accordance with the *Cemeteries Act 1986*.

The MCB maintains collaborative and productive relationships with key government stakeholders such as the Department of Local Government, Sport and Cultural Industries, Department of Health, Office of Australian War Graves, National Trust, Office of the State Coroner, Department of Communities' Child Protection and Family Support, 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. This enables the MCB to continually work towards improving services to the community, particularly on cross-jurisdictional matters.

This stakeholder connectivity also ensures that the MCB plays an active role in industry relevant consultation processes. During the year, the MCB actively engaged in consultations regarding the Cemeteries and Cremation Act review and during the COVID-19 pandemic has been involved with State-wide pandemic planning activities and industry specific official State-wide communications.

The MCB provides a range of services with several falling into the category of essential: specifically, burial and cremation. 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.

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

The MCB maintained, and continues to maintain, all its services during the pandemic from the core services of burial and cremation through to discretionary services such as cremation memorialisation consultations. Our ability to do so can largely be attributed to effective contingency planning, embracing ICT, the ability to mobilise our resources rapidly and, perhaps most importantly, a dedicated workforce that remain committed to providing this essential community service.

Capital Works

During 2020/21, the MCB developed several new burial and memorial areas and gardens at both Fremantle and Karrakatta cemeteries. In addition to these developments, the planning and design for new burial and memorial garden areas at Rockingham, Guildford and Pinnaroo was undertaken. It is anticipated that construction will commence in 2021/22. These developments provide additional burial and beautiful memorial options for families and will ensure the MCB meets the needs of the community during the coming 5 years.

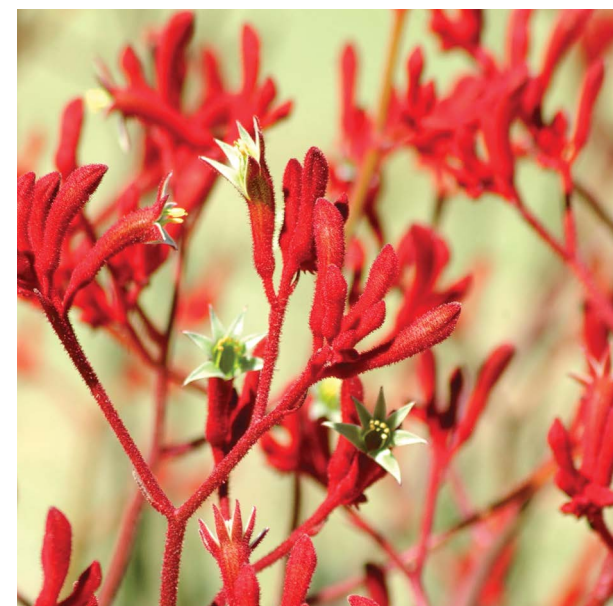
Works are nearing completion at the Karrakatta Norfolk Chapel and Lounge facility. The new works include updating the lounges aesthetical presentation and its public amenities to complement the chapels improvements and to improve its facilities for people with disabilities.

The new works will improve the functionality of the condolence lounge whilst providing increased flexibility and choices for services of varying attendee numbers. The improvements within the chapel will improve the acoustic performance whilst also addressing durability and maintenance issues for internal finishes subject to human impact and wear and tear.

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.

In November 2020, the public consultation process ended for the renewal of Anglican ZO and Anglican ZK sections at Karrakatta. A submission has been prepared and forwarded to the Minister for approval to develop both areas to create over 1000 new lawn burial positions.

In August 2020 works commenced on the renewal of the Congregational EA and Congregational FA sections. Once completed the renewal of these areas will ensure the future requirements of the community for ongoing burials and memorials.

Guildford Cemetery Precinct on State Register of Heritage Places

After many years of being on the register on an interim basis, historic burial sections at Guildford Cemetery were formally listed on the State Register of Heritage Places in June 2021. The MCB has always recognised historical significance attached to these two pockets within the cemetery, and it is a positive outcome for all stakeholders that the heritage classification has now been formalised and the heritage values of the area will be retained.

The locations date back to the opening of what was four denominational cemeteries in 1888 and are potentially amongst the oldest in an operating cemetery within Perth. These areas will be named the Historic Precinct.

Norfolk Island Pines on Register of Significant Trees

During the year the Council of the National Trust of Western Australia, after having received assessment on the Karrakatta Norfolk pine trees resolved that they be CLASSIFIED and entered in the National Trust's Register of Significant Trees.

The National Trust's Register of Significant Trees provides a record of trees with heritage value in Western Australia. Registration has no legal status and does not impinge on the rights of ownership in any way. It is simply a recognition of values. Although registration does not imply a right of access by the public, the MCB does provide clear access for all visitors who wish to enjoy these trees and all of the MCB's beautiful gardens.

Business Systems Review

The MCB has been on a continuous digital transformation journey as part of its strategic direction.

The successful implementation of the Microsoft Dynamics based Cemetery Records System has led to further improvements being identified. A new online portal has been implemented to deliver enhanced services.

As part of the new Microsoft agreement MCB has moved to Office 365 as part of this transition. MCB recognised the importance of its digital assets and their security. There has been a continuous and ongoing focus on cyber security measures.

OUTCOME FOUR:

Our World

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

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

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



Stakeholder Engagement

The MCB is committed to supporting ongoing industry education and development. The MCB provides opportunities for various groups such as Funeral Directors, celebrants and the clergy to run education and learning programs at their facilities and offer practical field training venues for onsite training. Training opportunities for the industry service providers has a positive flow-on effect to the community. Some opportunities this year were lessened due to the various impacts of lockdowns and limited gatherings in the first half of 2021.

The MCB hosts tours to industry-related stakeholder visitors such as new Funeral Directors, celebrants, cemetery workers from other cemeteries, and representatives from cemetery authorities. The MCB is able to demonstrate best practice in areas such as grave digging and cemetery operational equipment, and the latest in crematoria design and operations, cemetery design and maintenance and administration.

The MCB maintains an excellent and collaborative working relationship with the Department of Health. The shared interests include legislative provisions regarding cremation, licensing of crematoria and Funeral Directors, and various public health matters such as licensing of morgues.

This ongoing collaboration is integral to protecting the interests of the community by maintaining health-related standards in the funeral industry and responding to the COVID-19 pandemic.

The MCB maintains a close working relationship with the Department of Local Government, Sports and Cultural Industries to maintain 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).

This year the CCAWA seminar was able to go ahead. The current focus was on mental health in the industry, grave safety, review of the Cemeteries and Cremation Acts and changes happening within the industry. The MCB continued to work closely with AFDA, licenced Funeral Directors and mortuary workers to ensure maintaining funerals and normal service delivery under government guidelines during the pandemic. Close working relationships with the funeral industry facilitated appropriate State-wide pandemic planning.

Up to date public health information relating to the preparation and conduct of funerals was distributed across the industry.

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

The MCB's Business Systems Analyst is the CCAWA President and the MCB's CFO is a board member. The MCB continues to support CCAWA on a range of operational issues, including grave site mapping and marking of graves; grave presentation and safety, The MCB provides resources for CCAWA such as meeting room facilities and resources for video conferencing during the pandemic.

The MCB offered ongoing training to individual Funeral Director companies and community service providers on request throughout the year. Opportunities were limited due to the ongoing COVID situation. Most support was offered via video conferencing or via phone calls. In addition, the MCB offered numerous training sessions on its new on-line bookings industry portal system for Funeral Directors.

Support for Regional Cemeteries

While the MCB's jurisdiction is metropolitan Perth, 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 OSH. The MCB had facilitated training such as crematorium training, and safe gravedigging, however this had to be cancelled as a result of COVID lockdowns.

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

The MCB regularly meets with the Regional Cemetery Boards to discuss current industry focus items.

Water Management

Water management improvements continued at Karrakatta, Fremantle, Rockingham and Guildford during the past year.

Water efficient sprinklers have been retrofitted at Karrakatta and the installation of isolation valves on reticulation mainlines and tap lines will minimise water loss during both scheduled and unscheduled maintenance repairs.

A fertigation system has been installed at Rockingham and a water filter has been upgraded to assist pump flow and efficiency. Replacement of old pipework has been undertaken to prevent breaks and improve monitoring flow rates. Microbe activation products were added to turf sections to improve health and water application efficiencies.

Stage three of the installation of a new tap mainline continued at Fremantle, replacing the ageing galvanised pipework and improving the supply of water to new and existing taps throughout the cemetery. The new installation allows for individual lines to be isolated for repairs without disrupting water supply to other areas.

A fertigation system has been installed at Guildford.

Turf maintenance practices, including coring, vertimowing and the application of wetting agents, have increased and this has been effective in increasing water penetration and turf health. This has helped reduce the amount of irrigation required.

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

Asbestos Management

The MCB has updated its asbestos management plan and asbestos registers for all MCB sites, including the parcel of land that was formally the Swan Animal Haven at Guildford.

The MCB has commenced removing the asbestos found on the Swan Animal Haven site. This work should be completed in the 2022/23 financial year.

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

The MCB has commenced submitting annual reports to the Department of Mines, Industry Regulation and Safety (DMIRS) as part of the National Strategic Plan for Asbestos Awareness and Management (NSP 2019-2023) in January 2022.



Power Issues

The MCB is progressively implementing strategies that minimise risks associated with power fluctuations and outages that cause significant disruptions and inconveniences to the MCB's services and to the public and funeral directors that use our facilities.

Uninterrupted power supply systems have been installed at the Fremantle Cemetery since August 2020 and are nearing completion at the Pinnaroo Valley Memorial Park. These systems help protect the MCB's sensitive ICT infrastructure, the chapels audio visual system and the crematoriums operating systems. Similar power risk mitigation strategies will be implemented at the Karrakatta Cemetery within the 2021/22 financial year.

Strategies are also being progressively implemented that generate energy efficiencies at all MCB sites. These strategies include the installation of additional solar panels, LED lighting and the purchase of portable electric (battery) powered maintenance devices. In addition, investigations have commenced to select a suitable Building Management System that will manage the MCB's buildings air conditioning and lighting requirements to reduce power consumption and costs.

Solar Power

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

During 2020/21 an additional 70KW system was installed at the Fremantle crematorium and chapel complex. This will increase the total site solar capacity to 100KW.

The MCB has installed solar systems at Karrakatta, Fremantle, Pinnaroo, Rockingham and Guildford cemeteries. These combined systems have generated approximately 4,947GJ of power since their installation.

The new system at Fremantle will generate an additional 350GJ per year.

In 2020/21 additional solar power monitoring equipment was installed at the Karrakatta Mausoleum and the crematorium. This new hardware will allow the MCB to monitor exactly how much energy and money each system is saving on a day-to-day basis. The in-depth information gained from this software will aid the decision as to when it is economically viable to install solar power batteries and other new renewable energy technologies.

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

Investigation of alternative fuel sources – Hydrogen

The MCB is investigating the opportunity of using hydrogen gas in its cremators to reduce carbon emissions.

Hydrogen gas as a fuel has net zero emissions; however, it is significantly more volatile as a fuel source compared to natural gas. The management of this volatility is key to introducing hydrogen gas as a fuel source.

Green hydrogen is the most desirable hydrogen gas; however, use of this gas is still in the developmental stages and yet to reach an economy of scale. The MCB would require a large and consistent supply of hydrogen gas for the cremators to be converted to accept this fuel source.

The MCB will continue to investigate the use of hydrogen gas for cremation.

Recycling of Metals Following Cremation

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

The 2020/21 period saw the MCB collect 3,080 kilograms of metal for recycling, which provided \$337,393 in funds.

The MCB has continued to donate this money to the Cancer Council WA. This donation will be used to fund Crawford and Milroy Lodges, which provide accommodation for regional patients undergoing cancer treatment in Perth. The MCB has now donated a total of \$1,249,093 to the Cancer Council WA since 2015.

Sustainable Cemetery System

The MCB received advice during the year from the Chief Property Officer at the Department of Planning, Lands and Heritage (DPLH) that the future cemetery in Bullsbrook and the addition of extra land to the Whitby Cemetery site were on the Department's program. They advised however, that the allocation of the land to the MCB would be held in abeyance until staff and resources were available to progress the acquisition.

The allocation of this land for cemetery purposes assists the MCB in its goal of maintaining a sustainable cemetery system. This was documented in the DPLH's *Perth and Peel @ 3.5 million* land use framework which noted that "further planning is required to identify a suitable location for a future cemetery to service the North-East sub-region".

Knowledge and Records Management

Preservation of historical records and the wider records and knowledge management is an area of continued focus and improvement to ensure compliance with the *State Records Act 2000* (WA) at all times.

New systems have been implemented to create digital information and records whilst still managing the legacy physical records and information. Further projects will be undertaken to implement continuous improvements that have been identified.

Electronic Document and Records Management System (EDRMS) is used to ensure compliance with the State Records Office.

Information & Communications Technology

It has been very challenging to deliver services due to Covid19 constraints. ICT has played an important role in ensuring that public expectations are met to the pre Covid19 standards. MCB has used this as an opportunity to transform its business by expanding the use to technological digital solutions.

The implementation of new initiatives from the ICT strategic plan is progressing as planned. Cyber Security has been and will be an area of continuous focus to ensure that all information is protected.

Microsoft Dynamics systems has been implemented to replace the legacy Cemetery Records System (CRS). MCB has also implemented an online digital service portal to better align with the WA public sector ICT strategy.

MCB' online live streaming services solution was used by the Department of Premier and Cabinet as a GovNext showcase case study.

Reconciliation Action Plan

The MCB is reviewing its Reconciliation Action Plan to ensure it reflects what is meaningful and achievable to develop and strength relationships with Aboriginal and Torres Strait Islander stakeholders, in relation to employment opportunities, MCB cemeteries and burials.

The MCB continues to offer traineeships and apprenticeships to Aboriginal people, and all vacant positions are advertised on the Aboriginal Jobs Board.

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 2020/21

	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	925	459	110	224	461	74	1	2,254
Number of Cremations	3,218	2,961	0	0	2,869	1,152	0	10,200
Employee FTE	56.4	30.6	0	5	24.5	3.1	0	119.5

Notes:

FTEs are operational and do not include corporate support.

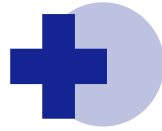
Pinnaroo FTEs provide support to Midland, Guildford and Gnangara Aboriginal Cemeteries.

FINANCIAL OVERVIEW

FINANCIAL PERFORMANCE

12,454

Total Number of funerals



\$2,216

Average cost per funeral



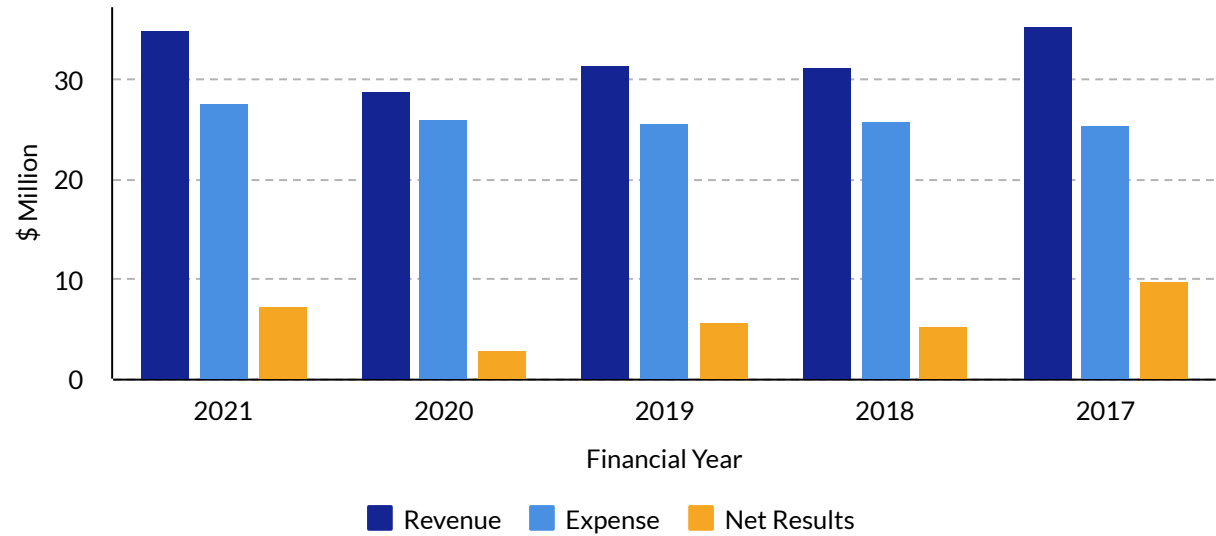
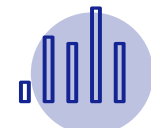
\$27.6m

Expense



\$34.9m

Revenue



SOURCES OF REVENUE (BY TYPES OF FUNERAL OR SERVICE)



CREMATIONS

43%



BURIALS

29%



MEMORIALS

18%



MAUSOLEUM

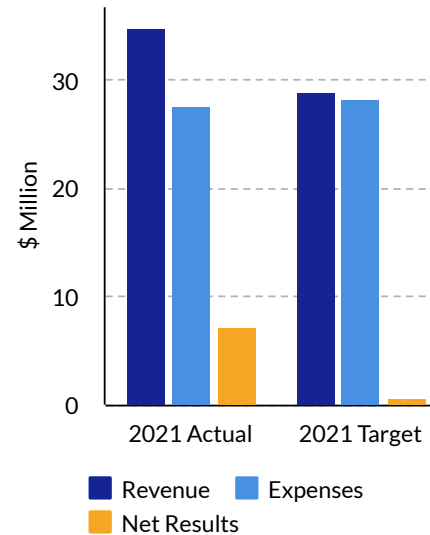
10%

STRATEGIC OUTCOMES

EXPENSES INCURRED IN THE DELIVERY OF SERVICES

	Employee salaries and wages	\$13.4 million
	Supplies and services	\$6.6 million
	Asset depreciation	\$3.9 million
	Maintenance expenses	\$2.8 million

PERFORMANCE HIGHLIGHTS



Key Drivers

-  Lower capital and depreciation spend
-  Higher number of funeral services
-  Higher revenue from investment income

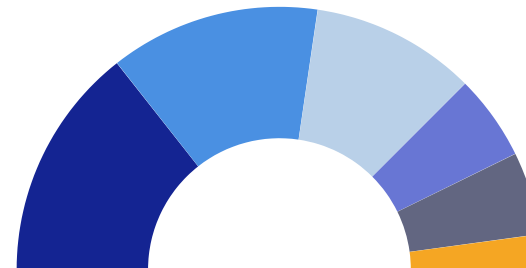
Financial Sustainability







To ensure the financial sustainability of the Perth Metropolitan Cemetery System a component of the Net Results are held as Investments, to be utilised to fulfil the Board's future customer obligations.

Long term care

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

Completed Projects in 20/21



-  Cemetery Records System (28.79%)
-  Plant and Fleet replacement (25.87%)
-  Mausoleum and Chapel upgrades (20.31%)
-  Development of Burial areas (10.5%)
-  Cremator upgrades (10.23%)
-  Other capital projects (4.3%)



— Disclosures and Legal Compliance

RESPONSIBLE PERSON'S DECLARATION FOR FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2021

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

The Chair declares that in her opinion:

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

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Brenda Robbins

CHAIR

Responsible person's declaration

Dated this 6th day of August 2021

AUDITOR GENERAL'S REPORT

INDEPENDENT AUDITOR'S OPINION 2021

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 (Board) which comprise:

- the Statement of Financial Position at 30 June 2021, 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 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, *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 am independent of the Board in accordance with the *Auditor General Act 2006*, *ACNC Act* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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



Auditor General

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006 the Treasurer's Instructions, and the ACNC Act*
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Board.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Metropolitan Cemeteries Board. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Metropolitan Cemeteries Board are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

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 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Metropolitan Cemeteries Board are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2021.

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 it 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* 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 Chair is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Metropolitan Cemeteries Board for the year ended 30 June 2021 included on the Board's website. The Board's management is responsible for the integrity of the Board's website. This audit does not provide assurance on the integrity of the Board's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. 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 of the financial statements, controls and key performance indicators.



GRANT ROBINSON

ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT

Delegate of the Auditor General for Western Australia Perth, Western Australia

12 August 2021

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 and the financial position as at 30 June 2021.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

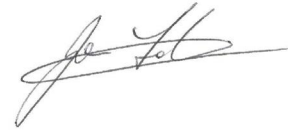


Brenda Robbins
CHAIR

6 August 2021



Joe O'Dea (Jnr)
BOARD MEMBER



Joseph Fortuna
CHIEF FINANCE OFFICER

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
INCOME			
Revenue			
Trading profit	3.1	4,122	3,403
Provision of services and Cemetery leases	3.2	23,374	21,908
Investment income	3.3	6,482	3,087
Other revenue	3.6	816	557
Gains/losses	3.5		
Gains/(losses) on disposal of non-current assets		142	(39)
TOTAL INCOME		34,936	28,916
EXPENSES			
Cost of sales	3.1	984	793
Employee benefits expense	4.1	13,391	13,161
Supplies and services	4.2	6,578	4,921
Finance costs	7.4	3	1
	5.1.1, 5.1.2,		
Depreciation and amortisation expense	5.2.1	3,874	4,486
Cemetery lease and other expenses	4.3	2,774	2,767
TOTAL EXPENSES		27,604	26,129
Profit for the period before Income from State Government		7,332	2,787

	Note	2021 \$'000	2020 \$'000
Income from State Government	3.4		
Resources received		–	114
PROFIT FOR THE PERIOD		7,332	2,901
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.8	(1,052)	247
Changes in financial asset revaluation reserves	9.8	9,842	(5,156)
Management fees incurred through other comprehensive income	9.8	(524)	(509)
TOTAL OTHER COMPREHENSIVE INCOME		8,266	(5,418)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,598	(2,517)

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	4,079	4,843
Inventories	3.1	325	327
Receivables	6.1	8,522	4,492
Total Current Assets		12,926	9,662
Non-Current Assets			
Financial assets through other comprehensive income	7.2	76,442	56,978
Property, plant, equipment and vehicles	5.1	88,398	90,677
Infrastructure	5.1	21,344	21,664
Right-of-use assets	5.1.1	80	73
Intangible assets	5.2	2,355	1,862
Total Non-Current Assets		188,619	171,254
TOTAL ASSETS		201,545	180,916
LIABILITIES			
Current Liabilities			
Payables	6.2	817	692
Employee benefits provisions	4.1	2,276	2,325
Other current liabilities	6.3	130	171
Lease liabilities	7.3	21	12
Pre-need agreements	6.4	922	917
Deferred lease income	6.5	5,544	5,319
Total Current Liabilities		9,710	9,436

	Note	2021 \$'000	2020 \$'000
Non-Current Liabilities			
Provisions	4.1	523	437
Lease liabilities	7.3	61	61
Pre-need agreements	6.4	31,973	28,950
Deferred lease income	6.5	82,884	81,236
Total Non-Current Liabilities		115,441	110,684
TOTAL LIABILITIES		125,151	120,120
NET ASSETS			
Equity	9.8		
Contributed equity		13,641	13,641
Reserves		36,548	28,282
Retained earnings		26,205	18,873
TOTAL EQUITY		76,394	60,796

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 2021

	Notes	Contributed Equity \$'000	Asset Revaluation Reserves \$'000	Financial Asset Revaluation Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2019		13,641	30,734	2,966	97,825	145,166
Initial application of new accounting standards and change in accounting policy	9.8	–	–	–	(81,853)	(81,853)
Restated 1 July 2019 balance		13,641	30,734	2,966	15,972	63,313
Profit (loss) for the period	9.8	–	–	–	2,901	2,901
Other comprehensive income	9.8	–	247	(5,665)	–	(5,418)
Total comprehensive income for the period			247	(5,665)	2,901	(2,517)
Balance at 30 June 2020		13,641	30,981	(2,699)	18,873	60,796
Balance at 1 July 2020		13,641	30,981	(2,699)	18,873	60,796
Profit (loss) for the period	9.8	–	–	–	7,332	7,332
Other comprehensive income	9.8	–	(1,052)	9,318	–	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

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 2021

	Notes	2021 \$'000	2020 \$'000		Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts				Receipts			
Provision of services and Cemetery leases		25,724	23,907	Proceeds from sale of non-current physical assets		269	122
Mausoleum crypt leases		5,620	3,561				
Investment income received		2,397	3,719				
GST receipts on sales		2,629	2,669	Payments			
GST receipts from taxation authority		–	37	Purchase of investments		(10,000)	(4,000)
Other receipts		811	653	Purchase of non-current assets		(3,271)	(5,558)
				Net cash used in investing activities		(13,002)	(9,436)
Payments				CASH FLOWS FROM FINANCING ACTIVITIES			
Supplies and services		(8,778)	(7,405)	Payments			
Employee benefits		(13,370)	(13,032)	Principal elements of lease payments		(22)	(22)
Finance costs		(3)	(1)	Net cash used in financing activities		(22)	(22)
GST payments on purchases		(1,284)	(1,762)				
GST payments to taxation authority		(1,486)	(775)				
Net cash provided by operating activities		12,260	11,571	Net increase/(decrease) in cash and cash equivalents		(764)	2,113
				Cash and cash equivalents at the beginning of the period		4,843	2,730
				CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7.1	4,079	4,843

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 2021

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 XX August 2021.

Statement of compliance

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

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

The FMA and the Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure, format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgement and estimates

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

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 2021

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	2021 \$'000	2020 \$'000
Trading profit	3.1	3,138	2,610
Provision of services and Cemetery leases	3.2	23,374	21,908
Investment income	3.3	6,482	3,087
Income received from State Government	3.4	–	114
Gains/losses	3.5	142	(39)
Other income	3.6	816	557

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. OUR FUNDING SOURCES (CONTINUED)

3.1 Trading Profit	2021 \$'000	2020 \$'000
Sales of Memorial products	4,122	3,403
Cost of Sales:		
Opening Inventory	(213)	(3,689)
<i>Transfer to Property, Plant and Equipment</i>	–	3,622
Reclass of inventory previously classified as not for resale	–	(138)
Purchases (at cost)	(980)	(801)
Closing Inventory	209	213
Cost of Sales	(984)	(793)
Trading Profit	3,138	2,610
Closing Inventory comprises of:		
Vault stock – Midland – at cost	31	31
Vault stock – Fremantle – at cost	28	28
Memorial, Urns and Plaques – at cost	150	154
Total Inventories held for resale	209	213
Inventories not held for resale:		
Stores – at cost	116	114
Total Inventories not held for resale	116	114
Total Current Inventory	325	327

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 2021

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 2021 (2020: 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	2021 \$'000	2020 \$'000
Burial (interment) services	3,693	3,557
Cremation services	11,735	10,999
Grant of Right of Burial (grave and cemetery land leases)	4,287	4,012
Grant of Right of Memorial (cemetery infrastructure leases)	814	728
Certificate of Entitlement (Mausoleum building leases)	2,845	2,612
Total income collected from cemetery leases and provision of services	23,374	21,908

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 2021

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 2021

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	2021 \$'000	2020 \$'000
Interest	11	22
Franking credit refunds	292	262
Distributions	6,034	2,662
Management fee rebates	145	141
Total investment income	6,482	3,087

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 2021

3. OUR FUNDING SOURCES (CONTINUED)

3.4 Income from State Government

	2021 \$'000	2020 \$'000
Resources received from other public sector entities during the period ^(a):		
– Land transferred from the Department of Planning, Lands and Heritage	–	114
Total Income from State Government	–	114

(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

	2021 \$'000	2020 \$'000
Net proceeds on disposal of non-current assets		
Plant, equipment and vehicles	269	82
Carrying amount of non-current assets disposed		
Cost of non-current assets disposed	(1,218)	(1,353)
Depreciation reversed on disposals	1,091	1,232
Carrying Amount – Costs of disposal	(127)	(121)
Net gain/(loss) on non-current assets disposed	142	(39)
Total Gains/losses	142	(39)

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 Income

	2021 \$'000	2020 \$'000
Rentals of kiosks	122	110
Rental from lease of non-cemetery land and buildings	379	350
Insurance recoveries	196	24
Miscellaneous income	119	73
	816	557

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 2021

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	2021 \$'000	2020 \$'000
Employee benefits expenses	4.1(a)	13,391	13,161
Employee related provisions	4.1(b)	2,799	2,762
Supplies and Services	4.2	6,578	4,921
Cemetery lease and other expenses	4.3	2,774	2,767
4.1(a) Employee benefits expenses			
		2021 \$'000	2020 \$'000
Short-term employee benefits ^(a)		11,806	11,688
Termination benefits		84	–
Superannuation – defined contributions plans ^(b)		1,501	1,473
Total employee benefits expense		13,391	13,161

(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 2021

4. USE OF OUR FUNDING (CONTINUED)

4.1(a) Employee benefits expenses (continued)

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

The Board has no liabilities under the Pension Scheme.

Local Government Superannuation Fund and other defined contribution plans

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(b) Employee related provisions

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

	2021 \$'000	2020 \$'000
Current		
<u>Employee benefits provision</u>		
Annual leave ⁽ⁱ⁾	1,004	944
Long service leave ⁽ⁱⁱ⁾	1,226	1,338
	2,230	2,282

	2021 \$'000	2020 \$'000
<u>Other provisions</u>		
Employee on-costs ⁽ⁱⁱⁱ⁾	46	43
Total current employee related provisions	2,276	2,325
Non-current		
<u>Employee benefits provision</u>		
Long service leave ⁽ⁱⁱ⁾	512	429
	512	429
<u>Other provisions</u>		
Employee on-costs ⁽ⁱⁱⁱ⁾	11	8
Total non-current employee related provisions	523	437
Total employee related provisions	2,799	2,762

(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(a) 'Employee benefits expense'**. The related liability is included in **Note 4.1(b) 'Employee related provisions'** under 'Other provisions'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. USE OF OUR FUNDING (CONTINUED)

4.1(b) Employee related provisions (continued)

	2021 \$'000	2020 \$'000
<u>Employment on-cost provision</u>		
Carrying amount at start of year	51	164
Additional/(reversals of) provisions recognised	26	(113)
Payments/other sacrifices of other economic benefits	(21)	–
Unwinding of the discount rate	1	–
Carrying amount at end of year	57	51

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

	2021 \$'000	2020 \$'000
Communications	252	237
Consultants and Contractors	5,538	3,631
Consumables	158	209
Materials	633	817
Travel	1	11
Others	(4)	16
Total supplies and services expenses	6,578	4,921

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

	2021 \$'000	2020 \$'000
Cemetery lease expenses		
Building and infrastructure maintenance	1,208	1,075
Equipment repairs and maintenance	441	575
Utilities	534	611
Insurance	237	210
Total Cemetery lease expenses	2,420	2,471

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. USE OF OUR FUNDING (CONTINUED)

4.3 Cemetery lease and other expenses	2021 \$'000	2020 \$'000
Other expenses		
Employment on-costs	(39)	(150)
Administration	171	217
Other staffing	170	174
Board expenses	52	55
Total other expenses	354	296
Total Cemetery lease and other expenses	2,774	2,767

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	2021 \$'000	2020 \$'000
Property, plant, equipment and vehicles	5.1	88,398	90,677
Infrastructure	5.1	21,344	21,664
Right-of-use assets	5.1.1	80	73
Intangibles	5.2	2,355	1,862
Total key assets		112,177	114,276

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure

Year ended 30 June 2021 ^(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 2020								
Gross Carrying amount	13,959	4,266	3,836	17,288	65,099	1,760	106,207	22,861
Accumulated Depreciation	(9,426)	(2,707)	(3,396)	–	(2)	–	(15,530)	(1,197)
Carrying amount at start of year	4,533	1,559	440	17,288	65,097	1,760	90,677	21,664
Additions	680	17	–	–	–	3,472	4,169	–
Transfers from (out of) works in progress	620	317	–	–	79	(2,990)	(1,974)	535
Disposals at Written Down Value	(4)	–	–	–	(123)	–	(127)	–
Transfers to operating expense	–	–	–	–	–	(564)	(564)	–
Revaluation Increments/(Decrements) ^(a)	–	–	–	–	(822)	–	(822)	(230)
Depreciation	(1,247)	(270)	(135)	–	(1,309)	–	(2,961)	(625)
Carrying amount at 30 June 2021	4,582	1,623	305	17,288	62,921	1,678	88,398	21,344
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)	–	(1)	–	(16,116)	(2)

(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 2021

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 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021. In undertaking the revaluation, fair value was determined by reference to market values for land: \$13,400,000 (2020: \$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.

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 2021. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. KEY ASSETS (CONTINUED)

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

(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 2021 (2020: nil), 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.'**

	2021 \$'000	2020 \$'000
5.1.1 Right-of-use assets		
Plant and equipment	80	73
	80	73

Additions to right-of-use assets during the 2021 financial year were \$30,797 (2020: \$65,646)

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 2021

5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure (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:

	2021 \$'000	2020 \$'000
Plant and equipment	23	23
Total right-of-use asset depreciation	23	23
Lease interest expense (included in Finance cost)	3	1

The total cash outflow for leases in 2021 was \$22,480 (2020: \$22,171).

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

	2021 \$'000	2020 \$'000
Plant, equipment and vehicles	1,247	1,565
Office equipment	270	348
Buildings	1,309	1,317
Infrastructure	625	613
Renewal Areas	135	208
	3,586	4,051

As at 30 June 2021 there were no indications of impairment to property, plant and equipment, vehicles or infrastructure. Please refer to **Note 5.2 'Intangible Assets'** for the Board's impairment assessment of intangible assets.

Finite useful lives

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

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

Asset	Useful life in years
Buildings	40 to 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

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5. KEY ASSETS (CONTINUED)

5.1 Property, plant, equipment, vehicles and infrastructure (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 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 2021	Software Licenses \$'000	Computer Software \$'000	Total \$'000
1 July 2020			
Gross Carrying amount	289	3,774	4,063
Accumulated Amortisation	(261)	(1,940)	(2,201)
Carrying amount at start of year	28	1,834	1,862
Transfers from (out of) works in progress	–	757	757
Disposals at Written Down Value	–	–	–
Amortisation expense	(13)	(251)	(264)
Carrying amount as at 30 June 2021	15	2,340	2,355
Gross Carrying amount	289	4,511	4,800
Accumulated Amortisation	(274)	(2,171)	(2,445)

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 2021

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	2021 \$'000	2020 \$'000
Computer Software	251	398
Software Licences	13	14
Total amortisation for the period	264	412

As at 30 June 2021 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 2021

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	2021 \$'000	2020 \$'000
Receivables	6.1	8,522	4,492
Payables	6.2	(817)	(692)
Other Current liabilities	6.3	(130)	(171)
Pre-need agreements	6.4	(32,895)	(29,867)
Deferred lease income	6.5	(88,428)	(86,555)

6.1 Receivables

	2021 \$'000	2020 \$'000
<u>Current</u>		
Trade debtors	1,646	1,596
Accrued revenue	6,338	2,330
GST Receivable	9	-
Prepayments	529	566
Total current	8,522	4,492

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 (2020: Nil). The Board does not hold any collateral as security or other credit enhancements for trade debtors.

6.2 Payables

	2021 \$'000	2020 \$'000
<u>Current</u>		
Trade payables	76	127
GST payable	-	132
Accrued expenses	486	198
Accrued salaries	185	151
Retention monies held on capital projects	19	19
Other (Payroll & Workers compensation payable)	51	65
Total current payables	817	692

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 (2021: 4 days, 2020: 3 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 2021

6. OTHER ASSETS AND LIABILITIES (CONTINUED)

6.3 Other Liabilities	2021 \$'000	2020 \$'000
<u>Current</u>		
Income received in advance	132	173
Other refunds payable	(2)	(2)
Total Other current liabilities	130	171

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	2021 \$'000	2020 \$'000
<u>Current</u>		
Cremation	707	677
Burial	215	240
Certificate of Entitlement	–	–
Total current pre-need agreements	922	917

<u>Non-Current</u>		
Cremation	6,073	6,043
Burial	1,969	1,877
Memorial products	6,133	5,803
Certificate of Entitlement	17,798	15,227
Total Non-current pre-need agreements	31,973	28,950
Balance at end of period	32,895	29,867

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 2021

6. OTHER ASSETS AND LIABILITIES (CONTINUED)

	2021 \$'000	2020 \$'000
6.5 Deferred lease income		
<u>Current</u>		
Grant of Right of Memorial	615	584
Grant of Right of Burial	2,663	2,525
Mausoleum Certificate of Entitlement	2,266	2,210
Total current Deferred Grant and leases income	5,544	5,319
<u>Non-Current</u>		
Grant of Right of Memorial	9,967	9,811
Grant of Right of Burial	43,606	42,262
Mausoleum Certificate of Entitlement	29,311	29,163
Total Non-current Deferred Grant and leases income	82,884	81,236
Balance at end of period	88,428	86,555

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 2021

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		
7.1 Cash and cash equivalents		2021 \$'000	2020 \$'000
Reconciliation of cash			
Cash and cash equivalents		4,079	4,843
Balance at end of period		4,079	4,843

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)

	2021 \$'000	2020 \$'000
At beginning of year	56,978	58,503
Additions	10,000	4,000
Management fee rebates reinvested	145	140
Net gains and (losses) recognised in OCI	9,319	(5,665)
Balance at end of period	76,442	56,978
<u>Composition of financial assets at fair value through OCI:</u>		
Managed Units	76,442	56,978
Balance at end of period	76,442	56,978

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 2021

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	2021 \$'000	2020 \$'000
Russell Investments Balanced Fund	53,679	45,783
Russell Investments Australian Floating Rate Fund ^(a)	7,385	6,070
Russell Investments Australian Opportunities Fund	15,378	5,125
	76,442	56,978

(a) 2020: 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 2021

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:

	2021 \$'000	2020 \$'000
On investments retained at the end of the period	6,034	2,662
Total distributions received	6,034	2,662

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.

	2021 \$'000	2020 \$'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

	2021 \$'000	2020 \$'000
Current	21	12
Non-current	61	61
	82	73

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 2021

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:

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

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

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

Subsequent Measurement

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

	2021 \$'000	2020 \$'000
Lease interest expense	3	1
Finance costs expensed	3	1

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:

	2021 \$'000	2020 \$'000
Within 1 year	41	–
	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'**.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. RISKS AND CONTINGENCIES

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

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

8.1 Financial risk management

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

(a) Summary of risks and risk management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Board. For trade receivables, the Board adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security, where appropriate, to mitigate credit risk. For managed funds (fair value through OCI), the credit risk is managed by the independent fund manager. For other financial assets, the Board adopts the policy of dealing only with high credit quality counterparties.

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 62 debtors (2020: 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 2020) 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 2021

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:

	2021 \$'000	2020 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	4,079	4,843
Financial assets at amortised cost ^(a)	7,984	3,926
Fair value through OCI	76,442	56,978
Total financial assets	88,505	65,747
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	817	560
Total financial liability	817	560

(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 2021

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.

	Days past due				
	Total \$'000	Current \$'000	<30 days \$'000	31-60 days \$'000	61-90 days \$'000
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	–	–	–	–	–
30 June 2020					
Expected credit loss rate		0%	0%	0%	0%
Estimated total gross carrying amount at default ^(a)	3,926	3,063	–	357	506
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 2021

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
2021							
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 2021

8. RISKS AND CONTINGENCIES (CONTINUED)

8.1 Financial risk management (continued)

(d) Liquidity risk and Interest Rate Exposure

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
2020							
Financial assets							
Cash and cash equivalents	0.57%	4,843	4,843	–	4,843	4,843	–
Receivables ^(a)	–	3,926	–	3,926	3,926	3,926	–
Fair value assets through OCI ^(b)	–	56,978	–	56,978	56,978	–	56,978
Total financial Assets		65,747	4,843	60,904	65,747	8,769	56,978
Financial liabilities							
Payables	–	560	–	560	560	560	–
Total Financial Liabilities		560	–	560	560	560	–

(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 2021

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:

	2021		2020	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
FV through OCI Managed funds				
<u>Balanced fund</u>				
– increased by	–	5,368	–	4,578
– decreased by	–	(5,368)	–	(4,578)
<u>Opportunities fund</u>				
– increased by	–	1,538	–	513
– decreased by	–	(1,538)	–	(513)
<u>Floating Rate fund</u>				
– increased by	–	739	–	607
– decreased by	–	(739)	–	(607)

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.

	2021			2020		
	Carrying Amount \$'000	Profit \$'000	Equity \$'000	Carrying Amount \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	4,079			4,843		
– increased by*		41	41		48	48
– decreased by*		(41)	(41)		(48)	(48)
FV through OCI Managed funds	7,385			6,070		
– increased by* #		74	74		61	61
– decreased by* #		(74)	(74)		(61)	(61)

* 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. RISKS AND CONTINGENCIES (CONTINUED)

8.2 Contingent assets and liabilities (continued)

8.2.1 Contingent assets

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

Dispute in progress

During the financial year, the Board raised a \$497,000 claim as result of a supplier's alleged breach of contract and inability to meet the contract's practical completion date (2020: nil).

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, the dispute was escalated to \$1,662,000.

During the year, the supplier commenced a Supreme Court proceeding, with a writ of summons encompassing all matters in dispute, including the aforementioned \$1,662,000 (2020: \$356,000) 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 \$5,500.

However, in the absence of settlement being reached at mediation, the dispute would need to go through a pre-trial discovery, given expert advice(s), before being heard in the Supreme Court. The future estimated total legal cost would then be in the range of \$500,000 inclusive of GST.

Contaminated Sites

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

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.

At this stage, a full remediation effort will not be possible without damaging and disrupting the surrounding ecological communities. To reduce risks to an acceptably low level, a north/south orientated fence as well as a gravel and mulch barrier over the known contaminated area are in place to restrict the movement of vehicles and pedestrians and to reduce emergence or dispersal of ACM's.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

8. RISKS AND CONTINGENCIES (CONTINUED)

8.3 Fair value measurements

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

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

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

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

Valuation processes

There were no changes in valuation techniques during the period.

Managed Funds (Level 1 fair values)

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
2021				
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

Assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair Value at end of period \$'000
2020				
Fair value financial assets through OCI (Note 7.2)	56,978	–	–	56,978
Land (Note 5.1)	–	13,400	3,888	17,288
Buildings (Note 5.1)	–	–	65,097	65,097
Infrastructure (Note 5.1)	–	–	21,664	21,664
	56,978	13,400	90,649	161,027

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 2021

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
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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	2021	2020
\$0 – \$10,000 ^(a)	6	6
\$10,000 – \$20,000	1	1

(a) One Board member receives no compensation.

	2021 \$'000	2020 \$'000
Short term employee benefits	51	51
Post-employment benefits	5	5
The total compensation of Board Members	56	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 2021

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	2021	2020
\$140,001 – \$150,000	1	–
\$170,001 – \$180,000	–	1
\$180,001 – \$190,000	1	2
\$190,001 – \$200,000	1	–
\$280,001 – \$290,000	–	1
\$290,001 – \$300,000	1	–

	2021 \$'000	2020 \$'000
Short term employee benefits	491	617
Post-employment benefits	85	94
Other (long term) employee benefits	165	128
Termination benefits	84	–
The total compensation of senior officers	825	839

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 3,739 funeral transactions with MCB and the appropriate gazetted funeral fees were paid to MCB.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER DISCLOSURES (CONTINUED)

9.4 Related party transactions (continued)

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

9.5 Related bodies

The Board does not have related bodies.

9.6 Affiliated bodies

The Board does not have affiliated bodies.

9.7 Remuneration of auditor

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

	2021 \$'000	2020 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	47	46
	47	46

9.8 Equity

	2021 \$'000	2020 \$'000
<u>Contributed equity</u>		
Balance at start of period	13,641	13,641
Balance at end of period	13,641	13,641

9.8 Equity

	2021 \$'000	2020 \$'000
<u>Asset Revaluation Surplus</u>		
Balance at start of period	30,981	30,734
<i>Net revaluation increments/(decrements)</i>		
Land	–	–
Buildings	(822)	247
Infrastructure	(230)	–
Reserves balance at end of period	29,929	30,981
<u>Financial Assets Revaluation Reserve</u>		
FVOCI Revaluation Reserves		
Balance at start of period	(2,699)	2,966
Management fees resulting in reduction of asset valuations	(524)	(509)
<i>Net revaluation increments / (decrements):</i>		
Fair value assets through OCI	9,842	(5,156)
Reserves balance at end of period	6,619	(2,699)
Total Reserves balance at end of period	36,548	28,282
<u>Retained earnings</u>		
Balance at start of period	18,873	97,825
Effect of the adoption of new accounting standard AASB 16	–	(81,283)
Effect of the adoption of new accounting standard AASB 15	–	(20,840)
Changes in accounting policy	–	20,270
Balance at start of period as restated	18,873	15,972
Net profit	7,332	2,901
Balance at end of period	26,205	18,873

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER DISCLOSURES (CONTINUED)

9.9 Supplementary financial information

(a) Write-offs

During the financial year, property, plant and equipment totalling \$127,364 (2020: \$11,485) 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 (2020: \$213).

(b) Losses through theft, defaults and other causes

	2021 \$'000	2020 \$'000
Losses of public property through theft	–	11
Amounts recovered	–	–
	–	11

(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	2021 Actual \$'000	2020 Actual \$'000	Variance \$'000	Variance %
INCOME					
Revenue					
Trading Profit	1	4,122	3,403	719	21
Provision of services and Cemetery leases	2	23,374	21,908	1,466	7
Investment Income	3	6,482	3,087	3,395	110
Other revenue		816	557	259	46
Gains					
Gain/(loss) on disposal of non-current assets		142	(39)	181	462
Income from State Government					
Assets transferred and services received free of charge		–	114	(114)	(100)
TOTAL INCOME		34,936	29,030	5,906	20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

	Variance Note	2021 Actual \$'000	2020 Actual \$'000	Variance \$'000	Variance %
Expenses					
Cost of sales		984	793	191	24
Employee benefits expense		13,391	13,161	230	2
Supplies and services	4	6,578	4,921	1,657	34
Depreciation and amortisation expense	5	3,874	4,486	(612)	(14)
Cemetery lease and other expenses		2,774	2,767	7	–
Finance costs		3	1	2	66
TOTAL EXPENSES		27,604	26,129	1,475	6
PROFIT FOR THE PERIOD		7,332	2,901	4,431	153

Variance Notes

1. The Board's memorials have been developed to ensure that there is a wide range of both traditional and innovative tribute options to suitably commemorate one's life. The increase in revenue in 2021 was due to a shift in customers' preference for higher costed innovative tributes (e.g. memorial seat, standard roses, memorial rocks, display niches) over cost efficient traditional tributes, such as reflection walls as well as garden and ground niches compared to 2020.
2. The increase in revenue is consistent with the year on year increase of funeral services provided to the public. Revenue collected from cremation and entombment services as well as premium burial land sales and pre-need Grant of Right of Burial leases all exceeded the total revenue collected in the preceding period.
3. The significant variance is derived from the Fund's exposures to both Global and domestic "value and growth" equities resulting in higher distributions income driven by strong US economic data and corporate earnings results; positive Australian Federal budget; as well as the European Commission easing COVID-19 restrictions on tourism compared to June 2020.
4. The Board incurred higher supplies and service expenses due to additional preventive COVID-19 cleaning measures, additional legal costs and higher ICT consultancy costs related to the Cloud capability and Software-as-a-Service implementation.
5. A number of the Board's fixed assets reached the end of their useful lives at the beginning of the financial year, with the replacement assets only able to be delivered towards the end of the financial year. Thus, this resulted in a lower overall depreciation expense when compared to prior reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

	Variance Note	2021 Actual \$'000	2021 Estimate ^(a) \$'000	Variance \$'000	Variance %
INCOME					
Revenue					
Trading Profit	1	4,122	4,981	(859)	(17)
Provision of services and Cemetery leases	2	23,374	20,873	2,501	12
Investment Income	3	6,482	2,954	3,528	119
Other revenue	4	816	110	706	642
Gains					
Gain on disposal of non-current assets		142	–	142	100
Income from State Government					
Assets transferred and services received free of charge		–	–	–	–
TOTAL INCOME		34,936	28,918	6,018	21

	Variance Note	2021 Actual \$'000	2021 Estimate ^(a) \$'000	Variance \$'000	Variance %
Expenses					
Cost of sales		984	1,029	(45)	(4)
Employee benefits expense		13,391	13,291	100	1
Supplies and services		6,578	7,025	(447)	(6)
Depreciation and amortisation expense	5	3,874	4,989	(1,115)	(22)
Cemetery lease and other expenses	6	2,774	1,953	821	42
Finance costs		3	–	3	100
TOTAL EXPENSES		27,604	28,287	(683)	(2)
PROFIT FOR THE PERIOD					
		7,332	631	6,701	1,062

(a) 2021 estimates have been reclassified to align with the Board's Statement of Comprehensive Income's classifications.

Variance Notes

1. Despite the shift in customers' preference for innovative tributes over traditional tributes, actual performance of the Board's memorial products underperformed when compared to the estimated memorialisation figure.
2. The increase was due to the higher than anticipated funeral services provided to the public, with the largest positive variance attributed to cremation and entombment services. In addition, revenue from burial services as well as premium burial land sales and pre-need Grant or Right of Burial leases all exceeded the Board's initial estimates, thus resulting in higher than estimated total revenue.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. OTHER DISCLOSURES (CONTINUED)

9.10 Explanatory statement (continued)

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

3. The Board anticipated a slow market recovery in 2021 and thus, estimated a conservative distribution income for the year. Instead, the global equity markets rose during the year driven by strong US economic data and corporate earnings results; positive Australian Federal budget; as well as the European Commission easing COVID-19 restrictions on tourism.
4. Other revenue was above budget due to a settlement of a bank guarantee as a result of a supplier's delay in reaching the project's practical completion date. Further, several cash boosts were received from the Australian Taxation Office as part of the COVID-19 recovery initiative from the Federal Government.
5. A number of the Board's fixed assets reached the end of their useful lives at the beginning of the financial year, with the replacement assets only able to be delivered by the suppliers towards the end of the financial year. Thus, this resulted in a lower overall depreciation expense when compared to initial budgeted estimates.
6. The variance in Cemetery lease and other expenses is due to a comprehensive review of the Board's capital works in progress balances. The review resulted in unexpected recognition of building and infrastructure maintenance expenses that do not meet the Board's capitalisation criteria.



CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2021

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 2021.



Brenda Robbins
CHAIR

6 August 2021



Joe O'Dea Jnr
BOARD MEMBER



Peter Deague
CHIEF EXECUTIVE OFFICER

KEY PERFORMANCE INDICATORS

A key component of the Metropolitan Cemeteries Board's (MCB) focus on improving its service to the community is to ensure its performance is measured in a way that adds value to the overall planning and delivery of these services.

Outcome

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

Effectiveness Indicator

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

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

Target %	2020/21 %	2019/20 %	2018/19 %	2017/18 %
85.0	96.3	96.5	95.6	96.9

The annual survey results exceeded the target by 11.3% mainly due to higher than anticipated positive ratings given to the:

- overall presentation of our cemetery sites, in particular: the mausoleum, chapels, and condolence lounges. This satisfaction rate is in line with the Board's 2020/21 asset investment program which included a number of complex improvement projects at Pinnaroo and Karrakatta i.e. chapels, gardens and lounges;

- 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 decreased slightly; and
- MCB's facilities, where our customers highly believed that the facilities are accommodating to their religious and/or cultural beliefs.

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 2020/21, 96.1% of the respondents felt that the MCB accommodated their loved one's religious or cultural beliefs extremely or very well. The positive result, though slightly lower compared to 2019/20, is due to the completion of the chapel upgrade in Karrakatta and development of key burial and memorial areas, most notably the Boronia Court at Pinnaroo.

	2020/21 %	2019/20 %	2018/19 %	2017/18 %
Accommodation for religious and cultural beliefs	96.1	97.9	96.5	98.1

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	2020/21 %	2019/20 %	2018/19 %	2017/18 %
Chapels	98.2	99.7	97.7	99.8
Condolence lounges	98.1	98.9	96.7	99.6
Memorial gardens	97.7	97.9	93.8	97.0
Lawn burial areas	95.1	95.4	92.6	94.0
Natural burial areas	94.3	92.4	94.0	94.6
Cafes	94.1	95.7	90.1	97.1
Mausoleum	99.5	97.4	89.8	94.5
Toilets	88.8	92.1	86.7	91.2
Monumental burial areas	88.3	86.4	82.1	87.0

During the year, the café and the toilets received lower ratings compared to the other grounds and cemetery facilities. Most of the complaints were related to the fact that neither the café nor the toilet is open during weekends. The Board is currently seeking practical solutions to mitigate these complaints.

2. Number of funerals performed with no incident

	2020/21 No	2019/20 No	2018/19 No	2017/18 No
No. of funerals	12,454	12,037	12,050	11,742
No. of incidents	2	–	–	–

Two incidents were reported in 2020/21, both of which related to burial services. The Board hopes that with further enhancements to the Cemetery Record System (CRS) burial ticket function, unfortunate incidents such as these will not occur in future periods.

3. Number of complaints received on customer service issues

There were 211 complaints registered during the reporting period (2019/20: 209). The main areas of complaints recorded were:

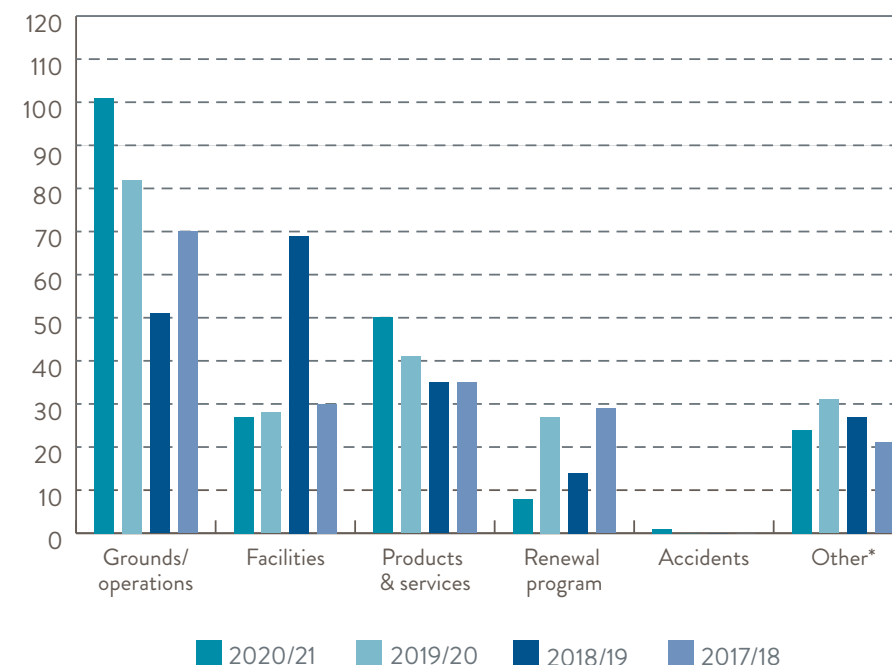
Area of complaint	2020/21		2019/20		2018/19		2017/18	
	%	No.	%	No.	%	No.	%	No.
Grounds/ operations	47.8	101	39.2	82	26.0	51	37.8	70
Facilities	12.8	27	13.4	28	35.2	69	16.2	30
Products & services	23.7	50	19.6	41	17.9	35	18.9	35
Renewal program	3.8	8	12.9	27	7.1	14	15.7	29
Accidents	0.5	1	0.0	0	0.0	0	0.0	0
Other*	11.4	24	14.8	31	13.8	27	11.4	21
Total	100.0	211	100.0	209	100.0	196	100.0	185

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

Compared to the 2019/20 reporting period, the number of grounds and product services complaints increased by 28. Most of the products and services complaints were related to staff availability and overall ease of getting an appointment at a time that is suitable for our customers. Further, customers felt that it was particularly challenging for them to find a suitable memorial plaque to commemorate the life of their loved ones. Towards the end of the financial year, MCB entered into a panel contract with a number of plaque suppliers which will hopefully streamline the ordering process and address our customers' concerns.

Nonetheless, all current 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 a 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 211 complaints that the MCB received during the reporting period (2019/20: 209) were handled within the following criteria:

Complaint handling criteria	2020/21 %	2019/20 %	2018/19 %	2017/18 %
Acknowledged within 5 working days	100.0	97.6	99.5	100.0
Responded to within 15 working days	98.5	99.5	99.5	100.0
Investigated and responded to within 2 working days	55.0	54.8	59.0	65.0
Resolved without further incident	76.3	100.0	100.0	100.0

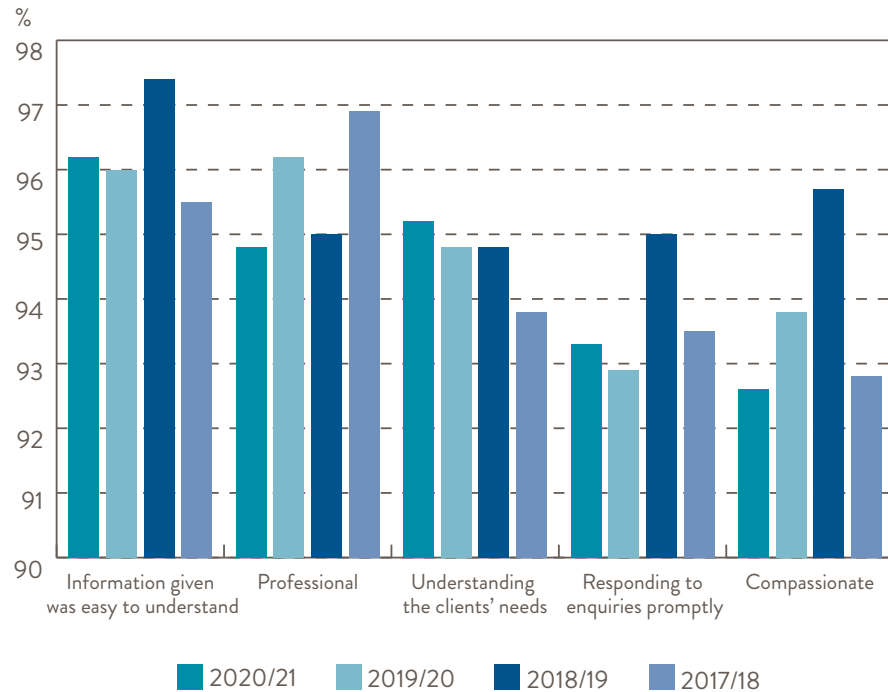
The complaint handling rating decreased starkly from the preceding period given that, as part of the resolution process, the Board sought assistance from the WA Police in investigating the reported vandalism and car break in complaints.

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	2020/21 %	2019/20 %	2018/19 %	2017/18 %
Information given was easy to understand	96.2	96.0	97.4	95.5
Professional	94.8	96.2	95.0	96.9
Understanding the clients' needs	95.2	94.8	94.8	93.8
Responding to enquiries promptly	93.3	92.9	95.0	93.5
Compassionate	92.6	93.8	95.7	92.8

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.

As a result, the Board, in conjunction with external service providers, are in the process of mapping improvement areas that can help deliver exceptional service to every customer at every contact point, on every occasion when repeat transaction is at least some years apart. One of the suggested improvement areas include the plan to shift some staff members' work area to alleviate pressure at Pinnaroo, which has a higher proportion of customers making appointments and also handles customer enquiries from Guildford, Midland and the Gnangara Aboriginal Cemeteries.

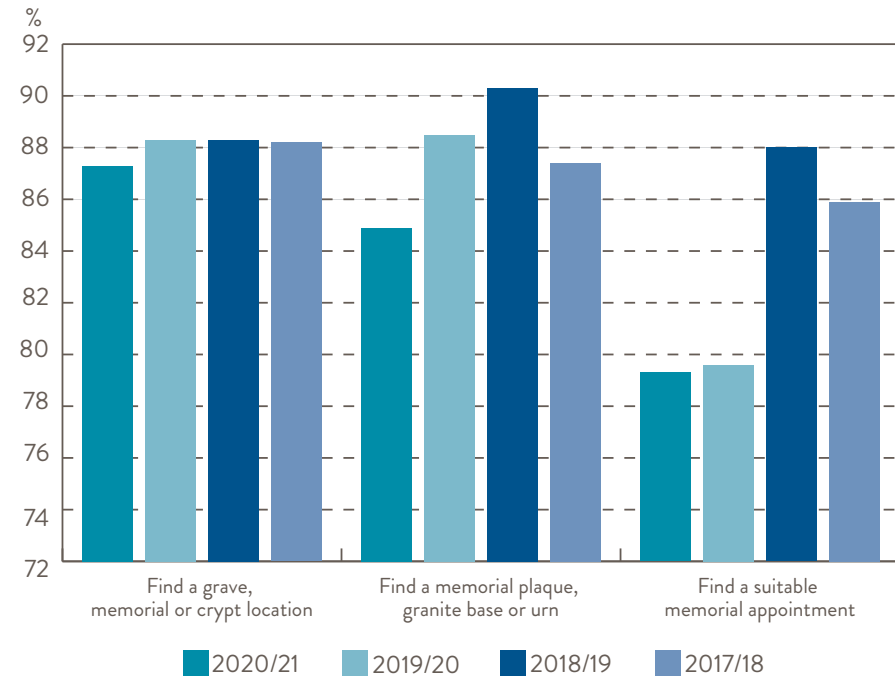
6. Pricing, products and services

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	2020/21 %	2019/20 %	2018/19 %	2017/18 %
Find a grave, memorial or crypt location	87.3	88.3	88.3	88.2
Find a memorial plaque, granite base or urn	84.9	88.5	90.3	87.4
Find a suitable memorial appointment	79.3	79.6	88.0	85.9

Customers' satisfaction surrounding MCB's pricing and range of products and services are largely in line with survey results from prior periods. 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 2020/21 due to relatively low global inventory levels and a bullish demand narrative.

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 2020 and 7 January 2021. Visitors and mourners were not included in the 'Public' group as the survey was targeted at users of the services. Respondents were mailed a personalised letter and reply-paid envelope with their questionnaire to complete on their own accord. Those who didn't return a completed survey or indicate to MCB's research provider their intention to not participate, were sent a reminder letter with a replacement questionnaire, 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 8 April 2021 to 4 June 2021, 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 22 June 2021.

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 [#]	586	31.3%	+ 3.81%

Group = Customer Groups; Number of responses = Sample Frame; RR% = Response Rate %;
Error = Survey Error at 95% confidence interval level; [#] = 95 of the respondents opted out of the survey and a further 32 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 \$
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
2015/16	2,119	2,273

The average cost per funeral includes all operating expenses. There has been an increase in the current year's average cost of a funeral compared to the previous year by \$45. The increase in the average cost per funeral was mainly driven by higher supplies and service expenses relating to preventive cleaning measures for COVID-19, additional legal costs incurred as well as higher ICT consultancy costs.

Compared to the target figure for the year, the actual average cost per funeral is lower by \$119. This is mainly due to lower depreciation and contractor expenses 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 2020 are as follows:

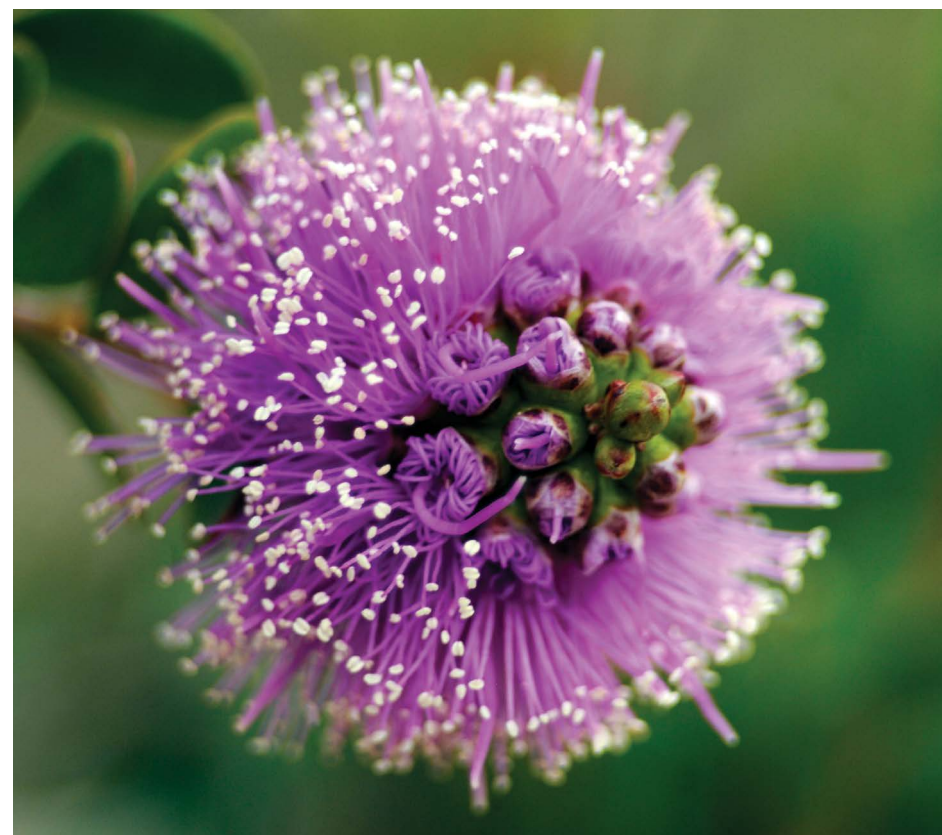
	Average cost per funeral	% cost greater/(less) than MCB*	Number of funerals
Metropolitan Cemeteries Board*	\$2,171	–	12,037
Southern Metropolitan Cemeteries Trust – Victoria	\$4,349	100%	13,466
Greater Metropolitan Cemeteries Trust – Victoria	\$4,583	111%	11,757
Adelaide Cemeteries Authority – South Australia	\$3,524	62%	3,097

* For comparative purposes, the % cost greater/(less) than MCB has been expressed against the actual MCB figures for the 2019/20 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 and the need for raising expenditure provision for loss on onerous contracts, an obligation that is not applicable to the MCB.

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.



ANNUAL ESTIMATES

In accordance with Treasurer's Instruction 953, Statutory Authorities not operating as Divisions of the Consolidated Account are to include annual estimates for the financial operations of the relevant financial year, in the Annual Report.

The following are summaries of the estimates as submitted and approved by the Minister for Housing; Local Government.

Statement of Comprehensive Income (Concise)

	Estimate 2022 \$'000
Income	
Trading profit	5,245
Provision of services and Cemetery leases	21,868
Investment income	2,954
Other revenue	110
Total Income	30,177
Expenses	
Employee benefits	13,468
Depreciation	5,132
Cost of sales, supplies and services	7,733
Other expenses	2,600
Total Expenses	28,933
Profit for the period	1,244

Statement of Financial Position (Concise)

	Estimate 2022 \$'000
Total Assets	182,962
Total Liabilities	128,990
Net Assets	53,972
Equity	
Retained earnings	13,941
Contributed equity	13,641
Reserves	26,390
Total Equity	53,972

Statement of Cash Flows (Concise)

	Estimate 2022 \$'000
Net Cash provided by Operating Activities	10,528
Net Cash used in Investing Activities	(10,629)
Increase/(Decrease) in cash	(101)
Cash at the beginning of the period	4,079
Cash and cash equivalents at closing period	3,978

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 2020/21	Gross/actual remuneration 2020/21	Superannuation 2020/21	Total remuneration
Chair	Brenda Robbins			\$14,492	\$1,376	\$15,868
Deputy Chair	Joe O'Dea Jnr			\$7,246	\$688	\$7,934
Member	Darrell Jones			\$7,246	\$688	\$7,934
Member	Tony Evans	Board Fees	1 July 2018 to 30 June 2021	\$7,246	\$688	\$7,934
Member	Ricki Smith			\$7,246	\$688	\$7,934
Member	Bernadine Tucker			nil	nil	nil
Member	Dianne Guise			\$7,246	\$688	\$7,934

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

Monument Assessment and Advisory Committee

Name	Role	Type of remuneration	Gross/actual remuneration 2020/21	Name	Role	Type of remuneration	Gross/actual remuneration 2020/21
Dianne Guise	Chair		nil	Leonie Liveris	Historian		\$86
Darrell Jones	Member		nil	Scott Rogers	OAWG	Sitting fee (\$86 per meeting)	nil
				Don Whittington	Community Representative		\$86
				Yvonne Coate	Genealogist		nil
				Ronald Bodycoate	Architect (Heritage)		\$86

OTHER LEGAL REQUIREMENTS

Unauthorised Use of Credit Cards

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

Expenditure on Advertising, Market Research, Polling and Direct Mail

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

Market research – Research Solutions	\$23,501
Media advertising – Initiative Media	\$ 2,211
Total expenditure for 2019/20	\$25,712

Disability Access and Inclusion Plan

The MCB continues to implement its Disability Access and Inclusion Plan (DAIP) 2017–2021. Key achievements included improved disability access for the community to MCB buildings and facilities, and some employment related initiatives for employees with a disability or an impairment.

New employment related initiatives

- The Equal Employment Opportunity Policy was reviewed and updated to include Substantive Equality provisions.
- A visual alarm was placed in the Ash Room at Fremantle Cemetery to assist audibly impaired employees.
- A management plan was put in place to make suitable adjustments for an employee with a neurological impairment.
- Planning is underway to build a new wheelchair accessible toilet facility near the Karrakatta Cemetery Board Room and Training Room adjacent to the administration building.

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:

- The new online streaming facilities of chapel services provided access to the community during COVID-19 funeral attendance restrictions, and for those unable to attend funeral services.
- The new Boronia Court Road at Pinnaroo Valley Memorial Park has four new accessible parking bays.
- All new roads at Pinnaroo Valley Memorial Park have flush kerbs to make them wheelchair mountable.
- New public seating in cemetery grounds will include arm rests, where possible.
- The new reflection wall at Midland Cemetery has been build lower for easier accessibility.
- The new Norfolk Chapel toilet signage at Karrakatta Cemetery have braille inscriptions to meet disability regulations.
- Disability access has been taken into consideration in the design phase for the stage 4 and 5 upgrades of the Norfolk Chapel at Karrakatta Cemetery, and the toilet and door upgrades will ensure these meet all disability access requirements.

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.
- Updating maps and signage for disability access parking and facilities.
- Identifying and minimising access barriers in office facilities for people with a disability.
- Refresher EEO / Unconscious Bias training for employees every two years.
- Engaging people with a disability through ongoing contracts with disability employment organisations, to assist with grounds maintenance work at all metropolitan cemeteries.

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

Secondary employment

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)*. Existing approvals are renewed on an annual basis.

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 sufficient and 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 (PID) officers. The PID Guidelines and the names of the PID Officers are available online for employees.

Compliance with Public Sector Standards

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

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

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

The MCB Code of Conduct was reviewed and updated in 2020/21. This will be published and circulated to all employees in early 2021/22.

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 2020/21 include:

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

Grievances

There was one workplace grievances lodged in 2020/21 which was resolved through mediation.

The MCB received a number of complaints against three employees for behaviour that was in breach of the MCB Code of Conduct. These matters were dealt with as discipline matters.

Discipline

There were four formal discipline matters being managed in 2020/21, of which one was the completion of a 2019/20 case, and three will be finalised in 2021/22.

These discipline matters were in relation to:

- Disobeying or disregarding lawful instructions.
- 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.
- Being careless or negligent in the performance of duties and not following correct procedures.

There was also another pre-discipline matter that was addressed informally with clear written instructions from the supervisor. However, as there was no improvement, this was formalised into a discipline matter in July 2021.

There was also a frustration of contract termination of a short-term contract employment in 2020/21.

The outcome of the discipline matter finalised in 2020/21 resulted in:

- Reprimand and Improvement Actions.

Misconduct

There were two suspected misconduct matters in 2020/21 that were discussed with the Public Sector Commission in the early stages.

One misconduct case was subsequently reported formally to the PSC after the initial investigation had been conducted, but before the outcome had been determined, as termination of employment was being considered. The outcome of this case will be reported to the Public Sector Commission when completed.

The second suspected misconduct was discussed with the Public Sector Commission in the early stages before the allegation was put to the employee. This will be formally reported to the PSC in 2021/22. The outcome of the investigation will also be reported to the Public Sector Commission when completed.

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.

In the past three years, 94.34 per cent of all employees have attended Accountable and Ethical Decision Making training.

Records Management

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

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

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

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

2. The MCB conducts a recordkeeping training program.

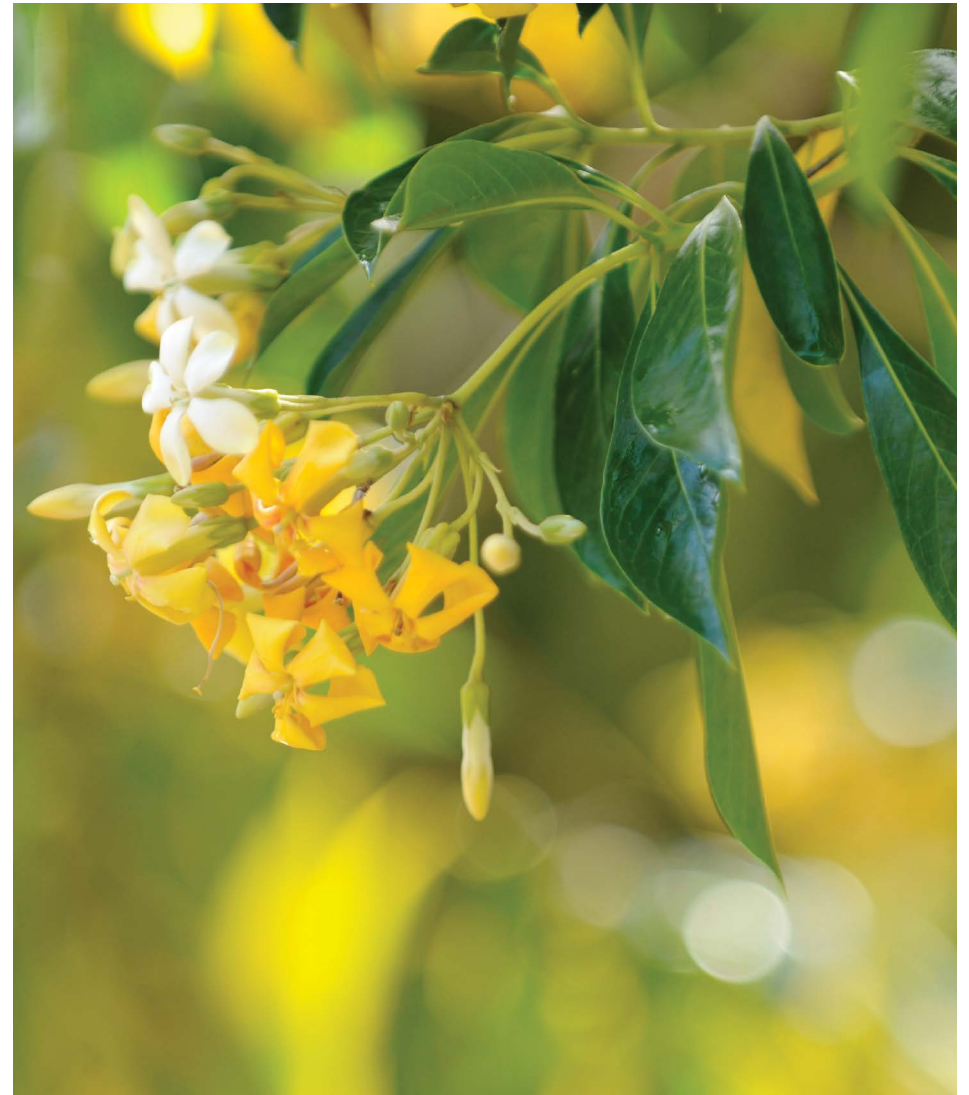
The annual recordkeeping training plan provides ongoing information sessions on recordkeeping awareness. Training has and will continue to be delivered to existing and new employees at all MCB sites. The training plan has been designed to ensure that all MCB staff are aware of their recordkeeping responsibilities and to enable them to access suitable and ongoing training throughout the year.

Recordkeeping Induction

A Recordkeeping Awareness Training session is provided for all new employees as part of the MCB's induction program. The presentation advises staff of their recordkeeping responsibilities, requirements for compliance with MCB's Recordkeeping Plan and consequences of poor recordkeeping to ensure accountability. Relevant MCB staff are provided with further one-on-one awareness sessions and Content Manager training.

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

An annual review is conducted of the MCB's recordkeeping training program to ensure that it is efficient and effective. Feedback is sought from all participants and is incorporated into future training sessions. New recordkeeping projects are included in the training program to advise all staff of new and updated policies, procedures and system functionality.



GOVERNMENT POLICY REQUIREMENTS

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.

Occupational Safety, Health 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 the essential direction and support to ensure the MCB meets its responsibilities and accountabilities under the requirements of the *Occupational Safety and Health Act 1984 (WA)*, the *Occupational Safety and Health Regulations 1996 (WA)* and any other relevant legislation, codes of practice, guidance notes and Australian Standards as far as is reasonably practical. The MCB provides guidance for all employees (including school-based trainees and apprentices), contractors and visitors in meeting their legal obligations.

The MCB's 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 employees in pre-employment commencement packs and during Corporate and site inductions.

Consultation with Employees

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

- Participate as Safety and Health Representatives (SHR).
- Make recommendations and provide feedback on OSH 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 shares relevant information about safety, health and injury management with management, employees and contractors via the following methods:

- Mandatory three-hour corporate OSH induction sessions and site-specific inductions.
- Workplace Noticeboards and MCB intranet site.
- Coordinator Meetings, Corporate Executive Meetings, Board Meetings and Toolbox Meetings where OSH is a standing Agenda item.
- OSH Committee Meetings with executive, worksite Coordinator and SHR'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 SHR and OSH Officers.

- OSH Officer attending all sites to promote safety within the workplace, provide training, guidance and assist with OSH 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 employees, visitors and contractors is of the utmost importance to the MCB. The MCB uses a systematic approach to planning and the implementation of workers' compensation and injury management, consistent with the *Workers' Compensation and Injury Management Act 1981 (WA)* and the *Workers' Compensation and Injury Management Regulations 1982 (WA)*.

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

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

- Promoting a safe and healthy workplace (the MCB's primary aim).
- Consultation between the employee, 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 employees.

Enlisting where required, a rehabilitation provider to work with the injured or ill employee to achieve a positive recovery and return to work.

Workers' Compensation Claims

The MCB carried forward two workers' compensation claims from 2018/19, and five from 2019/20 financial year. Of these seven claims, four have now been finalised.

Of the eleven claims received in 2019/20, nine have been finalised, and three were carried over to 2020/21, and have now all been finalised.

In 2020/21, the MCB received three new workers' compensation claims, of which one has been finalised.

The MCB has seven workers' compensation claims at the end of 2020/21. Three of these are finalised, three are open and one is in dispute.

Occupational Safety and Health Management Systems

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

The MCB utilises the WorkSafe Plan, comprising five elements:

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

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

Employees are being assisted in making detailed reports, and supervisors and SHR 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 Base year 2018/19*	Results Prior year 2019/20	Results Current reporting year 2020/21	Targets	Comments about targets
Number of fatalities	0	0	0	0	Target achieved
Lost time injury and disease incidence (LTI/D) rate	3.27%	3.89%	1.35%	0 or 10% reduction in incidence rate	Target achieved. Number of claims down from 11 to 3, with only 2 LTI/D requiring time off work.
Lost time injury and disease (LTI/D) severity rate	0%	17%	2.03%	0 or 10% reduction in severity rate	Target achieved with over 10% reduction.
Percentage of injured workers returned to work (i) within 13 weeks	100%	> 80%	100%	Greater than or equal to 80%	Target achieved. All injured workers returned to work within 13 weeks
Percentage of injured workers returned to work (ii) 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	81%	64%	90%	Greater than or equal to 80%	Target achieved. 90% of supervisors have attended OSH and / or Injury management training.

* The performance reporting examines a three-year trend and, as such, the comparison base year is to be two years prior to the current reporting year.

** Comment on agency performance over the three-year period.

MCB OSH Policy Statement

Objectives and Targets: To continually improve workplace safety and health the MCB this financial year will work towards:	2019/20	2020/21	Result
A reduction in the incidence rate of Workers' Compensation claims resulting in one or more weeks off work of at least 30%	3	1	Target met. 66.6% 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%	2	1	Target met. 50% reduction
Improve Safety Performance by increasing hazard and near miss reporting by at least 10% (compared with the previous financial year)	42	37	Target not met. 11.9% reduction.

Corporate Governance

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

The Board Governance Charter details clear guidelines on the role, responsibilities and operations of Board members. It was reviewed and updated this year to ensure it aligns with the Public Sector Board Essentials, the West Australian Public Sector Audit Committees – Better Guide Practice, and the Accountable and Ethical Decision-Making presentation made to the Board in August 2020.

The Committee for Finance, Audit and Risk (CFAR) provides assurance and assistance to the Board on financial, audit and risk-related matters. The CFAR met five times in 2020/21 and ensured that risk management was effective.

The MCB's delegation of authority comprises appointments, authorisations, financial authorisations, procurement, ICT and HR. The table of delegations, authorisations and appointments ensures that MCB officers have the appropriate legal authority to exercise powers and carry out certain actions for which they are personally accountable. Effective delegation and authorisation ensure the transfer of decision making and accountability within the MCB's operations and are critical to the achievement of outcomes.

The policy framework provides for the development, approval, implementation, review and availability of all policies. MCB policies are generally brief, outcomes-focused statements that clearly identify the particular way in which the MCB manages key issues and responsibilities arising from a variety of sources including legislation, general government policy and the directions and goals as set by the CEO and the Board. During 2020/21 17 policies were drafted or reviewed and updated.

The MCB's risk register was reviewed and updated continually during 2020/21. The risk framework includes business continuity planning and crisis management and contributes to those aspects of corporate governance that are directed towards enhancing organisational reputation and performance. It provides a structure to facilitate communication and consultation between internal and external stakeholders in defining and achieving organisational goals. Internal audits was completed on Business Resilience and Risk Culture during 2020/21.

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. The complaints handling system was reviewed and updated to reflect current procedures during the review period.

All current 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.

This training is included in the staff induction program and is focussed on a whole of organisation approach.

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 211 complaints recorded from 1 July 2020 to 30 June 2021, a slight increase from 209 in 2019/2020.

100% of complaints were acknowledged within five days as per the Complaint Handling Guidelines.

98.5% 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.

55% of complaints were investigated and resolved within two working days, exceeding expectations with regards to the Complaint Handling Guidelines. The majority of complaints handled by the MCB were resolved without further incident.

The 211 complaints the MCB received in the 12 months to 30 June 2021 met the following criteria:

- Acknowledged within 5 working days 100%.
- Responded to within 15 working days 98.5%.
- Resolved without further incident 76.3%.

A marked increase in complaints regarding MCB Grounds/Operations were received – 101 in 2020/2021 compared to 82 in 2019/2020 and also a marked decrease in complaints regarding the cemetery renewal program; 8 in 2020/21 compared to 27 in 2019/20. The increase in Grounds/Operations complaints largely related to opposition to fencing at Pinnaroo and complaints regarding enforcement of the Flower and Ornament Policy.

16 instances of vandalism and car break-ins were reported to the MCB. This is a significant decrease from 84 in the previous period. The MCB continues to liaise with the Police on this matter.

Complaints in the 'Other' category include – issues with the MCB's website, wildlife and funeral directors.

Complaints by Category		
Accidents	1	<1%
Facilities	27	13%
Grounds/Operations	101	48%
Products/Services	50	24%
Cemetery Renewal	8	4%
Other	24	11%
Total	211	100%

Compliments

The MCB received 53 registered compliments and notes of appreciation, a decrease from 84 in 2019/2020. These were mostly relating to upkeep of MCB cemeteries and memorial parks by grounds staff and assistance provided by Client Services staff.

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