



The Greater Metropolitan
Cemeteries Trust

Lasting memories, peaceful places.



ANNUAL REPORT
2016-2017

INTRODUCTION

ABOUT THE GREATER METROPOLITAN CEMETERIES TRUST

The Greater Metropolitan Cemeteries Trust (GMCT) is classified as a Class A cemetery trust under the *Cemeteries and Crematoria Act 2003*. GMCT was established on 1 March 2010 following the consolidation of eight cemetery trusts into one. These trusts were located in Altona, Andersons Creek, Fawkner, Keilor, Lilydale, Preston, Templestowe and Wyndham.

GMCT is a body corporate with perpetual succession established by the Governor in Council pursuant to regulations under the *Cemeteries Act 1958* and updated within the *Cemeteries and Crematoria Act 2003*.

Remunerated trust members appointed by the government form a board that governs GMCT. The board is responsible for setting strategic direction, approving the annual budget, monitoring performance, ensuring compliance, developing policy, high level stakeholder management and ensuring a risk management framework is in place.

GMCT is a not-for-profit organisation that serves Melbourne's diverse multicultural communities. It proudly provides burial, cremation and memorialisation services to more than 12,000 families each year as well as perpetual maintenance of more than 650 hectares of public parkland that have been allocated for cemetery purposes.

ABOUT THIS REPORT

The Greater Metropolitan Cemeteries Trust Annual Report 2016–2017 provides information about the trust's governance, objectives, functions, performance and achievements. It highlights GMCT's work throughout the year and includes information about management, operations, infrastructure and planning, workforce, sector leadership, stakeholder engagement and financial operations. It includes a joint report from the chair and chief executive officer.

The annual report is a statutory obligation under the *Cemeteries and Crematoria Act 2003*. It complies with financial reporting directions and meets the requirements outlined in the model report of operations. The GMCT annual report is tabled in the Victorian Parliament before being released.

This report covers the financial year ended 30 June 2017.

An accessible version of the annual report is available on the GMCT website at <http://gmct.com.au/about-us/annual-report/>



OUR VISION

Lasting memories, peaceful places.

OUR MISSION

We provide the final care for your loved ones, with dignity and kindness. We respect all peoples, our heritage, our communities and the environment.

OUR VALUES

- Compassion
- Respect
- Sustainability
- Integrity

OUR PURPOSE

The Greater Metropolitan Cemeteries Trust offers a wide range of burial, cremation and interment options, which allow Melbourne's diverse community to make choices according to their, or their loved one's, cultural, personal and religious preferences.

We make sure every experience with us is helpful and supportive, so that the memories you associate with your loved one's final resting place are positive from the start.

All of our cemeteries have strong connections with the local communities they serve.

We are committed to maintaining beautiful, restful and sustainable places that are also rich in history.





**The Greater Metropolitan
Cemeteries Trust**

Lasting memories, peaceful places.

9 August 2017

The Hon. Jill Hennessy MP
Minister for Health
Level 22, 50 Lonsdale Street
Melbourne, VIC 3000

Dear Minister

We have pleasure in submitting to you, for presentation to parliament, the annual report of The Greater Metropolitan Cemeteries Trust (GMCT) for the year ending 30 June 2017.

The report was endorsed at an extraordinary meeting of the trust on 9 August 2017.

It has been prepared in accordance with section 52 of the *Cemeteries and Crematoria Act 2003* and the Cemetery Model Annual Report for 2016-2017 under the *Financial Management Act 1994*.

The report is divided into two sections — a report of operations and financial statements including explanatory notes. It provides a summary of operational achievements, statutory information and financial statements and details on performance.

The report includes a joint report from the chair and chief executive officer and a report from the director finance and business.

The 2016-17 year was one in which GMCT commenced the process of building on the strong foundations established over the previous three years.

This reporting period marks the first year of the trust's Strategic Plan 2016-21. With the theme '*stepping up and reaching beyond*', this plan focuses on community connections, lasting stewardship, operational excellence and change ready agility.

In accordance with our commitment to sustainability, limited copies of this report are available in print.

The full report is available online at www.gmct.com.au/about-us/annual-report/

Regards

Geoff Mabbett
Chair

Jacqui Weatherill
Chief Executive Officer

Head Office

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Greater Metropolitan Cemeteries Trust ABN 89 704 534 022

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RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for The Greater Metropolitan Cemeteries Trust (GMCT) for the year ending 30 June 2017.



GEOFF MABBETT

Chair

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

9 August 2017



CHAIR AND CHIEF EXECUTIVE OFFICER REPORT

Across Melbourne's north, east and west our cemeteries provide lasting memories and peaceful places for families to honour and remember loved ones.



As generations pass, our cemeteries will continue to provide a tangible and constant reminder that history and heritage are important; that the stories of our ancestors are to be celebrated; and that a dignified, respectful and culturally sensitive final resting place is available to all members of our community.

At The Greater Metropolitan Cemeteries Trust (GMCT) we aim to make sure every experience with us is helpful and supportive and that the memories associated with a loved one's final resting place are positive from the start.

In 2016-17 we welcomed two million visitors to our cemeteries and supported more than 12,000 families directly with their burial, cremation and memorial needs. Service delivery is always foremost in our minds and this year was dedicated to reviewing and improving our services and products as well as our processes and partnerships in order to give our customers — in particular families and funeral directors — a better experience.

Listening to families and partners

Throughout 2016-17 GMCT was proud to serve and support families, communities and religious groups, the funeral sector, government and local residents. Our commitment to improving the GMCT experience inspired us to actively engage with our stakeholders to better understand their needs.

We undertook extensive engagement with communities and industry partners including research to better understand their specific priorities and burial needs. The insights gained are helping us to prepare for Melbourne's population growth and changing multicultural landscape and are informing our planning decisions for purchasing new land and designing our cemeteries to meet the needs of tomorrow's communities.

We introduced several initiatives to enhance our delivery of a consistent and responsive customer experience including: establishing a customer contact centre to support more responsive service; providing

greater access to online information through our website and social media channels; outsourcing food and beverage services to deliver a higher quality experience; and revising our burial operations manual to standardise our processes across all sites.

Our community advisory committee provided guidance on many aspects of GMCT's operations during the year with a specific focus on grave infrastructure developments, grounds maintenance standards and product pricing. This reflects our shift to a more proactive and integrated consultation approach with community members.

In line with our culture of continuous improvement, we developed a robust complaints management system and audited service and business processes. We undertook a strategic review of our organisational structure and established a dedicated service and engagement directorate to provide a more focused response to engaging with stakeholders, capitalising on business opportunities and meeting community expectations.

In 2016-2017, we sought to strengthen the highly valued relationships we share with funeral directors and other cemeteries sector partners by meeting regularly with sector representatives and securing feedback through targeted research.

**“ BUILDING ON OUR
POSITIVE WORK TOGETHER
WE ENSURE GMCT IS
'STEPPING UP AND
REACHING BEYOND'.”**

Investing for the future

In 2016-17 GMCT completed major new infrastructure projects, improved our operations and continued to build an outstanding workplace culture. We also delivered a positive financial result that will strengthen GMCT's capacity to invest in the future.

The year's revenue growth was created by the release of new grave and mausoleum stock that met the strong community demand at our key sites. In addition to funding these new developments, our revenue growth will play an integral role in ensuring GMCT meets its future perpetual maintenance obligations as cemeteries reach capacity.

GMCT's total capital investment for the year was \$17 million, revenue from cemetery operations was \$58 million and we achieved an operating surplus in excess of \$32 million.

As a result of earlier planning decisions, families were able to purchase crypts at the new Atrium of Holy Angels mausoleum and graves at the Keilor Cemetery extension. These two projects alone represent a \$10.2 million capital investment in grave infrastructure.

We commenced construction of significant new cemetery infrastructure at Northern Memorial Park and progressed plans to develop a greenfield site at Melton to ensure this growth corridor in Melbourne's west is served for generations to come.

The initiation in 2016-17 of a \$7 million investment over five years to develop GMCT's digital landscape will transform the way our workforce operates and bring direct benefits to our customers and sector partners.

Strategic plan

The past 12 months marked the first year of our Strategic Plan 2016-2021 under the theme 'stepping up, reaching beyond'. This theme articulates our commitment to ensure we consistently strive to exceed expectations, challenge community perceptions of the industry and improve our service offering.

This aspirational strategy is focused on four fundamental pillars: community connections, lasting stewardship, operational excellence and change ready agility. These priorities will underpin and inform initiatives and decision-making while also ensuring we are focused, transparent and accountable.

It is an ambitious plan and our workforce is increasingly motivated to reach the high levels of excellence required to achieve it. Every day our dedicated staff are living the values of GMCT — compassion, respect, sustainability and integrity — and striving to exceed community and partner expectations as well as our own high internal expectations.

This is evident in many areas, particularly the ownership of occupational health and safety with the results for 2016-17 the best we have ever achieved. Lost days due to workplace incidents was down from 441 in 2013 to just 31 in 2017.

Collaborative leadership

During the year GMCT began rolling out a new independent online contractor and supplier management system called Cm3 to improve workplace health and safety in our cemeteries. Part of GMCT's commitment to providing safe spaces for all cemetery visitors, Cm3 also demonstrates our commitment to improving business operations.

We also launched phase one of an online funeral director portal that aims to meet their needs 24 hours a day.

Our support for Class B cemeteries continued through consultancy roles and we maintained strong representation at events held by the sector's peak bodies in order to share knowledge and learn from our peers.

A strong contribution

The governance of GMCT was marked by a period of stability in 2016-17 with all trust members starting their terms in the previous financial year or earlier. The only change was the resignation of Jennifer Kearney. Appointed to the original trust board in 2010, we thank Jennifer for her commitment and particularly her guidance as chair of the finance and investment committee.

We acknowledge each of our industry partners and the Department of Health and Human Services for their guidance and the important role they play in helping us deliver our services to the community.

Finally, we thank our trust members, the executive management team, staff and volunteers for their contribution to GMCT and look forward to building on our positive work together in the service of our increasingly complex, diverse and ever changing communities.



GEOFF MABBETT
Chair

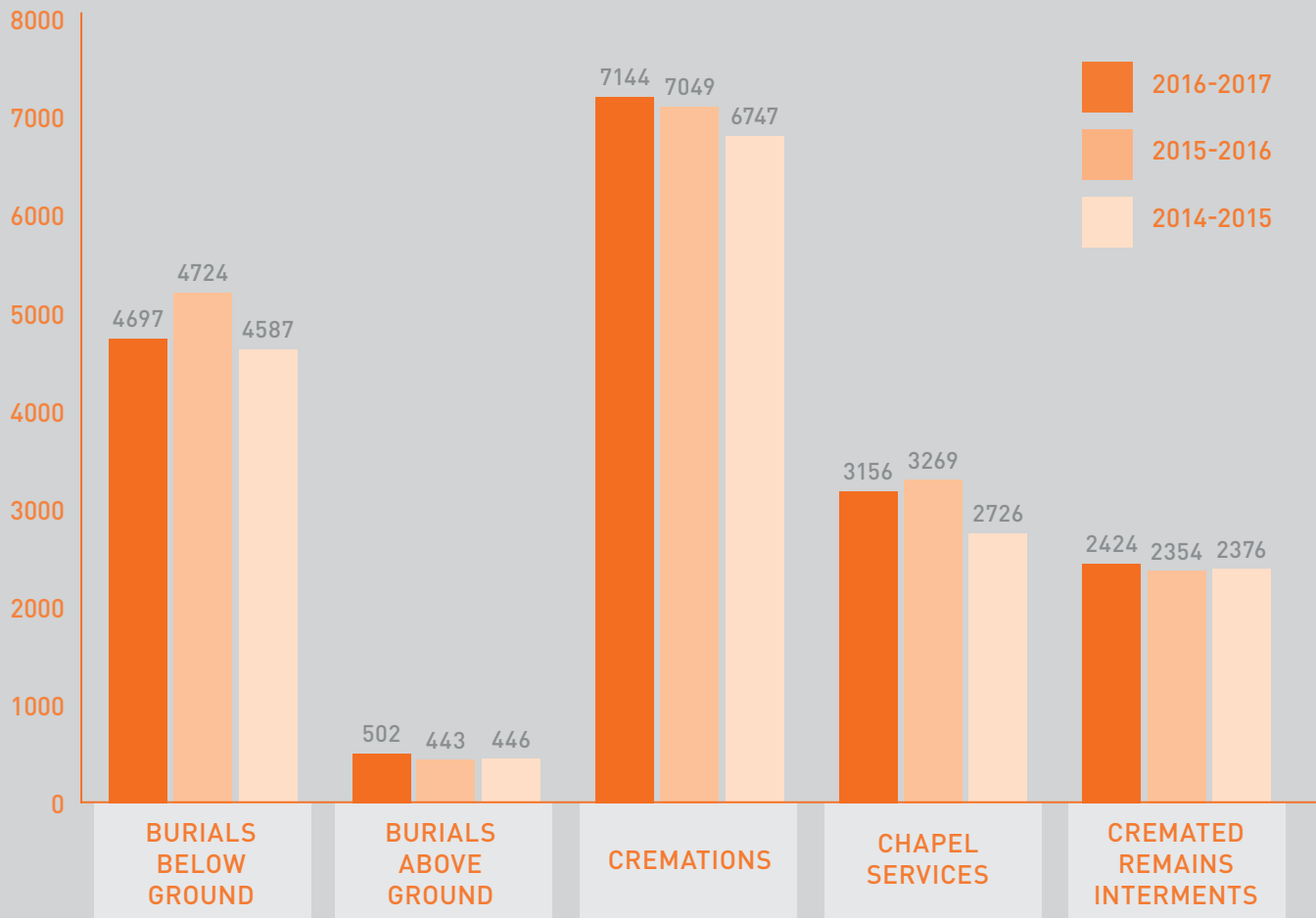


JACQUI WEATHERILL
Chief Executive Officer

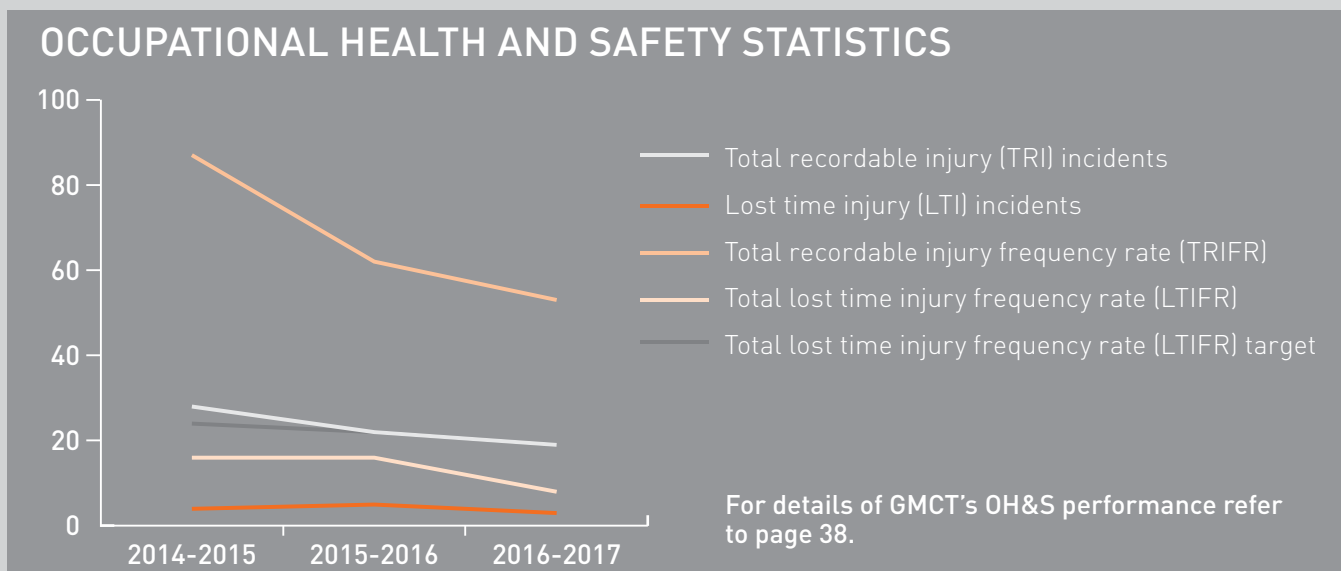


PERFORMANCE REPORT

PERFORMANCE DATA OVER THE PAST THREE YEARS

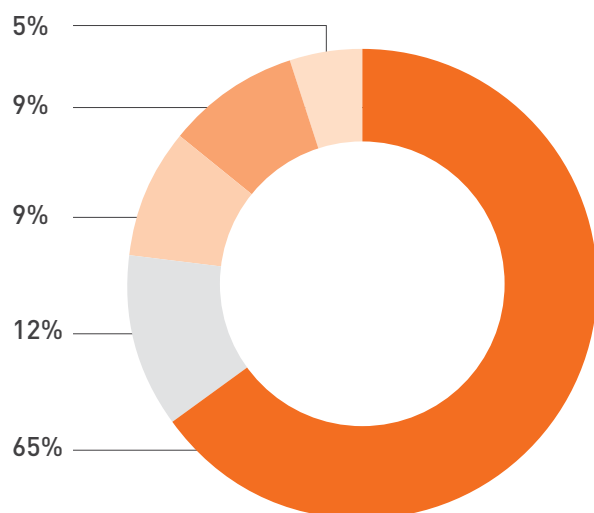


ENERGY	USEAGE 2016-2017	USEAGE 2015-2016	USEAGE 2014-2015
Electricity	1,354 (MwH)	1,453 (MwH)	1,548 (MwH)
Gas	8,410 (GJ)	10,321 (GJ)	10,588 (GJ)
Water	85 mega litres	71 mega litres	106 mega litres



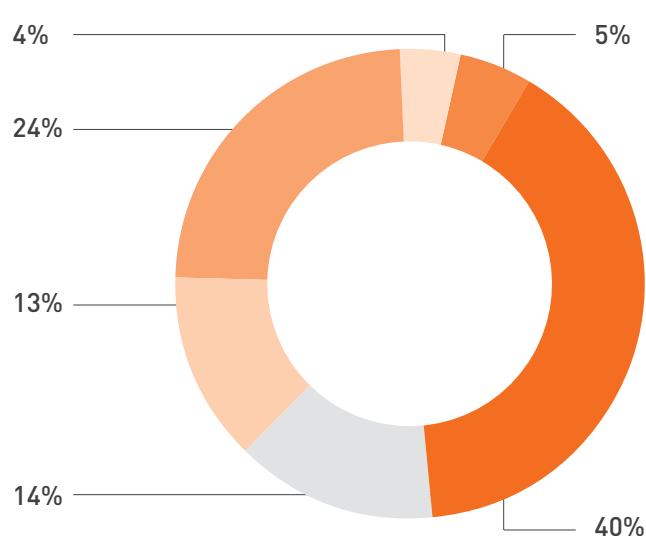
FINANCIAL COMPARATIVE ANALYSIS

REVENUE



	\$ 000
Right of interment	37,695
Interments	7,194
Cremations	5,190
Memorialisation	5,041
Other	2,925

OPERATING EXPENSES



	\$ 000
Salaries and wages	18,506
Maintenance and operations	6,322
Administration	6,020
Cost of sales	10,926
Other	1,770
Cemetery levy	2,344

GMCT COMPARATIVE RESULTS

	2017 \$000	2016 \$000	2015 \$000	2014 \$000	2013 \$000
Operating and investment income	78,092	57,777	59,678	58,977	53,429
Cost of sales	(10,926)	(6,933)	(6,534)	(7,174)	(6,871)
Resources received free of charge	-	-	-	-	2,600**
Total income from transactions	67,166	50,844	53,144	51,803	49,158
Total expenses	34,962	31,747	33,438	23,720*	26,807
Operating surplus	32,204	19,097	19,706	28,083	22,351
Total assets	431,175	369,904	351,289	328,181	298,665
Total liabilities	28,383	24,622	24,103	21,715	19,549
Net assets	402,792	345,282	327,186	306,466	279,116

* Included \$6.8 million of realised gains on sale of investments.

** Recognition of land controlled at Melton West and valued by the Valuer-General Victoria.



PART 1: OVERVIEW

STRATEGIC PLAN 2016-2021

In September 2016 GMCT released its five-year rolling strategic plan for the period 2016-21. The plan was informed by extensive consultation with internal and external stakeholders including customers, visitors, staff, community groups, the funeral sector, cultural and religious groups, local residents, councils and the state government.

Meeting the diverse expectations and needs of the community is GMCT's core focus. We understand that a commitment to operational excellence is critical to meeting those expectations.

The strategic theme — stepping up and reaching beyond — articulates a commitment to our internal team and external stakeholders to ensure we consistently strive to deliver beyond expectations, challenge perceptions of the sector, improve our service offering and work with our communities.

Our aspirational roadmap for the next five years will see GMCT continue to focus on four fundamental pillars:

- community connections
- lasting stewardship
- operational excellence
- change ready agility

These priority areas will underpin and inform initiatives and decision-making and ensure we are focused, transparent and accountable. There are 12 strategies supporting these four pillars. GMCT's annual plans will provide the mechanism through which we will action and realise the five-year strategic plan.

Supported by ongoing stakeholder consultation, the five-year strategic plan will be reviewed regularly so that it remains fit for purpose and the foundation upon which GMCT will build in the long-term.

The GMCT strategic plans can be viewed at <http://www.gmct.com.au/about-us/annual-report/>



OUR KEY STAKEHOLDERS

GMCT works with a number of stakeholders across the funeral and cemetery sectors, local communities and government. We greatly value these relationships and the positive impact they have on our business and service delivery.



CEMETERY LIFECYCLE

GMCT manages 21 sites (including two greenfield sites) allocated for cemetery use under the Victorian Government Gazette. A number of sites have been providing services to the local community for more than 150 years with many considered to be reaching peak capacity or to have entered a level of perpetual maintenance.



SITES MAP AND HIGHLIGHTS

6 FAWKNER MEMORIAL PARK

Highlights:

- Completion of the Atrium of Holy Angels mausoleum; blessing by the Most Reverend Denis Hart, Archbishop of Melbourne.

North 111 Active

8 KEILOR CEMETERY

Highlights:

- Completion of the Keilor Cemetery extension.

North 14 Active

16 WERRIBEE CEMETERY

Highlights:

- Completion of development providing additional graves and amenities for community use.

West 5.6 Active-Transitional

1 ALTONA MEMORIAL PARK

Highlights:

- Completion of Wattle Lawn extension including corrective works related to ground degradation and remediation activity to works area.

West 53.3 Active

17 WILLIAMSTOWN CEMETERY

Highlights:

- Completion of fountain restoration and christening with Wade Noonan, member for Williamstown, Minister for Industry and Employment and Minister for Resources.
- Completion of additional lawn grave project.

West 11.4 Active-Transitional

10 LILYDALE MEMORIAL PARK

Highlights:

- Completion of Yellow Gums grave infrastructure; opening of the Hutton Room for functions.

East 36.3 Active

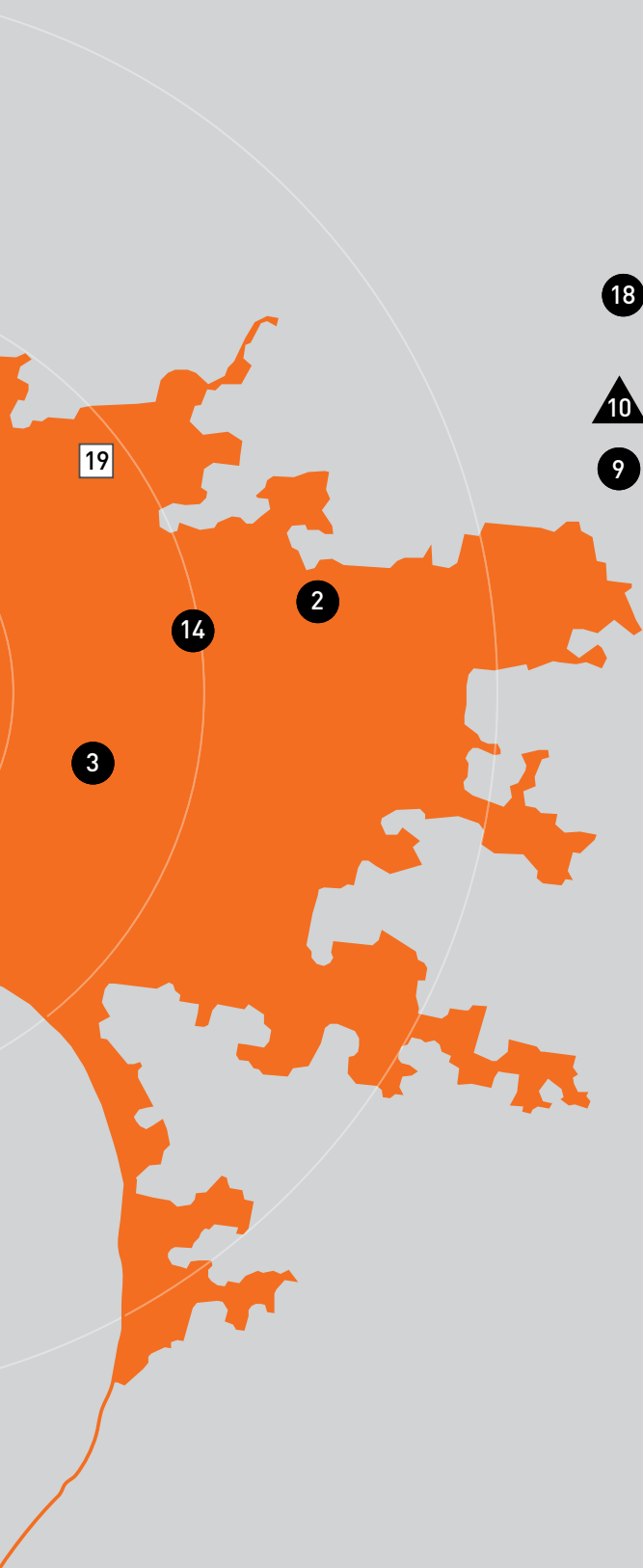
12 NORTHERN MEMORIAL PARK

Highlights:

- Ceremony to mark commencement of construction of the new cemetery with councillor Natalie Abboud, Moreland City Council.

North 98.4 Establishment-Active





14 TEMPLESTOWE CEMETERY

East 3.9 Transitional-Perpetual

15 TRUGANINA CEMETERY

West 1.6 Perpetual

20 MELTON WEST (GREENFIELD SITE)

West 128.6 Establishment

4 COBURG PINE RIDGE CEMETERY

North 10.3 Transitional-Perpetual

11 NORTHCOTE CEMETERY

North 0.4 Perpetual

19 PLENTY VALLEY (GREENFIELD SITE)

North 83.2 Establishment

2 ANDERSONS CREEK CEMETERY

East 3.3 Active-Transitional

3 BURWOOD CEMETERY

East 6 Transitional

5 EMERALD CEMETERY

East 2 Active-Transitional

7 HEALESVILLE CEMETERY

East 3.6 Active-Transitional

9 LILYDALE LAWN CEMETERY

East 4.5 Transitional-Perpetual

18 YARRA GLEN CEMETERY

East 2 Active-Transitional

21 FOOTSCRAY CEMETERY

West 11 Transitional-Perpetual

13 PRESTON CEMETERY

North 9.5 Active

Corporate head office

Regional HQ

GMCT sites

Greenfield sites

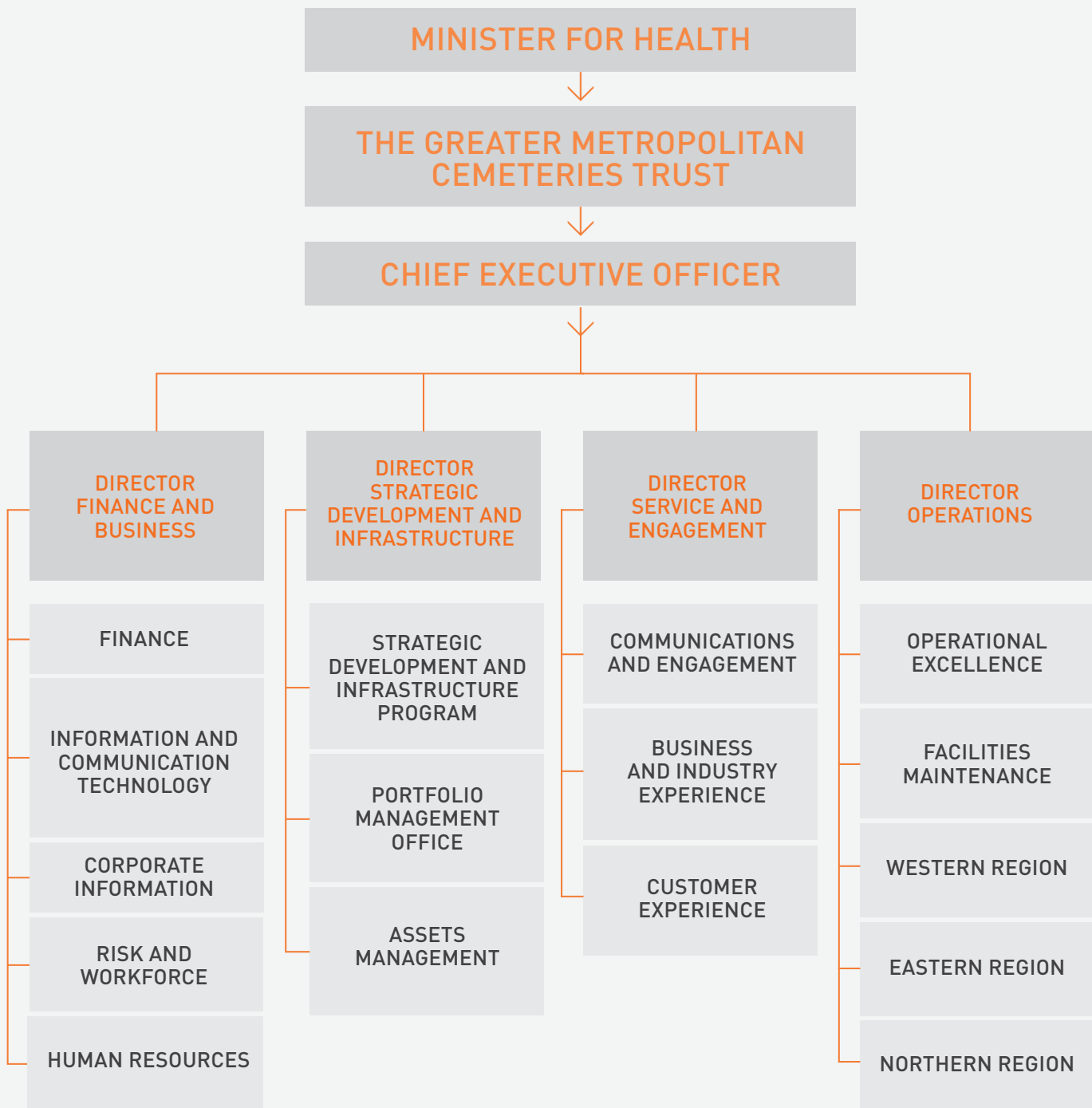
Region

Land size (hectares)

Stage in lifecycle
(refer page 11)



ORGANISATIONAL STRUCTURE



AT A GLANCE



21 CEMETERIES AND MEMORIAL PARKS
ACROSS MELBOURNE'S NORTH, EAST AND WEST
(INCLUDING TWO GREENFIELD SITES)



\$6.1 MILLION
INVESTMENT IN THE
DEVELOPMENT OF
NEW STOCK



\$7.0 MILLION
INVESTMENT IN
CAPITAL WORKS
PROJECTS



620,239
VISITORS TO
FAWKNER
MEMORIAL PARK



4697
BURIAL
INTERMENTS



7144
CREMATIONS



502
MAUSOLEUM
INTERMENTS

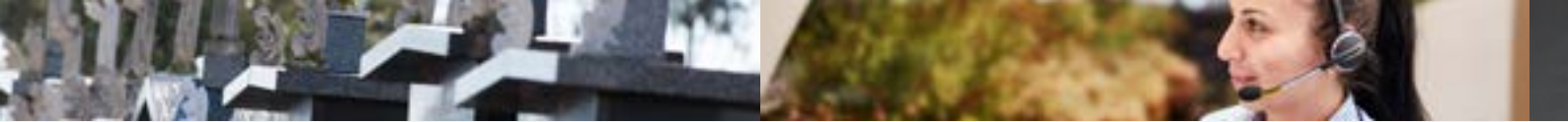


2926+ HOURS
UNDERTAKEN BY STAFF
FOR DEVELOPMENT
AND TRAINING



208
MEMBERS OF
OUR WORKFORCE





INNOVATION HIGHLIGHTS

→ COMMUNITY RELATIONS

Insights program — GMCT continued its community outreach program, talking to community and cultural groups to gain a greater insight into their specific needs. This ensures GMCT provides relevant and timely products and services, such as appropriate burial options, after-hours access for prayer services and special events including Chinese Ancestor Day and All Souls’ Day. The outreach program is supported by an annual calendar of activities that includes cultural, religious, educational and consultation events.

Customer contact centre — In 2016-17 GMCT consolidated its customer contact operations by establishing a centralised customer contact centre at head office in Fawcner Memorial Park.

Customer satisfaction survey — The 2016 customer satisfaction survey was completed by 300 people (150 for the northern region and 75 each for the eastern and western regions) across a broad customer base. Families who used GMCT services over the past 12 months were contacted for feedback about their experience.

The following results show the percentage of customers who ‘agreed’ or ‘strongly agreed’ that GMCT was meeting their needs.

QUESTION	AGREED/ STRONGLY AGREED 2015-16	AGREED/ STRONGLY AGREED 2016-17
Phone handling experience	92%	92%
Front counter experience	94%	95%
Graveside experience	97%	97%
Chapels experience	98%	97%
Food, beverage and floristry experience	94%	92%
Facilities experience including toilets	94%	94%
Grounds and gardens experience	94%	92%

Stakeholder surveys — GMCT conducts annual surveys as part its stakeholder consultation. In 2016-17 independent consultants contacted 3342 individuals including community leaders, funeral directors, stonemasons and members of the public across Melbourne’s north, east and west and of these 411 were interviewed.

Using two international standards for measuring customer satisfaction, participants were asked whether they would recommend GMCT (providing a ‘net promoter’ score) and how easy GMCT was to do business with (providing a ‘customer effort’ score). GMCT’s net promoter score was particularly strong and consistent with best practice organisations.

The customer effort score was positive, indicating that GMCT is meeting the expectations of the majority of stakeholders and customers in terms of service delivery. The 2016-17 survey results set a benchmark for future performance measurement.

→ STONEMASON MANAGEMENT REVIEW

GMCT undertook a comprehensive review of its stonemason management processes during this reporting period.

This included a review of documentation that outlines monument requirements at different cemeteries, the stonemason permit pricing model and GMCT’s terms and conditions for stonemasons.

A digital permit form was created along with a virtual audit process that requires stonemasons to document their work photographically at key construction hold points. This initiative is in keeping with GMCT’s headstone safety project that records headstone stability.

The next step will be developing an online portal for stonemasons as part of GMCT’s broader digital strategy.

→ MELTON PUBLIC CEMETERY

As part of its commitment to supporting Class B cemetery trusts GMCT has provided consultancy services to the City of Melton in relation to Melton Public Cemetery. A specific focus has been helping the council to create some new grave sites at the near-capacity cemetery.

GMCT staff identified approximately 160 potential grave sites and prepared a plan for consideration by the council. Should the plan be adopted GMCT will continue to work with the council on its implementation.

GMCT has prepared a draft master plan for a greenfield cemetery site at Melton West that will meet the future needs of Melton residents.



→ ATRIUM OF HOLY ANGELS MAUSOLEUM

In April over 500 guests attended the official opening of the Atrium of Holy Angels mausoleum at Fawkner Memorial Park and GMCT was pleased to have the Most Reverend Denis Hart, Archbishop of Melbourne, bless the building.

Designed and built in close consultation with the community, the new wing provides over 600 crypts to meet unprecedented community demand.

GMCT developed a strong marketing campaign for the mausoleum crypts with an evening sales event and sales collateral including a 20 page brochure and 'fly through' DVD. The marketing campaign was highly successful with nearly 90 per cent of crypts sold off the plan. Preparations are now underway for development of the next stage of the mausoleum.

→ KEILOR CEMETERY DEVELOPMENT

The \$17 million Ely Court development is a major 3.7 hectare expansion of Keilor Cemetery on land adjacent to the existing site. Construction of stage one — including roads and foundations for new graves — began in July 2016 and was completed ahead of schedule in April 2017.

Keilor Cemetery has been servicing the local community since 1856 and reached sales capacity about two years ago. The extension complements the existing character of the cemetery and will provide 5065 new monumental and lawn beam graves with stage one delivering an initial 1467 plots.

→ REVISED ORGANISATIONAL STRUCTURE

As part of the continuous development of its business GMCT embarked on a strategic review of its organisational structure in 2016-17 with the objective of increasing efficiency in the delivery of services to the community.

Previously operating through three business directorates, the new organisational structure adds a fourth directorate — service and engagement.

The new service and engagement directorate will provide a more focused response to the manner in which GMCT engages with its stakeholders, capitalises on business opportunities and meets community expectations.



→ PUBLIC ART AUDIT

During this reporting period GMCT undertook an audit of its public art including architectural features and historical furniture. A total of 153 items were catalogued including some pieces of significance.

The works include a wide range of paintings, sculptures, tapestries, mosaics, fountains and features such as gates, stained glass windows and light installations.

→ DIGITAL STRATEGY

In 2016-17 GMCT undertook a comprehensive review of its digital capacity and developed a strategy that will lead to a more digitally enabled organisation in the future. Technological solutions will improve the experience for funeral directors and their customers and generally enhance our services for the benefit of families.

The review assessed GMCT's digital maturity and identified opportunities to increase business value. These include:

- developing new digital channels for all stakeholders
- enhancing digital tools and practices for staff
- growing the use of information and analytics within GMCT
- enhancing workflow automation
- greater leveraging of technology overall.

The digital strategy will be implemented over the next three years at an overall investment of approximately \$7 million.

→ GRAVE IDENTIFICATION PROJECT

Grave identification is one of the most important tasks GMCT undertakes to ensure correct interments take place. As with most cemeteries, many historical records are incomplete and in some instances completely missing.

GMCT has developed a grave identification process that includes a three-point check to confirm site details. This includes reference to current geographic information system data and historical records as well as an on-site check using adjacent graves as cross reference points. GMCT has a 100 per cent accuracy target and an independent consultant provides monthly quality assurance audits.





INNOVATION HIGHLIGHTS (CONTINUED)

→ CREMATOR PRODUCTIVITY REVIEW

GMCT has cremators at its Fawkner, Altona and Lilydale sites. In 2016-17 GMCT undertook a productivity review with the aim of increasing the operating efficiencies of its cremators.

The cremators use a significant amount of gas and take some time from start-up to reach their optimal operating temperature. GMCT has examined how it can best schedule cremations to increase productivity and resource efficiency.

Changes to cremation timetables are gradually being introduced and GMCT will monitor the effect of these changes over the next year.

While the changes will provide a cost saving, the main motivation is enhancing GMCT's environmental sustainability and producing greater workplace efficiencies while continuing to meet community needs in relation to service delivery.

We have two programs that measure cemetery presentation — one using a professional horticulture measuring system and the other based on customer perceptions.

For the second year GMCT participated in an independent horticultural satisfaction benchmarking program. An independent company interviewed cemetery visitors and rated satisfaction levels against 16 local government parks and gardens departments. GMCT ranked sixth out of 18 sites in what is a well-established independent benchmarking system.

GMCT also conducts monthly quality audits of horticulture at every site through an independent professional assessor. This audit physically measures horticulture practices and examines elements in finite detail such as grass length, the extent of litter and number of dead branches in trees. The results of these monthly audits were very good in this reporting period.

→ HEADSTONE SAFETY PROJECT

In 2016-17 GMCT developed the protocols for a headstone safety project that will be implemented over the next five years.

Every headstone in each GMCT cemetery will be tested from a safety perspective — there are approximately 320,000 headstones with the oldest ones put in place more than 150 years ago.

Unstable monuments create a safety risk for cemetery visitors and GMCT staff. The maintenance of monuments is technically the family's responsibility, however in many cases there is not a family member who can maintain an old and unstable monument.

Through this project each monument in GMCT's cemeteries will be rated for stability and the monument location and stability rating stored electronically in the geographic information system. Headstones that need to be checked on a regular basis will be identified and periodic checks implemented.

→ BURIAL OPERATIONS MANUAL

During 2016-17 GMCT developed a standardised burial operations manual to ensure consistency in procedures and service delivery at each of its 19 cemeteries.

The manual details all of the procedures associated with interment activity with a strong emphasis on workplace health and safety. There is also a focus on grave identification, including use of the geographic information system mapping software and quality assurance processes in this area.

→ OCCUPATIONAL HEALTH AND SAFETY PREQUALIFICATION SYSTEM

GMCT commenced the introduction of a new online contractor management system that improves workplace health and safety. Called Cm3, this independent third party system allows GMCT to better manage the workplace health and safety prequalification process for contractors and suppliers.

The new system is fundamental to GMCT's commitment to meeting its legal requirements under sections 20 and 21 of the *Occupational Health and Safety Act 2004* and its moral obligations with respect to workplace health and safety.

The introduction of Cm3 is part of the trust's overall commitment to providing safe spaces for all visitors to its cemeteries.

→ CEMETERY PRESENTATION

Cemetery presentation is very important to GMCT and we are continually assessing our overall presentation and horticulture standards to improve customer experiences.

GMCT manages over 650 hectares of public space that accommodates more than 15,000 trees as well as extensive lawn areas and garden beds.



→ SIGNAGE AND WAY FINDING PROJECT

GMCT has undertaken a major signage and way finding project to improve the overall amenity of its cemeteries.

Project planning began in 2015 with a focus on developing a consistent signage hierarchy for GMCT cemeteries.

Following a successful pilot program, full-scale manufacture and installation commenced in July 2016 with more than 900 new signs installed across 18 cemeteries during the past 12 months. This has included informational signage, directional signage and maps. The total investment in this project is \$2.4 million.

→ SITE DEVELOPMENT

During the reporting period GMCT undertook a significant level of development work at many of its sites. This includes investing \$5 million in new graves at Altona Memorial Park, Williamstown Cemetery, Northern Memorial Park, Healesville Cemetery, Templestowe Cemetery, Fawknor Memorial Park and Werribee Cemetery.

At Northern Memorial Park a large expansion has included 1500 directional graves to cater for demand as well as a significant number of monumental and lawn beam graves.

GMCT has also invested heavily in security upgrades at all of its sites with more monitoring and patrols to safeguard staff, visitors and facilities.

→ COMMITMENT TO SUSTAINABILITY

Environmental sustainability plan — A new environmental sustainability plan has been developed that will guide GMCT's environmental stewardship for the next five years. The plan is based on the United Nations Sustainable Development Goals.

Water supply study — GMCT completed a water supply study in December with a focus on water use and storage. The findings of the study are being implemented across GMCT sites to encourage optimum use of water.

Solar energy — Solar panels were installed on the head office building at Fawknor Memorial Park during this reporting period. Connected to the electricity grid in April, the panels meet approximately 50 per cent of GMCT's electricity requirements.



→ ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

During this reporting period GMCT developed an asset management accountability framework. Based on an international standard, the framework brings a whole-of-life asset management perspective to the organisation to ensure it optimises the value of assets held.

These assets include 127 buildings, 60 kilometres of road networks and over 50 kilometres of fencing.

The process helped identify a number of assets that needed major restoration works including the historic gates from the old Melbourne Fish Market (now located at the main entrance to Fawknor Memorial Park), a number of chapels and the heritage-listed Fawknor Tearooms.

→ WILLIAMSTOWN FOUNTAIN RESTORATION

A community celebration with costumed historic characters, a town crier and old-fashioned games was held to mark the christening of the restored historic fountain at Williamstown Cemetery in May 2017.

Built in 1892, the landmark fountain was decaying, suffering water leakages and missing an upper bowl. The \$450,000 rehabilitation and refurbishment took almost 12 months and was undertaken by specialist restoration contractors HBS Group.

Victoria's Heritage Restoration Fund contributed \$50,000 towards the work on the fountain. The restored fountain was officially switched on by Wade Noonan, the member for Williamstown and Minister for Industry and Employment and Minister for Resources.

→ FACILITIES STRATEGY

During this reporting period GMCT developed a facilities strategy that provides guidance on cemetery facilities needs for business operations and staffing. It is also designed to assist with capital works planning over the next 10 to 20 years (up to 2036).

The primary objective of the strategy is the establishment of a holistic strategic framework that will guide future GMCT planning, management and investment in cemetery facilities and that informs cemetery master planning and asset management plans.





INNOVATION HIGHLIGHTS (CONTINUED)

→ TENURE PROGRAM

GMCT has been very active in this reporting period managing its tenure obligations in relation to burial plots, cremated remains memorials and uncollected cremated remains.

The tenure team conducts research to validate the tenure status of burial plots that have been held for 25 years or more with a view to potentially purchasing or reclaiming the right of interment in accordance with the *Cemeteries and Crematoria Act 2003*.

During the last 12 months more than 1000 plots have been reclaimed at several of GMCT's older sites.

GMCT has also initiated a program in relation to uncollected cremated remains — those held in storage for more than 12 months (GMCT's regulatory obligation). The process includes extensive research and advertising to try and locate family members as well as attempts to follow specific instructions if any were left. Through this process 51 families came forward to claim remains in 2016-17.

From 2017 GMCT will scatter uncollected remains in common gardens and has created specific memorials at Fawkner Memorial Park, Altona Memorial Park and Lilydale Memorial Park. In March the cremated remains of 58 people were scattered at Fawkner Memorial Park with a secular service conducted by the Salvation Army. On average the cremated remains had been held for seven years.

→ LAND ACQUISITION

GMCT has undertaken preliminary investigations of potential new sites in Melbourne's west and north-west and is looking to undertake further detailed assessment for the preparation of a land acquisition business case.

→ NEW FOOD AND BEVERAGE SERVICE CONTRACT

During the previous reporting period GMCT went through an open tender process for a single service provider to supply food and beverage and floristry retail services at GMCT sites. Celeste Catering was the successful tenderer and started its three-year licence on 1 July 2016.

During 2016-17, through the arrangement with Celeste Catering, GMCT hosted 1709 functions at its sites and catered for approximately 135,000 guests. It has also provided 14,311 floral arrangements and associated goods.

→ NORTHERN MEMORIAL PARK EXTENSION

The construction of Melbourne's newest cemetery began in Glenroy in May. The Northern Memorial Park extension — known as the River Red Gum Park Project — will initially provide an extra 1400 graves for the northern suburbs following completion of the first stage in 2018.

Covering approximately 50 hectares, the site will be developed in three stages over the next decade.

→ CONSERVATION MANAGEMENT PLANS

In 2016-17 GMCT undertook conservation management plans at five cemeteries — Andersons Creek Cemetery, Templestowe Cemetery, Lilydale Memorial Park, Healesville Cemetery and Emerald Cemetery. We are also in the final stages of developing the conservation management plan for Fawkner Memorial Park.

A conservation management plan is prepared before any major works are undertaken in an historic cemetery and this provides a framework for conservation activities. Conservation usually involves both the cultural and natural environment.

These conservation management plans are critical to ensuring GMCT continues to preserve and promote accessible history and heritage for our communities and play an important role in delivering lasting stewardship.

PART 2: PERFORMANCE

The past 12 months marked the first year of GMCT's Strategic Plan 2016–21.

This five-year plan is supported by a financial plan, annual plan and budget that are reviewed regularly. The review process ensures GMCT remains attuned to new challenges and the changing needs of our families, communities and partners.

GMCT measures its performance against key metrics outlined in the annual plan, industry standards and a range of internal benchmarks.

This includes measurement of financial performance, stock management, compliance, sustainability, grounds maintenance, customer service and how well we meet the expectations of all our customers in terms of the delivery of products and services.

The priority actions in the annual plan for 2016–17 focus on the four pillars of the strategic plan — community connections, lasting stewardship, operational excellence and change ready agility.

The key activities undertaken during this reporting period to meet our strategic goals are outlined on the following pages.



STRATEGIC GOAL 1: COMMUNITY CONNECTIONS

We strive to be connected with and responsive to our communities and stakeholders.

We are seeing increasing desire for personalised and customised services. This consumer directed philosophy needs to be reflected in our approach to service delivery across all parts of our business. This will involve use of appropriate technologies to inform and engage, and active efforts to foster and facilitate meaningful community connections. Our values will continue to underpin our engagement with families and communities.

→ EMBED A FAMILY AND COMMUNITY ORIENTED SERVICE

In 2016-17 GMCT commenced implementation of its community connections strategy. This included continuing its community outreach program, considering the diverse needs of different cultural groups, looking at cemetery accessibility and building strong community ties. A customer satisfaction survey indicated an increase in the number of people who were “very satisfied” with GMCT’s services.

→ ENHANCE DIGITAL CONSUMER CONNECTIONS

GMCT embarked on the first steps of its new digital strategy during this reporting period by providing funeral directors with the capacity to make online bookings and families with 24/7 access to digital information that explains burial options. GMCT’s website continues to evolve and the information provided to the community online is reviewed and developed on an ongoing basis.

→ BUILD PROGRESSIVE COMMUNITY LEADERSHIP

We actively supported community education and de-mystification of the cemeteries sector by hosting a number of events and activities that encouraged cemetery visitation and provided opportunities for the public to ask questions. We also partnered with other organisations to support their delivery of community events — to encourage conversations about death, dying and the importance of pre-planning. Details of our 2016-17 events and community engagement program can be found on page 30 and 31 of this report.

**“OUR VALUES
UNDERPIN OUR
ENGAGEMENT WITH
FAMILIES AND
COMMUNITIES”**



STRATEGIC GOAL 2: LASTING STEWARDSHIP

Responsible long-term planning and land and resource management is critical to our ability to deliver leading remembrance and recognition services for generations of families.

Our planning decisions will continue to preserve and promote accessible history and heritage for our communities. At a sector level, we will aspire to provide proactive and commercially astute thought leadership that represents our sector's interests and influences government decision-making.



→ SUSTAINABLE RESOURCE MANAGEMENT

In 2016-17 GMCT started to implement its land strategy. Formulated during the last reporting period, the strategy supports GMCT's acquisition and management of land. An asset management accountability framework and a facilities strategy were developed during this period. The facilities strategy provides a holistic framework that will guide future GMCT planning, management and investment in cemetery facilities. An environmental sustainability plan has also been developed and will guide GMCT's environmental stewardship for the next five years.

→ CUSTODIANS OF HERITAGE

GMCT is committed to preserving and promoting cemetery history and heritage. Conservation management plans were implemented at five cemeteries during 2016-17 and a plan for Fawkner Memorial Park is in the final stages of development. These plans provide a framework for conservation activities before any major works are undertaken.

→ INFLUENTIAL POLICY LEADERSHIP

GMCT commenced the introduction of a new online contractor and supplier management system that improves workplace health and safety. Its introduction demonstrates GMCT's commitment to providing proactive leadership in the cemetery sector. GMCT also commenced development of an industry leadership framework that will drive communications, public interface and business partnerships and will ensure that government and industry interactions positively support GMCT's goals.



STRATEGIC GOAL 3: OPERATIONAL EXCELLENCE

Operational excellence provides the foundation for delivery of innovative family and community focused products and services. Best practice and results driven governance processes will facilitate excellence and productivity.

We will invest in our people to attract talent and develop future leaders. By fostering strong strategic partnerships with key stakeholders we will maximise our commercial results and collectively enhance the customer experience.

→ OPERATIONAL EXCELLENCE

GMCT commenced implementation of a retail strategy that standardises product offerings, reviews the interaction between customer care and sales staff and develops an overall training program for retail customer interactions. A highlight during 2016-17 was introducing standardised food and beverage and floristry retail services across all sites. GMCT also developed strong retail marketing campaigns and delivered outstanding sales results for a number of major projects. Major infrastructure projects from the capital expenditure plan were delivered and GMCT also implemented stage two of its customer care strategy.

→ ALIGNED WORKFORCE CAPABILITY

During this reporting period GMCT developed a new strategic workforce plan. This plan focuses on employee needs as well as the expectations of customers and the organisation. GMCT also broadened its learning and development program with a greater focus on the inherent requirements of jobs as well as governance. Both workforce planning and the learning and development program underpin GMCT's broader workforce capability framework that supports a workforce confident in their skills and capabilities.

→ BLENDED SERVICE PARTNERSHIPS

GMCT is committed to developing strong strategic partnerships with funeral directors, stonemasons, Class B cemeteries and other key industry partners. In 2016-17 this was evident in the roll out of a number of initiatives to improve the experience of our business customers, informed by deeper understanding of their needs. This included an online funeral director portal and stonemason management program.



STRATEGIC GOAL 4: CHANGE READY AGILITY

We will develop a workforce that is supported and informed to make quality decisions aligned to their role and GMCT's goals.

Over the next five years we will face many challenges, but these also present opportunities to realise our aspirational goals. Our team will work within a culture of continuous improvement, engaging in a constant effort to improve services, products and processes. We will strive to operate in an ongoing cycle of positive change and employee involvement and be energised and excited to respond to future changes.

***“WE HAVE A VALUES
DRIVEN WORKFORCE
COMMITTED TO
CONTINUOUS
IMPROVEMENT”***



→ EMPOWERED, COLLABORATIVE AND A CAN-DO WORKFORCE

A new four-year enterprise bargaining agreement (EBA) for GMCT employees was negotiated during this reporting period. It provides staff conditions and rates of pay that are among the most attractive in Victorian cemeteries and has a strong focus on multi-skilling and up-skilling. Our workforce is increasingly motivated to achieve high levels of excellence in operational performance, customer satisfaction and community engagement. Their ownership of occupational health and safety and the results achieved in this area was a highlight in 2016-17.

→ INTEGRATED KNOWLEDGE MANAGEMENT CULTURE

In 2016-17 GMCT undertook a comprehensive review of its digital capacity and developed a strategy that will lead to a more digitally enabled organisation. As part of this strategy GMCT is working on a major digitisation project that involves migrating all of the organisation's hard copy records into electronic format to create an integrated knowledge management bank. The digital strategy will enhance engagement with all stakeholders and provide GMCT's workforce with better digital tools to increase efficiency.

→ INNOVATION THROUGH LEARNING

GMCT has a workplace culture that promotes continuous improvement. As a part of this we have a comprehensive reward and recognition program that values staff contributions and supports career progression within and beyond GMCT. In 2016-17 we were pleased to be able to provide a more diverse workplace where staff enjoyed more variety and a greater range of options in terms of the roles they play within the organisation.



PART 3: THE ORGANISATION

THE TRUST AT A GLANCE

OBJECTIVES, FUNCTIONS AND POWERS

The Greater Metropolitan Cemeteries Trust (GMCT) is classified as a Class A cemetery trust under the *Cemeteries and Crematoria Act 2003*.

MANNER OF ESTABLISHMENT AND THE RELEVANT MINISTER

Established in 2010, GMCT is a body corporate with perpetual succession and is accountable to the Department of Health and Human Services and the Minister for Health. GMCT is responsible for the management and perpetual maintenance of 18 cemeteries across Melbourne's north, east and west, two greenfield sites and all associated burial, cremation and interment services. It is also responsible for the management of one site under a fee-for-service arrangement.

NATURE AND RANGE OF SERVICES PROVIDED

GMCT provides the following services:

- interment in graves
- interment in mausolea
- interment of cremated remains
- cremations
- venue hire
- hospitality
- memorialisation
- archival cemetery and genealogical records
- community events.

TRUST MEMBERS

Corporate governance of GMCT is the responsibility of nine trust members who are appointed to the board by the Governor in Council on the recommendation of the Minister for Health.

The key roles of the trust members include:

- setting and steering the organisation's strategic direction
- approving annual budgets and ensuring sound financial management and asset management
- overseeing, monitoring and assessing performance against the annual plan
- ensuring compliance with statutory and regulatory obligations
- ensuring effective risk management through a robust framework and systems.

In accordance with the *Cemeteries and Crematoria Act 2003* and GMCT's terms of reference, trust members hold office for a term of up to three years but are eligible to apply for reappointment for a further three-year period. The Victorian government sets their remuneration.

When making new trust member appointments the Victorian government ensures the trust has the necessary combination of skills and experience.

On 1 April 2017, Jennifer Kearney resigned from her position as trust member. This vacant position is yet to be filled by the Department of Health and Human Services.

TRUST BOARD MEMBERS AT 30 JUNE 2017



**GEOFF MABBETT -
CHAIR**

**BEng (Hons), MEng Sci,
MIE (Aust), MAICD**

Chair executive
performance and
remuneration committee



**KIM MCALINEY -
DEPUTY CHAIR**
**JP, BJ, Adv Dip Pub
Safety(EM), FCPA, GAICD**

Chair finance and
investment committee
and member audit
and risk management,
executive remuneration
and performance and
community advisory
committee *please
refer over page



DR JAN PENNEY

BA, Dip Ed, PHD

Member finance and
investment committee
and audit and risk
management committee



DANA HLAVACEK

**B.Com (Hons), M.Acc,
FCA, GAICD**

Chair audit and risk
management committee
and member finance and
investment committee



DIANNE RULE

BA BEd GAICD

Member audit and
risk management
committee and executive
performance and
remuneration committee



LIZ BEATTIE

GAICD

Chair community
advisory committee and
member audit and risk
management committee
*please refer over page



DAVID CRAGG

**BA, Grad Dip of (HR)
Management**

Member finance and
investment committee
and community
advisory committee



JACK WEGMAN

BA, Grad Dip (Psych)

Member finance and
investment committee
and executive
performance and
remuneration committee

RESIGNED TRUST MEMBERS AS OF FEBRUARY 2017



JENNIFER KEARNEY

Chair finance and
investment committee
and member executive
performance and
remuneration committee
*please refer over page



TRUST BOARD AND COMMITTEE MEETINGS ATTENDANCE

GMCT TRUST MEMBERS	TRUST MEETINGS	AUDIT AND RISK MANAGEMENT COMMITTEE*	FINANCE AND INVESTMENT COMMITTEE*	COMMUNITY ADVISORY COMMITTEE	EXECUTIVE PERFORMANCE AND REMUNERATION COMMITTEE
Geoff Mabbett <i>(appointed chair March 2016)</i>	11/11	-	-	-	4/4
Kim McAliney <i>(appointed 2013)</i>	10/11	4/5	2/2	5/6	1/1
Dr Jan Penney <i>(appointed 2010, reappointed March 2013)</i>	11/11	5/5	4/4	-	-
Dana Hlavacek <i>(appointed March 2016)</i>	10/11	5/5	3/4	-	-
Di Rule <i>(appointed March 2013)</i>	11/11	4/5	-	-	4/4
Liz Beattie <i>(appointed March 2016)</i>	10/11	1/1	-	6/6	-
David Cragg <i>(appointed March 2016)</i>	9/11	-	4/4	2/6	-
Jack Wegman <i>(appointed March 2013)</i>	8/11	-	4/4	-	3/4
Jennifer Kearney <i>(resigned 1 April 2017)</i>	5/7	-	2/4	-	1/2

The first figure reflects the number of meetings attended by the trust member. The second indicates the number of meetings scheduled during their time on that committee — i.e. 12/13 means attendance at 12 of 13 scheduled meetings. There is a standing invitation to all trust members to attend committee meetings of which they are not a member. This is not reflected in the table above.

* Independent committee members:
Kevin Quigley - audit and risk management committee
Dennis Sams - finance and investment committee

*Kim McAliney resigned as a member of the audit and risk management committee and became chair of the finance and investment committee on 31 March 2017.

*Liz Beattie was appointed as a member of the audit and risk management committee on 31 March 2017.

*Jennifer Kearney resigned as a trust member and from all trust committees on 1 April 2017.

COMMUNITY ADVISORY COMMITTEE — CHAIR'S REPORT

It was a pleasure to serve as chair of GMCT's community advisory committee in 2016-17 and play a role in helping the organisation build stronger and more meaningful links with our communities.

GMCT is required to establish a community advisory committee (CAC) under the *Cemeteries and Crematoria Act 2003*. Its nature and role are outlined in the community advisory committee guidelines for Class A cemetery trusts and GMCT's terms of reference for the committee.

Fundamentally, the CAC assists GMCT to facilitate community engagement and ensures the trust is attuned to the needs and preferences of the communities we serve.

The CAC helps ensure that GMCT's services, policies and future planning are informed by consumer and community views with an emphasis on the local neighbourhood perspective as well as broader religious, cultural and heritage positions.

During 2016-17 five members of the nine-member committee retired and the influx of new members brought a fresh approach and a wide range of views. The committee members are a diverse group and in that respect they very much represent the diversity of Victoria's communities.

With a view to enhancing our level of engagement the committee decided to increase the frequency of CAC meetings from quarterly to every two months and adjusted the timing to ensure maximum attendance. GMCT's chief executive officer Jacqui Weatherill and chair Geoff Mabbett regularly attend these meetings and their presence reinforces the importance of the committee to GMCT.

During the year there was a real focus on reaching out to multicultural communities and establishing close relationships with specific community groups and leaders.

“COMMUNITY INSIGHTS ARE EMBEDDED INTO EVERYTHING THAT WE DO”

GMCT staff spent considerable time engaging with the community and gaining an understanding of their expectations. CAC members were active in assisting with activities and events that support open conversations around GMCT's products and services as well as broader issues around death and the celebration of life. This high level of community engagement helps ensure that community insights are embedded into everything that we do.

In the year ahead the CAC will be providing feedback on pricing, disability access and community engagement planning for specific sites. It will also help develop a comprehensive database of community groups and leaders that will enhance our engagement activities.

To all members of the CAC over the past 12 months I extend my appreciation and thanks for your thoughtful insights, dedication to the role and valuable contribution to GMCT and the communities we serve.

LIZ BEATTIE
Chair

Members of our community advisory committee with GMCT staff at the Quang Duc Buddhist Monastery, Fawkner.



EVENTS AND COMMUNITY ENGAGEMENT

GMCT actively engages with its communities and achieves this, in part, by delivering a range of activities at our cemeteries as well as supporting the events and activities of other organisations.

MONTH	SITE	EVENT
July	State Library of Victoria	Grief Lecture 2016: 'Remembering Sophie'. → GMCT supported The Australian Centre for Grief and Bereavement's annual grief lecture as part of an ongoing partnership.
August	Fawkner Memorial Park	Dying to Know Day → This community event allowed the public to take a look 'behind the scenes' at the mausoleum and crematorium.
October/ November	Various GMCT cemeteries	All Souls' Day mass → GMCT hosted 11 services in a range of languages across our cemeteries.
November	Templestowe Cemetery	Community Advisory Committee meeting
	Northern Memorial Park	Annual meeting → GMCT annual meeting and special panel discussion on multiculturalism in a cemetery context.
December	Northern Memorial Park	Christmas with our angels → GMCT supported a Christmas service hosted by Friends With Angels.
	Fawkner Memorial Park	Carols in the Garden of Angels → GMCT supported a family Christmas celebration hosted by Friends of the Garden of Angels.
February	Offsite - Nunawading	'Lifting the lid on it' death and dying event → GMCT participated in a comedy evening hosted by the Eastern Region Palliative Care Consortium.
	Fawkner Memorial Park	Community Advisory Committee meeting
March	Offsite – Harrick's Cottage, Keilor East	Harrick's Cottage open day → GMCT participated in this community event hosted by the Keilor Historical Society.
	Offsite – Hadfield	Public meeting → Informing the community about the River Red Gum Parklands project.

Activities such as memorial services provide the public with opportunities to remember and reflect. Events also showcase our beautiful gardens and provide the public with the chance to ask questions and learn more about cemetery management and the sector.

Our community engagement activities provide the public with the chance to share their feedback and concerns and for the organisation to seek input from stakeholders about our projects and plans.

MONTH	SITE	EVENT
April	Fawkner Memorial Park	Community Advisory Committee meeting
	Fawkner Memorial Park	Anzac Day → Commemoration service at the Carl Verey Cross.
	Fawkner Memorial Park	Baby Lily Grace awareness day → A wreath was laid at the Garden of Angels to mark this day of remembrance for children who passed away without a known family or identity.
	Fawkner Memorial Park	Opening and blessing of the Holy Angels Mausoleum → Community blessing and opening of new mausoleum by the Most Reverend Denis Hart, Archbishop of Melbourne and Gabrielle Williams MP.
April/May	Fawkner Memorial Park	Squeaky wheel bike tour → Bike tours in partnership with The Squeaky Wheel.
May	Lilydale Memorial Park	Mother's Day → Memorial service.
	Northern Memorial Park	Ceremonial turning of the sod to mark commencement of this development project
	Offsite – Alevi Centre, Coburg	Community outreach with members of Melbourne's Alevi community
	Fawkner Memorial Park	Community outreach with members of Melbourne's Islamic community
May/June	Williamstown Cemetery	Williamstown Cemetery fountain christening → Community event to welcome the public and descendants of the fountain's original benefactor. → Presentation of certificates to participating local schoolchildren.
June	Fawkner Memorial Park	Meeting with Merri Outreach Support Service to discuss support for our diverse communities and those in need
	Fawkner Memorial Park	Community Advisory Committee meeting
	Werribee Cemetery	Community meeting with members of the public regarding establishment of a local cemetery friends group
	Fawkner Memorial Park	Community outreach with Vietnamese community leaders



REPORTING TO GOVERNMENT

GMCT reports to the Minister for Health through the Cemeteries and Crematoria Regulation Unit of the Department of Health and Human Services.

The trust informs the government and relevant government departments of all major developments and activities through:

- an annual report containing information about operations and financial and non-financial performance against key indicators
- a detailed annual corporate plan in accordance with section 18N of the *Cemeteries and Crematoria Act 2003* (the Act)
- direct contact between the chair, chief executive officer and government representatives on key issues
- frequent communication at an executive level regarding performance, industry and policy issues.

INDEPENDENCE OF TRUST MEMBERS

There is a code of conduct policy for members and each year they are required to complete a declaration of private interest statement. Declarations of conflict of interest are made at the beginning of each meeting and an annual declaration of conflict of interest statement is completed.

BOARD PERFORMANCE

As part of its commitment to effective and transparent corporate governance the trust undertook an independent benchmarked performance review in June 2016. A report was provided to all members that highlighted self-assessed strengths and weaknesses in performance and made recommendations for improvement.

During 2016-17 a governance self-assessment review was undertaken. Trust members have acted upon both reviews during this reporting period and worked collaboratively to continue to strengthen their performance.

INDEPENDENT ADVICE

With prior approval of the chair, trust members are entitled to obtain relevant independent professional advice relating to the discharge of their responsibilities.

TRUST COMMITTEES

In consultation with trust members, the chair allocates members to a number of trust committees. These committees help execute trust responsibilities in a review or advisory capacity only.

The trust may also appoint independent members from outside the organisation to provide specialist skills, knowledge and expertise as required. Independent members have been appointed to the audit and risk management committee and the finance and investment committee.

Four committees established according to section 18 of the Act operated during 2016-17. Each committee is chaired by a trust member and operates under terms of reference that provide a blueprint for its procedures. The terms of reference for each committee are available on GMCT's website.

AUDIT AND RISK MANAGEMENT COMMITTEE

The audit and risk management committee is a financially literate independent committee that assists the trust in fulfilling its governance and oversight responsibilities in the following areas:

- financial reporting compliance
- internal and external audit
- internal control systems and processes
- risk management information systems
- legislative and regulatory compliance.

FINANCE AND INVESTMENT COMMITTEE

The finance and investment committee has an advisory role assisting the trust in fulfilling its fiduciary responsibilities in accordance with the Act in matters relating to:

- appropriate, prudent, sustainable and efficient use of investment funds
- establishment and maintenance of the perpetual maintenance fund
- the accuracy and veracity of regular financial reports
- other financial matters as requested by the trust.

COMMUNITY ADVISORY COMMITTEE

The community advisory committee's role is to consider any matters that are referred to it by the trust and to raise with the trust any issues of concern or matters of interest to the community regarding the services provided by GMCT.

A key objective is to proactively engage with community members to ensure that community views are considered at all levels of GMCT operations, planning and policy development.

The committee also informs and monitors the development and implementation of GMCT's community engagement framework.

Current committee members are:

- Liz Beattie (chair and trust member)
- Senior Venerable Thich Nguyen Tang
- Meg Jenkins
- Vivienne Jackson
- Janet Borg
- associate professor Tammy Kohn
- Dr Bjorn Nansen
- David Cragg (trust member)
- Kim McAliney (trust member)

During the course of 2016-17 the following members retired from the community advisory committee: Mervyn Hayman-Danker, Lee Anthony, Annie Bolitho, Angelo D'Amore and Wendy Kostraby.

EXECUTIVE PERFORMANCE AND REMUNERATION COMMITTEE

As required under section 18L of the Act and in accordance with Government Sector Executive Remuneration Panel guidelines, the executive performance and remuneration committee provides advice and direction to the trust on matters such as:

- the overall performance and remuneration of executives and the individual remuneration packages of:
 - the chief executive officer
 - other executive positions as defined, from time to time, by applicable government policies.

HERITAGE AND HISTORY WORKING GROUP

In 2015, a working group was established to provide guidance to the organisation on the integration of history and heritage into planning and operations. Trust member Dr Jan Penney chairs the working group. Its key objectives include:

- ensuring activities are undertaken with respect to the heritage of the sites and assets under management
- providing advice to the trust in relation to the integration of history and heritage at all levels of cemetery operations, planning and policy development
- contributing to the interpretation and celebration of the history and heritage of GMCT, its sites and assets.



MANAGEMENT COMMITTEES AND STAFF LEADERSHIP

EXECUTIVE MANAGEMENT GROUP

The aim of the executive management group is to ensure that activities occurring within GMCT are consistent with the:

- GMCT strategic plan
- *Cemeteries and Crematoria Act 2003*
- GMCT policies and procedures.

EXECUTIVE MANAGEMENT TEAM

Chief executive officer

JACQUI WEATHERILL

MBA, BA Rec, Grad Dip Sp Sci, GAICD

The chief executive officer (CEO) sets the strategic direction and vision for the organisation with input from the trust. She is responsible for advising the trust on operational, financial and other matters and delegates responsibility for management and day-to-day operations to the executive management group. The CEO has four direct reports: director finance and business, director operations, director strategic infrastructure and planning, and director service and engagement.

Director finance and business

BART CLINGIN

BBus (Acct), CA, GAICD

The director finance and business is responsible for establishing, promoting and delivering a corporate and financial framework that facilitates the achievement of GMCT's vision as well as strategic and business objectives. The directorate provides a range of functions including finance, information communication technology, human resources, risk and compliance, and corporate information.

Director operations

DAVID CROWE

Dip Hort Sci, BAppSc(Hort), FAICD

The director operations is responsible for strategic leadership in the day-to-day delivery of cemetery and crematoria services including burial operations, horticulture services, cleaning services, waste and recycling, fleet management, food and beverage, and security.

Director strategic development and infrastructure

PELAGIA MARKOGIANNAKIS

MEngSc, Grad Dip Eng, Dip App Sc, Adv Dip Proj Mgt, Dip Co Dir

The director strategic development and infrastructure is responsible for the master plan development for GMCT sites, strategic land acquisitions and the implementation of master plans. This includes the design of strategic major projects, project management and delivery, asset management and facilities maintenance.

Director service and engagement

PETER MURPHY (INTERIM MARCH -JUNE 2017)

MSc (Facility Management)

The director service and engagement is responsible for strategic leadership in customer experience, sales and marketing, and community engagement that supports our diverse communities.

Mr Murphy acted in an interim capacity while the role was in recruitment phase during the reporting period.

LEADERSHIP GROUP

The leadership group comprises the executive management group and managers from all business units. This group:

- provides an interactive forum for robust discussion of ideas and collaboration relating to team/divisional activities
- communicates plans, outcomes and achievements of established working groups and the following internal committees:
 - green team committee
 - consultative committee
 - occupational health and safety committee.

INTERNAL COMMITTEES AND GROUPS

GMCT has a number of internal committees and working groups that support the organisation's operations and its workforce as well as drive improvement.

These include:

- occupational health and safety committees (corporate and regions) — focused on developing and maintaining a healthy and safe workplace
- information and communication technology steering committee — has input, steers and approves the overall information and communication technology (ICT) strategy and digital strategy to ensure the operation and management of GMCT's ICT assets are executed in alignment with these strategies
- consultative committee — a group of employees who actively collaborate with management on workplace and workforce issues
- change ready team — provides advice and assistance to the chief executive officer on the development, review and promotion of a range of business and staff activities
- green team — a staff-based initiative to support the investigation, development and implementation of green activities that support broader strategic goals
- project control groups — established to assist in the development, review and implementation of both minor and major projects
- change advisory board — subject matter experts from selected teams within GMCT who assist with assessing change requests that have or may have an impact on ICT services.



ATTESTATIONS, COMPLIANCE AND DISCLOSURES

ATTESTATION FOR COMPLIANCE WITH THE MINISTERIAL STANDING DIRECTION 3.7.1 – RISK MANAGEMENT FRAMEWORK AND PROCESSES

I, Jacqui Weatherill, certify that The Greater Metropolitan Cemeteries Trust has complied with Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes.



JACQUI WEATHERILL

Accountable Officer

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

9 August 2017

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* gives the public the right to access information contained in documents held by GMCT. Freedom of information (FOI) requests must be made in writing.

A request can be submitted using the website FOI Online (www.foi.vic.gov.au), via to enquiries@gmct.com.au or by sending an application to:

FOI Officer

**The Greater Metropolitan Cemeteries Trust
PO Box 42 Fawkner VIC 3060**

Two FOI requests were received in the reporting period.

PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* enables people to make disclosures about improper conduct by public officers and public bodies. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

GMCT is committed to the aims and objectives of the *Protected Disclosure Act 2012*. GMCT does not tolerate improper conduct by its employees, stakeholders or clients, nor the taking of reprisals against those who come forward to disclose such conduct.

GMCT recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal conduct that is corrupt, involving substantial mismanagement of public resources or substantial risk to the environment or public health and safety.

GMCT had one protected disclosure investigation completed by the Interdependent Broad-based Anti-corruption Commission (IBAC) during this reporting period.

BUILDING ACT 1993

GMCT is compliant with the building and maintenance provisions of the *Building Act 1993*, which encompasses the Building Code of Australia and Standards for Publicly Owned Buildings November 1994.

All works associated with GMCT buildings are managed in accordance with the *Building Act 1993* including obtaining all permits as required. There were no adverse findings.

NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY POLICY VICTORIA

Competitive neutrality seeks to enable fair competition between government and private sector businesses. These policies and their application in the cemetery environment were considered where appropriate during this reporting period.

GMCT supports and complies with the Department of Health code of practice for the external supply of merchandise to and within cemeteries.

GMCT is committed to competitive neutrality principles ensuring fair and open competition. Many non-core activities have been outsourced, such as catering, security, cleaning, design, printing and construction. GMCT had no competitive neutrality complaints during the reporting period.

PRIVACY AND DATA PROTECTION ACT 2014 (VIC)

GMCT complies with the *Privacy and Data Protection Act 2014* (Vic). The information privacy principles within the Act establish standards for the use of personal information. GMCT received four complaints in relation to breaches of privacy in 2016-17.

For enquiries or to request a copy of GMCT's privacy policy contact:

Privacy Officer
The Greater Metropolitan Cemeteries Trust
PO Box 42 Fawkner VIC 3060

1300 022 298

enquiries@gmct.com.au

VICTORIAN INDUSTRY PARTICIPATION POLICY

GMCT is required to comply with the Victorian Industry Participation Policy (VIPP). One contract was awarded during the reporting period to which the VIPP applied. This project totalled \$3.6 million and was based in metropolitan Melbourne with estimated local content of 100 per cent. As the activity was local in nature a VIPP plan was not required.

PROCUREMENT

GMCT's tendering and procurement policy and procedures are considered with the Victorian Government Purchasing Board policies and guidelines. GMCT's procurement objectives reflect best practice and focus on achieving value for money, fitness for use and management of probity. These objectives help give the procurement process integrity and are the basis for achieving optimal procurement results.

RISK REGISTER

GMCT has defined its risk appetite statements that are used across the organisation in decision-making. GMCT's risk register provides a formal framework for the organisation and its leadership team to identify, monitor, manage and mitigate risk across a range of strategic and 'business as usual' areas. The risk register is reviewed and updated on a quarterly basis and outlines risk rating, impact, treatments and controls.

ADDITIONAL INFORMATION

In compliance with the requirements of FRD 22H Standard Disclosures in the report of operations, details in respect of the items listed below have been retained by GMCT and are available to the relevant ministers, members of parliament and the public on request (subject to freedom of information requirements, if applicable):

- declarations of private interest have been completed
- details of shares held by senior officers as nominee or held beneficially
- details of publications produced by the department about the activities of GMCT and where they can be obtained
- details of changes in prices, fees, charges, rates and levies charged by GMCT
- details of any major external reviews carried out on GMCT
- details of major research and development activities undertaken by GMCT that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by GMCT to develop community awareness of GMCT and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within GMCT and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations
- a list of major committees sponsored by GMCT, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors including consultants/contractors engaged, services provided and expenditure committed for each engagement.



OCCUPATIONAL HEALTH AND SAFETY

Health, safety and environmental wellbeing are core values of GMCT as the organisation strives for zero harm.

A highlight in this reporting period has been the manner in which GMCT employees at all levels have taken ownership of occupational health and safety (OH&S).

There has been strong leadership from senior management, significant resourcing, the application of robust OH&S systems and a maturing throughout the organisation in relation to workplace health and safety culture.

This is reflected in outstanding occupational health and safety results for the past 12 months.

In 2016-17 there was a decrease in total recordable injuries (TRI) from 22 to 19, a 13.6 per cent improvement on the previous year.

Lost time injuries (LTI) decreased from six to two — a 66 per cent decrease on 2015-16. Both of these lost time injuries were registered as minor WorkCover claims (under 10 days) and were aggravations of existing conditions rather than new incidents. There were no standard WorkCover claims (over 10 days) during the reporting period.

Other occupational health and safety data for the period is as follows:

- incidents per 100 staff were 155
- number of lost time standard claims per 100 staff were 0.5
- no fatalities or serious incidents occurred.

In terms of resourcing, GMCT now has an OH&S specialist responsible for each of its three regions — an increase on the two staff employed in the previous reporting period. This increase, along with a new dedicated and branded OH&S vehicle, has enhanced OH&S visibility across all of our sites.

Monthly workplace health and safety forums are held in each region and an empowered workforce drives solutions to any potential workplace risks. Along with their colleagues at each site, GMCT's OH&S specialists are proactive in identifying potential risks, communicating with stakeholders and mitigating risks immediately.

GMCT also proactively manages its ageing workforce and has a return to work management program that ensures injured staff return to their roles in an appropriate timeframe.

CATEGORY		2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
INCIDENTS	Total no. of incidents	329	370	296	218	199
	Lost days*	31	240	144	475	441
WORKCOVER	No. of standard claims*	2	6	1	7	11
	No. of minor claims*	4	2	3	6	5
	Average claim cost*	\$1,382	\$25,650	\$24,905	\$40,846	\$42,688

**figure based on accepted claims correct at 30 June 2017*

ENVIRONMENTAL SUSTAINABILITY

When GMCT was established in 2010, the trust recognised the significance of its environmental sustainability responsibilities and increasing community expectations in this area.

An initial environmental sustainability plan (ESP) was created in 2010 which reflected an organisation starting its journey of improvement. Its focus was on internal operations first, rather than external reach or leadership in the cemeteries sector. This ESP included actions to measure and reduce consumption and improve the efficiency of GMCT's own immediate operations.

In 2016, the ESP was revised and the new plan provides a combination of both internal fundamentals and some externally focused actions. It also draws upon external frameworks and policies to underpin its priorities and structure. The primary purpose of GMCT's ESP is to direct efficient and effective improvements to GMCT's own environmental sustainability performance so it can become a champion leading its communities and sector.

The new plan can be summarised as comprising three stages to be rolled out in the coming years. It will enable GMCT to ramp up from its current position by establishing fundamentals to become a stronger performer on integrated and efficient environmental sustainability. To fulfil this ESP, GMCT will invest in additional resources including staff and provide time for existing staff to integrate and improve performance.

The outcomes will be improved operational performance, workplace productivity and planning and more sustainable assets. It will also foster a culture of innovation and an engaged community and industry sector.

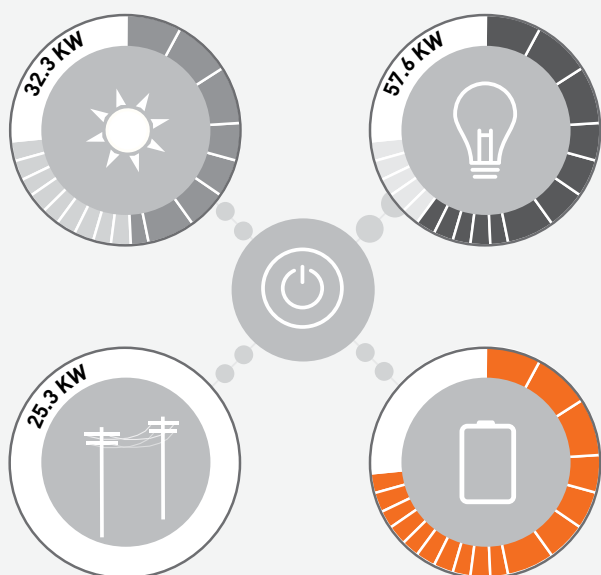
The ESP is supported by GMCT's environmental sustainability policy.

One of the key sustainability projects delivered in the reporting period was the installation of solar panels at Fawkner Memorial Park. Drawing on solar power has provided approximately 50 per cent of Fawkner Memorial Park's required energy and a saving of approximately \$2,048 for the reporting period.

Another significant initiative has been a review of grave infrastructure construction materials, in particular concrete. GMCT has committed to the reduction in concrete use by conducting a review of grave infrastructure standard drawings and minimising the amount of concrete used while still achieving engineering specifications and without compromising the quality of the finished product. An overall reduction of 20 per cent has been achieved.

FAWKNER MEMORIAL PARK SOLAR *All measurements are in megawatt hours (MWh).*

	PRODUCED AND CONSUMED DIRECTLY	ENERGY SENT TO GRID	ENERGY RECEIVED FROM GRID	TOTAL CONSUMED	PERCENTAGE
TOTAL SINCE INSTALL (APRIL 2017)	15.53	0.9	46.15	62.58	25%



EARNING	CO2 SAVINGS TOTAL		
\$2,048.73	57,969 KM	223	8.70 T



WORKFORCE

Each year GMCT employees help more than 12,000 families plan and prepare for funeral, cremation, interment and memorial services.

GMCT has a very experienced team that is committed to serving our clients and other stakeholders across each of our 19 cemeteries. Our staff play a very important role in helping community members celebrate the lives of family members and friends and do so with compassion, integrity and respect.

A PREFERRED EMPLOYER

A significant achievement during this reporting period was negotiating a new enterprise bargaining agreement (EBA) for GMCT employees covering the next four years. The highlights of this agreement are:

- equalisation of the indoor and outdoor pay rates
- a 3 per cent wage increase each year for the next four years
- providing indoor client-facing staff with the flexibility to go to a four day week
- equalising allowances to make it a fairer system across the GMCT workforce
- a focus on multi-skilling within disciplines and regions.

We actively encourage our employees to develop new skills and seek to provide a diverse workplace where staff enjoy more variety and have a range of options in terms of the roles they play within the organisation.

As part of this process staff are now aligned to one of GMCT's four directorates rather than to specific cemeteries, with operations staff based in one of our three regions. Staff may move between sites on a regular basis. While this provides variety for employees it also leads to greater workplace efficiencies and flexibility for GMCT.

During this reporting period GMCT developed a new strategic workforce plan that will be implemented in 2017-18. This plan focuses on employee needs as well as the expectations of customers and the organisation in line with its strategic objectives. The plan is designed to ensure the workforce is contemporary, effective and that individuals are fundamentally happy in the workplace and in their role.

Successful negotiation of the new EBA and development of the new strategic workforce plan reinforce GMCT's commitment to fostering a workplace that puts our people first. An engaged and highly valued workforce is fundamental to GMCT achieving good operational performance and providing sector leading customer service.



WORKFORCE BY NUMBERS

At 30 June 2017, GMCT had a total of 208 staff with a full-time equivalent (FTE) of 198.64. The workforce includes both indoor and outdoor staff. Indoor staff are involved in client services, administration, human resources, finance, planning, corporate communications, corporate records, OH&S and information communications technology. Outdoor staff are responsible for burial operations, cremations, chapel services, horticulture and repairs and maintenance.

Over the past 12 months GMCT has helped a number of staff move toward retirement (through reduced hours and retirement plans) and has facilitated significant changes in employment roles for several employees.

We also did the analysis and preliminary groundwork on a new apprenticeship program to be introduced in 2017-18 that will bring more younger staff into the organisation. Through this program apprentices will be gradually integrated into the horticulture team and it is hoped they will have long careers with GMCT upon completion of their apprenticeship.

	EMPLOYEES 2017	EMPLOYEES 2016	MALE/ FEMALE % 2017
TOTAL	208*	206	
Male	135	138	65%
Female	73	68	35%

	2017 FTE	2016 FTE
TOTAL	199*	195
Part-time	15	14
Full-time	184	181
Casual	0.11	0

**This figure is based on active employees — and excludes current vacancies — as at the end of the financial reporting period.*

NO. OF EMPLOYEES	2017	2016
65 and over	7	7
55-64	48	47
45-54	76	75
35-44	38	39
25-34	33	32
Under 25	6	6

EMPLOYMENT AND CONDUCT PRINCIPLES

GMCT is committed to ensuring its employment practices and conduct are free of any direct or indirect discrimination on the basis of sex, race, age, disability and all other attributes that apply in Victoria under federal and state laws. Recruitment is conducted according to merit based on relative ability, knowledge, skills and organisational fit. The appointment process is equitable, fair and based on legislative requirements and GMCT policies.

LEARNING AND DEVELOPMENT

GMCT is committed to providing a comprehensive learning and development program to support its diverse workforce. This includes accredited training, compliance training, in-house workshops and competency based training. These programs are designed to empower the workforce with specific and general knowledge to ensure service quality and workplace health and safety are at the highest levels and are consistent across all three GMCT regions.

In 2016-17 GMCT broadened its learning and development calendar with a greater focus on the inherent requirements of jobs as well as governance requirements.

GMCT staff undertook a total of 2926 training and development hours in 2016-17, comprising face-to-face training and e-learning. Professional development and compliance training included grave safe training, customer service training, leadership and development, plant and equipment, business continuity, traffic management awareness, Microsoft and other programs, security, emergency warden training, first aid and SunSmart education.

Significantly, nine staff received formal qualifications (at Certificate III level) in horticulture, four obtained grave digging certification and 14 received traffic management certification.

The table below outlines the type of training provided and hours attended.

TRAINING AND DEVELOPMENT	TOTAL HOURS
OH&S	410
Customer services	213
Leadership & development	1664
Plant & equipment	137
ICT (Microsoft Office suite)	502
TOTAL	2926



STAFF AWARDS AND RECOGNITION

GMCT's employees are fundamental to the strong reputation we enjoy in the cemeteries sector and within local communities.

Every day our people provide high quality services in customer care, burial operations, administration and grounds maintenance. In carrying out their varied roles our staff engage both formally and informally with families, industry representatives and visitors.

Our people are renowned for their outstanding commitment to serving families with compassion, integrity and respect.

An engaged, collaborative and skilled workforce is fundamental to our success and GMCT is committed to investing in the ongoing development and support of our most valuable resource to nurture a workplace culture that is aligned with our corporate values.

EMPLOYEE RECOGNITION – AWARDS AND HONOURS

GMCT recognises exceptional performance by staff members across a range of categories through our annual STAR (staff thanks and recognition) Awards

Each year a number of employees are nominated by their peers for the manner in which they espouse the GMCT values of compassion, respect, sustainability and integrity.

An occupational health and safety (OH&S) award is presented to one or more employees who demonstrate outstanding commitment to the compliance, development and/or promotion of best practice standards in workplace health and safety.

A STAR Award is also presented to a staff member who shows exceptional leadership. The chief executive officer's award for excellence is presented to an employee for their strong commitment to the overall values of the organisation and/or achieving an outstanding result within their business unit.

REGION MANAGERS AWARDS 2016



EAST REGION
MICHELLE POTTER



NORTH REGION
SUSAN WALLACE



WEST REGION
BRENDAN KOCH

STAR AWARDS



For the value of SUSTAINABILITY
GREG KIRK



For the value of COMPASSION
MICHAEL JONES



For the value of RESPECT
SHANE FREEMAN



For the value of INTEGRITY
ANTHONY MAROLDA



For the value of LEADERSHIP
STEVE BROWN

For demonstrating OH&S
EASTERN REGION TEAM
not shown

DIRECTORS AWARDS 2016



FINANCE AND BUSINESS
JULIA ZACCARIA



COMMERCIAL SERVICES AND OPERATIONS
ROSEMARY SAUNDERSON



STRATEGIC PLANNING AND INFRASTRUCTURE
KARINA VITIRITTI
TINA BELL

CEO AWARD FOR EXCELLENCE



CEO AWARD FOR EXCELLENCE
KRISTINE FILMER

SERVICE MILESTONES – LONG SERVICE AWARDS

The following GMCT employees were acknowledged during 2016-17 for their significant service to the organisation.

FIVE YEARS SERVICE AWARD



Cassandra Brincat
Julie Butler
Christopher Day
Roberto De Paoli
Dean Dunbar
Neville Gibbs
Indika Gunawardana
Brenda Hill
Michael Jones



Stephen Marrow
Sherrie O'Loughlin
Brett Phillips
Geraldine Ryan

10 YEARS SERVICE AWARD



William Dalglish
Sharon Graf
Craig Hanley
Philip Horn
Angela Renwick

15 YEARS SERVICE AWARD



Timothy Ashby
Desmond Canavan
Michael Grey
Jeremy Searle
Matthew Simmons
Serge Onciarich

20 YEARS SERVICE AWARD



Gary Chappell
Anthony Edmonds
Raymond Stirrup

25 YEARS SERVICE AWARD



Janice Brooks
Brendan O'Connor
John Rae

35 YEARS SERVICE AWARD



Trevor Weston



CONSULTANCIES

During the 12 months ended 30 June 2017, GMCT engaged a total of 13 consultants where the total fees payable to the consultants were less than \$10,000, with total expenditure of \$59,207 (excluding GST). The following table outlines where expenditure on a consultant exceeded \$10,000.

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED \$'000	EXPENDITURE \$'000	FUTURE EXPENDITURE COMMITMENT \$'000
Ale-Dantay & Acemen Pty Ltd	retail strategy	03/16	10/16	11	11	-
Clifton Group	media and communications consultancy	07/16	06/17	35	25	10
Context Pty Ltd	conservation management plan	04/16	02/17	75	75	-
Department of Environment Land Water and Planning	land and buildings valuation	02/16	06/17	48	48	-
Digital Frontier Partners Pty Ltd	digital strategy	07/16	12/17	197	174	23
Ghd Pty Ltd	structural and civil engineering services	07/16	06/17	88	88	-
Greg Bailey Consulting	customer call centre consultancy and customer service optimisation	08/16	09/17	127	82	45
Heritage Alliance	conservation management plans	12/16	09/17	51	42	9
Hill PDA Pty Ltd	land strategy	04/17	08/17	29	23	6
ISEC PTY LTD	security strategy	07/16	06/17	32	32	-
LOTE Marketing Pty Ltd	market research for cemetery development	03/17	06/17	81	81	-
Practical Ecology Pty Ltd	flora and fauna survey	08/16	02/17	24	24	-
Simsworx Pty Ltd	cremator efficiency advisor	02/17	06/17	39	39	-
Stephens Catering Services P/L	food and beverage consultancy	07/16	06/17	28	28	-

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED \$000	EXPENDITURE \$000	FUTURE EXPENDITURE COMMITMENT \$000
Taylor's Development Strategists Pty Ltd	site survey	07/16	05/17	105	105	-
Urban Initiatives	landscape architecture	07/16	09/17	238	150	88
Vines Planning Property & Dev.	land use planning services	07/16	06/17	125	125	-
GRAND TOTAL				1,333	1,152	181

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

Information communication technology (ICT) expenditure represents an entity's costs in providing business-enabling ICT services and consists of the following cost elements:

- operating and capital expenditure (including depreciation)
- ICT services – internally and externally sourced
- cost in providing ICT services (including personnel and facilities) across the agency, whether funded through a central ICT budget or through other budgets
- cost in providing ICT services to other organisations.

Non-business as usual (non-BAU) expenditure is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities and are usually run as projects.

Business as usual (BAU) expenditure includes all remaining ICT expenditure other than non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.

The total ICT expenditure incurred during 2016-17 is \$3.19 million (excluding GST) with the details shown below.

BUSINESS AS USUAL (BAU) ICT EXPENDITURE TOTAL \$000	NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE		
	(TOTAL = OPERATIONAL EXPENDITURE AND CAPITAL EXPENDITURE) \$000	OPERATIONAL EXPENDITURE (OPEX) \$000	CAPITAL EXPENDITURE (CAPEX) \$000
2,327	863	53	810



DIRECTOR FINANCE AND BUSINESS REPORT

In line with our strategic priority of 'lasting stewardship' we care for community assets now and into perpetuity. As such, we are financially responsible and focus on financial sustainability with a long-term view.

Our financial position continues to grow and remains strong with an operating surplus in excess of \$32 million and net assets increasing to \$402 million. This year 85 per cent of our operating surplus was added to our perpetual maintenance reserve which now totals \$171 million.

Operating statement

The income from cemetery operations of \$58 million was 9 per cent above budget and 28 per cent greater than 2015-16. This increased income is primarily attributed to the successful release of stock at the Atrium of Holy Angels mausoleum at Fawkner Memorial Park and our greenfield development at Keilor Cemetery. These developments are meeting the significant interment demand of Melbourne's north and north-western communities.

Total expenses from transactions of \$32.6 million is 9 per cent above 2015-16. Excluding investment items (gains, impairment and fees) our operating expenses are within 2 per cent of the budget. A 3 per cent increase in employee expenses reflects our commitment to staff and supports the delivery of service standards expected by our communities. The increase of \$1 million in maintenance and operating costs ensures the presentation of our cemeteries meets community expectations. We will contribute \$2.3 million to the state government via the cemetery levy this financial year.

Investment income is \$7.3 million greater than 2015-16 and well ahead of our budget expectations, primarily a result of an adjustment in our asset allocations and increases in returns from investment markets during the year. Our investment strategy continues to take a long-term view and we manage risk through a cautious risk appetite and a well-diversified portfolio.

Balance sheet

We have continued to plan for future community needs with significant investment in our cemeteries including \$6.1 million in grave and mausoleum product, the \$5.8 million development of the Keilor Cemetery greenfield site and regular renewal of property, plant and equipment.

Reinvestment of the operating surplus, the increase in our investment portfolio of \$24.6 million and an increase in the value of land, buildings and infrastructure through a \$24.9 million revaluation by Valuer-General Victoria has ensured our strong balance sheet is maintained with total assets of \$431 million and a growth of \$62 million.

Total liabilities increased by \$3.7 million primarily due to timing of payments and an increase in the cemetery levy. The asset base comprises extensive cash and investment assets enabling continuous growth and capital investment into the future as well as funding our perpetual maintenance obligations.

Our perpetual maintenance reserve increased to \$171 million with a \$27 million contribution this financial year from our operating surplus.



BART CLINGIN

Director Finance and Business

9 August 2017

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2017



THE GREATER METROPOLITAN CEMETERIES TRUST

TRUST MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

We certify that the attached financial statements for The Greater Metropolitan Cemeteries Trust have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable financial reporting directions, the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards and interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2017 and the financial position of The Greater Metropolitan Cemeteries Trust as at 30 June 2017.

At the time of signing, we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



GEOFF MABBETT
Chair

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

9 August 2017



JACQUI WEATHERILL
Accountable Officer
Chief Executive Officer

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

9 August 2017



BART CLINGIN
Chief Finance and
Accounting Officer

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

9 August 2017

Independent Auditor's Report

To the Trust of the Greater Metropolitan Cemeteries Trust

Opinion	<p>I have audited the financial report of the Greater Metropolitan Cemeteries Trust (the cemetery) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including a summary of significant accounting policies • trust member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the cemetery as at 30 June 2017 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the cemetery in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Trust's responsibilities for the financial report	<p>The Trust of the cemetery is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trust determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trust is responsible for assessing the cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit of
the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is 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 the 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 this financial report.

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

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

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

I also provide the Trust with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
16 August 2017



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Trust of the Greater Metropolitan Cemeteries Trust

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Greater Metropolitan Cemeteries Trust for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
16 August 2017



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$000	2016 \$000
Income from transactions			
Cemetery operations income	2.1(a)	58,045	45,107
Less cost of goods sold	3.1(a)	(10,926)	(6,933)
		47,119	38,174
Investment income	2.1(b)	20,047	12,670
TOTAL INCOME FROM TRANSACTIONS		67,166	50,844
Expenses from transactions			
Employee expenses	3.1(e)	18,506	18,037
Depreciation and amortisation	4.4	3,549	3,098
Maintenance and operations costs		6,322	5,232
Administration costs		2,374	2,073
Impairment of available-for-sale financial assets	3.1(d)	478	1,616
Realised gain on disposal of available-for-sale financial assets	3.1(f)	(2,063)	(3,536)
Other expenses	3.1(b)	3,355	3,340
Audit fees – Victorian Auditor-General's Office	8.5	97	92
TOTAL EXPENSES FROM TRANSACTIONS		32,618	29,952
Operating result for the year before cemetery levy		34,548	20,892
Cemetery levy	3.1(c)	2,344	1,795
OPERATING RESULT FOR THE YEAR		32,204	19,097
Other comprehensive income			
Items that may be reclassified subsequently to the net result			
Net fair value gain/(loss) from available-for-sale investments	8.1(d)	323	(1,001)
		323	(1,001)
COMPREHENSIVE RESULT FOR THE YEAR		32,527	18,096

This statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 30 JUNE 2017

	NOTE	2017 \$ 000	2016 \$ 000
Current assets			
Cash and cash equivalents	4.1	16,944	6,708
Receivables	5.1	3,981	3,612
Inventories	5.2	31,394	26,595
Available-for-sale investments	4.2	39,000	40,000
Prepayments	5.3	287	136
<i>Total current assets</i>		91,606	77,051
Non-current assets			
Inventories	5.2	18,075	15,008
Available-for-sale investments	4.2	223,895	205,214
Property, plant and equipment	4.3	95,125	70,419
Intangible assets	4.5	2,474	2,212
<i>Total non-current assets</i>		339,569	292,853
TOTAL ASSETS		431,175	369,904
Current liabilities			
Payables	5.4	7,480	4,298
Unearned income	5.5	16,270	15,739
Provision for loss on onerous contracts	3.2(c)	541	672
Employee benefits and related on-cost provision	3.2	3,462	3,364
<i>Total current liabilities</i>		27,753	24,073
Non-current liabilities			
Employee benefits and related on-cost provision	3.2	630	549
<i>Total non-current liabilities</i>		630	549
TOTAL LIABILITIES		28,383	24,622
NET ASSETS		402,792	345,282
Equity			
Contributed capital	8.1	148,872	148,872
Accumulated surplus / (deficit)	8.1	47,132	42,414
Perpetual maintenance reserve	8.1	171,913	144,427
Available-for-sale investment revaluation surplus reserve	8.1	6,664	6,341
Physical asset revaluation surplus reserve	8.1	28,211	3,228
TOTAL EQUITY		402,792	345,282
Commitments	6.2		
Contingent assets and contingent liabilities	7.2		

This statement should be read in conjunction with the accompanying notes.



STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	NOTE	CONTRIBUTED CAPITAL \$'000	ACCUMULATED SURPLUS/ (DEFICIT) \$'000	PERPETUAL MAINTENANCE RESERVE \$'000	AVAILABLE- FOR-SALE INVESTMENT REVALUATION SURPLUS \$'000	PHYSICAL ASSET REVALUATION SURPLUS \$'000	TOTAL \$'000
BALANCE AT 30 JUNE 2015		148,872	42,100	125,644	7,342	3,228	327,186
Operating result for the year	8.1(b)	-	19,097	-	-	-	19,097
Other comprehensive income for the year	8.1(d)	-	-	-	(1,001)	-	(1,001)
Transfer to/(from) accumulated surplus/ (deficit)	8.1(b) 8.1(c)	-	(18,783)	18,783	-	-	-
BALANCE AT 30 JUNE 2016		148,872	42,414	144,427	6,341	3,228	345,282
Operating result for the year	8.1(b)	-	32,204	-	-	-	32,204
Other comprehensive income for the year	8.1(d)	-	-	-	323	-	323
Transfer to/(from) physical asset revaluation surplus	8.1(e)	-	-	-	-	24,983	24,983
Transfer to/(from) accumulated surplus/ (deficit)	8.1(b) 8.1(c)	-	(27,486)	27,486	-	-	-
BALANCE AT 30 JUNE 2017		148,872	47,132	171,913	6,664	28,211	402,792

This statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$ 000	2016 \$ 000
Cash flows from operating activities			
Receipts from customers		62,932	50,145
Payments to suppliers and employees		(48,332)	(43,933)
Investment income receipts		18,777	11,399
Goods and services tax received/(paid)		17	17
NET CASH INFLOW FROM OPERATING ACTIVITIES	8.2	33,394	17,628
Cash flows from investing activities			
Payments for property, plant and equipment		(7,500)	(15,650)
Proceeds from disposal of property, plant and equipment	2.1	113	291
Proceeds from available-for-sale investments		46,229	109,851
Payments for available-for-sale investments		(62,000)	(110,371)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(23,158)	(15,879)
Cash flows from financing activities			
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	-
Net increase/(decrease) in cash and cash equivalents		10,236	1,749
Cash and cash equivalents at beginning of the year		6,708	4,959
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4.1	16,944	6,708

This statement should be read in conjunction with the accompanying notes.



NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements of The Greater Metropolitan Cemeteries Trust (GMCT) are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS), which includes interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant financial reporting directions (FRD) and standing directions (SD) authorised by the Minister for Finance. In complying with AAS, GMCT has, where relevant, applied those paragraphs applicable to not-for-profit entities.

The annual financial statements were authorised for issue by GMCT on 9 August 2017.

(b) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017, and the comparative information presented in these financial statements is for the 12 months ended 30 June 2016.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of GMCT.

The financial statements, except for the cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items; and they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are prepared in accordance with the historical cost convention, except for:

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised or impaired.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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. Actual results may differ from these estimates.

Consistent with AASB 13 *Fair Value Measurement*, GMCT determines the policies and procedures for recurring fair value measurements such as property, plant and equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRD.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities that a cemetery can access at measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

For the purpose of fair value disclosures, GMCT has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, GMCT determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Valuer-General Victoria (VGV) is GMCT's independent valuation agency. GMCT, in conjunction with VGV, monitors the changes in the fair value of certain classes of assets and liabilities through relevant data sources to determine whether a revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AAS that have significant effect on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

(c) Reporting entity

The financial statements include all the controlled activities of GMCT. GMCT was established under the *Cemeteries and Crematoria Act 2003* and its operations are governed by that Act. The financial statements of GMCT include the operations of Altona Memorial Park, Andersons Creek Cemetery, Burwood Cemetery, Coburg Pine Ridge Cemetery, Emerald Cemetery, Fawcner Memorial Park, Healesville Cemetery, Keilor Cemetery, Lilydale Lawn Cemetery, Lilydale Memorial Park, Northcote Cemetery, Northern Memorial Park, Preston Cemetery, Templestowe Cemetery, Truganina Cemetery, Werribee Cemetery, Williamstown Cemetery and Yarra Glen Cemetery.

The principal address of GMCT is:

1187 Sydney Road
Fawcner Victoria 3060

A description of the nature of GMCT's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

(d) Scope and presentation of financial statements

(i) Comprehensive operating statement

The comprehensive operating statement presents the operating result of GMCT. It presents significant categories of income and expenses included in the operating result to enhance the understanding of the financial performance of GMCT. It also shows other comprehensive income included in the comprehensive result for the year.

(iii) Balance sheet

Assets and liabilities are categorised either as current or non-current, non-current being mainly those assets or liabilities expected to be recovered/settled more than 12 months after reporting period.

(iii) Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result, and amounts recognised in other comprehensive income related to other non-owner changes in equity.

(iv) Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with the requirements of AASB 107 *Statement of Cash Flows*.

(v) Rounding of amounts

All amounts shown in the financial statements are expressed to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(vi) Comparative information

Where necessary the previous year's figures have been reclassified to facilitate comparisons. There is no change to this year's comparatives.

(e) New accounting standards and interpretations

The following accounting pronouncements effective from the 2016-17 reporting period are considered to have insignificant impacts on GMCT:

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*
- AASB 2015-9 *Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]*
- AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

As at 30 June 2017, the following standards and interpretations had been issued but application was not effective for the year ending 30 June 2017. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as detailed in the table below. GMCT has not and does not intend to adopt these standards early.

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON GMCT FINANCIAL STATEMENTS
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from ASB 9, there will be a change to the way financial instruments are disclosed.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AAS to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for GMCT.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AAS to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.



NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON GMCT FINANCIAL STATEMENTS
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	<p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> → The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI). → Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p>
AASB 15 Revenue from Contracts with Customers	<p>The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.</p>	1 Jan 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications.</p> <p>GMCT's deferred income has future performance obligations and therefore any impact at this preliminary stage is perceived to be minimal.</p>
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	<p>This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.</p>	1 Jan 2018	<p>This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.</p>

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON GMCT FINANCIAL STATEMENTS
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> → the entity's right to receive payment of the dividend is established → it is probable that the economic benefits associated with the dividend will flow to the entity and the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for GMCT.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>This standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> → a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation → for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer → for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	1 Jan 2018	The assessment has indicated that there will be no significant impact for GMCT, other than the impact identified in AASB 15.



NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON GMCT FINANCIAL STATEMENTS
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for- Profit Entities	This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p>
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not- for-Profit Entities	<p>This standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> → require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments → clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1 Jan 2019	The assessment has indicated that there will be no significant impact for GMCT, other than the impacts identified for AASB 9 and AASB 15 above.

STANDARD/ INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON GMCT FINANCIAL STATEMENTS
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non- Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.
AASB 1058 Income of Not-for- Profit Entities	This standard replaces AASB 1004 <i>Contributions</i> and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change. GMCT receives minimal income from capital grants.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2016-17 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurements of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments*
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-16*



NOTE 2-FUNDING DELIVERY OF OUR SERVICES

The Cemetery receives income from the supply of products and services.

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE

	2017 \$ 000	2016 \$ 000
(a) Cemetery operations income		
Grave income	13,791	13,278
Mausoleum income	19,857	9,696
Cremation memorial income	4,047	2,730
Interment	7,194	7,143
Cremation income	5,190	5,138
Memorialisation	5,041	4,026
Other operating income		
Other interment services	1,846	1,408
Chapel services	142	153
Rental income	566	464
Other operating income	371	1,071
TOTAL CEMETERY OPERATIONS INCOME	58,045	45,107
(b) Investment income		
Interest from cash and cash equivalents and available-for-sale financial assets	1,310	1,553
Dividends and distributions	18,737	11,117
TOTAL INVESTMENT INCOME	20,047	12,670
(c) Profit on disposal of property, plant and equipment		
Proceeds from disposals	113	291
Less written down value of property, plant and equipment disposed	(181)	(232)
TOTAL PROFIT/(LOSS) ON DISPOSAL	(68)	59

(d) Income recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to GMCT and the income can be reliably measured. Unearned income at reporting date is reported as unearned income, in accordance with the guidance below.

(e) Cemetery operations income

Fees received for the rights of interment for graves, cremation memorials and mausoleum crypts are recognised as revenue at the time of purchase except for the memorialisation portion which is recognised at the time of interment.

Fees received for interment, cremation and certain memorialisation products such as memorial plaques are recognised as revenue in the period that the goods or services are provided.

Fees received in advance of service provision are recorded as unearned income in accordance with the guidance below.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

(f) Dividend revenue

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from GMCT's investments in financial assets.

(g) Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset which allocates interest over the relevant period.

(h) Sale of investments

The gain or loss on the sale of investments is recognised when the investment is realised.

(i) Unearned income

Unearned income represents monies received in advance of the provision of particular interment and cremation services and for pre sales of some goods e.g. memorial plaques. These are recorded as unearned income as at the reporting date and recognised as revenue in the period that the goods or services are provided.

(j) Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised in the operating result at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.



NOTE 3–THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by GMCT in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE

	2017 \$ 000	2016 \$ 000
(a) Cost of goods sold		
Rights of interment	9,212	5,193
Memorialisation	1,714	1,740
	10,926	6,933
(b) Expenses from transactions		
Other operating costs	2,283	1,985
Investment management fees	1,198	1,292
(Gain)/loss on onerous contracts	(131)	59
Doubtful debts expense	5	4
TOTAL EXPENSES FROM TRANSACTIONS	3,355	3,340
(c) Cemetery levy		
Cemetery levy	2,344	1,795
TOTAL CEMETERY LEVY	2,344	1,795
(d) Impairment of available-for-sale financial assets		
Impairment expense	478	1,616
TOTAL IMPAIRMENT EXPENSE	478	1,616
(e) Employee expenses		
Employee expenses	18,506	18,037
TOTAL EMPLOYEE EXPENSES	18,506	18,037
(f) Realised (gain)/loss on disposal of available-for-sale financial assets		
Realised (gain)/loss on disposal of available-for-sale financial assets	(2,063)	(3,536)
TOTAL REALISED (GAIN)/LOSS ON DISPOSAL OF AVAILABLE-FOR -SALE FINANCIAL ASSETS	(2,063)	(3,536)

(g) Expense recognition

Expenses are recognised as they are incurred and are reported in the financial year to which they relate.

(h) Cost of goods sold

Costs of goods sold are recognised when the sale of an item or right of interment occurs by transferring the cost or value of the item/s or value of land related to the right of interment from inventories to operating expenses.

(i) Employee expenses

Employee expenses include:

- wages and salaries
- annual leave
- sick leave
- long service leave
- superannuation which is reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

In relation to defined benefit superannuation plans, the amount expensed represents the contributions made by GMCT to the superannuation plans in respect of the services of current GMCT staff. Superannuation contributions are made based on the rules of each plan and are determined on actuarial advice.

(j) Cemetery levy

In accordance with Section 18Q of the *Cemeteries and Crematoria Act 2003*, GMCT is required to pay a percentage of its gross earnings, as defined by the Department of Health and Human Services, to the consolidated fund held by the State of Victoria. 'Gross earnings' is currently defined as cemetery operations income and investment income, excluding: donations, government grants, profit or loss on sale of investments and other assets and assets received free of charge. The levy rate for this reporting period is 3 per cent (2016: 3 per cent).

(k) Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include:

(i) Other comprehensive income

Other comprehensive income measures the change in volume or value of assets or liabilities that do not result from transactions.

(iii) Net gain/ (loss) on non-financial assets

Net gain/ (loss) on non-financial assets includes realised and unrealised gains and losses from revaluations, impairments and disposals of all physical assets and intangible assets.

(iii) Impairment of non-financial assets

Apart from intangible assets with indefinite useful lives (and intangible assets not yet available for use), all other assets are assessed annually for indications of impairment, except for:

- inventories
- financial assets
- non-current physical assets held for sale.

If there is an indication of impairment, the asset concerned is tested to determine whether its carrying value exceeds its possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down value can be debited to an asset revaluation surplus reserve amount applicable to that same class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision has been made to the contrary. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

(iv) Impairment of financial assets

At the end of each reporting period GMCT assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts written off and allowances for doubtful receivables are expensed. The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.



NOTE 3-THE COST OF DELIVERING SERVICES (CONTINUED)

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (CONTINUED)

Where the fair value of an investment in an equity instrument has reduced by 20 per cent or more of its cost price; or where its fair value has been less than its cost price for a period of 12 or more months, the financial instrument is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2017 for its portfolio of financial assets, GMCT used valuations provided by its fund managers as at 30 June 2017 which were based on market prices.

The above valuation process was used to quantify the level of impairment on the portfolio of financial assets as at year end.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

NOTE 3.2: PROVISIONS

	2017 \$ 000	2016 \$ 000
Current provisions		
Employee benefits		
→ Annual leave (unconditional and expected to be settled within 12 months)	852	807
→ Annual leave (unconditional and expected to be settled after 12 months)	490	485
→ Long service leave (unconditional and expected to be settled within 12 months)	89	92
→ Long service leave (unconditional and expected to be settled after 12 months)	1,564	1,531
On-costs		
→ Unconditional and expected to be settled within 12 months	161	152
→ Unconditional and expected to be settled after 12 months	306	297
TOTAL CURRENT PROVISIONS	3,462	3,364
→ Long service leave (conditional and expected to be settled after 12 months)	552	467
→ On-costs	78	82
TOTAL NON-CURRENT PROVISIONS	630	549
TOTAL PROVISION FOR EMPLOYEE BENEFITS	4,092	3,913

(i) Employee benefits consist of annual leave and long service leave accrued by employees and the amounts not expected to be settled in 12 months are disclosed at present values.

	2017 \$ 000	2016 \$ 000
(a) Employee benefits and on-costs		
<i>Current employee benefits</i>		
Annual leave	1,342	1,292
Long service leave	1,653	1,623
<i>Non-current employee benefits</i>		
Long service leave	552	467
TOTAL EMPLOYEE BENEFITS	3,547	3,382
Current on-costs	467	449
Non-current on-costs	78	82
TOTAL ON-COST	545	531
TOTAL EMPLOYEE BENEFITS AND ON-COSTS	4,092	3,913
(b) Movement in provisions		
<i>Movements in long service leave</i>		
Balance at the beginning of the year	2,396	2,178
Provision made during the year – expense	337	321
Revaluation	25	(1)
Settlements made during the year	(243)	(102)
BALANCE AT END OF THE YEAR	2,515	2,396
<i>Movements in annual leave</i>		
Balance at the beginning of the year	1,517	1,447
Provision made during the year – expense	1,202	1,096
Annual leave taken	(1,133)	(1,015)
Revaluation	(9)	(11)
BALANCE AT END OF THE YEAR	1,577	1,517
TOTAL EMPLOYEE BENEFITS AND ON-COSTS	4,092	3,913
(c) Provision for loss on onerous contracts		
Balance at beginning of the year	672	613
Amount taken to comprehensive operating statement	(131)	59
BALANCE AT END OF THE YEAR	541	672



NOTE 3–THE COST OF DELIVERING SERVICES (CONTINUED)

NOTE 3.2: PROVISIONS (CONTINUED)

(d) Provisions

Provisions are recognised when GMCT has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rates that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(e) Employee benefits

The provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(f) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in the provision for employee benefits as 'current liabilities' because GMCT does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value — if GMCT expects to wholly settle within 12 months
- present value — if GMCT does not expect to wholly settle within 12 months.

(g) Long service leave (LSL)

Liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed as a current liability, even where GMCT does not expect to settle the

liability within 12 months because it does not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value — if GMCT expects to wholly settle within 12 months
- present value — if GMCT does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability as there is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises solely due to changes in bond interest rates for which it is then recognised as an other economic flow.

(h) On-costs

Employee benefit on-costs (workers compensation and superannuation) accrued on annual leave and LSL are recognised separately from the provision for employee benefits.

(i) Provision for loss on onerous contracts (on unearned income)

A provision is recognised for onerous contracts where the unavoidable costs of meeting the obligations exceed the economic benefits that are expected to be received under the contract and the future sacrifice of economic benefits is probable.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is recognised in relation to pre-paid fees where the cost of providing the purchased goods and/or services is expected to be greater than the amount received/revenue to be recognised and the current service cost can be reliably measured. The provision represents the current cost of the expenditure required to provide the goods and/or services, less the amount of revenue to be recognised based on historical prices and current costs at the reporting date.

As GMCT does not have an unconditional right to defer settlement, the liability for onerous contracts is recognised as a current liability.

NOTE 3.3: SUPERANNUATION

Employees of GMCT are entitled to receive superannuation benefits and GMCT contributes to defined benefit and defined contribution plans.

GMCT does not recognise any defined benefit liability in respect of the plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the state's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of GMCT. The name, details and amounts of the expense in relation to the major employee superannuation funds and contributions made by GMCT are as follows:

	CONTRIBUTIONS FOR THE YEAR ENDING	CONTRIBUTIONS OUTSTANDING AT YEAR END	CONTRIBUTIONS FOR THE YEAR ENDING	CONTRIBUTIONS OUTSTANDING AT YEAR END
	2017 \$ 000	2017 \$ 000	2016 \$ 000	2016 \$ 000
Defined benefits				
Vision Super	194	-	186	4
Defined contributions				
Vision Super	735	50	717	51
Other	874	68	837	67
TOTAL	1,803	118	1,740	122

(a) Defined contribution superannuation plan

The defined contribution funds receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (9.5 per cent). GMCT's current contribution ranges between 9.5 per cent and 10 per cent. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of their chosen superannuation fund.

(b) Defined benefit superannuation plan

The defined benefit plan provides benefits to employees based on years of service and final average salary. GMCT makes employer contributions to the defined benefits category of the superannuation fund at a minimum of the rate determined by the fund's trustee.

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary, GMCT's current contribution is 9.50 per cent of superannuation salary, plus contribution tax.

(c) Unfunded defined benefit superannuation liability

The Local Authorities Superannuation Fund (LASF), known as Vision Super since 2002, is a not-for-profit industry fund for cemeteries and certain other agencies. Vision Super is the trustee of both the defined benefit plan (closed since 1993) and the Super Save (accumulation) fund.

In accordance with regulations, the Fund's Trustees are required to complete an actuarial review of superannuation funds at least every three years to ensure the current assets are adequate to meet the benefits that have previously been promised to members.

As a participating employer of this defined benefit plan, GMCT is liable to meet any call made by the fund's actuary. Based on the advice from the fund's trustee, there is no shortfall in the defined benefit plan as at 30 June 2017.



NOTE 4–KEY ASSETS TO SUPPORT SERVICE DELIVERY

GMCT controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to GMCT to be utilised for delivery of those outputs.

NOTE 4.1: CASH AND CASH EQUIVALENTS

	2017 \$ 000	2016 \$ 000
Cash on hand	2	2
Cash at bank	9,942	6,706
Interest-bearing deposits	7,000	-
TOTAL CASH AND CASH EQUIVALENTS	16,944	6,708

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

NOTE 4.2: INVESTMENTS AND OTHER FINANCIAL ASSETS

	2017 \$ 000	2016 \$ 000
Current		
Interest bearing investments	39,000	40,000
TOTAL CURRENT AVAILABLE-FOR-SALE INVESTMENTS	39,000	40,000
Non-current		
Managed share/units portfolio	161,137	143,795
Interest bearing investments	62,758	61,419
TOTAL NON-CURRENT AVAILABLE-FOR-SALE INVESTMENTS	223,895	205,214
TOTAL AVAILABLE-FOR-SALE INVESTMENTS	262,895	245,214

(a) Available-for-sale financial assets

The nature and extent of risk arising from and ageing of other financial assets is contained in Note 7.1.

Other financial assets are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as available-for-sale financial assets. GMCT classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial investments at initial recognition.

At each balance sheet date GMCT assesses whether a financial asset or group of financial assets is impaired. All financial assets are subject to annual review for impairment.

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 7.1.

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT

		2017 \$ 000	2016 \$ 000
Cemetery land under infrastructure at fair value	(i)	5,815	10,120
Buildings, infrastructure and improvements at fair value	(i)	79,734	56,619
Less accumulated depreciation		-	(5,399)
		79,734	51,220
Motor vehicles, plant and equipment at fair value		14,598	13,460
Less accumulated depreciation		(6,955)	(5,598)
		7,643	7,862
Capital works in progress at cost		1,933	1,217
TOTAL PROPERTY, PLANT AND EQUIPMENT		95,125	70,419

(i) In accordance with the requirements of Financial Reporting Direction FRD103F Non-current Physical Assets, these assets were valued by an independent valuer, Steven Lane, qualified valuer, of the Valuer-General Victoria, with effect at 30 June 2017.

Cemetery land under infrastructure

The valuation, which conforms to Australian Valuation Standards, was determined by direct reference to recent market transactions on arm's length terms for land of comparable size and location, less a community service obligation percentage of 95 per cent.

Buildings, infrastructure and improvements

The valuation, which conforms to Australian Valuation Standards, was determined based on the depreciated replacement cost of the assets.

(a) Reconciliation of property, plant and equipment

Reconciliation of carrying amounts of each class of asset for GMCT at beginning and end of each financial period is set out below.

	NOTE	CEMETERY LAND UNDER INFRASTRUCTURE \$ 000	BUILDINGS, INFRASTRUCTURE AND IMPROVEMENTS \$ 000	MOTOR VEHICLES, PLANT AND EQUIPMENT \$ 000	WORKS IN PROGRESS \$ 000	TOTAL \$ 000
BALANCE AT 30 JUNE 2015		2,708	46,423	5,743	3,009	57,883
Additions		-	-	-	15,646	15,646
Transfers to completed assets		7,412	6,247	3,779	(17,438)	-
Transfers between asset classes		-	-	-	-	-
Disposals		-	-	(231)	-	(231)
Depreciation expense	4.4	-	(1,450)	(1,429)	-	(2,879)
BALANCE AT 30 JUNE 2016		10,120	51,220	7,862	1,217	70,419
Additions		-	-	-	7,024	7,024
Transfers to completed assets		-	4,977	1,331	(6,308)	-
Transfers between asset classes	(i)	(3,943)	-	-	-	(3,943)
Disposals		-	(96)	(86)	-	(182)
Revaluation of land, buildings and infrastructure improvements		(362)	25,345	-	-	24,983
Depreciation expense	4.4	-	(1,712)	(1,464)	-	(3,176)
BALANCE AT 30 JUNE 2017		5,815	79,734	7,643	1,933	95,125

(i) Transfer between asset classes represents undeveloped land transferred to non-current inventory - land



NOTE 4-KEY ASSETS TO SUPPORT SERVICE DELIVERY (CONTINUED)

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Fair value measurement hierarchy for assets

	CARRYING AMOUNT AS AT 30 JUNE 2017 \$ 000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1 \$ 000	LEVEL 2 \$ 000	LEVEL 3 \$ 000
Cemetery land under infrastructure at fair value				
→ Specialised land	5,815	-	-	5,815
TOTAL OF LAND AT FAIR VALUE	5,815	-	-	5,815
Buildings, infrastructure and improvements at fair value				
→ Specialised buildings	79,734	-	-	79,734
TOTAL OF BUILDINGS AT FAIR VALUE	79,734	-	-	79,734
Motor vehicles, plant and equipment at fair value				
→ Vehicles	1,664	-	-	1,664
→ Plant and equipment	5,979	-	-	5,979
TOTAL OF PLANT AND EQUIPMENT AND VEHICLES AT FAIR VALUE	7,643	-	-	7,643
TOTAL BALANCE AT FAIR VALUE 30 JUNE 2017	93,192	-	-	93,192

	CARRYING AMOUNT AS AT 30 JUNE 2016 \$ 000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1 \$ 000	LEVEL 2 \$ 000	LEVEL 3 \$ 000
Cemetery land under infrastructure at fair value				
→ Specialised land	10,120	-	-	10,120
TOTAL OF LAND AT FAIR VALUE	10,120	-	-	10,120
Buildings, infrastructure and improvements at fair value				
→ Specialised buildings	51,220	-	-	51,220
TOTAL OF BUILDINGS AT FAIR VALUE	51,220	-	-	51,220
Motor vehicles, plant and equipment at fair value				
→ Vehicles	1,319	-	-	1,319
→ Plant and equipment	6,543	-	-	6,543
TOTAL OF PLANT AND EQUIPMENT AND VEHICLES AT FAIR VALUE	7,862	-	-	7,862
TOTAL BALANCE AT FAIR VALUE 30 JUNE 2016	69,202	-	-	69,202

(i) Specialised land and specialised buildings

The market approach is used for specialised land and specialised buildings although land is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For GMCT, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of GMCT's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2017.

(ii) Vehicles

GMCT acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by GMCT which sets relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying value (depreciated cost).

(iii) Plant and equipment

Plant and equipment is held at carrying value (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying value.

There were no changes in valuation techniques throughout the year to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use.

(c) Reconciliation of Level 3 fair value

	CEMETERY INFRASTRUCTURE LAND AT FAIR VALUE \$ 000	BUILDINGS, INFRASTRUCTURE AND IMPROVEMENTS AT FAIR VALUE \$ 000	MOTOR VEHICLES, PLANT AND EQUIPMENT AT FAIR VALUE \$ 000
Opening balance	10,120	51,220	7,862
Purchases/ (sales)	-	4,881	1,245
Depreciation	-	(1,712)	(1,464)
Transfers in/(out)	(3,943)	-	-
Items recognised in other comprehensive income			
→ Revaluation	(362)	25,345	-
Closing balance	5,815	79,734	7,643
TOTAL BALANCE AT FAIR VALUE 30 JUNE 2017	5,815	79,734	7,643



NOTE 4–KEY ASSETS TO SUPPORT SERVICE DELIVERY (CONTINUED)

NOTE 4.3: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CEMETERY INFRASTRUCTURE LAND AT FAIR VALUE \$ 000	BUILDINGS, INFRASTRUCTURE AND IMPROVEMENTS AT FAIR VALUE \$ 000	MOTOR VEHICLES, PLANT AND EQUIPMENT AT FAIR VALUE \$ 000
Opening balance	2,708	46,423	5,743
Purchases/ (sales)	7,412	6,247	3,548
Depreciation	-	(1,450)	(1,429)
Closing balance	10,120	51,220	7,862
TOTAL BALANCE AT FAIR VALUE 30 JUNE 2016	10,120	51,220	7,862

(d) Description of significant unobservable inputs to Level 3 valuations

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS
Cemetery – specialised land	Market approach	Community service obligation (CSO) adjustment
Cemetery – specialised building		
→ Buildings	Depreciated replacement cost approach	Useful life of specialised buildings
→ Infrastructure	Depreciated replacement cost approach	Useful life of specialised infrastructure
Plant and equipment at fair value		
→ Vehicles	Depreciated replacement cost approach	Useful life of vehicles
→ Plant and equipment	Depreciated replacement cost approach	Useful life of plant and equipment

Refer to Note 1 for guidance on fair value determination.

All non-current physical assets (except inventories) are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

(e) Crown land

Crown land which has been reserved for cemetery and crematoria purposes is measured at fair value with regard to the property's highest and best use after due consideration is given to any legal or constructive restrictions imposed on the land, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply.

(f) Land and buildings

Measured initially at cost and subsequently measured at fair value. Accumulated depreciation is deducted from the fair value of buildings to derive a value to be assessed for impairment.

(g) Land for cemetery use

Legal or constructive restrictions related to land for cemetery use, whereby land has been reserved for a cemetery, have been assessed by the Valuer-General Victoria as reducing the land's highest and best use value by a discount factor of 95 per cent. The discount of 95 per cent represents the community service obligation (CSO) of providing the cemetery to the people of Victoria.

Cemetery use land was valued at 30 June 2017 by the Valuer-General Victoria in accordance with the requirements of FRD103F *Non-current Physical Assets*, issued pursuant to the *Financial Management Act 1994*. The next scheduled revaluation under FRD103F is set for the year ending 30 June 2022 or earlier if there is an indication that the fair value has moved materially since the last valuation.

Land for cemetery use is classified between interment land which is land classified as inventory and land under infrastructure which is part of property, plant and equipment.

(h) Plant, equipment and vehicles

Measured initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

(i) Revaluation of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with FRD 103F. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRD. Revaluation increments or decrements arise from differences between an asset's carrying value and its fair value.

Revaluation increments are recognised in other comprehensive income and accumulated in the physical asset revaluation surplus reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the reported result, the increment is recognised as income in determining the reported result.

Revaluation decrements are recognised immediately as expenses in the reported result, except that, to the extent that a credit balance exists in the physical asset revaluation surplus reserve in respect of the same class of assets, they are debited directly to the physical asset revaluation surplus reserve.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus relating to an asset is not normally transferred to accumulated funds on derecognition of the relevant asset.

In accordance with FRD 103F, GMCT's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

NOTE 4.4: DEPRECIATION AND AMORTISATION

	2017 \$ 000	2016 \$ 000	
<i>Depreciation</i>			
Buildings, infrastructure and improvements	1,712	1,450	
Motor vehicles, plant and equipment	1,464	1,429	
AGGREGATE DEPRECIATION RECOGNISED AS AN EXPENSE DURING THE YEAR	3,176	2,879	
<i>Amortisation</i>			
Amortisation of computer software	4.5	373	219
TOTAL DEPRECIATION AND AMORTISATION	3,549	3,098	



NOTE 4–KEY ASSETS TO SUPPORT SERVICE DELIVERY (CONTINUED)

NOTE 4.4: DEPRECIATION AND AMORTISATION (CONTINUED)

(a) Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land, items under operating leases and assets held for sale). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets with a cost in excess of \$3,000 (2016: \$3,000) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated remaining useful lives.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated remaining useful life. Estimates of the remaining useful lives and the depreciation method for all assets are reviewed at least annually and adjustments are made where appropriate.

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The following table indicates the depreciation rates in use.

	2017	2016
Buildings	40 years	40 years
Infrastructure and improvements (i)	10 or 50 years	50 years
Plant and equipment	10 years	10 years
Motor vehicles	5 years	5 years

(i) 10 years useful life for signage project completed in 2017.

(b) Amortisation

Intangible assets with a cost in excess of \$3,000 (2016: \$3,000) are capitalised.

Amortisation is allocated to intangible assets with finite useful lives on a systematic (straight-line) basis over the asset's useful life and is recognised as an expense. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested to assess whether their carrying value exceeds their recoverable amount. Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

The following table indicates the amortisation rates in use:

	2017	2016
Computer systems	3-6 years	3-6 years

NOTE 4.5: INTANGIBLE ASSETS

	2017 \$ 000	2016 \$ 000
Computer software at cost	2,838	1,702
Less accumulated amortisation	(631)	(259)
	2,207	1,443
Works in progress	267	769
TOTAL INTANGIBLE ASSETS	2,474	2,212

(a) Reconciliation of intangible assets

	2017 \$ 000	2016 \$ 000
Balance at the beginning of the year	2,212	1,259
Additions	635	1,172
Disposals	-	-
Amortisation expense	(373)	(219)
BALANCE AT END OF THE YEAR	2,474	2,212

(b) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance and include computer software and associated development costs.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised but are assessed for impairment annually or whenever there is an indication that the intangible assets may be impaired. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to GMCT.

NOTE 5-OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the cemeteries operations.

NOTE 5.1: RECEIVABLES

	2017 \$ 000	2016 \$ 000
<i>Current</i>		
<i>Contractual</i>		
Trade and sundry debtors	2,390	2,331
Accrued interest and dividends	1,374	1,271
Less provision for doubtful debts	5.1(a) (9)	(4)
TOTAL CONTRACTUAL RECEIVABLES	3,755	3,598
<i>Statutory</i>		
Goods and Services Tax receivable	226	14
TOTAL STATUTORY RECEIVABLES	226	14
TOTAL RECEIVABLES	3,981	3,612

The nature and extent of risk arising from receivables and ageing of receivables is contained in Note 7.1.

(a) Movement in provision for doubtful debts

Balance at the beginning of the year	4	-
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	5	4
BALANCE AT END OF THE YEAR	9	4

(b) Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- statutory receivables, which includes predominantly amounts owing from the Victorian government and GST input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

(c) Goods and services tax (GST)

Income, expenses and assets are recognised net of the associated amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.



NOTE 5-OTHER ASSETS AND LIABILITIES (CONTINUED)

5.1: RECEIVABLES (CONTINUED)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from or payable to the ATO are presented as operating cash flows.

Commitments and contingent assets or liabilities are presented including GST.

NOTE 5.2: INVENTORIES

	2017 \$ 000	2016 \$ 000
Current		
Finished goods		
Grave foundations and beams	9,521	8,654
Mausoleum crypts	14,707	15,306
Land – interment purposes	508	114
Work-in-progress		
Development costs	6,658	2,521
TOTAL CURRENT	31,394	26,595
Non-current		
Land – interment purposes (undeveloped)	12,128	9,061
Work-in-progress		
Development costs (i)	5,947	5,947
TOTAL NON-CURRENT	18,075	15,008
TOTAL INVENTORIES	49,469	41,603

(i) \$5.9 million of inventory located in in Preston Cemetery's mausoleum basement was reclassified in 2012 as work-in-progress as additional development is required in order to make the inventory available for sale.

REPRESENTED BY	2017 \$ 000	2016 \$ 000
Land – interment purposes	12,636	9,175
Grave foundations and beams	9,521	8,654
Mausoleum crypts	14,707	15,306
Work-in-progress	12,605	8,468
	49,469	41,603

(a) Inventories

Inventories include goods and other property held either for sale or for distribution at nominal consideration, or for consumption in the ordinary course of business operations. Inventories exclude depreciable assets.

Inventories include land allocated for interment purposes. Inventory of land allocated for interment purposes is measured at the lower of cost and net realisable value on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment.

Inventories are classified as either work-in-progress or finished goods. Work-in-progress includes undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished goods represent inventories available for sale to clients including land to be used for interment purposes.

Inventory of precast concrete lined graves, pre-poured foundations for graves, memorial wall niches and mausoleum crypts are valued at weighted average cost. These inventories are measured at the lower of cost or net realisable value.

Costs for all other inventories are measured on the basis of weighted average cost.

Inventories expected to be sold or utilised within 12 months are recorded as current assets, with the balance as non-current assets.

NOTE 5.3: PREPAYMENTS AND OTHER ASSETS

	2017 \$ 000	2016 \$ 000
Prepayments	287	136
TOTAL PREPAYMENTS	287	136

(a) Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term beyond that period.

NOTE 5.4: PAYABLES

	2017 \$000	2016 \$000
Current		
Contractual		
Trade creditors	2,794	213
Other creditors and accruals	1,411	1,783
TOTAL CONTRACTUAL CREDITORS	4,205	1,996
Statutory		
Other creditors and accruals	814	451
Cemeteries levy accrued	2,343	1,729
Superannuation liability	118	122
TOTAL STATUTORY CREDITORS	3,275	2,302
TOTAL TRADE CREDITORS	7,480	4,298

(i) Ageing analysis of payables. Refer to Note 7.1.

(ii) Nature and extent of risk arising from payables. Refer to Note 7.1.

(a) Payables

Payables consist of:

- Contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to GMCT prior to the end of the financial year that are unpaid, and arise when GMCT becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Net 30 days.
- Statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are initially recognised at fair value and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

NOTE 5.5: UNEARNED INCOME

CURRENT	2017 \$ 000	2016 \$ 000
Pre-need deed sales liability	15,527	13,534
Deposits received in advance	743	2,205
TOTAL UNEARNED INCOME	16,270	15,739

(a) Unearned income

All unearned income is classified as a current liability as GMCT does not have an unconditional right to defer settlement. Pre-purchases and pre-need deeds are redeemed when a need arises. Prepaid fees are recognised at their nominal (contracted) value.



NOTE 6-HOW WE FINANCE OUR OPERATIONS

This section provides information on the sources of finance utilised, along with interest expenses (the cost of borrowings) and other information related to financing activities of GMCT.

NOTE 6.1: BORROWINGS

(a) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases.

Leases of property, plant and equipment are classified at their inception as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(b) Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

The operating lease rental is for photocopiers.

(c) Finance leases

GMCT did not have any finance lease commitments as at 30 June 2017 (2016: NIL).

NOTE 6.2: COMMITMENTS

CAPITAL EXPENDITURE COMMITMENTS	2017 \$000	2016 \$000
Land and buildings	1,155	337
Plant and equipment	-	2,274
Intangible assets	445	380
Inventories	2,276	9,224
TOTAL CAPITAL COMMITMENTS	3,876	12,215

OPERATING EXPENDITURE COMMITMENTS	2017 \$ 000	2016 \$ 000
Maintenance and operating	2,570	4,063
Administrative	347	-
TOTAL OPERATING EXPENDITURE COMMITMENTS	2,917	4,063

LEASE COMMITMENTS	2017 \$000	2016 \$000
Operating leases	134	208
TOTAL LEASE COMMITMENTS	134	208

CAPITAL EXPENDITURE COMMITMENTS		
Not longer than one year	3,266	12,215
Longer than one year and not longer than five years	610	-
Longer than five years	-	-
CAPITAL EXPENDITURE COMMITMENTS	3,876	12,215

OPERATING EXPENDITURE COMMITMENTS		
Not longer than one year	1,727	1,994
Longer than one year and not longer than five years	1,190	2,069
Longer than five years	-	-
TOTAL OPERATING EXPENDITURE COMMITMENTS	2,917	4,063

OPERATING LEASE COMMITMENTS		
Not longer than one year	67	67
Longer than one year and not longer than five years	67	141
Longer than five years	-	-
TOTAL OPERATING LEASE COMMITMENTS	134	208

Commitments for expenditure are not recognised in the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES

GMCT is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for GMCT is related mainly to fair value determination.

NOTE 7.1: FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GMCT's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

(a) Categories of non-derivative financial instruments

Receivables

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method, less any impairment.

Receivables include cash and deposits, term deposits with maturity greater than three months, trade and other receivables, but not statutory receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

(b) Financial risk management objectives and policies

GMCT's principal financial instruments comprise:

- cash assets
- receivables (excluding statutory receivables)
- available for sale investments
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed in notes 2,3,4.2 to the financial statements.

GMCT's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. GMCT manages these financial risks in accordance with its financial risk management policy.

GMCT uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the finance and investment committee of GMCT. The main purpose of holding financial instruments is to prudentially manage GMCT's financial risks within the government's policy parameters.



NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES (CONTINUED)

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

ACCOUNT BALANCE	CATEGORY	CARRYING AMOUNT 2017 \$000	CARRYING AMOUNT 2016 \$000
Financial assets			
Cash and cash equivalents	Cash	16,944	6,708
Available for sale investments – current	Available for sale investments (at fair value through equity)	39,000	40,000
Receivables	Receivables (at amortised cost)	3,755	3,598
Available for sale investments – non-current	Available for sale investments (at fair value through equity)	223,895	205,214
TOTAL FINANCIAL ASSETS		283,594	255,520
Financial liabilities			
Payables	Financial liabilities measured at amortised cost	4,205	1,996
TOTAL FINANCIAL LIABILITIES		4,205	1,996

The total amount of financial assets disclosed here excludes statutory amounts (i.e. GST input tax credits recoverable). The total amount of financial liabilities disclosed here excludes statutory payables (i.e. taxes payable, mandatory superannuation guarantee charges and WorkCover levies).

(i) Net holding gain/(loss) on financial instruments by category

	2017 \$000	2016 \$000
Financial assets		
Cash and cash equivalents and available-for-sale investments – interest revenue	1,310	1,553
Available-for-sale investments – dividends and distributions	18,737	11,117
Available-for-sale investments – impairment loss	(478)	(1,616)
Available-for-sale investments – realised gain/(loss)	2,063	3,536
Available-for-sale investments – unrealised gain/(loss)	(45)	(1,017)
TOTAL NET HOLDING GAIN	21,587	13,573

(c) Credit risk

Credit risk arises from the financial assets of GMCT which comprise cash and cash equivalents, trade and other receivables and available for sale investments. The exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to GMCT.

Credit risk is measured at fair value and is monitored on a regular basis.

(i) Policy on managing credit risk

GMCT does not have any material credit risk exposure to a single debtor or group of debtors.

In respect of receivables, GMCT minimises concentrations of credit risk by undertaking transactions with a large number of customers. Trade debtors are normally received within 30 days of the end of the month. Sundry debtors terms range up to a maximum of six months.

In addition, management reviews on an ongoing basis the aged analysis of receivables to assess the quality of them and apply any action required to ensure the collectability of the debts.

Based on successful past experience in managing the credit risk on receivables, GMCT has assessed this risk as low.

Management has assessed the credit risk associated with cash and cash equivalents as minimal. The amounts are allocated to reputable financial institutions which have high credit ratings.

Investments are managed in accordance with the GMCT's investment policy, which stipulates, where applicable minimum credit ratings. The investment policy is reviewed regularly by management in conjunction with independent investment advisors. GMCT uses external advisers to manage most of the funds allocated as available-for-sale financial assets.

The total funds invested are spread between reputable and experienced external managers and a range of financial institutions. This mitigates the credit risk on this class of financial assets, due to the nature of the effects of diversification.

(ii) Maximum exposure to credit risk

GMCT's maximum exposure to credit risk at balance date in relation to each class of financial asset is represented below.

	CARRYING AMOUNT 2017 \$ 000	CARRYING AMOUNT 2016 \$ 000
Financial assets		
Cash and cash equivalents	16,944	6,708
Available for sale investments – current	39,000	40,000
Receivables	3,755	3,598
Available for sale investments – non-current	223,895	205,214
TOTAL FINANCIAL ASSETS	283,594	255,520

(iii) Credit quality of contracted financial assets that are neither past due nor impaired

	FINANCIAL INSTITUTIONS (AAA TO AA CREDIT RATING) \$ 000	FINANCIAL INSTITUTIONS (A CREDIT RATING) \$ 000	OTHER (CREDIT RATING A OR LESS OR NOT RATED) \$ 000	TOTAL \$ 000
2017				
Cash and cash equivalents:				
Cash on hand	-	-	2	2
Cash at bank	9,942	-	-	9,942
Receivables	-	-	3,755	3,755
Other financial assets:				
Interest bearing investments	108,505	-	253	108,758
Managed share/units portfolio	269	-	160,868	161,137
	118,716	-	164,878	283,594
2016				
Cash and cash equivalents:				
Cash on hand	-	-	2	2
Cash at bank	6,706	-	-	6,706



NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES (CONTINUED)

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

	FINANCIAL INSTITUTIONS (AAA TO AA CREDIT RATING) \$ 000	FINANCIAL INSTITUTIONS (A CREDIT RATING) \$ 000	OTHER (CREDIT RATING A OR LESS OR NOT RATED) \$ 000	TOTAL \$ 000
Receivables	-	-	3,598	3,598
Other financial assets:				
Interest bearing investments	101,163	-	256	101,419
Managed share/units portfolio	226	-	143,569	143,795
	108,095	-	147,425	255,520

The total amount of financial assets disclosed here excludes statutory amounts (i.e. GST input tax credits recoverable).

(iv) Ageing analysis of financial assets

	CARRYING AMOUNT \$ 000	NOT PAST DUE AND NOT IMPAIRED \$ 000	PAST DUE BUT NOT IMPAIRED				IMPAIRED FINANCIAL ASSETS \$ 000
			LESS THAN 1 MONTH \$ 000	1-3 MONTHS \$ 000	3 MONTHS - 1 YEAR \$ 000	1-5 YEARS \$ 000	
Financial assets 2017							
Cash and cash equivalents:							
→ Cash on hand	2	2	-	-	-	-	-
→ Cash at bank	9,942	9,942	-	-	-	-	-
Receivables:	3,755	2,930	198	636	-	-	(9)
Other financial assets							
→ Interest bearing investments	108,758	108,758	-	-	-	-	-
→ Managed share/ units portfolio	161,137	161,137	-	-	-	-	-
TOTAL	283,594	282,769	198	636	-	-	(9)
Financial assets 2016							
Cash and cash equivalents:							
→ Cash on hand	2	2	-	-	-	-	-
→ Cash at bank	6,706	6,706	-	-	-	-	-
Receivables:	3,598	3,006	187	409	-	-	(4)
Other financial assets							
→ Interest bearing investments	101,419	101,419	-	-	-	-	-
→ Managed share/ units portfolio	143,795	143,795	-	-	-	-	-
TOTAL	255,520	254,928	187	409	-	-	(4)

(v) Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently GMCT does not hold any collateral as security nor credit enhancements relating to its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired and they are stated at their carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(d) Liquidity risk

Liquidity risk arises if GMCT is unable to meet obligations associated with its financial liabilities when they fall due.

(i) Policy on managing liquidity risk

GMCT's objectives in managing liquidity risk are to ensure that all obligations will be met as they fall due, while ensuring maximum funds are available for investment to meet longer term perpetual maintenance requirements.

GMCT manages liquidity risk by monitoring cash flows to ensure sufficient funds are maintained in its operating bank account to meet liabilities

as they fall due. This is done while ensuring that surplus funds are invested. Daily monitoring occurs, with monthly reports delivered to management regarding the cash flow position and cash flow forecasts. GMCT believes that this policy ensures sufficient funds are held to allow for the proper administration of GMCT's responsibilities.

GMCT has assessed liquidity risk as minimal considering the positive current position of current assets compared with current liabilities and cash flow generated from operations.

(ii) Maximum exposure to liquidity risk

The maximum exposure to liquidity risk is the carrying amounts of financial liabilities as follows:

	2017 \$ 000	2016 \$ 000
FINANCIAL LIABILITIES	CARRYING AMOUNT	CARRYING AMOUNT
Payables	4,205	1,996
TOTAL	4,205	1,996

(iii) Maturity analysis of financial liabilities

The following table sets out the contractual maturity analysis for financial liabilities at reporting date.

FINANCIAL LIABILITIES	CARRYING AMOUNT \$ 000	NOMINAL AMOUNT \$ 000	MATURITY DATES			
			LESS THAN 1 MONTH \$ 000	1-3 MONTHS \$ 000	3 MONTHS - 1 YEAR \$ 000	1-5 YEARS \$ 000
2017						
Payables	4,205	4,205	4,205		-	-
TOTAL	4,205	4,205	4,205		-	-
2016						
Payables	1,996	1,996	1,996	-	-	-
TOTAL	1,996	1,996	1,996	-	-	-

The amounts disclosed above are the contractual undiscounted cash flows for each class of financial liabilities.

(e) Market risk exposure

GMCT has diversified investments across a range of markets and sectors, including investments in the Australian and international share markets, in order to fund redemption of pre-paid fees and long-term perpetual maintenance obligations.

These markets are subject to volatility.



NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES (CONTINUED)

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

It is accepted that the share market is cyclical and that there is inherent volatility. GMCT has appointed external investment advisors to manage its investment portfolio. Investments are managed in accordance with our investment policy, which stipulates asset allocation ranges to diversify and mitigate risk. The investment policy is reviewed regularly by management in conjunction with our independent investment advisors. The performance of investments and the investment managers is monitored regularly by management.

GMCT's exposure to market risk is through currency risk, interest rate risk and other price related risks. Objectives, policies and processes used to manage each of these risks are as follows:

(i) Currency risk and policy on managing currency risk

GMCT's exposure to foreign currency risk arises mainly from our investments held in overseas shares and listed property trusts.

GMCT manages its currency risk by appointing experienced external managers to manage these investments on its behalf and diversifying the allocation of the investment in shares of overseas companies, which operate in economies throughout Europe, the United States of America and Asia.

To minimise volatility in overseas investments due to fluctuations in foreign currency exchange rates, our investment managers hedge a proportion of the exposure to overseas investments back to the Australian dollar. Currency hedging is implemented through the use of forward foreign exchange contracts.

(ii) Interest rate risk and policy on managing interest risk

Available-for-sale investments

The objective of managing interest rate risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

Interest risk is managed by diversifying investments in a range of securities including investments with fixed interest rates, floating interest rates and CPI linked bonds.

Financial liabilities

Exposure to interest rate risk is minimal as GMCT does not hold any interest bearing liabilities. Given this insignificant risk, details are not disclosed below.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT \$ 000	INTEREST RATE EXPOSURE		
			FIXED INTEREST RATE \$ 000	VARIABLE INTEREST RATE \$ 000	NON- INTEREST BEARING \$ 000
Financial assets 2017					
Cash and cash equivalents:					
→ Cash on hand	-	2	-	-	2
→ Cash at bank	1.63%	9,942	-	9,942	-
Receivables:	-	3,755	-	-	3,755
Other financial assets					
→ Interest bearing investments	2.95%	108,758	46,000	62,758	-
→ Managed share/ units portfolio	-	161,137	-	-	161,137
TOTAL		283,594	46,000	72,700	164,894

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT \$ 000	INTEREST RATE EXPOSURE		
			FIXED INTEREST RATE \$ 000	VARIABLE INTEREST RATE \$ 000	NON- INTEREST BEARING \$ 000
Financial assets 2016					
Cash and cash equivalents:					
→ Cash on hand	-	2	-	-	2
→ Cash at bank	1.88%	6,706	-	6,706	-
Receivables:	-	3,598	-	-	3,598
Other financial assets					
→ Interest bearing investments	3.29%	101,419	40,000	61,419	-
→ Managed share/ units portfolio	-	143,795	-	-	143,795
TOTAL		255,520	40,000	68,125	147,395

(iii) Other market risk and policy on managing other market risk

Exposure to other price risk arises due to the inherent risk associated with the possibility of a fall in the market value of available for sale financial assets.

GMCT's objective in managing other price (primarily equity market) risk is to minimise negative impacts on investment value due to the volatility of the stock markets.

GMCT has appointed external, independent investment managers to monitor the value and volatility of our stock market investments.

The investment managers are expected to manage this risk, through the appropriate diversification of specific stocks and diversification through different sectors within the market in accordance with our investment parameters (including ethical guidelines).

(iv) Sensitivity analysis on other price risk

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, GMCT has estimated that the movements presented below are reasonably possible in the forthcoming 12 months.

This sensitivity analysis has been prepared for the next 12 months. Management does not consider that it is possible to reasonably estimate the variables used over a period longer than 12 months. The sensitivities presented are:

- A shift of -0.5 per cent and +0.5 per cent (2016: -0.5 per cent and +0.5 per cent) in market interest rates (AUD) from year-end rates.
- A parallel shift of -5 per cent and +5 per cent (2016: -5 per cent and +5 per cent) in the price from year-end rates.

The following table describes the impact on net operating result and equity for each category of financial instrument held by GMCT at year end if changes in the relevant risk occur.



NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES (CONTINUED)

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

		INTEREST RATE RISK				OTHER PRICE RISK			
		-0.5%		+0.5%		-5%		+5%	
		NET RESULT	EQUITY	NET RESULT	EQUITY	NET RESULT	EQUITY	NET RESULT	EQUITY
CARRYING AMOUNT									
\$ 000		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
2017									
Financial assets									
Cash and cash equivalents	9,944	(50)	(50)	50	50	-	-	-	-
Receivables	3,755	-	-	-	-	-	-	-	-
Other financial assets									
→ Interest bearing investments	108,758	(544)	(544)	544	544	-	-	-	-
→ Managed share/units portfolio	161,137	-	-	-	-	(8,057)	(8,057)	8,057	8,057
Financial liabilities									
Payables	(4,205)	-	-	-	-	-	-	-	-
TOTAL	279,389	(594)	(594)	594	594	(8,057)	(8,057)	8,057	8,057
2016									
Financial assets									
Cash and cash equivalents	6,708	(34)	(34)	34	34	-	-	-	-
Receivables	3,598	-	-	-	-	-	-	-	-
Other financial assets									
→ Interest bearing investments	101,419	(507)	(507)	507	507	-	-	-	-
→ Managed share/units portfolio	143,795	-	-	-	-	(7,190)	(7,190)	7,190	7,190
Financial liabilities									
Payables	(1,996)	-	-	-	-	-	-	-	-
TOTAL	253,524	(541)	(541)	541	541	(7,190)	(7,190)	7,190	7,190

(f) Fair value

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

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

GMCT considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts.

(i) Comparison between carrying amount and fair value

	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	2017 \$ 000	2017 \$ 000	2016 \$ 000	2016 \$ 000
Financial assets				
Cash and cash equivalents	16,944	16,944	6,708	6,708
Receivable	3,755	3,755	3,598	3,598
Available-for-sale investments	262,895	262,895	245,214	245,214
TOTAL FINANCIAL ASSETS	283,594	283,594	255,520	255,520
Financial liabilities				
Payables	4,205	4,205	1,996	1,996
TOTAL FINANCIAL LIABILITIES	4,205	4,205	1,996	1,996



NOTE 7-RISKS, CONTINGENCIES AND VALUATIONS UNCERTAINTIES (CONTINUED)

NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Financial assets measured at fair value

		FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING		
		LEVEL 1 \$ 000	LEVEL 2 \$ 000	LEVEL 3 \$ 000
CARRYING AMOUNT				
2017				
Available-for-sale investments				
→ Interest bearing investments	101,758	-	101,758	-
→ Managed share/units portfolio	161,137	23,295	137,842	-
TOTAL FINANCIAL ASSETS	262,895	23,295	239,600	-
2016				
Available-for-sale investments				
→ Interest bearing investments	101,419	-	101,419	-
→ Managed share/units portfolio	143,795	22,084	121,711	-
TOTAL FINANCIAL ASSETS	245,214	22,084	223,130	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value:

(iii) Listed securities

The listed share assets are valued at fair value with reference to a quoted (unadjusted) market price from an active market. GMCT categorises these instruments as Level 1.

(iv) Managed funds

GMCT invests in managed funds which are not quoted in an active market and which may be subject to restrictions on redemptions. GMCT considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment to ensure they are reasonable and appropriate and therefore the net asset value of these funds may be used as an input into measuring their fair value. In measuring this fair value, the net asset value of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the funds. In measuring fair value, consideration is also paid to any transaction in the shares of the fund.

Depending on the nature and level of adjustments needed to the net asset value and the level of trading of the trust, GMCT classifies these funds as either Level 2 or Level 3.

NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

There were no quantifiable or non-quantifiable contingent assets or contingent liabilities at the reporting date (2016: NIL).

NOTE 8-OTHER DISCLOSURES

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

NOTE 8.1: EQUITY

		2017 \$ 000	2016 \$ 000
Composition of equity			
Contributed capital	(a)	148,872	148,872
Accumulated surplus/(deficit)	(b)	47,132	42,414
Perpetual maintenance reserve	(c)	171,913	144,427
Available for sale investment revaluation surplus reserve	(d)	6,664	6,341
Physical asset revaluation surplus reserve	(e)	28,211	3,228
TOTAL EQUITY		402,792	345,282
(a) Contributed capital			
Balance at the beginning of the year		148,872	148,872
Movement		-	-
BALANCE AT THE END OF THE YEAR		148,872	148,872
(b) Accumulated surplus/(deficit)			
Balance at the beginning of the year		42,414	42,100
Operating result for the year		32,204	19,097
Transfer to perpetual maintenance reserve		(27,486)	(18,783)
BALANCE AT THE END OF THE YEAR		47,132	42,414
(c) Perpetual maintenance reserve			
Balance at the beginning of the year		144,427	125,644
Transfer from accumulated surplus/(deficit)		27,486	18,783
BALANCE AT THE END OF THE YEAR		171,913	144,427
(d) Available for sale investment revaluation surplus reserve			
Balance at the beginning of the year		6,341	7,342
Unrealised gain/(loss) recognised for the year		(45)	(1,017)
Realised gain/(loss) recognised for the year		1,953	1,936
Realised (gain)/loss taken to the comprehensive operating statement		(2,063)	(3,536)
Impairment loss taken to the comprehensive operating statement		478	1,616
Total movement		323	(1,001)
BALANCE AT THE END OF THE YEAR		6,664	6,341
(e) Physical asset revaluation surplus reserve			
Balance at the beginning of the year		3,228	3,228
Revaluation increment/(decrement) recognised for land and buildings		24,983	-
BALANCE AT END OF YEAR		28,211	3,228



NOTE 8-OTHER DISCLOSURES (CONTINUED)

NOTE 8.1: EQUITY (CONTINUED)

(f) Contributed capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions by Owners*, net assets of the former trusts have been treated as contributed capital in accordance with the Allocation statement authorised by the Minister for Health. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are treated as contributed capital.

(g) Physical asset revaluation surplus reserve

The asset revaluation surplus reserve is used to record increments and decrements in the revaluation of non-current physical assets.

(h) Available-for-sale investment revaluation surplus reserve

The available-for-sale revaluation surplus arises from the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset is recognised in the operating result.

Where an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to operating result.

(i) Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- impairment and reversal of impairment for financial instruments at amortised cost
- disposals of financial assets.

(j) Revaluation of financial instruments at fair value

The revaluation gain/ (loss) on financial instruments at fair value excludes dividends and interest earned on financial assets, which are separately reported as income.

(k) Perpetual maintenance reserve

Under section 12A(2)(a) of the *Cemeteries and Crematoria Act 2003*, GMCT must have regard to its obligations in relation to funding of the perpetual maintenance of the public cemeteries for which it is responsible.

Fees received include amounts for perpetual maintenance to be carried out in future years in perpetuity. Such amounts are transferred from the result for the year and into the perpetual maintenance reserve.

GMCT previously received independent advice in relation to the forecasted perpetual maintenance obligations per site and is conducting further analysis.

The perpetual maintenance reserve allocation is based on 20 per cent of gross surplus plus 100 per cent of net investment income less any annual deficit from any individual cemetery. The perpetual maintenance allocation is capped each year to not exceed the operating result for the year.

At this time GMCT is aware that there will be ongoing significant cash outflows for future expenditure on perpetual maintenance of each public cemetery but is unable to calculate a sufficiently reliable estimate of any related present obligation which may arise under the accounting standards and accordingly has not recognised a value for this obligation in these financial statements.

GMCT has, nevertheless, created a reserve which is cash and investment-backed as a source of future contributions towards its perpetual maintenance obligations, which is disclosed as a perpetual maintenance reserve.

NOTE 8.2: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2017 \$ 000	2016 \$ 000
Operating result for the reporting year	32,204	19,097
Non-cash flows in the operating result		
Depreciation and amortisation	3,549	3,098
(Profit)/loss from disposal of property, plant and equipment	68	(59)
Impairment loss on available for sale financial assets	478	1,616
Realised (gain)/loss on available for sale financial assets	(2,063)	(3,536)
	2,032	1,119
Changes in assets and liabilities		
(Increase)/decrease in receivables	(369)	(491)
(Increase)/decrease in inventories	(5,031)	(692)
(Increase)/decrease in prepayments	(155)	(41)
Increase/(decrease) in payables	4,133	(3,439)
Increase/(decrease) in employee benefits	179	288
Increase/(decrease) in onerous contracts	(131)	59
Increase/(decrease) in unearned income	532	1,728
	(842)	(2,588)
NET CASH FLOW FROM OPERATING ACTIVITIES	33,394	17,628

NOTE 8.3(a): RESPONSIBLE PERSONS DISCLOSURE

In accordance with the ministerial direction issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting year. Remuneration of ministers is disclosed in the financial report of the Department of Premier and Cabinet.

The following were responsible persons for the entire period unless stated.

RESPONSIBLE MINISTER	PERIOD
The Honourable Jill Hennessy, Minister for Health	Commenced December 2014
GOVERNING BOARD (THE TRUST)	
Geoff Mabbett (chair)	Commenced as chair 1 March 2016 (trust member since 2013)
Dianne Rule	Commenced 1 March 2013
Elizabeth Beattie	Commenced 1 March 2016
David Cragg	Commenced 1 March 2016
Dana Hlavacek	Commenced 1 March 2016
Jennifer Kearney	Commenced 1 March 2010, resigned 1 April 2017
Kim McAlinney	Commenced 1 March 2013
Janice Penney	Commenced 1 March 2010
Jack Wegman	Commenced 1 September 2014
ACCOUNTABLE OFFICER	
Jacqui Weatherill (chief executive officer)	



NOTE 8-OTHER DISCLOSURES (CONTINUED)

NOTE 8.3(a): RESPONSIBLE PERSONS DISCLOSURE (CONTINUED)

Remuneration of responsible persons

Remuneration received or receivable by responsible persons was in the range:

INCOME BAND	TOTAL REMUNERATION	
	2017	2016
\$0 - \$9,999	-	5
\$10,000 - \$19,999	8	6
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	1	-
\$290,000 - \$299,999	1	1
	10	13
TOTAL REMUNERATION RECEIVED OR DUE AND RECEIVED BY RESPONSIBLE PERSONS FROM THE REPORTING ENTITY AMOUNTED TO	\$439,492	\$410,052

NOTE 8.3(b): EXECUTIVE OFFICERS REMUNERATION

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefit or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

REMUNERATION OF EXECUTIVE OFFICERS (INCLUDING KEY MANAGEMENT PERSONNEL)	TOTAL REMUNERATION 2017
Short-term employee benefits	676,401
Post-employment benefits	61,138
Other long-term benefits	43,915
Termination benefits	-
TOTAL REMUNERATION (i)	781,454
TOTAL NUMBER OF EXECUTIVES (ii)	4
TOTAL ANNUALISED EMPLOYEE EQUIVALENTS (AEE) (iii)	3.31

(i) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under the FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

(ii) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure. (Note 8.4)

(iii) Annualised employee equivalent is based on the time fraction worked over the reporting period.

NOTE 8.3(c): REMUNERATION TO OTHER PERSONNEL

There were no contractors charged with significant management responsibilities receiving total expenses in excess of \$100,000 (2016: NIL).

NOTE 8.4: RELATED PARTY TRANSACTIONS

GMCT is a wholly owned and controlled entity of the state of Victoria. Related parties of GMCT include:

- all key management personnel and their close family members
- all cabinet ministers and their close family members
- all public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP) of GMCT include portfolio ministers and cabinet ministers, members of the trust board and members of the GMCT executive management group. The compensation detailed below excludes the salaries and benefits the portfolio ministers receive. The minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' financial report.

	2017 \$ 000
Compensation	
Short term employee benefits	1,078
Post-employment benefits	99
Other long-term benefits	44
Termination benefits	-
TOTAL	1,221

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and codes of conduct and standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with Victorian Government

Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

During the year GMCT had government related entity transactions with the Department of Health and Human Services, being the payment of the 2015-16 cemetery levy of \$1.729 million. (2016: \$1.790 million)

Related party balances payable to the Department of Health and Human Services for the cemetery levy as at 30 June 2017 were \$2.343 million (2016: \$1.729 million).

NOTE 8.5: AUDIT FEES

	2017 \$000	2016 \$000
Victorian Auditor-General's Office		
Audit of the financial statements	97	92
	97	92

NOTE 8.6: EX-GRATIA PAYMENTS

During the reporting year ex-gratia expenses amounted to nil (2016: NIL).

NOTE 8.7: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Assets, liabilities, income or expenses arise from past transactions or other past events. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period.

Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

There have been no events that have occurred subsequent to 30 June 2017 which would, in the absence of disclosure, cause the financial statements to become misleading.



DISCLOSURE INDEX

The annual report of The Greater Metropolitan Cemeteries Trust is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

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