



The Greater Metropolitan
Cemeteries Trust
Lasting memories, peaceful places.

Annual Report 2020–21

The Greater Metropolitan Cemeteries Trust

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**The Greater Metropolitan
Cemeteries Trust**

Lasting memories, peaceful places.

18 August 2021

The Hon Martin Foley MP
Minister for Health
Minister for Ambulance Services
Level 22, 50 Lonsdale Street
Melbourne, VIC 3000

Dear Minister

We are pleased to submit, for presentation to Parliament, the annual report of The Greater Metropolitan Cemeteries Trust (GMCT) for the 12 months ending 30 June 2021.

The report was endorsed at a meeting of the Trust on 18 August 2021.

The annual report has two sections: a report of operations and financial statements. It provides details of operational achievements, statutory information, financial statements and performance.

In line with our commitment to sustainability, limited printed copies of this annual report are available. The full report can be sourced online at www.gmct.com.au/annual-reports

Regards

Michael Doery
Chair

Deb Ganderton
Chief Executive Officer

About this report

The Greater Metropolitan Cemeteries Trust Annual Report 2020–21 provides information about the Trust's governance, objectives, functions, performance and achievements. The report 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 reports from the Trust 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 2021.

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 2021.



Michael Doery

Chair
The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

18 August 2021

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About GMCT

The Greater Metropolitan Cemeteries Trust (GMCT) oversees 19 cemeteries and memorial parks spanning over 600 hectares of open public space. We are committed to caring for these reflective and peaceful places in perpetuity to preserve and protect the memories and history they hold.





Our belief in caring for the community with dignity and kindness underpins all our work at GMCT. With compassion and respect, we help more than 12,500 families every year across a broad spectrum of cultures and faiths.

GMCT is a designated Class A cemetery trust under the *Cemeteries and Crematoria Act 2003*. Established on 1 March 2010, GMCT was formed following the consolidation of eight cemetery trusts. Those trusts were 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*.

GMCT is governed by a Board comprising remunerated trust members appointed by state government. The Board sets the organisation's strategic direction, establishes the annual budget, monitors performance and compliance, develops policy, undertakes high-level stakeholder engagement and ensures a risk management framework is in place.

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

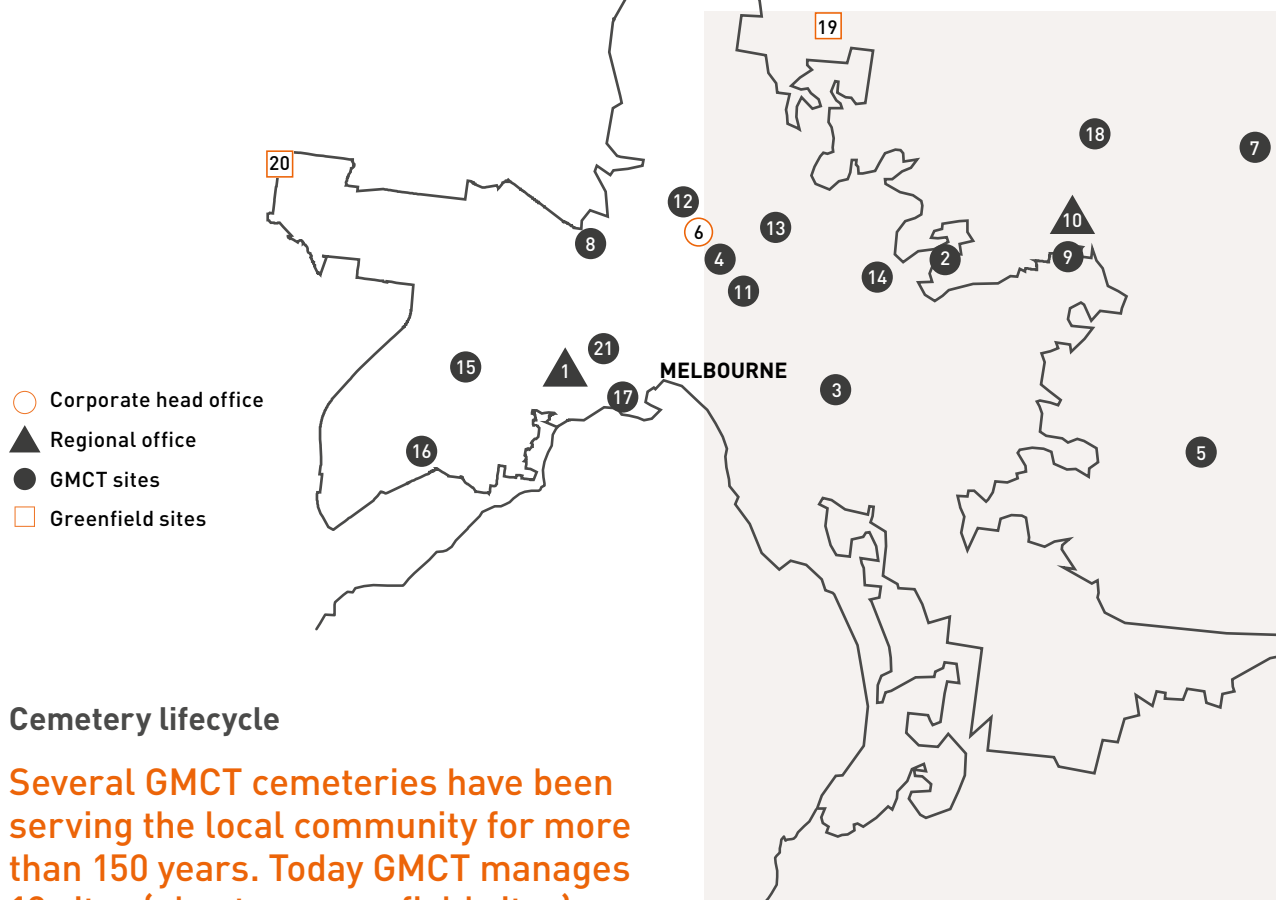
- › Compassion
- › Respect
- › Integrity
- › Sustainability.

Our purpose

GMCT provides cremation, burial and interment services for Melbourne's diverse communities.

Our 19 cemeteries and memorial parks have strong connections with the local communities they serve. We are committed to maintaining these peaceful and historically rich places and ensuring they remain sustainable for generations to come.

GMCT cemeteries and memorial parks



Cemetery lifecycle

Several GMCT cemeteries have been serving the local community for more than 150 years. Today GMCT manages 19 sites (plus two greenfield sites) allocated for cemetery use under the Victorian Government Gazette.

About one third of the cemeteries managed by GMCT are either in a state of perpetual maintenance or have almost reached peak capacity. The cemetery lifecycle includes:

- 1. Concept:** The initial identification of need or opportunity and identification and acquisition of new land for cemetery use.
- 2. Establishment:** Planning for the development of new greenfield sites and acquired land.
- 3. Active:** The operation of cemeteries that have high visitation, interments and a wide range of services.
- 4. Transitional:** Lessening requirement for infrastructure, continued but declining interment and services, medium visitation.
- 5. Perpetual:** Cemeteries with minimal space available and low visitation rates, requiring ongoing maintenance and a focus on heritage.

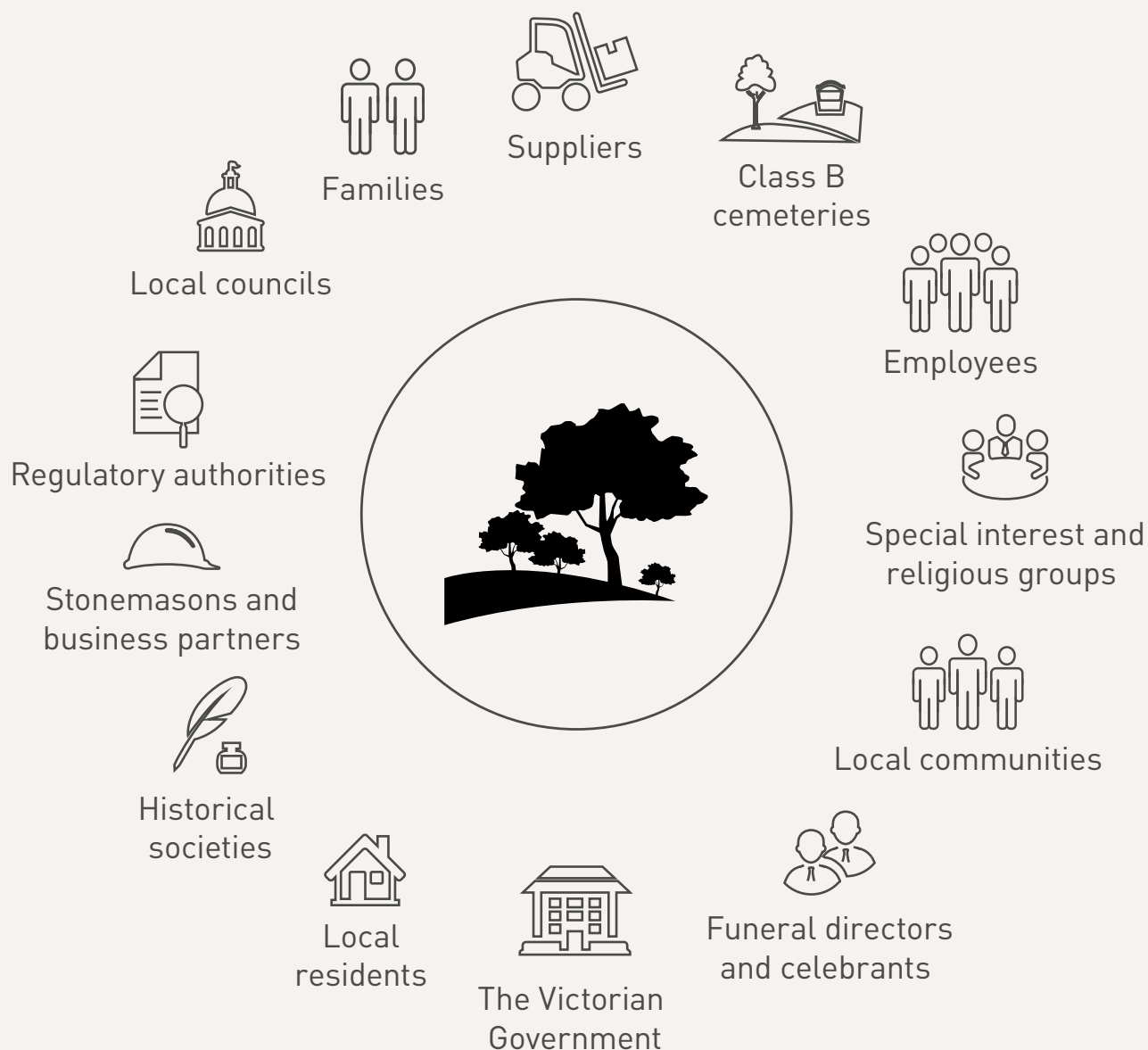
Site	Lifecycle stage
1 Altona Memorial Park	Active
2 Andersons Creek Cemetery	Transitional
3 Burwood Cemetery	Perpetual
4 Coburg Pine Ridge Cemetery	Perpetual
5 Emerald Cemetery	Transitional
6 Fawkner Memorial Park	Active
7 Healesville Cemetery	Active
8 Keilor Cemetery	Active
9 Lilydale Lawn Cemetery	Perpetual
10 Lilydale Memorial Park	Active
11 Northcote Cemetery	Perpetual
12 Northern Memorial Park	Active
13 Preston Cemetery	Transitional
14 Templestowe Cemetery	Perpetual
15 Truganina Cemetery	Perpetual
16 Werribee Cemetery	Transitional
17 Williamstown Cemetery	Transitional
18 Yarra Glen Cemetery	Active
19 Plenty Valley	Concept
20 Harkness	Establishment
21 Footscray Cemetery*	Perpetual

* GMCT operates and maintains this cemetery on behalf of Maribyrnong City Council.

Our key stakeholders

GMCT's diverse range of stakeholders includes families and the communities we serve, government, our staff and the funeral and cemetery sectors.

We value the relationships we build together with these stakeholders and the positive contributions each makes to our organisation.



Trust Chair's message



It is with pride in our staff and executive that I join with our CEO, Deb Ganderton, in presenting GMCT's Annual Report for the financial year 2020–21.

The year has showcased successes in the resilience of our staff in managing an ever-changing and uncertain period under COVID-19 lockdowns, the completion of infrastructure projects that meet and reflect our commitment to the needs of our communities, all while managing to report a robust financial position at year's end.

Despite the logistical difficulties presented this year, I was still able to visit with staff around our locations and see the compassion and care for our communities on display, which the organisation takes so seriously.

It is this embodiment of our values and purpose that is the most important element of what GMCT is. We don't simply say we are something, we show it.

From our customer care teams (whether on the phones or at reception areas), our bookings teams who liaise with both families and our partners in funeral directors or stonemasons, to our ground staff who carefully and thoughtfully shut off machinery when they notice people visiting a grave. GMCT is compassionate, respectful, sustainable and we perform our roles with integrity.

'I was still able to visit with staff around our locations and see the compassion and care for our communities on display, which the organisation takes so seriously.'

Sector collaboration

It is with some admiration for all involved that I can say the sector spoke with one voice in a difficult, often confusing, year.

We have continued to support each other throughout this past year. Especially during the COVID-19 lockdowns, when information changed at a rapid pace, collaboration between trusts, the Department of Health and our business partners ensured we were able to quickly implement changes that interpreted regulations within a 24 hour period to minimise the stress on affected families.

We acknowledge our ongoing relationship with Class B cemeteries as we share information and learn together, while helping where we can and when asked to do so. We are also looking to create a framework to structure the work we do with Class B trusts so we can manage these relationships in a positive and fair manner as they arise.

The executive and the Trust

I would like to acknowledge the exceptional relationship that has been forged between the executive and our Trust. The confidence between the Trust and the executive means we are able to challenge data and set strategies that work.

Strategy

Finally, a large part of this year's work between the Trust and the executive has been to establish a new direction that reflects the shift in priorities of the organisation toward a greater focus on the customer experience. From 2022, the Strategic Plan will focus on these three key points:

- › **The Past:** As seen in our role of conservators and custodians of the heritage of our locations and the people whose loved ones and families share that history.
- › **The Present:** How we care for our customers, families and communities in the here and now through caring and seamless service, from interacting with us over the phone or online to funeral services and visiting loved one's memorials.
- › **The Future:** Ensure that we continue to build for the future of Melbourne and its communities as they shift and their needs begin to change.

None of this would have been possible without the trust and commitment developed and shared between the Trust and the executive.

Acknowledgments

Our offices are located on the lands of the Wurundjeri and Bunurong Peoples and I wish to acknowledge them as Traditional Owners. I pay my respects to their Elders, past, present and emerging.

I would like to farewell founding Trust member Jan Penney, who retired this year. The vision and passion she put into her work has left a lasting mark. Whilst there are too many achievements to single out over ten years, her commitment to honouring and documenting the history and heritage of the sites for which we are custodians will stand as a lasting testament to her time here.

I welcome two new members to the Trust, who began in their posts on 1 September 2020. Katerina Angelopoulos has more than 20 years' experience as a member of boards and committees in the health and community services sectors. Vedran Drakulic is the CEO of a major charitable foundation and has worked extensively in the humanitarian sector. Combining these differing skills from leaders in their fields is exciting for GMCT and we warmly welcome them.

Finally, I'd like to thank and acknowledge Minister for Health, the Hon Martin Foley and former Minister Jenny Mikakos, the Department of Health and the state government for their help and support in what has been a challenging year. We were able to act together to find a way through the emotional and human difficulty of enabling people to grieve for loved ones while at the same time keeping the community safe.

Chief Executive Officer's message

I am delighted to present this year's annual report. It represents a decided uplift in mood and determination.

It focuses on three key areas: customers first, building for the future and hearing communities' views, in which our people have excelled this year.

Culture

A strong focus on the culture of the organisation has been key to our successes this year. Everything in an organisation stems from its culture. Through culture, deep engagement with staff and our communities, we find a common purpose. The message that clearly emerged this year was that we will be there for each other, no matter the slings and arrows of the world around us. GMCT has a mightily strong heart.

There have been challenges along the way and the cohesion of our organisation has only strengthened this year, something of which we can all be exceedingly proud. Staff have always been disbursed across our 19 different locations and between outdoor roles, customer-facing roles, and office roles, but this year we were physically further apart than ever and displayed enormous tenacity, resilience and solidarity.

We can see this in the values video that was produced in collaboration between the People & Risk and Communications teams. It highlights what individual staff members believe to be the most important aspects to them of working at GMCT. Each story is different, highlighting and articulating one of our values, be it compassion, respect, integrity or sustainability. It displays not only the values of GMCT but our diversity: it takes people of all backgrounds and views to form a culture that serves the community in the way we have always intended. Have a look at the video on our website.

Safety

Being an organisation which necessitates building infrastructure, digging graves, gardening and a range of other physically demanding tasks, the safety of our staff is of the utmost importance. Our duty to them means we are constantly improving our safety procedures and finding new ways to help our staff.

Caring for families who are bereaved can take a toll on our staff. That is why this year we deliberately focused on mental safety. Our new staff hub for safety and mental health, which is detailed later in the report, is designed to help staff in both a face-to-face and remote setting.

The presence of onsite physiotherapists for musculoskeletal therapy is another initiative that has been introduced this year we can all be proud of.

Performance

We understand the pain points for our staff and customers through our work over the past three years and are in a position to address them through an uplift in frontline staff, process improvements, digital capability and insights. We have also seen a successful financial performance this year, which is detailed in our Chief Finance Officer's report later in this document.

We have become even more agile as an organisation off the back of the ongoing COVID-19 pandemic, investing in the right infrastructure in commemoration centres where streaming services has now become the norm. We've also seen work put in by our Digital Information Services team to ensure all staff who needed to work from home could do so seamlessly without logging into several systems to begin their day.

In the coming year there will be big strides made on a number of large capital projects, such as the site at Harkness; the largest cemetery development in Victoria for over 100 years, and the completion of our extension of the mausoleum at Fawkner.

While last year saw the successful roll-out of our first digital transformation program, more work is to be done to ensure that our systems are fully digital and fit for purpose to future-proof our records and provide peace of mind to the public.



'In the coming year there will be big strides made on a number of large capital projects, such as the site at Harkness; the largest cemetery development in Victoria for over 100 years.'

The completion of the digitisation of well over one million records, a project that has been ongoing for a number of years, means that we have a far greater understanding of our sites and their history than ever before.

While we will never have perfect records, as they date back well over a century, we have done an excellent job of getting as close as possible to a system that meets our operational requirements whilst serving members of the public interested in their family history.

We have faced this year with bravery and delivered our services seamlessly in, at times, crisis situations. We are resilient and have grown through the experience. I look forward for the coming years as we build on this extraordinary 2020–21.

Deb Ganderton
Chief Executive Officer

Strategic plan 2019–22

GMCT's strategic goals embody our commitment to deliver a seamless customer experience, enhance the reputation of the cemetery sector, improve our service offering and work with our communities.

As a long-term enterprise, GMCT ensures our strategic plan remains fit for purpose by continually seeking feedback from our customers, communities, partner organisations and staff. These insights have helped GMCT build an agile, future-focused strategy and will continue to help us adapt to the needs of Melbourne's rapidly growing population.

We are investing in market research, community engagement and customer insights, ensuring our actions, decisions and initiatives continue to align with current and emerging community expectations – not only in relation to burial, cremation and memorialisation needs, but of GMCT as a leader in the cemetery sector and as a leading provider of public open space.

Digital technologies continue to play a pivotal role in our strategic plan as we integrate and leverage these to enhance the experience of our customers, improve our service offering and streamline our business systems and processes.

We continue to set a high standard in our role as industry leaders, notably in supporting Class B cemetery trusts and strengthening relationships with the funeral and stonemason industries.

GMCT's three-year strategic plan and aspirational roadmap sets four pillars of focus:

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

A total of 12 strategies are built on these four pillars, informing our initiatives and decision-making at every level, and ensuring we remain focused, transparent and accountable. From 2021–22 a new strategic plan will come into effect and will be explained in next year's annual report.

GMCT's annual plans provide the mechanism through which we action and deliver on our three-year strategic plan. The plans can be viewed at:

www.gmct.com.au/annual-reports

2020–21 at a glance



5,573

Burials



527

Mausoleum interments



6,519

Cremations



2,677

Commemoration services



1,391

Function bookings



3,816

Hours undertaken by
staff for development
and training



968

Cremation
interments



\$16.6m

Capital expenditure



19

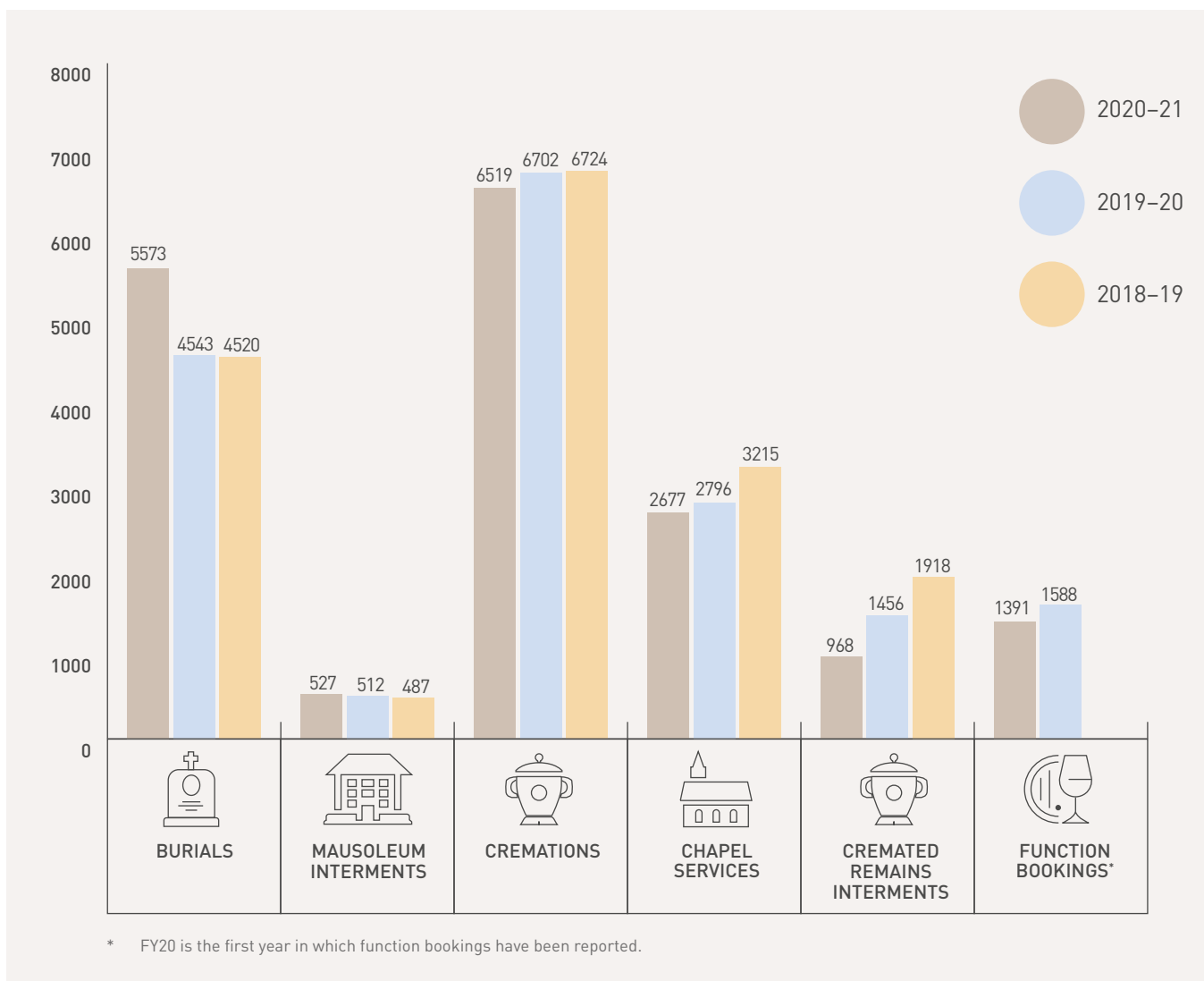
Cemeteries and
memorial parks plus
two greenfield sites



221.71

FTE members of staff

Performance report



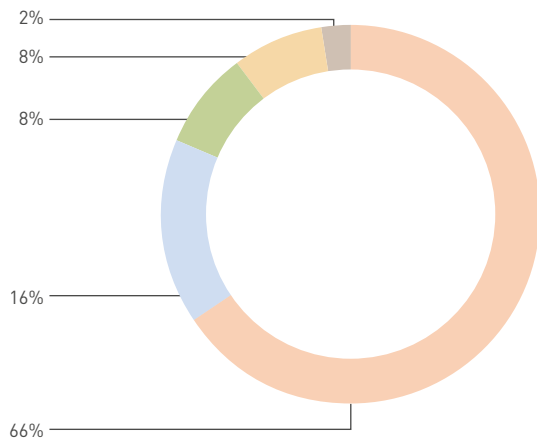
Resource consumption

	2020-21	2019-20	2018-19
Electricity (MWh)	1,317	1,247	1,208
Gas (GJ)	12,160	13,948	14,104
Water (ML)	124*	95	82

* Increased water usage in order to fill the new lake at Northern Memorial Park.

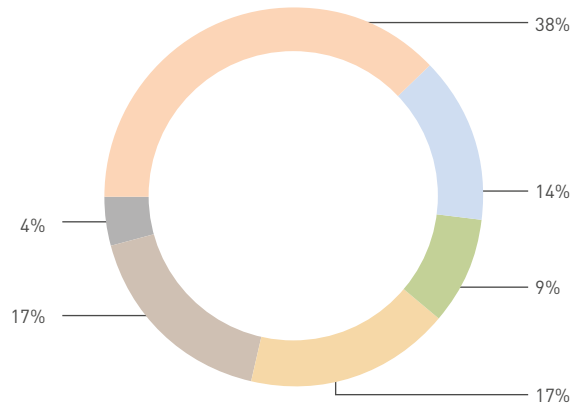
Comparative financial analysis

Revenue



	\$000
Right of interment	39,231
Interments	9,443
Cremations	4,956
Memorialisation	4,594
Other	1,435

Operating expenses



	\$000
Salaries and wages	22,610
Maintenance and operations	8,444
Administration	5,595
Cost of sales	10,441
Other	10,294
Cemetery levy	2,469

GMCT comparative results

	2020-21 \$000	2019-20 \$000	2018-19 \$000	2018-17 \$000	2017-16 \$000	2016-15 \$000
Operating and investment income	82,022	67,857	68,361	79,561	78,092	57,777
Cost of sales	(10,441)	(8,070)	(7,069)	(8,750)	(10,926)	(6,933)
Total income from transactions	71,581	59,787	61,292	70,811	67,166	50,844
Total expenses	49,413	61,812	39,463	38,476	34,962	31,747
Net result	57,446	(4,249)	21,829	32,335	32,204	19,097
Total assets	567,996	502,751	496,333	470,677	431,175	369,904
Total liabilities	51,962	44,954	34,287	30,460	28,383	24,622
Net assets	516,033	457,797	462,046	440,217	402,792	345,282

Community connections



We nurture our connections with the communities we serve.

Maintaining strong connections with our communities enables us to reflect their needs, preferences and beliefs. We can only hope to be there for families and communities in the future if we are there for them now, understanding how their needs change over time.

We reach out to our communities face-to-face, across our cemeteries and memorial parks, online, and in the forums where community conversations about death and dying are happening.

Strategic objectives

Embed a family and community-oriented service

Understanding and responding to community needs and aspirations, incorporating community insights, diversity and accessibility in order to build strong community ties to support customer confidence in GMCT.

Enhance digital consumer connections

Harness and grow our digital strategies and technologies to improve customer experiences.

Build progressive community leadership

Nurture and facilitate deep and proactive connections with our communities through outreach.

Honouring a holocaust survivor

On March 28 2021, the Dunera Association held a consecration of the monument to Kurt Kriszhaber at Fawkner Memorial Park. Mr Kriszhaber was a 'Dunera boy' – one of the more than 2500 men, mostly Jewish refugees, who fled to England from Germany and Austria in 1940, only to be arrested as enemy aliens and deported to Australia on the ship HMT Dunera.

Following a period of imprisonment, Mr Kriszhaber joined the Army and helped with logistics work. Upon his discharge in 1946 he received Australian citizenship.

When David Nelson, an employee of the Holocaust Museum and Cohen Education Centre in the City of Naples in Florida, learnt that Mr Kriszhaber's burial site at Fawkner Memorial Park was unmarked, he raised \$5,000 through crowdfunding to install a gravestone.

The event was attended by 11 people and streamed online to viewers in other countries, including the US and was covered by local media including The Age.

Highlights

Advancing death literacy

GMCT's outreach program aims to increase death literacy in the community to help people make more informed choices when it comes time for them to do so. Throughout the year, we regularly run tours with a variety of organisations representing a cross-section of the community from an aged-care provider to a women's arts and culture advancement group. A cross-organisational support team delivers the four-hour tour led by our Community Connections team.

The tour generally consists of: a talk on the history, design and evolution of Fawkner Memorial Park from 1906 to the present day; a tour of our interment options (private mausoleums, public mausoleums, lawn graves, directional grave area); a drive through of the new River Red Gum precinct at Northern Memorial Park; a talk at the chapels; a visit to the cremators; and a walk through of the cremation process. We conclude with a walk and discussion in and around our gardens.

Coburg headstones reinstatement event

In the 1980s, headstones were removed from the Coburg Pine Ridge Cemetery under the previous trust's tenure. They were removed for refurbishment and safety reasons but for several decades were not in place.

In 2018, a project began to reinstate the headstones and, in consultation with a master stonemason, they were put back in place in such a fashion as to allow for water run-off and to endure the passage of time.

Further efforts were made by the Friends of Coburg Cemetery (FOCC), Inc. in collaboration with GMCT to trace relatives of those whose headstones were reinstated.

Family members and descendants of those whose headstones were reinstated, the Friends of Coburg Cemetery (FOCC), and past and present Trust members were invited to attend the event.

The speakers on the day included Trust Chair Michael Doery, CEO Deb Ganderton, former Trust member and historian Dr. Jan Penney and FOCC president Julie Stratford.

All the headstones identified for reinstatement have been reinstated and are available for the families, descendants, and visitors to view.

A different All Souls' Day

All Souls' Day is an important day on the Christian calendar. A day of prayer and remembrance for the souls of those who have passed away, it is of particular importance to mark at GMCT's sites. Traditionally, communities visit their loved ones in a cemetery, and attend an All Souls' Day mass service, usually held in the cemetery grounds, in particular at sites with close ties to the Italian community.

Due to COVID-19 restrictions, our usual program of events could not take place. Recognising that the cultural and religious significance remains, GMCT partnered with local parishes to deliver a combination of live-streamed and pre-recorded events.

Seven online services were held in early November. These events allowed communities to continue to come together and celebrate in a day of prayer and remembrance for the dead. This response demonstrates our ability to find new ways of celebrating and bringing communities together, irrespective of obstacles that may be encountered.

Community Advisory Committee Chair's report

It is a privilege to take over the leadership of the Community Advisory Committee (CAC) this year from Liz Beattie. A forum that truly seeks input from engaged leaders in our communities who provide informed, challenging, and robust ideas to take to GMCT.

I have been a trust member at GMCT since 2013, holding various positions within GMCT including Chair Finance and Investments (FIC) and Deputy Chair. Previously a Councillor/Mayor of Wyndham City, wherein several of our cemeteries and memorial parks lie. I hope and trust that my background of working with communities brings the compassion and dedication needed to build on this fantastic work.

The Vision, Mission and Values are the cornerstone in all we strive to achieve. It is especially important we hold true to our Mission statement:

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

Despite the continuation of the COVID-19 outbreak and the uncertainty that has come from challenging conditions, one thing that has not faltered is the dedication, commitment and passion of our advisory members. They provide unique insights into community needs, priorities and concerns, and they provide a rich source of valuable information to both Trust members and the organisation.

On behalf of the Trust, I would like to acknowledge each community member personally and say thank you. After every meeting, both the Trust members and I represented on CAC are inspired by the atmosphere, talent, and respectful discussions around the virtual room in which we currently meet.

- | | |
|-----------------|------------------|
| ➤ Anita Rivers | ➤ Susan Parsons |
| ➤ Cindy Plowman | ➤ Tania De Carli |
| ➤ Hannah Gould | ➤ Tash Rahalkar |
| ➤ Joseph Haweil | ➤ Justine Hadj |

CAC member changes

Over the past year, Sacir Lacevic finished his term on the advisory committee. We thank him for his service and contribution. We were delighted to have Tashwita Rahalkar re-appointed for another two-year term, until the end of April 2023. Finally, we welcome Justine Hadj to CAC, appointed for a three-year term till April 2024 with a unique set of skills to complement the CAC.

The year in review

CAC has this year been consulted on a range of projects. These include: the new development at Harkness and its impact upon the community, the main entrance and gatehouse at Northern Memorial Park, inventory projects and concept designs for review and feedback, the events and community engagement projects outlined throughout this section of the report, the annual customer satisfaction survey results, the GMCT Disability Access and Inclusion Implementation Plan, GMCT's draft sustainability strategy, a proposed art strategy and the new GMCT Strategic Plan ahead of its implementation in 2021-22.

Along with updating our CAC Terms of Reference and conducting a member satisfaction survey and analysing its results, we also developed a new Community Advisory Committee Guidelines document. This helps set expectations across our diverse committee and helps us follow protocols which were previously informal in nature.

It has been an exciting and challenging year with much consultation via virtual meetings. We look forward to consolidating the great work we have done this year as we work with GMCT to ensure its new Strategic Plan aligns with community expectations and goals.

We will be relying particularly on the work of the CAC, when we surface from this pandemic and continue the development of Harkness, located in Melbourne's west.

I look forward to the continued collaboration in the year ahead.

Stay safe.

Kim McAliney

Chair – Community Advisory Committee



How public art can influence the experience of grief

Can public art provide support to people experiencing grief? On Tuesday 16 March 2021, our Manager Future Design Hamish Coates participated in a panel discussion about art in cemeteries, as part of this year's MPavilion program, supported by the Naomi Milgrom Foundation.

'Art, Memory, Place: The Role of Public Art in the Future Cemetery' was an in-person event where the panel of experts discussed and explored the role art plays in the shift of the future cemetery, as well as its capacity to support people experiencing grief.

The panel explored complex questions on society, art, and death, with our Manager Future Design providing a unique perspective on how the expression of religion in memorialisation and design has evolved over time.

The discussion explored how art can facilitate the transitions cemeteries are undergoing, reflect the rich and changing multicultural populations of Melbourne and support people experiencing grief, or otherwise visiting these places.

Events and community engagement

Throughout 2020–21 we continued to find new and inventive ways to engage with our communities. Some events moved online, while others remained traditional face-to-face events.

Despite restrictions, we were able to complete and launch a number of infrastructure projects.

As a result of the COVID-19 pandemic, a series of interactive webinars were created to engage with the community.

Highlights of the 2021–21 events program included:

More Art public event

In November 2020, GMCT hosted two artworks at Fawcner Memorial Park as part of Moreland City Council's 'MoreArt' public art show.

Artist Adam John Cullen's work 'unlade' is a sculptural installation, referencing memory, culture and history in a nexus of economic and political relations. Sound artist Catherine Clover's work 'Lament' is a site-specific audio response to Fawcner Memorial Park. This artwork is an acknowledgement of the grief surrounding the pandemic.

Chinese Museum partnership – dragon boat festival

As part of GMCT's strategic partnership with the Museum of Chinese Australian History, an event to celebrate the annual Dragon Boat Festival was held at the Museum on 27 June 2021. The event was jointly organised and funded by GMCT and the Chinese Museum, with the shared goal to engage the Chinese community in intergenerational conversations about preserving cultural heritage and the role of legends and storytelling.

Attendance for the event exceeded all expectations, with over 500 people visiting the Museum throughout the day. The event also allowed GMCT to conduct six in depth interviews with families about the importance of preserving cultural heritage, and how the Chinese community conducts discussions about family history. The insights from these interviews will form part of the database of cultural practices that is a focus for the community engagement program in the year ahead.





Hollywood comes to Fawkner Memorial Park

Blacklight, a US thriller starring Liam Neeson, is one of the first major productions in Victoria following the relaxation of COVID-19 restrictions to be based at the Docklands production studios. The production is expected to inject \$43 million into the local economy.

GMCT is pleased to support the Australian film industry and its contribution to local economies.

Filming took place in early December at two locations within Fawkner Memorial Park, among the historic graves between Second Avenue and Fourth Avenue and on the shoulder of the rose-lined arbour of Fourth Avenue. Production staff noted Fawkner Memorial Park was chosen to stand in for a Washington DC cemetery because of its outstanding aesthetic value.

Lasting stewardship

We are stewards of the community assets we care for, now and in perpetuity.

As custodians of part of Melbourne's rich cultural heritage, we have a strong ongoing commitment to the preservation and promotion of cemetery history.

As a leading provider of burial, cremation and memorialisation services, we ensure the cemeteries and memorial parks we care for are well maintained and that sensible long-term plans are in place to ensure they are maintained for generations to come.

As planners and guardians of meaningful open public spaces for our communities, we have a responsibility to envision a sustainable future for our cemeteries, and to listen to the voices of our community members and business partners in important conversations about the future of cemeteries in Victoria.

Strategic objectives

Sustainable resource management

Managing and implementing a future-focused sustainability strategy, while developing infrastructure to meet those needs. Enhance digital consumer connections.

Custodians of heritage

Preserving and promoting accessible cemetery history and heritage.

Influential policy leadership

Proactive and commercially astute thought leadership that represents the interests of the sector and influences government decision-making.



Highlights

Acquiring land for future development

It is well known that burial space is in demand and demand will only increase over the coming decades. GMCT is always looking to acquire new land as our cemeteries reach capacity, seeking out new parcels of land to purchase and develop for future generations. It is a moment of success and pride for the organisation when we make a purchase that adjoins an existing cemetery, as we have managed to do this year at Emerald, adding close to 10 hectares to the existing site.

Delivering for future Melburnians

We completed a number of beautiful, ambitious projects that will serve their communities well into the future.

The River Red Gum precinct at Northern Memorial Park spans 46 hectares and has been designed to sit in harmony with the natural environment, replete with native flora and fauna. The tree-lined precinct features three burial areas and at its heart a beautiful memorial wall.

The extension of Keilor's Gallery of the Saints Mausoleum was also completed and is a contemporary mausoleum of the highest quality, connecting to the existing structure to create a sense of the serene throughout.

History and Heritage Hub

After last year launching our new website, the opportunity arose to further our commitment to telling the stories and documenting the history of our sites and communities through an online history and heritage hub. Our old website had some information on notable people buried at our sites but the work had not been done to document these fascinating stories in a manner that meets accessibility standards.

Launched at the Coburg Headstones Reinstatement event, the history and heritage hub has so far unveiled information on both Burwood Cemetery and Coburg Pine Ridge Cemetery. We will release information on each of our cemeteries as it is completed. So far we have in-depth biographies of notable people, from the famous, like football great Jock McHale, to those who were less known, like James Smith, a warder at Pentridge prison at the time of its opening.



Future land planning and development



We manage our landscapes, resources and assets to ensure they can be enjoyed by future generations.

Harkness: a future cemetery vision for generations to come

One of GMCT's most important commitments is securing the future of Victoria's burial space and building cemeteries that meet the growing needs and expectations of our communities.

In order to properly plan for the future, we need to develop entirely new cemeteries as the population grows and the distribution of communities becomes wider. It was with this future need in mind that land was secured in Harkness, near Melton.

The site has, this year, seen the first stage of its development.

This part of Melbourne is one of the fastest-growing corridors and we anticipate demand for burial space in the region to grow rapidly, putting pressure on our sites at Werribee, Altona and Keilor.

Occupying a 128 hectare site, at more than three times the size of the Royal Botanic Gardens, the Harkness development will be the largest cemetery developed in Melbourne for more than a century.

The site itself has significant environmental and cultural value which may come to inform the design. We are committed to ensuring that this and other future developments meet the changing needs of our communities as more people seek to memorialise their loved ones in peaceful, natural environments.

A feature of the abutting land is the Melton Gilgai Woodlands Nature Conservation Reserve, which borders the Harkness site to the north-west. It is home to endangered species of flora and fauna, whilst a vestigial waterway crosses the site itself, connecting the reserve at one end to the lower reaches of the Arnolds Creek corridor and on to the Werribee River.

Harkness builds upon planning of burial developments over the past century and will look to anticipate needs into the next century as community involvement in decision making and a sense of ownership of the design of shared urban spaces continue to evolve.

This means the space will be developed with a view to it being one of multiple uses, which includes treating the site as a valued community open space with a variety of potential uses in addition to that of being a public cemetery, as well as transitioning the site over time to meet the burial and cremation needs of Victorians over the next 100 years and beyond.

A focus for GMCT over the past few years in developing our new spaces has been on how people interact with the built environment of the cemetery itself, developing new ways in which to incorporate public art as a means of creating a more peaceful environment for reflection.

The master plan for the site at Harkness will have far-reaching impacts on GMCT sites as a whole. Intended to be a replicable process, the development of the master plan will outline a number of strategic approaches intended to be applied to other greenfield sites.

Showcasing GMCT's design and construction to online audiences

Meeting the needs of our communities for generations to come by designing new memorial landscapes and cemeteries is important to us. Cemetery designs address ecological and socio-cultural sustainability, health and wellbeing through the art and science of the built environment. In September 2020, our Future Built Environment (FBE) team, with the support of our Strategic Communications team, developed and curated a LinkedIn showcase page 'Design & Construction', where GMCT's FBE projects would be shared direct to our online audiences.

Through intelligent and informed place design, GMCT creates a range of experiences to support the various stages of grief. Our FBE team's reflective and creative concepts weave together the natural landscape, heritage considerations, flora and fauna, infrastructure, roads and the layout of memorials.

What began as a showcase for our Harkness site is now a place to spotlight the achievements, updates and projects of our FBE teams spearheading the design and construction of Victoria's future cemeteries, and in turn how these developments will benefit Victorians. This page allows us to connect more directly with our business partners and FBE's key stakeholders, as well as the developments happening across our sites.

You can follow the Design & Construction showcase here: www.linkedin.com/showcase/gmct-design-construction/

Operational excellence



We aim to deliver a high standard of products and services that meet the needs of our communities and exceed their expectations.

At every level of our operations we strive for the best possible outcomes for the families and communities we serve.

We foster a culture of continuous improvement and consistently seek out opportunities to better our processes, policies and capabilities.

We aim to achieve the highest standards in project, program and enterprise governance, and foster strong strategic partnerships with all stakeholders.

Strategic objectives

Process excellence

Achieve best practice and results-driven governance processes that enable excellence and productivity.

Aligned workforce capability

Promote our employee value proposition, attract talent and develop future leaders.

Blended-service partnerships

Maximise our results by fostering strong strategic partnerships.



Highlights

Continuing to serve our communities

This year GMCT continued to serve our communities and customers, staying onsite to deliver services and having reception and bookings staff at hand to help when needed. This continuity across a year of shifting government directions and uncertainty in the wider community has meant that we were able to serve our families with distinction and offer a sense of stability at a most difficult time.

Shifting from individual project business cases to precinct masterplans

This is a major shift in the way we manage the budgeting and planning of a site and reflects the culture that GMCT has developed over the past year of building for the future whilst focusing on customers and communities in the present.

The Future Built Environment department initiated and significantly progressed the design of a new depot in one location to resolve the inefficiencies of physically fragmented facilities and thus workforce. This investment will result in releasing land for redevelopment into grave infrastructure from the reduction in size of the Seventh Ave depot and the demolition of the existing works depot at Northern Memorial Park. The project will also see demolition of the industrial buildings to release significant space for premium lawn grave inventory.

The precinct masterplan approach to business cases also saw the inclusion of improvements to the entry and exit at Northern Memorial Park. These works will include widening the Box Forest Road and Victoria Boulevard interface. The inclusion of a pedestrian connection from the bus stop at Box Forest Road to a purpose-built gatehouse that also provides information for visitors, a florist, new toilet facilities and car parking, will increase customer confidence.

A culture of customer experience

Customers are at the heart of everything we do at GMCT. We actively seek ways in which to serve our communities, families and customers in ways they want to be served so we can provide outstanding customer service. Operations within our cemeteries and memorial parks have begun to focus on how people interact with the space once they are there, both in existing cemeteries and memorial parks and in new ones. Decisions that will impact customers in GMCT's spaces are also at the heart of the Disability Access and Inclusion Plan and will make our sites safer and easier to navigate.

Occupational health and safety

Returning to the office

After over a year away from the office, getting the transition of staff back into the office right was always going to be a challenge, especially acknowledging that we were likely to have to return to working from home at some point. Not only were there considerations of risk to make the site safe, but it was also necessary to ensure staff felt safe, whether returning to the office or not.

A working group was established and a range of safety procedures introduced prior to inviting staff back in. A re-induction to the building ensured staff knew where to enter and exit and that the way they interacted with the space would need to change. Gone was the shared crockery in the kitchen; staff were given individual crockery to keep at their desks. Hand sanitiser stations were located throughout the buildings.

Musculoskeletal health

OHS identified at the end of last year that staff were experiencing an increase of body stressing incidents.

An onsite musculoskeletal treatment and advice program was designed to reduce injury and improve prevention strategies. Staff have access to weekly physical care sessions with a trained physiotherapist at all three regions.

This program is designed to cause minimal disruption to work practices while allowing maximum treatment opportunities from a physiotherapist on site one day a week. Staff can book in for a 15 minute treatment session to treat and manage joint and muscle pain, as well as reduce chronic complaints and body stressing injuries by treating 'niggles' and stopping injuries from progressing.

Skin checks

As a part of maintaining skin and overall health, GMCT's annual skin check program commenced this year with Lilydale Memorial Park hosting the first day of skin checks.

This annual program is offered to all staff, with a focus on outdoor workers. The sobering statistic is that up to 60% of Australians will have a skin cancer at some point in their life.

In the first year of this program, three melanoma cases were identified and employees were referred to their General Practitioner for immediate treatment.





Risk

GMCT is committed to creating a strong and resilient organisation. During the year, GMCT conducted a detailed review of the Operational Resilience Policy and Framework. This framework includes various functions such as Business Continuity Planning, Emergency Management, Crisis Management, Incident Management and Disaster Recovery. The policy and most of the associated plans/procedures have been updated, with more work taking place over the next 12 months.

Incident reporting

A challenge for any OHS team is how best to report and record incidents across the organisation. With our teams spread across 19 cemeteries and memorial parks, this year we launched an incident reporting portal that makes the process swift and centralises reporting of incidents to allow timely triage and analysis by the OHS team. This collaboration between our OHS and Risk teams has meant that teams, nominated health and safety representatives, leaders and staff are able to report incidents and near-misses and act quickly to remediate.

Workforce

Employee Count	2020-21	2019-20
Male	156 (67%)	155
Female	78 (33%)	76
Self-described	0	0
Total	234	231

Employees (full-time equivalent)	2020-21	2019-20
Full-time	206	204.00
Part-time	15.71	12.34
Total payroll FTE at 30 June	221.71	216.34
Vacancies at 30 June	9.43	23.78
Total workforce FTE	231.14	240.12

Workforce age profile	2020-21	2019-20
65 and over	6	7
55-64	60	57
45-54	59	62
35-44	57	55
25-34	43	43
Under 25	9	7
Total	234	231

Workforce category	June 2021
Indoor staff	103.11
Outdoor staff	111.80
Executive	6.8
Total	221.71

Executive officer disclosures

The GMCT executive is made up of a range of highly-experienced directors from a diverse range of backgrounds. In 2020-21, the gender diversity of our executive team remained balanced.

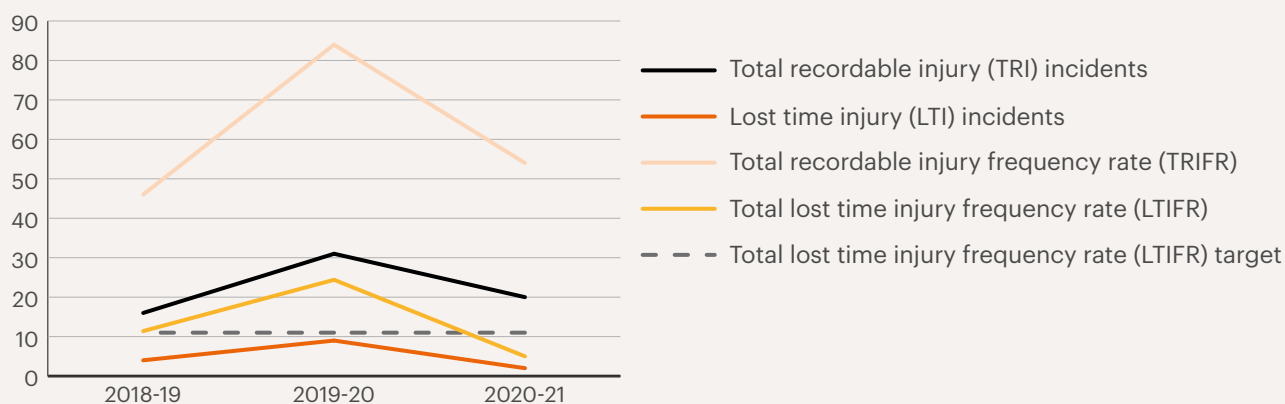
Executive team	2020-21	2019-20
Male	4	5
Female	3	2
Self-described	0	0
Total	7	7

Staff training	Total hours 2020-21
OHS	515.7
Leadership and development	228.5
Profession specific	2460.1
Other	612
Total	3816.3

Occupational health and safety statistics

Occupational Health and Safety Statistics	2020-21	2019-20	2018-19
The number of reported hazards/incidents for the year per 100 FTE*	173.49	127.01	152.19
The number of 'lost time' standard WorkCover claims for the year per 100 FTE*	1.73	2.91	0
The average cost per WorkCover claim for the year ('000)	\$3,092	\$11,246	\$5,731
Total workforce (FTE)	231.14	240.12	228

* Based on 231.14 staff for FY20-21, 240.12 for FY19-20, and 228 in FY18-19.



- In 2020–21 the total recordable injuries at GMCT were 20.
- There were 4 standard WorkCover claims during the reporting period. The 4 claims included:
 - 1 standard claim as a result of the claims exceeding the >ten day Employer Liability threshold.
 - 2 standard claims that exceeded medical and like Employer Liability threshold but did not exceed the >ten day Employer Liability threshold.
 - 1 Impairment Benefits claim for hearing loss.
- Lost injury days were 21.
- The number of lost time standard claims per 100 staff was 1.73.
- Hazards and incidents per 100 staff were 173.49 (based on 231.14 staff).
- 0 fatalities.
- 5 incidents occurred (including visitor and contractor incidents), reported to Victorian WorkCover Authority.

Occupational violence statistics

2021 is the first year GMCT has compiled statistics on occupational violence for reporting purposes.

Occupational violence statistics	2020–21
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	13
Number of occupational violence incidents reported per 100 FTE	5.62
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Change-ready agility

Our workplace culture is innovative and collaborative. We have the foresight to plan ahead and position ourselves to respond to a range of likely scenarios.

Cemeteries reflect the ever-changing nature of the communities they serve. At GMCT, this means we have built a workforce and organisational culture that is ready to face the challenges of the future. We embrace these challenges as opportunities to build on our commitment to our strategic goals.

GMCT is proud of its diverse workforce, and we are committed to applying fair and equitable processes as per the Victorian Public Sector Commission's Employment Principles and Standards in all aspects of our recruitment, selection and onboarding processes. Over the year, adapting these procedures to be delivered virtually for the majority of our advertised positions in line with COVID-19 related restrictions was a successful pivot to our usual practices. However, to ensure fairness for all candidates, those who were not confident to partake in online interviews were offered face-to-face interviews where COVID-19 safety protocols could be followed.

Strategic objectives

Empowered, collaborative and can-do workforce

Develop a confident team that is supported and informed to make quality decisions aligned to their role and the organisation's goals.

Integrated knowledge management culture

Establish integrated systems and data to improve workplace efficiency.

Innovation through learning

Develop a culture of continuous improvement.





Highlights

Responding to the times

GMCT hosted its annual meeting online last year as Victoria was still in lockdown. The event was met with great success in its ability to reach people who would otherwise have been unable to attend. Class B cemeteries, for example, were able to join the meeting without driving into Melbourne to attend, while members of the public across Victoria were able to view the meeting without having to leave home.

This agility was also seen in our shifting to streamed services throughout the pandemic and beyond. We now retain the ability to do this for future events, which helps us meet the commitments we made in our Disability Action and Inclusion Plan to make such events more accessible.

Meanwhile, following the successful launch of our website and intranet last year, further developments and refinements were made over the past year to ensure GMCT is able to deliver services from wherever staff are located.



Workforce



Focus on mental health

GMCT has offered an employee assistance program (EAP) for many years, through which staff have been able to access confidential counselling services via a dedicated phone number. This year, we partnered with Allos Australia, having identified the need for more flexible services. Staff can now access counselling and mental health services through Allos over the phone, face-to-face, or virtually. We also launched a dedicated hub to provide staff and their family with a range of resources to help take care of their physical, mental and emotional wellbeing. The 'MyAssist' staff portal makes it easier for our staff to find services and resources to support their health and wellbeing. These include Allos Australia, ADA Australia and our onsite musculoskeletal program. Posters were designed with QR codes for easy access so staff can find links to support services across our sites.

Introduction of the *Gender Equality Act 2020*

GMCT prides itself on having a diverse workforce and an inclusive culture, and is committed to effectively leveraging the new regulatory requirements under the *Gender Equality Act 2020*. To better understand our requirements, staff have attended information and training sessions on all aspects of the requirements under the Act, facilitated by Gender Works or the Gender Equality Commission themselves.

GMCT appointed our COO as Executive Sponsor for Gender to lead and drive communications and initiatives relating to Gender Equality, and key stakeholders have been engaged to commence Gender Impact Assessments and Gender Equality Auditing. To comply with the required auditing standards, we included Diversity and Inclusion questions with our 2021 Employee Engagement Survey for the first time.

We are also collaborating with Southern Metropolitan Cemeteries Trust to review ways in which the Victorian Cemeteries Industry can be most inclusive of people of all genders through our Gender Impact Assessments.

A frontline hero

Grave digger Barry Dawson celebrated 40 years of service in September of 2020. Based in the North region at Fawkner Memorial Park, Barry joined GMCT in 2010 when the trusts were amalgamated. During his many years within the cemetery sector and at GMCT, he has been continually recognised for his compassion when supporting his colleagues and serving our communities.

For the nomination of the previous year's STAR award for Compassion, one of his colleagues wrote: 'Barry takes the respect of clients to another level in having unique awareness of specific religious and cultural tradition, and it is very special to observe'.

40 years is an incredible milestone, and GMCT is honoured to be a part of Barry's story. He has consistently embodied our values in his attitude and approach to work, his interactions with our customers and his friendships with his colleagues.



Staff years of service awards

5 years service

Mitchell Welch
Geoffrey Foreman
Priya Nair
Ronald Megna
Michelle Potter
Patricia Kavadas
Robert Conn
Adam Moscatiello
Anthony Marolda
Susan Parker-Wallace
Roslyn Naaz
Bruna Fisher
Joseph Tolomeo
Janice Hawkins
Stephen Scicluna
Troy Walters

10 years service

Pania Ryan

15 years service

Martin McVeigh
Karen Cotter
Raymond Taylor

20 years service

Stephen Mallon
Glenn Ilsley

25 years service

Peter Berry
Peter Manning
Mark Cahill

35 years service

Mark Christie

40 years service

Barry Dawson

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 the Minister for Health. GMCT is responsible for the management and perpetual maintenance of 19 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.

The responsible Minister is the Minister for Health:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP

Minister for Health

Minister for Ambulance Services

From 26 September 2020 to 30 June 2021

The Hon Martin Foley MP

Minister for Health

Minister for Ambulance Services

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
- › perpetual maintenance
- › archival cemetery and genealogical records
- › community events.

The Trust

Corporate governance of GMCT is the responsibility of nine trust members who are appointed 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
- › establishing 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.

Trust members

As at June 30 2021



Michael Doery

BFA, CFA, GAICD

Chair, Executive Performance and Remuneration Member



Elizabeth (Liz) Beattie

GAICD

Deputy Chair, Executive Performance and Remuneration Committee member, Infrastructure Working Group Convener



Kim McAliney

FCPA, Adv Dip Pub Safety (EM), GAICD

Community Advisory Committee Chair, Audit and Risk Management Committee member



Katerina Angelopoulos

MAICD, BSW, DipWS

Audit and Risk Management Committee member, Community Advisory Committee member



Vedran Drakulic OAM

MPubAdv&Act, EMFIA, MAICD

Finance and Investment Committee member, Infrastructure Working Group member



Dana Hlavacek

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

Audit and Risk Management Committee Chair, Executive Performance and Remuneration Committee member



David Cragg

BA, Grad Dip (HRM)

Community Advisory Committee member, Finance and Investment Committee member



Bev Excell

B.Sc(Hons), FAICD

Executive Performance and Remuneration Committee Chair, Finance and Investment Committee member



Kevin Quigley

FCA

Finance and Investment Committee Chair, Audit and Risk Management Committee member

Trust and committee meetings attendance

Trust Meetings

Trust Members	Trust Held Monthly	ARMC Held Quarterly	FIC Held Monthly	CAC Held Quarterly	EPRC Held Quarterly
Michael Doery (Trust Chair – 1 November 2019 to 28 February 2022)	11/11				4/4
Jan Penney (retired on 31 August 2020)	2/2	2/2	1/1		
Kim McAliney (appointed 2013–17, renewed 2017–20) (renewed as member 1 September 2020 to 30 June 2023)	10/11	5/6		4/4	
David Cragg (appointed 1 March 2016 to 30 June 2018) (renewed as member 1 July 2018 to 30 June 2021)	11/11		10/11	4/4	
Elizabeth Beattie (appointed 1 March 2016 to 30 June 2018) (renewed as member 1 July 2018 to 30 June 2021)	11/11	2/2		1/1	4/4
Dana Hlavacek (appointed 1 March 2016 to 30 June 2018) (renewed as member 1 July 2018 to 30 June 2021)	11/11	6/6			4/4
Kevin Quigley (appointed 2017–20) (renewed as member 1 September 2020 to 30 June 2023)	10/11	6/6	11/11		
Beverley Excell (appointed 2017–20) (renewed as member from 1 September 2020 to 30 June 2023)	11/11		11/11		4/4
Katerina Angelopoulos (appointed as member from 1 September 2020 to 30 June 2023)	9/9	4/4		2/3	
Vedran Drakulic (appointed as member from 1 September 2020 to 30 June 2023)	9/9		10/10		

Changes to trust and committees since 1 July 2020

- Dr Jan Penney (Trust, FIC and ARMC member) concluded her term on 31 August 2020, having served since 2010.
- Vedran Drakulic and Katerina Angelopoulos were appointed to the Trust on 1 September 2020.
- Katerina Angelopoulos was appointed as a member of ARMC and CAC from 23 September 2020.
- Vedran Drakulic was appointed as a member of FIC and the Infrastructure Working Group from 23 September 2020.
- Kim McAliney served as Deputy Chair and EPRC member until 23 September 2020, and was then appointed as the Community Advisory Chair on 23 September 2020.
- Liz Beattie served as Community Advisory Committee Chair and ARMC member until 23 September 2020, and was then appointed as Deputy Chair of GMCT and Convenor of the Infrastructure Working Group from 23 September 2020.

Organisational structure



Reporting to government

GMCT reports to the Minister for Health through the Cemetery Sector Governance Support Unit of the Department of Health.

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 performance
- › a detailed Strategic Plan and Annual Plan in accordance with section 18N and 18O of the *Cemeteries and Crematoria Act 2003*.
- › 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

GMCT follows Victorian Public Service Commission Code of Conduct for Board Members. Each year Trust Members are required to complete a declaration of private interests and a conflict of interest statement. Declarations of conflict of interest are made at the beginning of each trust and committee meeting.

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 performance

As part of its commitment to effective and transparent corporate governance, the trust undertook its three-yearly independent board assessment in February 2021, and its annual self-assessment in June 2021.

Trust committees

Trust members participate on a number of committees which help execute trust responsibilities in a review or advisory capacity.

The trust may also appoint independent members from outside the organisation to provide specialist skills, knowledge and expertise as required. There are currently no independent members.

Four committees have been established according to section 18B and 18D of the Act. 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 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 and 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 statutory and 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
- › compliance with obligations to third parties and relevant internal policies
- › other financial matters as requested by the trust.

Community Advisory Committee

The Community Advisory Committee's role is to provide advice to the trust to assist it in carrying out its community engagement responsibilities 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 and consumer views are considered in the planning and delivery of cemetery trust services and to provide advice in relation to the integration of consumer and community views at all levels of cemetery trust operations, planning and policy development.

Executive Performance and Remuneration Committee

As required under section 18L of the Act and in accordance with Government 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.

Community Advisory Committee members are:

Elizabeth Beattie

(retired as chair 23 September 2020)
(Trust Member)

Kim McAliney

(Chair from 23 September 2020)
(Trust Member)

David Cragg

(Trust Member)

Katerina Angelopoulos

(appointed 23 September 2020)
(Trust Member)

Justine Hadj

(appointed from 1 June 2021)

Ms Tashwita Rahalkar

(reappointed from 1 March 2021)

Mr Sacir Lacevic

(finished term on 30 April 2021)

Ms Anita Rivera

Mr Joseph Hawei

Ms Tania DeCarli

Ms Hannah Gould

Ms Susan Parsons

Ms Cindy Plowman

Executive team roles and responsibilities

Executive team

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

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

Chief Executive Officer

Deb Ganderton

MA, MSF, MAICD

The Chief Executive Officer (CEO) leads the organisation in accordance with the vision and direction set by the Trust. The CEO 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 team.

Company Secretary

Andrew Port

BBus, Grad Dip Finance, MBA

The Company Secretary is responsible for supporting the organisation to develop, implement and embed good governance principles to enable cohesion, consistency and efficiency across the whole organisation.

Chief Operating Officer

Andrew Eriksen

MAIM, MAIPM (CPPM), GAICD

The Chief Operating Officer is responsible for strategic leadership and customer experience in the day-to-day delivery of our services. These include burials, cremations and sales along with horticulture, facilities and maintenance.

Chief People & Risk Officer

Dimi Patitsas

Grad Dip HR, Adv Cert Personnel, RTW Coordinator, CAHRI

The Chief People & Risk Officer leads and manages employee communications, organisational development, employee and industrial relations, policy development, employment legal compliance, occupational health and safety (OHS), compensation and benefits. The directorate provides support across the organisation with expertise in the development and training of GMCT's workforce, risk and OHS programs and practices.

Chief Finance Officer

Brian Smart

B.Com, Dip Treasury Mgt, Dip Corporate Mgt, CA

The Chief Finance Officer 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 finance directorate provides a range of functions including finance and information communication technology.

Chief Future Built Environment Officer

Zhanna Sichivitsa

MAIM, MAIPM (CPPM), GAICD

The Chief Future Built Environment Officer 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.

Chief Strategy, Innovation & Performance Officer

Graham Marsland

B.Bus (Acct) MBA JD CTA GAICD

The Chief Strategy, Innovation & Performance Officer is responsible for strategic leadership in communications, strategic planning, research, data insights and innovation.

Consultancies

Consultant	Purpose	Start Date	End Date	FY21 Expenditure	Future Commitments	Total
Protiviti Pty Ltd	Internal audit	Jul-20	Jun-21	191,094	188,244	379,338
Customer Service Benchmarking Australia	Survey and analytics	Jun-21	Jun-21	64,375	–	64,375
Veris Australia Pty Ltd	Feature and levels surveys	Jan-21	Jun-21	45,320	–	45,320
Urban Initiatives Pty Ltd	Project designs	May-21	Jun-21	40,238	–	40,238
GHD Pty Ltd	Condition assessments	Jul-20	Jun-21	33,952	–	33,952
Klein & Co. Computer Forensics Pty Ltd	Computer forensics	Jul-20	Sep-20	29,128	–	29,128
Integrated Resilience Solutions Pty Ltd	BCP consulting	Jul-20	Apr-21	20,625	–	20,625
Jim Grant & Associates Pty Ltd ATF	Leadership training	Jul-20	Jun-21	19,943	–	19,943
SACS Consulting ATF SACS Psychological	Psychometric	Jul-20	Jun-21	18,866	–	18,866
Wise Workplace Solutions ATF Wisely	Customised workplace cultural review	Dec-20	Dec-20	18,755	–	18,755
CRE Consulting Engineers Pty Ltd	Civil engineer works	Apr-21	Jun-21	18,300	–	18,300
Taylor's Development Strategists Pty Ltd	Land surveys	Jul-20	Jul-20	17,500	–	17,500
Statewide Geotechnical (Aus) P/L	Geotechnical surveys	Apr-21	May-21	17,000	–	17,000
Crowe Melbourne ABO R Ainio & Crowe	VPDS Audit	Jun-21	Jun-21	16,000	–	16,000
Pure Security Pty Ltd	Penetration testing	Apr-21	Apr-21	14,000	–	14,000
Transformationplus Pty Ltd	Security data policy review	May-21	Jun-21	11,200	–	11,200
Moonland Group Pty Ltd	Land surveys	May-21	May-21	11,050	–	11,050
G & M Connellan	Irrigation maintenance plan	Jun-21	Jun-21	11,000	–	11,000
TOTAL		–	–	598,345	188,244	786,590

During the 12 months ended 30 June 2021, GMCT engaged a total of 10 operational consultants where the total fees payable to the consultant were less than \$10,000, with total expenditure of \$43,289 (excluding GST).

ICT expenditure

Business as usual (BAU) ICT expenditure total	Non-business as usual (non-BAU) ICT expenditure		
	(Total = operational expenditure and capital expenditure)	Operational expenditure (OPEX)	Capital expenditure (CAPEX)
	\$000	\$000	\$000
3,661	580	98	482

Attestations, compliance and disclosures

Financial management compliance Attestation Statement

I Michael Doery, on behalf of the Responsible Body, certify that The Greater Metropolitan Cemeteries Trust has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Michael Doery

Chair
The Greater Metropolitan Cemeteries
Trust Fawkner, Victoria

18 August 2021

Data Integrity Declaration

I, Deb Ganderton, certify that the Greater Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Greater Metropolitan Cemeteries Trust has critically reviewed these controls and processes during the year.



Deb Ganderton

Chief Executive Officer
The Greater Metropolitan Cemeteries
Trust Fawkner, Victoria

18 August 2021

Conflict of interest and duty to disclose

I, Deb Ganderton, certify that The Greater Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of clause 9 of schedule 1A of the Act, and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within the Greater Metropolitan Cemeteries Trust and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Deb Ganderton

Chief Executive Officer
The Greater Metropolitan Cemeteries
Trust Fawkner, Victoria

18 August 2021

Integrity, fraud and corruption

I, Deb Ganderton certify that The Greater Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at The Greater Metropolitan Cemeteries Trust during the year.



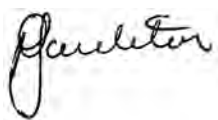
Deb Ganderton

Chief Executive Officer
The Greater Metropolitan Cemeteries
Trust Fawkner, Victoria

18 August 2021

Compliance with Victorian government purchasing board (VGBP) policies

I, Deb Ganderton certify that The Greater Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the Victorian Government Purchasing Board Policies and have critically reviewed these controls and processes during the year.



Deb Ganderton

Chief Executive Officer
The Greater Metropolitan Cemeteries
Trust Fawkner, Victoria

18 August 2021

Local Jobs First Act 2003 (Vic)

The *Local Jobs First Act 2003* requires departments and public sector bodies to apply the Local Jobs First Policy (LJFP) to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. This is factored into any tender evaluation conducted.

There was one building construction contract in metropolitan Melbourne completed in the current year that required disclosure under the LJFP.

The total value of the contract was \$8.2 million, the local content was 94%, one local job was created and two apprenticeships were created.

No Victorian State Government grants to which the Local Jobs First Policy applies were received in the current year.

GMCT continues to be committed to utilising local labour in its third party arrangements.

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.

No requests were received this year.

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

Company Secretary
The Greater Metropolitan Cemeteries Trust
PO Box 42, Fawkner VIC 3060

Building Act 1993

GMCT conducts regular assessments of its buildings to monitor compliance with the building and maintenance provisions of the *Building Act 1993*, which encompasses the Building Code of Australia and the Standards for Publicly Owned Buildings 1994. These regular assessments include essential safety measures and fire safety audits, and GMCT is implementing the recommendations arising from these assessments.

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 zero competitive neutrality complaints during the reporting period.

Public Interest Disclosures Act 2012

Public Interest Disclosures 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 *Public Interest Disclosures 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.

Disclosures can be made directly to the Independent Broad-based Anti-corruption Commission at Level 1, North Tower, 459 Collins Street Melbourne, VIC 3000 (Phone: 1300 735 135, Internet: www.ibac.vic.gov.au).

Additional information

In compliance with the requirements of FRD 22H Standard Disclosures in the report of operations, the items listed below have been retained by The Greater Metropolitan Cemeteries Trust (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 pecuniary interests have been duly completed by all relevant officers;
- › Details of shares held by senior officers as nominee or held beneficially;
- › Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained;
- › Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- › Details of any major external reviews carried out on the Health Service;

- › Details of major research and development activities undertaken by the Health Service 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 (none in 2020–21);
- › Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service 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 the Health Service 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 the Health Service, including any Aboriginal advisory or governance committees, the purposes of each committee and the extent to which those purposes have been achieved;
- › Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

This information is available on request from:

Company Secretary
Phone: (03) 9355 3175
Email: enquiries@gmct.com.au

GMCT’s AMAF Compliance Attestation for Annual Report 2020–21

I, Michael Doery, on behalf of the Responsible Body, certify that The Greater Metropolitan Cemeteries Trust has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Asset Management Accountability Framework (AMAF) maturity assessment

The following section summarises GMCT’s assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

GMCT’s target maturity rating is ‘competence’, meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Leadership and Accountability (requirements 1-19)

GMCT has met or exceeded its target maturity level under majority of requirements within this category, except in the areas of asset performance and utilisation monitoring. However, there are no material non-compliances reported in this category. A plan for implementing an improved asset performance and utilisation monitoring framework has been established to improve GMCT’s maturity rating in these aspects.

Planning (requirements 20-23)

GMCT has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

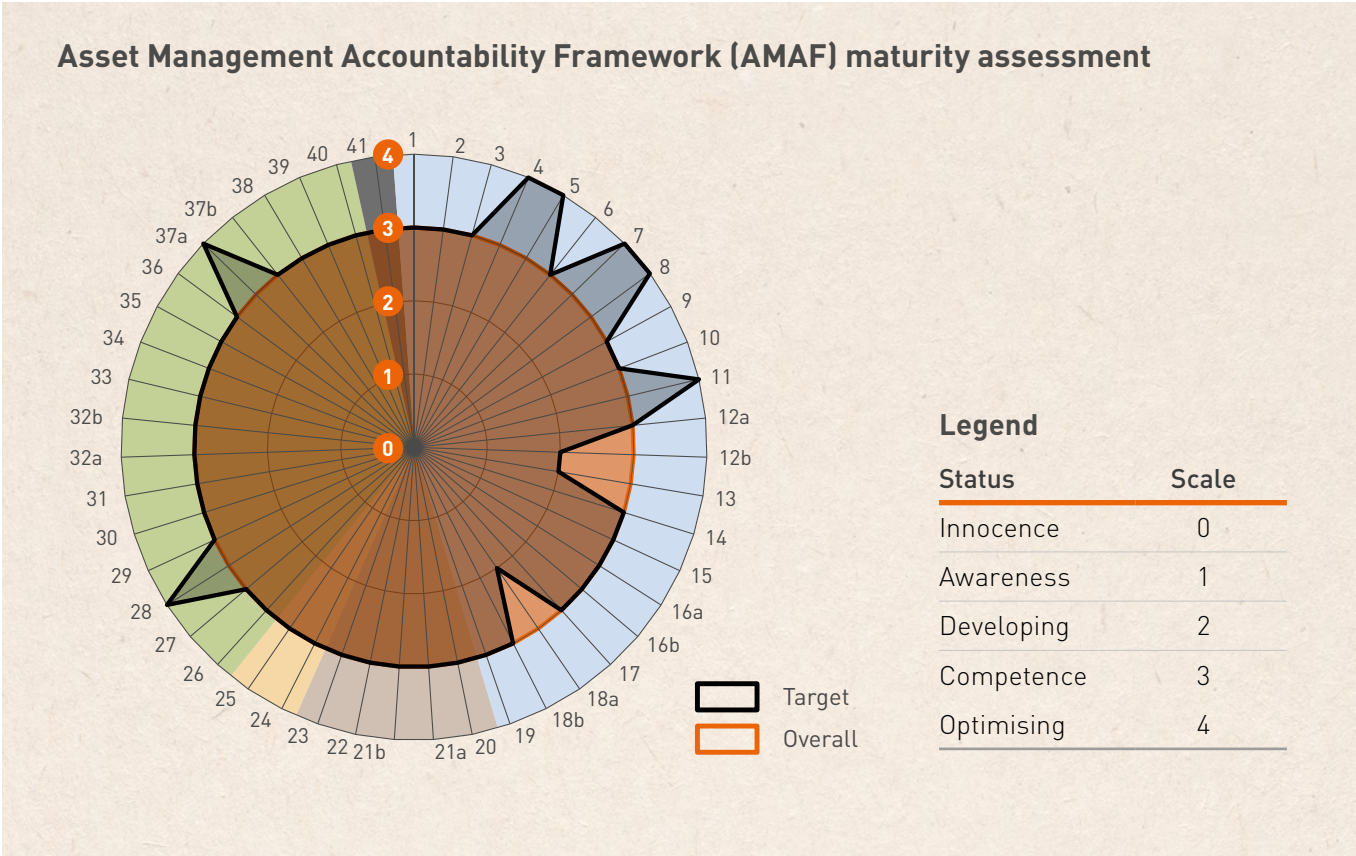
GMCT has met its target maturity level in this category.

Operation (requirements 26-40)

GMCT has met or exceeded its target maturity level in this category.

Disposal (requirement 41)

GMCT has met its target maturity level in this category.



Chief Finance Officer's report

GMCT remains in a strong financial position. In delivering on the objectives of our strategic plan, we have been financially responsible and continue to invest in our future by developing greenfield sites and grave infrastructure at existing cemeteries and managing investments to grow our perpetual maintenance reserve. A key focus area is increased productivity to ensure we remain a resilient organisation.

GMCT recorded a net result for the year of a \$57.4 million profit, and net assets increased to \$516 million. The perpetual maintenance reserve remains strong at \$233.5 million.

The net result for the year was favourably impacted by completion of the construction and subsequent release of positions in the Gallery of the Saints Mausolea at Keilor Cemetery coupled with net gains on the investment portfolio.

Operating statement

The income from cemetery operations for the year was \$59.7 million as compared to \$51.2 million for prior year. The increase primarily related to the increased mausoleum income.

Total expenses from transactions for the year were \$59.9 million as compared to \$69.9 million for prior year. Employee expenses of \$22.6 million reflects our commitment to staff and our support for the delivery of quality services to our communities. Maintenance and operating costs of \$8.4 million ensures the presentation of our 19 cemeteries and memorial parks meets community expectations.

We will contribute \$2.5 million to the state government via the cemetery levy during the next financial year. This fund supports the work of Victoria's Class B cemeteries and the communities they serve.

Investment income for the year of \$22.4 million is a consequence of actively managing our asset allocations and 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.

Other economic flows included in the net result for the year was a profit of \$35.3 million, as compared to a loss of \$2.2 million in the prior year. This primarily relates to the net unrealised gains in the value of the investment portfolio, coupled with net realised gains on disposal.

Balance sheet

We continue to plan for future community needs with a significant investment in property, plant and equipment of \$117.7 million. This, coupled with the investment portfolio of \$345 million, has ensured that a strong balance sheet is maintained with total net assets of \$516 million.

Total liabilities increased from \$44.9 million to \$52 million, primarily due to the increase in unearned income coupled with the increase in deposits received in advance in relation to the Fawkner mausoleum construction project.

Financial Statements

For the financial year ended 30 June 2021

How this report is structured

The Greater Metropolitan Cemeteries Trust presents its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Greater Metropolitan Cemeteries Trust's stewardship of the resources entrusted to it.

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Trust Member's, Accountable Officer's and Chief Finance and Accounting Officer's Declaration

The attached financial statements for The Greater Metropolitan Cemeteries Trust have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable financial reporting directions, Australian Accounting Standards including 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 accompanying notes presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of The Greater Metropolitan Cemeteries Trust as at 30 June 2021.

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 18 August 2021.



Michael Doery

Trust Chair

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

18 August 2021

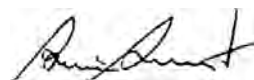


Deb Ganderton

*Accountable Officer
Chief Executive Officer*

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

18 August 2021



Brian Smart

*Chief Finance
and Accounting Officer*

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

18 August 2021

Independent Auditor's Report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Trust Members 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 2021• 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 significant accounting policies• trust member's, accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the cemetery as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards 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 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 Victoria. 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 Members' responsibilities for the financial report	<p>The Trust Members of the cemetery are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i> and for such internal control as the Trust Members determine 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 Members are 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>

Independent Auditor's Report

Continued

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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cemetery's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Members
- conclude on the appropriateness of the Trust Members' 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 Members 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.

MELBOURNE
25 August 2021



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

for the financial year ended 30 June 2021

	Note	2021 \$ 000	2020 \$ 000
Revenue and income from transactions			
Cemetery operations income	2.1	59,660	51,220
Investment income	2.1	22,362	16,637
Total revenue and income from transactions		82,022	67,857
Expenses from transactions			
Cost of sales	3.1	10,441	8,070
Employee expenses		22,610	22,793
Depreciation and amortisation	4.4	8,153	6,333
Maintenance and operations expenses		8,444	9,476
Administration expenses		5,595	4,958
Other operating expenses		2,042	2,151
Audit fees – Victorian Auditor General’s Office	8.6	99	99
Cemetery levy		2,469	2,031
		59,853	55,911
Inventory development costs		–	6,342
Impairment of intangible assets	4.3(b)	–	1,399
Transformation Program costs	4.3(b)	–	6,230
Total expenses from transactions		59,853	69,882
Net result from transactions – net operating balance		22,169	(2,025)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		252	28
Net gain/(loss) on financial instruments		35,079	(2,330)
Revaluation of long service leave		(54)	78
Total other economic flows included in net result	3.4	35,277	(2,224)
Net result for the year		57,446	(4,249)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation reserve	4.2	791	–
Total other comprehensive income		791	–
Comprehensive result for the year		58,237	(4,249)

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

Balance Sheet

as at 30 June 2021

	Note	2021 \$ 000	2020 \$ 000
Current assets			
Cash and cash equivalents	6.1	4,422	4,748
Receivables and contract assets	5.1	24,058	15,268
Inventories	4.5	62,916	52,638
Prepayments		526	566
<i>Total current assets</i>		91,922	73,220
Non-current assets			
Inventories	4.5	12,341	12,122
Investments and other financial assets	4.1	344,986	307,588
Property, plant and equipment	4.2	117,683	108,022
Intangible assets	4.3	1,064	1,799
<i>Total non-current assets</i>		476,074	429,531
Total assets		567,996	502,751
Current liabilities			
Payables	5.2	11,384	8,310
Contract liabilities	5.3	35,005	30,340
Other provisions	5.4	85	78
Employee benefits	3.3	4,726	5,467
<i>Total current liabilities</i>		51,201	44,195
Non-current liabilities			
Employee benefits	3.3	762	759
<i>Total non-current liabilities</i>		762	759
Total liabilities		51,962	44,954
Net assets		516,033	457,797
Equity			
Contributed capital		148,872	148,872
Accumulated surplus/(deficit)		103,859	63,968
Perpetual maintenance reserve		233,533	215,978
Physical asset revaluation surplus reserve	4.2	29,769	28,979
Total equity		516,033	457,797

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

Statement of Changes in Equity

for the financial year ended 30 June 2021

	Note	Contributed capital \$ 000	Accumulated surplus/ (deficit) \$ 000	Perpetual maintenance reserve \$ 000	Physical asset revaluation surplus \$ 000	Total \$ 000
Balance at 30 June 2019		148,872	68,217	215,978	28,979	462,046
Net result for the year		–	(4,249)	–	–	(4,249)
Balance at 30 June 2020		148,872	63,968	215,978	28,979	457,797
Net result for the year		–	57,446	–	–	57,446
Transfer to/(from) physical asset revaluation surplus		–	–	–	791	791
Transfer to/(from) Accumulated Surplus/(Deficit)		–	(17,555)	17,555	–	–
Balance at 30 June 2021		148,872	103,859	233,533	29,769	516,033

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

Cash Flow Statement

for the financial year ended 30 June 2021

	Note	2021 \$ 000	2020 \$ 000
Cash flows from operating activities			
Receipts from customers		72,524	52,699
Payments to suppliers and employees		(63,173)	(62,702)
Investment income receipts		8,433	9,046
Goods and services tax received/(paid)		651	281
Net cash inflow/(outflow) from operating activities	8.1	18,435	(676)
Cash flows from investing activities			
Payments for property, plant and equipment		(16,603)	(8,211)
Proceeds from disposal of property, plant and equipment		160	263
Proceeds from sale of investments		81,719	130,623
Payments for investments		(84,037)	(150,855)
Net cash inflow/(outflow) from investing activities		(18,761)	(28,180)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net decrease in cash and cash equivalents		(326)	(28,856)
Cash and cash equivalents at beginning of the year		4,748	33,604
Cash and cash equivalents at the end of the year	6.1	4,422	4,748

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

Notes to the Financial Statements

for the financial year ended 30 June 2021

Note 1 – Basis of Preparation

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Impact of COVID-19 pandemic
- 1.3 Abbreviations and terminology used in the financial statements
- 1.4 Key accounting estimates and judgements
- 1.5 Accounting standards issued but not yet effective
- 1.6 Goods and Services Tax (GST)
- 1.7 Reporting Entity
- 1.8 Perpetual Maintenance Reserve Policy

These financial statements represent the audited general purpose financial statements for The Greater Metropolitan Cemeteries Trust (GMCT) for the year ended 30 June 2021. The report provides users with information about GMCT's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include 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 (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

GMCT is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable a to "not-for-profit" Cemetery Trust under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis.

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars.

Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by GMCT on 18 August 2021.

Notes to the Financial Statements

Continued

Note 1.2: Impact of COVID-19 pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, GMCT was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which GMCT operates.

GMCT introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors;
- greater utilisation of telecommunication and video conferencing; and
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year GMCT has been able to revise some measures where appropriate including increased attendees at services and allowing face to face bookings to be held.

The financial impacts of the pandemic have not been significant in the current financial year.

Note 1.3: Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Direction
GMCT	The Greater Metropolitan Cemeteries Trust
SD	Standing Direction
VAGO	Victorian Auditor-General's Office

Note 1.4: Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.5: Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to GMCT and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i>	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to GMCT in future periods.

Note 1.6: Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. 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 included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

Commitments and contingent assets and liabilities are presented on a gross basis.

Note 1.7: Reporting Entity

The financial statements include all the controlled activities of GMCT. GMCT was established under the *Cemeteries and Crematoria Act 2003* (the Act) and its operations are governed by the Act.

The principal address of GMCT is:

1187 Sydney Road
Fawkner Victoria 3060

Notes to the Financial Statements

Continued

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.

GMCT comprises: Altona Memorial Park, Andersons Creek Cemetery, Burwood Cemetery, Coburg Pine Ridge Cemetery, Emerald Cemetery, Fawkner 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, Yarra Glen Cemetery and two Greenfield sites located at Harkness and Plenty Valley.

Note 1.8: Perpetual Maintenance Reserve Policy

Under section 12 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 15% of the contribution margin, plus 100% of net investment income (excluding net gain/(loss) on financial instruments), less 100% of net rental income, less an amount for perpetual maintenance costs, less the cemetery levy. 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 may 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 that may arise under the accounting standards and accordingly has not recognised a value for this obligation in these financial statements.

GMCT has created a reserve that is cash and investment backed as a source of future contributions towards its perpetual maintenance obligations. This is disclosed as a perpetual maintenance reserve.

Note 2 – Funding delivery of our services

GMCT's overall objective is to provide quality cemetery trust services. GMCT is predominantly funded by income from the supply of products and services. GMCT may also receive grants from Government.

Structure

2.1 Income from transactions

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>GMCT applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring GMCT to recognise revenue as or when the cemetery trust transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>GMCT applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>

Notes to the Financial Statements

Continued

Note 2.1: Income from transactions

	2021 \$ 000	2020 \$ 000
Revenue from contracts with customers		
Grave	23,244	22,640
Mausoleum	13,073	3,828
Cremation memorial	2,915	3,056
Interment	7,538	7,440
Cremation	4,956	5,601
Memorialisation	4,594	4,380
Other interment services	1,905	2,854
Chapel services	155	163
Total revenue from contracts with customers	58,380	49,962
Other sources of income		
Grant income (State)	21	53
Other operating income	484	507
Rental income	774	698
Total revenue from other sources of income	1,279	1,258
Total cemetery operations income	59,660	51,220
Non-operating activities		
Interest income financial assets	–	684
Dividends and distributions	22,362	15,953
Total investment income	22,362	16,637
Total revenue and income from transactions	82,022	67,857

Income recognition

Income is recognised in accordance with either:

- contributions by owners, in accordance with AASB 1004;
- income for not-for-profit entities, in accordance with AASB 1058;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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

For sales related to rights of interment for graves, cremation memorials and mausoleum crypts, revenue is recognised where the right is passed to the customer.

For sales related to interment, cremation and certain memorialisation products such as granite, revenue is recognised at the time of interment or when the memorialisation product is delivered. These performance obligations have been selected as they align with the terms and conditions of sale related to these revenue streams.

For retail sales and other operating income, revenue is recognised when the performance obligation has been fulfilled, which is principally at the point of sale after deducting taxes paid.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. As the sales are made with a short credit term, there is no financing element present. There has not been a change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Government Operating Grants

To recognise revenue, GMCT assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

Income from grants is recognised progressively as the project for which the grant was obtained progresses. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Rental income

There are a number of operating lease contracts in place from which is derived rental income from the leasing of cemetery land. This rental income is recognised as revenue on a straight-line basis over the term of the lease.

Operating leases relate to cemetery land owned by GMCT with lease terms between 1 to 20 years.

All operating lease contracts contain market review clauses in the event that the lessee exercises their option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that GMCT retains in underlying assets are not considered to be significant.

Operating lease income

The following table sets out the maturity analysis of undiscounted future lease payments receivable under our operating leases:

	2021 \$ 000	2020 \$ 000
Non-cancellable operating lease receivables		
Not longer than one year	710	876
Longer than one year but not longer than five years	1,602	1,940
Longer than five years	3,043	3,996
Total	5,355	6,812

Other operating income

Other operating income is recognised as revenue when the right to receive payment arises or when received, as appropriate.

Dividend and distribution income

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

Distribution income that is received net of fees is recorded net of fees.

Notes to the Financial Statements

Continued

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 costs associated with provision of services are recorded.

Structure

- 3.1 Expenses from transactions
- 3.2 Employee benefits
- 3.3 Superannuation
- 3.4 Other economic flows

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>GMCT applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if GMCT does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if GMCT has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p> <p>The cemetery trust also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the cemetery trust does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

Note 3.1: Expenses from transactions

	2021 \$ 000	2020 \$ 000
Cost of sales		
Rights of interment	8,829	6,419
Memorialisation	1,612	1,651
Total cost of sales	10,441	8,070

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

- › wages and salaries;
- › fringe benefits tax;
- › leave entitlements;
- › termination payments;
- › WorkCover premiums; and
- › Superannuation.

Cost of sales

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.

Supplies and consumables

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

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 are 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% (2020: 3%).

Notes to the Financial Statements

Continued

Other operating expenses

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

- › fuel, light and power;
- › other administrative expenses;
- › repairs and maintenance; and
- › expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$3K).

Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation.

Note 3.2: Employee benefits

	2021 \$ 000	2020 \$ 000
Current provisions		
Employee benefits		
Annual leave (unconditional and expected to be settled within 12 months)	1,235	1,224
Annual leave (unconditional and expected to be settled after 12 months)	669	669
Long service leave (unconditional and expected to be settled within 12 months)	175	213
Long service leave (unconditional and expected to be settled after 12 months)	2,022	2,126
Termination benefits (unconditional and expected to be settled within 12 months)	28	537
Provision for on-costs		
Unconditional and expected to be settled within 12 months	218	259
Unconditional and expected to be settled after 12 months	379	439
Total current provisions	4,726	5,467
Non-current provisions		
Employee benefits		
Long service leave (conditional and expected to be settled after 12 months)	673	661
On-costs	88	98
Total non-current provisions	762	759
Total provision for employee benefits	5,488	6,226

Employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs. The amounts disclosed are nominal amounts. The amounts disclosed are discounted to present values.

How we recognise employee benefits

Employee benefits

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

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.

Annual leave

Liabilities for 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 annual leave are measured at:

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

Long service leave

Liability for long service leave (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 will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

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

Conditional LSL is measured at present value and 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.

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'.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

On-costs related to employee benefits

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

Notes to the Financial Statements

Continued

Note 3.2 (a) Employee benefits & related on-costs

	2021 \$ 000	2020 \$ 000
Current employee benefits & related on-costs		
Annual leave	1,903	1,893
Unconditional long service leave	2,197	2,339
Termination benefits	28	537
Current on-costs	597	698
Total current employee benefits & related on-costs	4,726	5,467
Non-current employee benefits & related on-costs		
Conditional long service leave	673	661
Non-current on-costs	88	98
Total non-current employee benefits & related on-costs	762	759
Total employee benefits and related on-costs	5,488	6,226

Note 3.2 (b) Movement in total employee benefits and related on-costs

	2021 \$ 000	2020 \$ 000
Carrying amount at start of the year	6,226	5,274
Additional provisions recognised	1,613	2,355
Revaluation	(60)	72
Amounts incurred during the year	(2,290)	(1,475)
Carrying amount at end of the year	5,488	6,226

Note 3.3: Superannuation

How we recognise superannuation

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

Note 3.3 (a) Defined contribution superannuation plan

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply 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.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by GMCT are disclosed below.

Note 3.3 (b) Defined benefit superannuation plan

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by GMCT to the superannuation plans in respect of the services of current GMCT staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

GMCT does not recognise any unfunded defined benefit liability in respect of the plans because the cemetery trust 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 DTF 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 that have been expensed in relation to the major employee superannuation funds and contributions made by GMCT are disclosed above.

	Contributions for the year ending 2021 \$ 000	Contributions outstanding at year end 2021 \$ 000	Contributions for the year ending 2020 \$ 000	Contributions outstanding at year end 2020 \$ 000
Defined benefits				
Vision Super	140	7	163	4
Defined contributions				
Vision Super	726	54	710	54
Other	1,223	99	1,170	91
Total	2,089	160	2,043	149

Unfunded defined benefit superannuation liability

The Local Authorities Superannuation Fund, 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. The last actuarial review was completed as at 30 June 2020 with a Vested Benefit Index of 104.6% and the next actuarial is scheduled for 30 June 2023.

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 2021.

Notes to the Financial Statements

Continued

Note 3.4: Other economic flows

	2021 \$ 000	2020 \$ 000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	252	28
Total net gain/(loss) on non-financial assets	252	28
Net gain/(loss) on financial instruments		
Net unrealised gain/(loss) on revaluation of financial instruments	23,504	(5,231)
Net realised gain/(loss) on disposal of financial instruments	11,575	2,901
Total net gain/(loss) on financial instruments	35,079	(2,330)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave	(54)	78
Total other gains/(losses) from other economic flows	(54)	78
Total gains/(losses) from economic flows	35,277	(2,224)

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- › the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- › reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- › Revaluation gains/(losses) of non-financial physical assets;
 - Refer to Note 4.2 Property plant and equipment.
- › Net gain/(loss) on disposal of non-financial assets;
 - Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying amount of the asset at the time.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- › Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- › Impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- › Disposals of financial assets and derecognition of financial liabilities.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

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.

Structure

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Intangible assets
- 4.4 Depreciation and amortisation
- 4.5 Inventories

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	<p>GMCT obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the cemetery trust estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>GMCT assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>The cemetery trust reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the cemetery trust is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>GMCT applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating restoration costs at the end of a lease	<p>Where a lease agreement requires GMCT to restore a right-of-use asset to its original condition at the end of a lease, the cemetery trust estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.</p>

Notes to the Financial Statements

Continued

Key judgements and estimates	Description
Estimating the useful life of intangible assets	GMCT assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	<p>At the end of each year, GMCT assesses impairment by evaluating the conditions and events specific to the cemetery trust that may be indicative of impairment triggers. Where an indication exists, the cemetery trust tests the asset for impairment.</p> <p>The cemetery trust considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> ➤ If an asset's value has declined more than expected based on normal use ➤ If a significant change in technological, market, economic or legal environment which adversely impacts the way the cemetery trust uses an asset ➤ If an asset is obsolete or damaged ➤ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ➤ If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the cemetery trusts applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1: Investments and other financial assets

	2021 \$ 000	2020 \$ 000
Non-current		
Managed Investment Schemes	344,986	307,588
Total non-current	344,986	307,588
Total investments and other financial assets	344,986	307,588

How we recognise investments and other financial assets

GMCT's investments and other financial assets are made in accordance with Standing Direction 3.7.2 – Treasury Management, including the Central Banking System.

GMCT manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments held by GMCT do not fall in the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are included in the GMCT financial statements.

Investments are recognised when GMCT enters into a contract to purchase the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

GMCT classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

GMCT assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Note 4.2: Property, plant and equipment

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	2021 \$ 000	2020 \$ 000
Cemetery land under infrastructure at fair value	7,832	6,719
Buildings, infrastructure and improvements at fair value	110,221	98,960
Less accumulated depreciation	(12,972)	(8,989)
	97,248	89,971
Motor vehicles, plant and equipment at fair value	22,376	19,909
Less accumulated depreciation	(13,218)	(10,334)
	9,158	9,575
Capital works in progress at cost	3,444	1,757
Total property, plant and equipment	117,683	108,022

Note 4.2 (b) Reconciliation of property, plant and equipment

	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 2019	6,716	88,378	8,865	9,210	113,169
Additions	–	–	–	8,276	8,276
Transfers to Intangible assets	–	–	–	(7,504)	(7,504)
Transfers to completed assets	3	4,579	3,643	(8,225)	–
Disposals	–	(6)	(455)	–	(461)
Depreciation expense (Note 4.4)	–	(2,980)	(2,478)	–	(5,458)
Balance at 30 June 2020	6,719	89,971	9,575	1,757	108,022
Additions	–	–	–	16,603	16,603
Transfers between asset classes	(1)	(2,258)	2,258	(14,916)	(14,917)
Transfers to completed assets	324	13,899	693	–	14,916
Revaluation	790	–	–	–	790
Disposals	–	(145)	(168)	–	(313)
Depreciation expense (Note 4.4)	–	(4,219)	(3,200)	–	(7,419)
Balance at 30 June 2021	7,832	97,248	9,158	3,444	117,683

Notes to the Financial Statements

Continued

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by GMCT in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, GMCT perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, GMCT would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of GMCT's property, plant and equipment was performed by the VGV in 2017. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall increase in fair value of land of 12.01% (\$791K).

As the cumulative movement was less than 10% for buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements 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 increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Impairment

At the end of each financial year, GMCT assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, GMCT estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

GMCT has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

Note 4.2 (c) Fair value measurement hierarchy for assets

As at 30 June 2021	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱⁱ⁾	Level 3 ⁽ⁱⁱ⁾
Cemetery land under infrastructure at fair value				
Specialised land	7,832	–	–	7,832
Total of land at fair value	7,832	–	–	7,832
Buildings, infrastructure and improvements at fair value				
Specialised buildings	97,248	–	–	97,248
Total of buildings at fair value	97,248	–	–	97,248
Motor vehicles, plant and equipment at fair value				
Motor vehicles ⁽ⁱⁱⁱ⁾	1,039	–	–	1,039
Plant and equipment	8,119	–	–	8,119
Total of plant and equipment and motor vehicles at fair value	9,158	–	–	9,158
Total balance at fair value 30 June 2021	114,238	–	–	114,238

Notes to the Financial Statements

Continued

As at 30 June 2020	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Cemetery land under infrastructure at fair value				
Specialised land	6,719	–	–	6,719
Total of land at fair value	6,719	–	–	6,719
Buildings, infrastructure and improvements at fair value				
Specialised buildings	89,971	–	–	89,971
Total of buildings at fair value	89,971	–	–	89,971
Motor vehicles, plant and equipment at fair value				
Motor vehicles ⁽ⁱⁱⁱ⁾	1,498	–	–	1,498
Plant and equipment	8,077	–	–	8,077
Total of plant and equipment and motor vehicles at fair value	9,575	–	–	9,575
Total balance at fair value 30 June 2020	106,265	–	–	106,265

(i) Classified in accordance with the fair value hierarchy.

(ii) Motor vehicles are categorised to Level 3 assets when the depreciated replacement cost is used in estimating the fair value.

(iii) There have been no transfers between levels during the period (2020: Nil).

Note 4.2 (d) Reconciliation of Level 3 fair value measurement

	Cemetery infrastructure land at fair value	Buildings, infrastructure and improvements at fair value	Motor vehicles, plant and equipment at fair value
Opening balance	6,719	89,971	9,575
Purchases/(sales)	–	(145)	(168)
Depreciation	–	(4,219)	(3,200)
Transfers in/(out)	323	11,641	2,950
Revaluation	791	–	–
Closing balance	7,832	97,248	9,158
Total balance at fair value 30 June 2021	7,832	97,248	9,158

	Cemetery infrastructure land at fair value	Buildings, infrastructure and improvements at fair value	Motor vehicles, plant and equipment at fair value
Opening balance	6,716	88,378	8,865
Purchases/(sales)	–	(6)	(455)
Depreciation	–	(2,980)	(2,478)
Transfers in/(out)	3	4,579	3,643
Closing balance	6,719	89,971	9,575
Total balance at fair value 30 June 2020	6,719	89,971	9,575

Note 4.2 (e) Fair value determination

Asset class	Examples	Expected fair value level	Valuation approach	Significant inputs (Level 3 only) ⁽ⁱⁱⁱ⁾
Cemetery – specialised land				
Land	Cemetery land subject to restriction as to use	Level 3	Market approach	Community Service Obligation (CSO) adjustment
Cemetery – specialised building ⁽ⁱ⁾				
Buildings	Specialised buildings with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Useful life of specialised buildings
Infrastructure	Any type	Level 3	Depreciated replacement cost approach	Useful life of specialised infrastructure
Plant and equipment at fair value ⁽ⁱ⁾				
Motor vehicles	Motor vehicles with no active resale market	Level 3	Depreciated replacement cost approach	Useful life of motor vehicles
Plant and equipment	Specialised items with limited alternate uses	Level 3	Depreciated replacement cost approach	Useful life of plant and equipment

(i) Newly built/acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10% materiality threshold).

(ii) AASB 13 *Fair Value Measurement* provides an exemption for not-for-profit public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

(iii) CSO adjustment of 95% was applied to reduce the market approach value for GMCT specialised land.

How we measure fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For the purpose of fair value disclosures, GMCT has determined classes of assets on the basis of the nature, characteristics and risks of the asset 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 reassessing 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.

The Valuer-General Victoria (VGV) is GMCT's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the Financial Statements

Continued

Valuation hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities and GMCT has determined that the transaction price or quoted price does not represent fair value.

Consideration of highest and best use (HBU) for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with AASB 13 *Fair Value Measurement* paragraph 29, GMCT has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land, Non-Specialised Buildings and Cultural Assets

Non-specialised land, non-specialised buildings and cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2017.

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 is classified as a Level 3 asset.

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 for land adjusted for CSO and depreciated replacement cost for buildings. The effective date of the valuation is 30 June 2017.

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.

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%. The discount of 95% 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 in accordance with the requirements of Financial Reporting Direction FRD103H *Non-current Physical Assets*, issued pursuant to the *Financial Management Act 1994*. The next scheduled revaluation under FRD103H 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. An Annual Revaluation Assessment has been performed and involves identifying land assets that have had a material (i.e. greater than or equal to 10%) movement against Valuer-General Victoria Financial Year Indices.

Land for cemetery use is classified as either interment land (listed as inventory) or land under infrastructure (part of property, plant and equipment).

Motor Vehicles

GMCT acquires new motor 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 motor vehicles. As a result, the fair value of motor vehicles does not differ materially from the carrying value (depreciated cost).

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.

Notes to the Financial Statements

Continued

There were no changes in valuation techniques throughout the year to 30 June 2021.

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

Note 4.2 (f): Property, plant and equipment revaluation surplus

	2021 \$ 000	2020 \$ 000
Property, plant and equipment revaluation surplus		
Balance at the beginning of the reporting period	28,979	28,979
Revaluation increment		
Land	790	–
Balance at the end of the reporting period	29,769	28,979
Represented by:		
Land	1,793	1,002
Buildings	19,588	19,588
Plant and infrastructure	8,389	8,389
Balance at the end of the reporting period	29,769	28,979

Note 4.3: Intangible assets

Note 4.3 (a) Intangible assets – Gross carrying amount and accumulated amortisation

	2021 \$ 000	2020 \$ 000
Computer software systems at cost	2,699	2,699
Less accumulated amortisation	(1,635)	(900)
Total intangible assets	1,064	1,799

Note 4.3 (b) Reconciliation of intangible assets

	Intangible Assets \$ 000	Work in Progress \$ 000	Total \$ 000
Balance at 1 July 2019	1,868	931	2,799
Transfer from Property Plant and Equipment Work in Progress	–	7,504	7,504
Transfer to completed assets	8,412	(8,412)	–
Impairment of intangible assets	(1,399)	–	(1,399)
Amortisation expense	(875)	–	(875)
Transformation program costs	(6,207)	(23)	(6,230)
Balance at 1 July 2020	1,799	–	1,799
Amortisation expense	(735)	–	(735)
Balance at 30 June 2021	1,064	–	1,064

During the prior year the transformation program concluded with accumulated expenditure of \$7.8M of which \$6.2M was expensed and \$1.6M was capitalised as an intangible asset.

How we recognise intangible assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

Note 4.4: Depreciation and amortisation

	Note	2021 \$ 000	2020 \$ 000
Depreciation			
Buildings, infrastructure and improvements		4,219	2,980
Motor vehicles, plant and equipment		3,200	2,478
Aggregate depreciation recognised as an expense during the year		7,419	5,458
Amortisation			
Amortisation of computer software systems	4.3	735	875
Total depreciation and amortisation		8,153	6,333

Notes to the Financial Statements

Continued

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (excluding 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 \$3K (2020: \$3K) 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.

How we recognise amortisation

Intangible assets with a cost in excess of \$3K (2020: \$3K) are capitalised.

Amortisation is allocated to intangible assets with finite useful lives. This is undertaken 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 asset is tested to assess whether its carrying value exceeds its recoverable amount. Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

The following table indicates the expected useful life on which the depreciation and amortisation charges are based:

	2021	2020
Buildings	40 years	40 years
Infrastructure and improvements	10 or 50 years	10 or 50 years
Plant and equipment	10 years	10 years
Motor vehicles	5 years	5 years
Computer software systems	3-6 years	3-6 years

Note 4.5: Inventories

	2021 \$ 000	2020 \$ 000
Current		
Land – interment purposes	375	172
Grave foundations and beams	17,984	13,399
Mausoleum crypts	13,533	9,662
Work in progress	31,023	29,405
	62,916	52,638
Non-current		
Land – interment purposes	12,341	12,122
Total inventories	75,256	64,760

How we recognise 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 are measured at the lower of cost and net realisable value.

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.

Note 5 – Other assets and liabilities

This section sets out those assets and liabilities that arose from GMCT's operations.

Structure

- 5.1 Receivables and contract assets
- 5.2 Payables and contract liabilities
- 5.3 Contract liabilities
- 5.4 Other provisions

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	GMCT uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	GMCT applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the cemetery trust assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Notes to the Financial Statements

Continued

Note 5.1: Receivables and contract assets

	Note	2021 \$ 000	2020 \$ 000
Current			
Contractual			
Trade and sundry debtors		1,631	1,864
Payment plan receivable		7,782	5,168
Accrued interest and distributions		13,929	7,592
Less: Allowance for impairment losses of contractual receivables	5.1(a)	(6)	(6)
Total current contractual receivables		23,336	14,618
Statutory			
GST receivable		722	650
Total current statutory receivables		722	650
Total receivables		24,058	15,268

Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables

	2021 \$ 000	2020 \$ 000
Balance at the beginning of the year	6	6
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	-	-
Balance at end of the year	6	6

How we recognise receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors and payment plans (including off the plan sales) in relation to goods and services, and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. GMCT holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- statutory receivables, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The cemetery trust applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

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*.

GMCT is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

Refer to Note 7.2 for GMCT's contractual impairment losses.

Note 5.2: Payables

	2021 \$ 000	2020 \$ 000
Current		
Contractual		
Trade creditors	4,276	3,051
Accrued salaries and wages	683	579
Other creditors and accruals	3,795	2,500
Total contractual creditors	8,755	6,130
Statutory		
Department of Health	2,469	2,031
Superannuation liability	160	149
Total statutory creditors	2,629	2,180
Total payables	11,384	8,310

How we recognise payables and contract liabilities

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to GMCT prior to the end of the financial year that are unpaid; and
- statutory payables, that 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 contracts.

The normal credit terms for accounts payable are usually Net 30 days.

Notes to the Financial Statements

Continued

Note 5.3: Contract liabilities

	2021 \$ 000	2020 \$ 000
Current		
Pre-need deed sales liability	21,407	19,682
Deposits received in advance	13,598	10,658
Total contract liabilities	35,005	30,340
Opening balance of contract liabilities	30,340	19,723
Payments received for performance obligations not yet fulfilled	10,017	12,627
Revenue recognised for the completion of performance obligations	(5,352)	(2,011)
Total contract liabilities	35,005	30,340

How we recognise contract liabilities

Contract liabilities comprises unearned income which represents monies received in advance of the provision of interment services, cremation services, right of interment sales and pre-sales of some goods e.g. memorial plaques.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

Please refer to Note 7.2(b) for the ageing analysis of payables

Note 5.4: Other provisions

	2021 \$ 000	2020 \$ 000
Current other provisions		
Onerous contracts	85	78
Total other current provisions	85	78
Balance at beginning of year	78	214
Amount taken to comprehensive operating statement	7	(136)
Balance at end of the year	85	78

How we recognise other provisions

Other 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 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.

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.

An onerous contract is considered to exist when the unavoidable cost of meeting the contractual obligations exceeds the estimated economic benefits to be received.

Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received

Note 6 – How we finance our operations

This section provides information on the sources of finance utilised by GMCT during its operations and other information related to the financing activities of GMCT.

This section includes disclosures of balances that are financial instruments (such as cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

- 6.1 Cash and cash equivalents
- 6.2 Commitments for expenditure

Note 6.1: Cash and cash equivalents

	2021 \$ 000	2020 \$ 000
Cash on hand	1	2
Cash at bank	4,421	4,746
Total cash and cash equivalents	4,422	4,748

How we recognise 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, that are held for the purpose of meeting short-term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Notes to the Financial Statements

Continued

Note 6.2: Commitments for expenditure

	2021 \$ 000	2020 \$ 000
Capital expenditure commitments		
Not longer than one year	8,937	18,334
Longer than one year and not longer than five years	200	2,434
Longer than five years	-	-
Total capital expenditure commitments	9,137	20,768
Operating expenditure commitments		
Not longer than one year	2,160	781
Longer than one year and not longer than five years	1,214	955
Longer than five years	-	-
Total operating expenditure commitments	3,374	1,736
Lease expenditure commitments		
Not longer than one year	107	105
Longer than one year and not longer than five years	80	211
Longer than five years	-	-
Total operating expenditure commitments	187	316

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

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. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

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.

Structure

- 7.1 Financial instruments
- 7.2 Financial risk management objectives and policies
- 7.3 Contingent assets and contingent liabilities

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*.

Categorisation of financial instruments

2021	Financial Assets at Amortised Cost	Financial Assets at Fair Value through Net Result	Financial Liabilities at Amortised Cost	Total
Contractual financial assets				
Cash and cash equivalents	4,422	–	–	4,422
Receivables	1,625	–	–	1,625
Payment plan receivable	7,782	–	–	7,782
Other receivables	13,929	–	–	13,929
Investments and other financial assets				
Managed investment schemes	–	344,986	–	344,986
Total financial assets⁽ⁱ⁾	27,758	344,986	–	372,744
Contractual financial liabilities				
Payables	–	–	(8,755)	(8,755)
Total financial liabilities⁽ⁱ⁾	–	–	(8,755)	(8,755)

Notes to the Financial Statements

Continued

2020	Contractual financial assets – loans and receivables	Contractual financial assets – available for sale	Contractual financial assets/liabilities at amortised cost	Total
Contractual financial assets				
Cash and cash equivalents	4,748	–	–	4,748
Receivables	1,858	–	–	1,858
Payment plan receivable	5,168	–	–	5,168
Other receivables	7,592	–	–	7,592
Investments and other financial assets				
Managed investment schemes	–	307,588	–	307,588
Total financial assets⁽ⁱ⁾	19,366	307,588	–	326,954
Contractual financial liabilities				
Payables	–	–	(6,130)	(6,130)
Total financial liabilities⁽ⁱ⁾	–	–	(6,130)	(6,130)

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. Superannuation liability and DHHS payable).

How we categorise financial instruments

Categories of financial assets under AASB 9

Financial assets are recognised when GMCT becomes party to the contractual provisions to the instrument. For financial assets, this is at the date GMCT commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by GMCT to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The following assets are recognised in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Financial assets at fair value through net result

GMCT initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis; or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Categories of financial liabilities

Financial liabilities are recognised when GMCT becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- GMCT retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or

GMCT has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where GMCT has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of GMCT’s continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an ‘other economic flow’ in the comprehensive operating statement.

Notes to the Financial Statements

Continued

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, GMCT's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, GMCT's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included 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, financial liability and equity instrument above are disclosed throughout 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 Accountable Officer.

Note 7.2 (a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. GMCT's exposure to credit risk arises from the potential default of a 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.

Credit risk associated with GMCT's contractual financial assets. GMCT is exposed to credit risk associated with funeral directors and other debtors who are non-government.

GMCT does not engage in hedging for its contractual financial assets. GMCT's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that GMCT will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents GMCT's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to GMCT's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9

GMCT records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 *Financial Instruments*, impairment assessment includes contractual receivables, statutory receivables and its investment in debt instruments.

Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9 *Financial Instruments*. While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments*, any identified impairment loss would be immaterial.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised costs

GMCT applies AASB 9 *Financial Instruments* simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. GMCT has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on GMCT's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, GMCT determines the opening loss allowance and the closing loss allowance at end of the financial year as follows:

30 June 2021	Current	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Expected loss rate*	0%	0%	0%	4.2%	0%	
Gross carrying amount of contractual receivables	23,111	86	3	142	–	23,342
Loss allowance* (\$ 000)	–	–	–	6	–	6

30 June 2020	Current	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Expected loss rate*	0%	0%	0%	2.4%	0%	
Gross carrying amount of contractual receivables	14,084	244	41	255	–	14,624
Loss allowance* (\$ 000)	–	–	–	6	–	6

* The expected loss rate is held at 0% based on historical credit risk examination. The loss allowance is assessed on trade debtors on an individual basis and reflects the doubtful debts from Note 5.1.

Notes to the Financial Statements

Continued

Statutory receivables and debt investments at amortised cost

GMCT's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

GMCT also has investments in Managed Investment Schemes.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, no loss allowance has been recognised in the current year under AASB 139.

Reconciliation of the movement in the loss allowance for contractual receivables

	2021 \$ 000	2020 \$ 000
Opening Loss Allowance	6	6
Increase in provision recognised in the net result	–	–
Balance at the end of the year	6	6

Note 7.2 (b) Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

GMCT is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The cemetery trust manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

GMCT's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

The following table discloses the contractual maturity analysis for GMCT's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Payables maturity analysis

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

Financial liabilities at amortised cost	Carrying amount \$ 000	Nominal amount \$ 000	Less than 1 month \$ 000	Maturity dates		
				1-3 months \$ 000	3 months – 1 year \$ 000	1-5 years \$ 000
2021						
Total contractual creditors	8,755	8,755	8,755	–	–	–
Total	8,755	8,755	8,755	–	–	–
2020						
Total contractual creditors	6,130	6,130	6,130	–	–	–
Total	6,130	6,130	6,130	–	–	–

Note 7.2 (c) Market risk

GMCT's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

GMCT's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. GMCT's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1% up or down; and
- a change in the top ASX 200 index of 15% up or down.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. GMCT does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GMCT has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

Equity risk

GMCT is exposed to equity price risk through its investments in listed and unlisted shares held in Managed Investment Schemes. Such investments are allocated and traded to match the cemetery trust's investment objectives.

Notes to the Financial Statements

Continued

Note 7.3: Contingent assets and contingent liabilities

How we measure and disclose contingent assets and contingent liabilities

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the cemetery trust.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the cemetery trust; or
- present obligations that arise from past events but are not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There were no material quantifiable or non-quantifiable contingent assets or contingent liabilities at the reporting date (2020: Nil).

Note 8 – Other disclosures

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

Structure

- 8.1 Reconciliation of net result for the year to net cash flow from operating activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of executives
- 8.4 Remuneration of other personnel
- 8.5 Related party transactions
- 8.6 Remuneration of auditors
- 8.7 Ex-gratia expenses
- 8.8 Events occurring after the balance sheet date
- 8.9 Equity

Note 8.1: Reconciliation of net result for the year to net cash flows from operating activities

	2021 \$ 000	2020 \$ 000
Net result for the year	57,446	(4,249)
Non-cash flows in the operating result		
Depreciation and amortisation	8,153	6,333
(Profit)/loss from disposal of property, plant and equipment	(252)	(28)
Impairment on non-financial assets	–	1,399
Realised (gain)/loss on financial assets	(11,575)	(2,901)
Unrealised (gain)/loss on financial assets	(23,505)	5,231
Transformation project	–	6,207
Loss on disposal	–	183
	(27,179)	16,424
Changes in assets and liabilities		
(Increase)/decrease in receivables	(8,791)	(12,967)
(Increase)/decrease in inventories	(10,496)	(10,447)
(Increase)/decrease in prepayments	39	(104)
Increase/(decrease) in payables	3,481	(767)
Increase/(decrease) in employee benefits	(738)	952
Increase/(decrease) in onerous contracts	7	(135)
Increase/(decrease) in unearned income	4,665	10,617
	(11,832)	(12,851)
Net cash flow from operating activities	18,435	(676)

Notes to the Financial Statements

Continued

Note 8.2: Responsible persons disclosure

In accordance with the ministerial directions issued by the Assistant Treasurer 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 Parliamentary Services.

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

Responsible minister	Period
The Honourable Martin Foley, Minister for Health	26/09/2020 – 30/06/2021
The Honourable Jenny Mikakos, Minister for Health	01/07/2020 – 26/09/2020

Governing board (the Trust)	
Michael Doery (Chair)	01/07/2020 – 30/06/2021
Elizabeth Beattie	01/07/2020 – 30/06/2021
David Cragg	01/07/2020 – 30/06/2021
Beverley Excell	01/07/2020 – 30/06/2021
Dana Hlavacek	01/07/2020 – 30/06/2021
Kim McAlinney	01/07/2020 – 30/06/2021
Janice Penney (retired 31 August 2020)	01/07/2020 – 31/08/2020
Kevin Quigley	01/07/2020 – 30/06/2021
Katerina Angelopoulos (appointed 1 September 2020)	01/09/2020 – 30/06/2021
Vedran Drakulic (appointed 1 September 2020)	01/09/2020 – 30/06/2021

Accountable officer	
Deb Ganderton (Chief Executive Officer)	01/07/2020 – 30/06/2021

Remuneration of responsible persons

The number of responsible persons is shown in the relevant income bands.

Income band	Total remuneration	
	2021	2020
\$0 – \$9,999	1	–
\$10,000 – \$19,999	8	8
\$20,000 – \$29,999	–	1
\$30,000 – \$39,999	1	–
\$290,000 – \$299,999	1	1
	11	10
Total remuneration received or due and received by responsible persons from the reporting entity amounted to	\$447,180	\$434,447

Note 8.3: Remuneration of executives

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 of executive officers (including key management personnel)	Total remuneration 2021 \$ 000	Total remuneration 2020 \$ 000
Short term employee benefits	914	1,152
Post-employment benefits	87	109
Total remuneration⁽ⁱ⁾	1,001	1,261
Total number of executives	5	7
Total annualised employee equivalents (AEE)⁽ⁱⁱⁱ⁾	5.0	6.0

(i) 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 8.3)

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

GMCT comply with the Public Entity Executive Remuneration Policy (PEER Policy) which came into effect on the 4 February 2020 and do not have any bonus arrangements in place for the current and prior year.

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

Salaries and wages, 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

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Note 8.4: Remuneration of other personnel

There were no contractors charged with significant management responsibilities receiving total expenses in excess of \$100K (2020: Nil).

Notes to the Financial Statements

Continued

Note 8.5: 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; and
- all cemetery trusts and 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, cabinet ministers and KMP as determined by the Trust. KMP includes those identified as Responsible Persons by name in Note 8.2(a) and the following Executive Officers:

Brian Smart	Chief Financial Officer
Andrew Eriksen	Chief Operating Officer
Dimi Patitsas	Chief People and Risk Officer
Andrew Port	Company Secretary
Graham Marsland	Chief Strategy, Innovation and Performance Officer (from 06/07/2020 to 30/06/2021)

The compensation below comprises the remuneration of responsible persons and executives but 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.

	2021 \$ 000	2020 \$ 000
Compensation		
Short-term employee benefits	1,322	1,549
Post-employment benefits	126	147
Total	1,448	1,696

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 members of the public e.g. they incur 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 the 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, being the payment of the 2019-20 cemetery levy of \$2.031 million (2020: \$2.042 million). Related party balances payable to the Department of Health for the cemetery levy as at 30 June 2021 were \$2.469 million (2020: \$2.031 million).

Note 8.6: Remuneration of auditors

	2021 \$ 000	2020 \$ 000
Victorian Auditor General's Office		
Audit of the financial statements	99	99
	99	99

Note 8.7: Ex-gratia payments

GMCT has not made any ex-gratia payments during the current reporting period or previous reporting period. The Trust also has not written off any amounts during the current reporting period or previous reporting period. (2020: Nil).

Note 8.8: 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 that occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions that 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 that arose after the end of the reporting period and that may have a material impact on the results of subsequent reporting periods.

No material matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of GMCT, the results of the operations or the state of affairs of the GMCT in the future financial years.

Note 8.9: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the GMCT.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

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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(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.


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