



The Greater Metropolitan
Cemeteries Trust

Annual Report 2022–23

The Greater Metropolitan
Cemeteries Trust

Acknowledgement of Traditional Owners

GMCT operates across the lands of both the Bunurong People and the Wurundjeri People, and we acknowledge them as the Traditional Owners. We also pay our respects to their Elders, past and present.

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About this report

This report has been prepared, for presentation to Parliament, to detail the activities and finances of The Greater Metropolitan Cemeteries Trust (GMCT) for the 12 months ending 30 June 2023.

The report was endorsed at a meeting of the Trust on 23 August 2023. It provides information about the Trust's governance, objectives, functions, performance and achievements and highlights GMCT's work throughout the year. The report includes information about management, operations, infrastructure and planning, workforce, sector leadership, stakeholder engagement and financial operations.

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 its release.

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

Accessibility

To receive a copy of this publication email GMCT at enquiries@gmct.com.au. You can also phone GMCT on 1300 022 298. First, call the National Relay Service on 13 36 77 if required.

Disclaimer

Except where otherwise indicated, the photographs in this publication show models and illustrative settings only, and do not necessarily depict actual services, facilities, or recipients of services.

Trust Chair's message

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 2023.

Our work and vision at the Greater Metropolitan Cemeteries Trust (GMCT) are driven by the communities and families we serve and our values of compassion, respect, integrity, and sustainability.

The year ending 30 June 2023 has been highly productive: planning new cemeteries, enhancing existing ones, embedding sustainability across the organisation, continuing to innovate and, importantly, serving the bereaved with compassion are among our achievements.

I am very proud of the support our staff provide grieving families, from early bereavement to memorialisation and across the weeks and years that follow. It's from these sound foundations that we successfully deliver our Strategic Plan.

The Trust is very grateful to families and communities who have provided insights into their needs, expectations and experiences with GMCT over the past year. In particular, the people of Melbourne's west provided valuable input on our plans for the reimagined cemetery at Harkness. Their generosity helps us shape the sites and services we offer to the community.

Infrastructure for the future

Much has been done in the past year for the developing sites in Harkness, Altona and Emerald. The significant engagement regarding the reimagined cemetery at the Harkness site has informed the masterplan, and the project is now in its detailed design phase.

We have continued capital works in existing cemeteries to meet current and future community needs. The formerly barren site at Northern Memorial Park has been transformed over the last eight years into the River Red Gum Precinct, a beautiful and welcoming space featuring waterways, abundant wildlife and diverse memorialisation options. We have similarly high expectations for the proposed extensions to Altona Memorial Park and Keilor Cemetery.



Innovation and leadership

Our scale and position as a Class A trust obliges us to innovate and demonstrate leadership within the sector. We are trialling new landscaping, environmental management, and sustainable disposition techniques, such as natural burials. We continue to support and share learnings with Class B cemetery trusts across Victoria wherever possible.

Our landmark research partnership with the University of Melbourne on 'The Future Cemetery' continues to add value. Funded by the Australian Research Council, it is informing our response to changing technology and social expectations. We are using this research and community engagement, including that undertaken by the Community Advisory Committee, to shape our service offerings.

Sustainability

GMCT is committed to lightening its carbon footprint – a substantial and vital ambition. We are implementing our Sustainability Strategy, with plans to reduce our carbon emissions and embed sustainable practices in planning for our reimagined cemetery at Harkness. As Chair, I restate the Trust's strong commitment to its delivery.



Left to right: Bev Excell, Dana Hlavacek, Kevin Quigley, Katerina Angelopoulos, Michael Doery (Trust Chair), Liz Beattie (Deputy Trust Chair), Vedran Drakulic, David Cragg.

Expectations for the future

In this final year of our current Strategic Plan, we will further enhance our exceptional care and community service while delivering an ambitious development agenda. This includes commencing construction at the site in Harkness; expanding mausoleum offerings in the Eastern region, Keilor and Werribee; and strengthening the organisation's digital capabilities. Our executive team will also develop a renewed vision to guide us beyond the current Strategic Plan.

We'll also continue our reconciliation journey, with our first Reconciliation Action Plan (RAP) receiving the conditional endorsement from Reconciliation Australia in December 2022. GMCT's Reflect RAP will be published in late 2023, and I'm eager to see the outcome of the work and for us to embark on a more structured approach to advancing reconciliation.

Corporate capability

I'm very proud of how our people have dealt with the complex challenges of the past three years. Ours is a stable and cohesive organisation operating effectively across 19 sites. I congratulate our executive and leadership team for their efforts over the past 12 months. I am confident in their capacity for continued excellence as they deliver the final year of the 2022–24 Strategic Plan.

Acknowledgements

Thank you to the Trust and Community Advisory Committee members for their insight and dedication. I am grateful to each of them and to all GMCT staff.

I want to acknowledge and thank the Hon. Mary-Anne Thomas MP, Minister for Health, and Tim Richardson MP, Parliamentary Secretary for Health Infrastructure, for their support. I am also grateful to the Victorian Government and the Department of Health (in particular to Bryan Crampton on his retirement). The Trust will continue working productively across government so that we all take care of the moments that matter.

Michael Doery

Chair
The Greater Metropolitan Cemeteries Trust

Chief Executive Officer's message

I am pleased to present this annual report of the Greater Metropolitan Cemeteries Trust's operations for 2022–23. It has been a satisfying and productive year in which GMCT has positioned the families at the heart of our organisation.

Driving the performance throughout the year is GMCT's commitment to its values and Strategic Plan. The Strategic Plan seeks to strengthen our relationship with our customers, invest in our staff, and provide products and services for Victoria's diverse communities when and where they are needed.

Thanks to our continued positive fiscal results, a strengthened customer focus, digital expansion and sector-leading planning, we continue to provide communities with the high-quality cemeteries and memorial parks they need.

A customer-centred approach

GMCT is mindful of the lived experiences each customer represents, and service delivery has undergone impressive improvement over the past year, with significantly reduced call wait-times for general enquiries, service bookings and memorial application processing.

In addition to these outcomes, staff relied upon extensive customer and community research to develop new and improved services and pricing information guides, boosting our business partners' ability to respond to customers' needs for informed decision-making. Simultaneously, GMCT provided additional services accessible by people with hearing impairments and those from culturally and linguistically diverse backgrounds.

These initiatives positively impacted this year's customer and business partner survey. GMCT performed particularly well on 'satisfaction with decisions made', 'confidence in outcomes achieved' and 'ease of process'.



Digital innovation

For many clients, their first connection with the Trust is digital. Customer expectations for connecting with the Trust from the convenience of their own home is increasing. This was evidenced by the significant level of adoption of an online payment system, recently implemented.

In response to customer feedback, GMCT also implemented a new call centre phone system, reducing wait times and enhancing reporting capability to better address customer feedback in a timelier manner.

Additionally, we have upgraded our Geographical Information Systems (GIS) platform.

This platform brings data, information, and maps together, in a manner that empowers staff and informs various stakeholders, leading to more accurate information and improved operational and strategic planning.

Reimagining the modern cemetery

Building on from last year's extensive community consultation, we have made impressive progress in developing Victoria's largest cemetery in 100 years, at our 128-hectare site at Harkness.

Attaining this large parcel of land to serve the expanding communities of Melbourne's western growth corridor for the next century, demonstrates the enormous value of our long-term planning. This cemetery will provide residents in Melbourne's west access to a peaceful place for reflection and memorialisation for generations, while potentially meeting additional community needs.

We have now completed the masterplan, based on extensive and ongoing community engagement including our co-design work with the Traditional Owners, the Wurundjeri People of the Kulin Nation. The detailed design is now underway.

This consultation is helping us reimagine the modern cemetery, consider more sustainable interment practices, and investigate appropriate, multiple uses for this rare and substantial parcel of open public space.

Planning teams completed the Facilities Strategy, which will enable well-informed strategic asset management.

We recently completed our Cemeteries for Everyone Strategy to ensure our cemeteries are seen as an integral part of Melbourne's metropolitan open space network. We have in turn, made our master planning processes more robust, client responsive and informative.

Additionally, master planning for recently acquired land adjacent to the Emerald Cemetery was finalised and includes natural burial options in response to climate change and customer expectation regarding more sustainable interment practices.

Similar consideration will be applied to the Altona Eastern site in the coming months, as the Masterplan for the new site evolves.

I am confident that planning and engagement excellence will ensure we deliver the social and environmental value expected by our communities and align our services with the growing population's needs.

Positive fiscal results

Our fiscal performance over the past year remains critical to the provision and establishment of multiple new and accessible parks across metropolitan Melbourne.

This result positions us to meet the needs of Melbourne's rapidly growing and diverse population, respond to climate change through reimagined cemeteries and evolve in line with community expectations for quality health services and infrastructure.

Exceptional results require exceptional staff. Their dedication to customer service is reflected in the quality of our client experiences. I also wish to thank the Community Advisory Committee, community groups and business partners we've collaborated with this past year, who, along with the Trust, the executive and our people, seek to live the values of compassion, respect, integrity and sustainability.

Andrew Eriksen

CEO

The Greater Metropolitan Cemeteries Trust

About The Greater Metropolitan Cemeteries Trust

Manner of establishment

The Greater Metropolitan Cemeteries Trust (GMCT) is a body corporate with perpetual succession, established by the Governor in Council and classified as a 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 in Altona, Andersons Creek, Fawkner, Keilor, Lilydale, Preston, Templestowe and Wyndham.

The responsible Minister is the Minister for Health:

Minister for Health, The Hon. Mary-Anne Thomas MP:
1 July 2022 to 30 June 2023.

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

We care for the living by taking care of moments that matter.

Nature and range of services provided

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. We help more than 12,500 families every year across a broad spectrum of communities, cultures and faiths by providing:

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

Our stakeholders

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



**Families
(customers)
we serve**



**Funeral directors
and celebrants**



Employees



**Stonemasons and
business partners**



Local communities



Suppliers



Local councils



**Regulatory
authorities**



Local residents



**Special interest
and religious
groups**



**Class B
cemetery trusts**



Historical societies

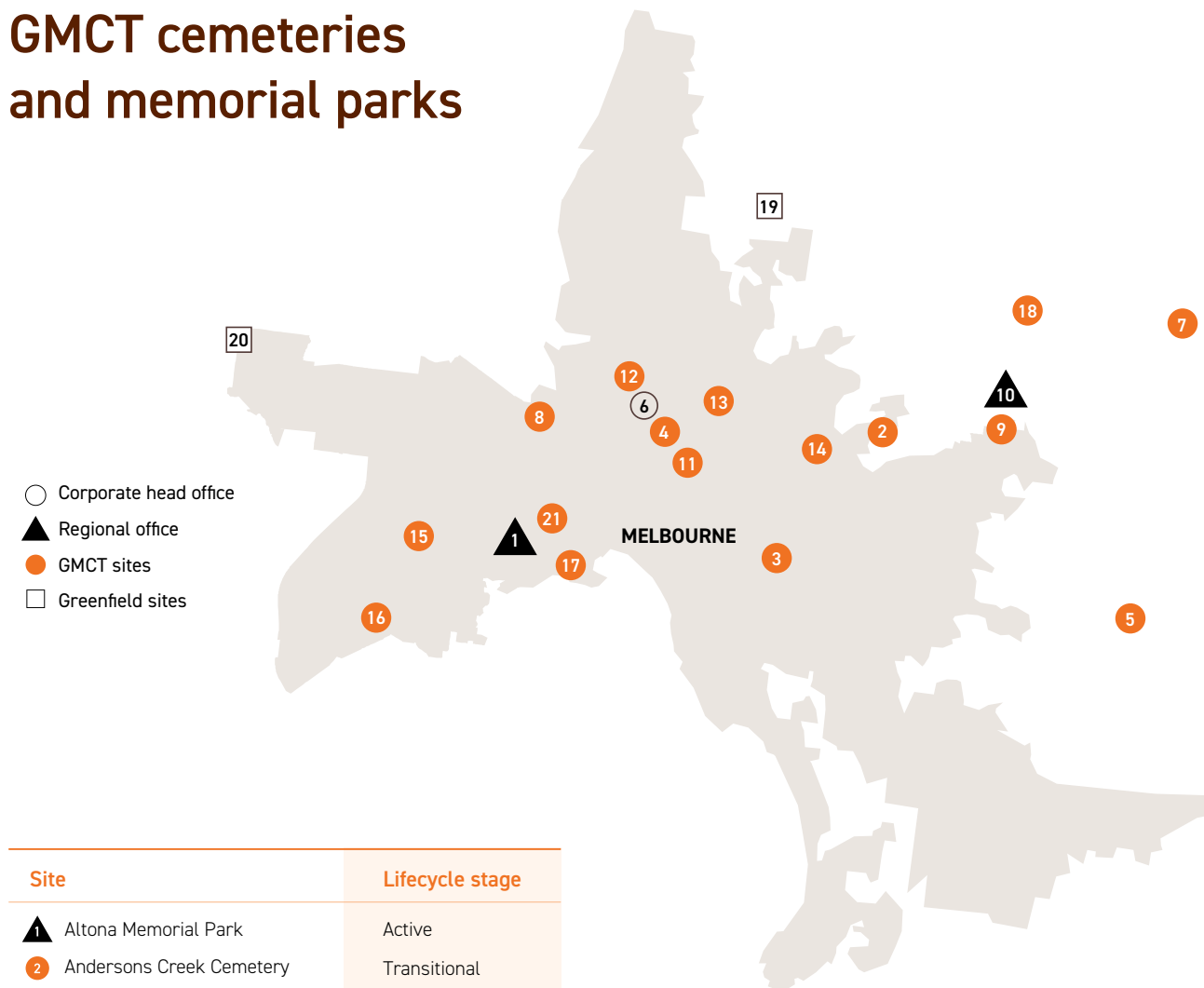


**The Victorian
Government**



**Academia
and research**

GMCT cemeteries and memorial parks



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.*

Cemetery lifecycle

About one third of the cemeteries managed by GMCT are either in a state of perpetual maintenance or have almost reached peak capacity. Several GMCT cemeteries have been serving their local communities for more than 150 years.

The cemetery lifecycle includes:

- 1. Concept:** Identifying the need or opportunity and then identifying and acquiring new land for cemetery use.
- 2. Establishment:** Planning for the development of new greenfield sites and acquired land.
- 3. Active:** Operating cemeteries with high visitation, interments and a wide range of services.
- 4. Transitional:** Lessening requirement for infrastructure, continued but declining interment and services and medium visitation.
- 5. Perpetual:** Ongoing maintenance and a focus on heritage for cemeteries with minimal space available and low visitation rates.

Reporting to government

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

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

- › an annual report about operations and financial performance
- › a detailed strategic plan and annual plan
- › direct contact between the Chair, Chief Executive Officer, and government representatives on key issues
- › frequent communication at an executive level about performance, industry and policy issues.

Independence of Trust members

GMCT follows the Victorian Public Sector 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 may seek relevant independent professional advice relating to performing their responsibilities.

Trust performance

As part of its commitment to effective and transparent corporate governance, the Trust undertook its annual self-assessment in April 2023.

Trust committees

Trust members serve on several committees in a review or advisory capacity.

Under the Cemeteries and Crematoria Act 2003 (the Act) the Trust may also appoint independent members from outside the organisation to provide specialist skills, knowledge and expertise. During FY23, an independent member, appointed in FY22, continued to serve on the Finance and Investment Committee.

GMCT has four committees under the Act. Each committee is chaired by a Trust member and operates under terms of reference for its procedures. The terms of reference for each committee are available on GMCT's website.

The Audit and Risk Management Committee

This committee assists the Trust in fulfilling its governance and oversight responsibilities in:

- › 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

This committee has an advisory role assisting the Trust to fulfill its statutory and financial responsibilities 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 (CAC) role is to provide advice to the Trust to assist it to carry out its community engagement responsibilities. It also raises any issues of concern or interest to the community with the services provided by GMCT.

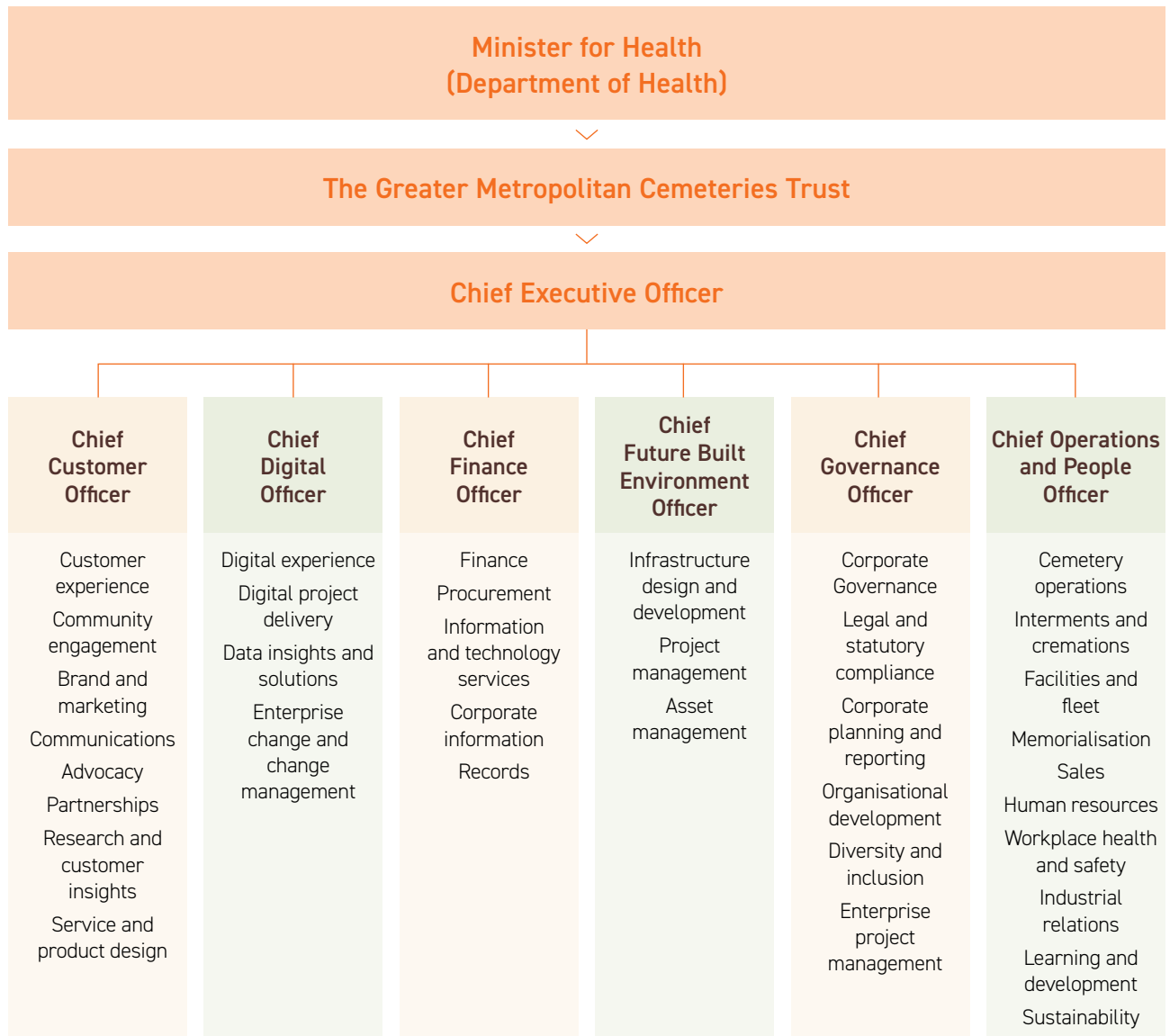
A key objective is to proactively engage with the community to make sure community and consumer views are considered when GMCT plans and delivers services. The CAC provides advice about integrating consumer and community views at all levels of operations, planning and policy development.

Executive Performance and Remuneration Committee

The Executive Performance and Remuneration Committee provides advice and direction to the Trust on:

- › the overall performance and remuneration of executives
- › the individual remuneration packages of the Chief Executive Officer and other executive positions as defined by applicable government policies.

Organisational structure



The Trust

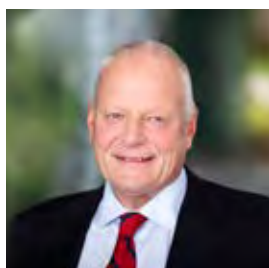
Corporate governance of GMCT is the responsibility of eight Trust members who are appointed by the Governor in Council on the recommendation of the Minister for Health.

The key duties 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. 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

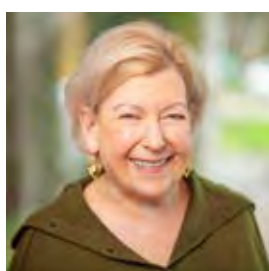


Michael Doery

BFA, FAICD

Trust Chair, Executive Performance and Remuneration member

Appointed 1 November 2019. Renewed 1 March 2022 to 28 February 2025.



Elizabeth (Liz) Beattie

GAICD

Deputy Trust Chair, Community Advisory Committee Chair

Executive Performance and Remuneration Committee member, Infrastructure Working Group member

Appointed 1 March 2016. Renewed 1 July 2021 to 30 June 2024.



Katerina Angelopoulos

MAICD, BSW, DipWS

Audit and Risk Management Committee member, Community Advisory Committee member

Appointed 1 August 2020. Renewed 1 July 2023 to 31 May 2026.

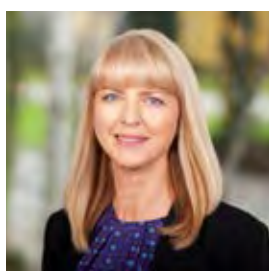


Vedran Drakulic OAM

MPubAdv&Act, EMFIA, MAICD

Finance and Investment Committee member, Infrastructure Working Group Convenor

Appointed 1 August 2020. Renewed 1 July 2023 to 31 May 2026.



Dana Hlavacek

BCom (Hons), MAcc, FCA

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

Appointed 1 March 2016. Renewed 1 July 2021 to 30 June 2024.



David Cragg

BA, Grad Dip (HRM)

Community Advisory Committee member, Finance and Investment Committee member

Appointed 1 March 2016. Renewed 1 July 2021 to 30 June 2024.



Beverley Excell

BSc (Hons), FAICD

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

Appointed 1 September 2017. Renewed 1 July 2023 to 31 May 2026.



Kevin Quigley FCA

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

Appointed 1 September 2017. Renewed 1 July 2023 to 31 May 2026.

Note: On 14 June 2023, the Governor in Council appointed Diana Nestorovska as a Trust member at GMCT, for a term commencing on 1 July 2023. Prior to July 2023, she accepted a new senior role at another organisation. As a result, in June 2023 she resigned from the GMCT role and did not, at any stage, commence duties as a Trust member at GMCT.

Name	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2023	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	TOTAL
Michael Doery, Trust Chair	•	•	•	•	•	•		•	•	•	•	•	11/11
Elizabeth Beattie, Deputy Chair	•	•	•	•	•	•		•	○	•	•	•	10/11
Katerina Angelopoulos	•	•	•	•	•	•		•	•	•	•	•	11/11
David Cragg	•	•	•	•	•	•		•	•	•	•	•	11/11
Vedran Drakulic	•	•	○	•	•	•		•	•	○	•	○	9/11
Beverley Excell	•	•	•	•	•	•		•	•	•	•	•	11/11
Dana Hlavacek	•	•	○	○	•	•		•	•	•	•	•	9/11
Kevin Quigley	•	•	•	•	•	•		○	•	•	•	•	10/11

Community advisory chair report

It has been a busy and rewarding 12 months for the Community Advisory Committee, and for me as its chair. We have continued our vital contributions to the Greater Metropolitan Cemeteries Trust's vision, planning and operations and to the families and communities the Trust serves.

Our ongoing efforts to ensure community voices are heard helps the Trust shape its services so they continue to meet dynamic community needs and expectations. We are a unique and effective sounding board for the Trust's planning and decision making.

Year in review

Supporting new developments and plans

The committee is playing an important role in the development of the future cemetery site in Harkness. Master planning began with extensive community engagement, and we have had substantial input to the detailed design phase. This was informed by a site visit to Harkness, which offered committee members insight into the cemetery's scale and shape and how it could serve diverse communities. We will continue this work as the Harkness site evolves.

We provided feedback regarding the Trust's first Reconciliation Action Plan. An important milestone, the plan aims to enhance relationships between First Nations and non-indigenous peoples who engage with the Trust's sites. The committee is also monitoring the Trust's Disability Access and Inclusion Plan to ensure our cemeteries and memorial parks are welcoming, inclusive and accessible.

Valuable contributions from community groups

There are many community groups who support and guide the Trust's work. Among them is the Friends of the Garden of Angels (the children's section at Fawkner Memorial Park). The committee was honoured to join their 2022 Carols by Candlelight event. We greatly appreciate the value highly engaged community groups bring to the Trust's cemeteries and memorial parks and will support their continued contributions to the communities we serve.



Thanks and acknowledgements

I want to thank committee members Dr Hannah Gould, Susan Parsons and Tashwita Rahalkar, who stepped down in 2022–23, for their exemplary service, wisdom and sensitivity.

I am proud that we have attracted equally high calibre committee members to fill their shoes. In 2023–24, we will welcome Claire Baxter, Candy Caballero, Preety Dhiman, Sam Holleran and Danella Webb. Despite busy professional and community lives, they are generously giving their time to act as counsellors and conduits between the broader community and the Trust.

The Community Advisory Committee for 2022–23 consisted of:

- › Elizabeth Beattie (Chair and Trust member)
- › Katerina Angelopoulos (Trust member)
- › David Cragg (Trust member)
- › Tania DeCarli
- › Hannah Gould (term ended 30 April 2023)
- › Justine Hadj
- › Rahil Khan
- › Susan Parsons (term ended 30 April 2023)
- › Tashwita Rahalkar (term ended 30 April 2023)
- › Anita Rivera

Thank you to all committee members for your insight, sensitivity and hard work.

Liz Beattie

Chair
Community Advisory Committee



Left to right:

Katerina Angelopoulos (Trust member), Justine Hadj, Preety Dhiman, Danella Webb, Liz Beattie (Trust member, Community Advisory Committee Chair), Anita Rivera, Candy Caballero, Rahil Khan, Sam Holleran. Absent: David Cragg (Trust member), Tania De Carli, Claire Baxter.

The 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*
- › GMCT's Strategic Plan
- › GMCT policies and procedures.

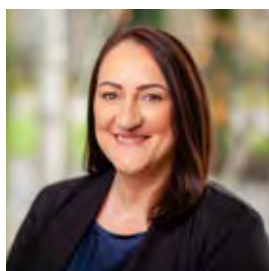


Chief Executive Officer

Andrew Eriksen

MAIM, MAIPM (CPPM), GAICD

The Chief Executive Officer (CEO) leads the organisation in accordance with the vision and direction set by the Trust. They advise the Trust on operational, financial, and other matters and delegate responsibility for management and day-to-day operations to the executive team.



Chief Operations and People Officer

Dimi Patitsas

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

The Chief Operations and People Officer (COPPO) is responsible for strategic leadership in the day-to-day delivery of our services, employee experience, occupational health and safety (OHS) and industrial relations. This includes responsibility for client services, funeral services (chapels, gatehouse and crematoria), interment services and presentation functions (grounds and facilities maintenance). The COPPO provides support across the organisation with expertise in the development and training of GMCT's workforce and OHS program and practices.



Chief Finance Officer

Brian Smart

BCom, 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 risk management, finance and information communication technology.



Chief Governance Officer

Andrew Port

BBus, Grad Dip Finance, MBA

The Chief Governance Officer (CGO) is responsible for supporting the organisation to develop, implement and embed good governance principles to enable cohesion, consistency, and efficiency across the whole organisation. The Chief Governance Officer also leads corporate planning and reporting, organisational development and inclusion and enterprise project management.



Chief Future Built Environment Officer

James Reid

BPD, BTRP, FPIA

The Chief Future Built Environment Officer is responsible for the masterplan development for GMCT sites, strategic land acquisitions and the implementation of masterplans. This includes the design of strategic major projects, project management and delivery.



Chief Customer Officer

Kelli Browne (commenced 6 June 2023)

BCom, BA, PGDipTour

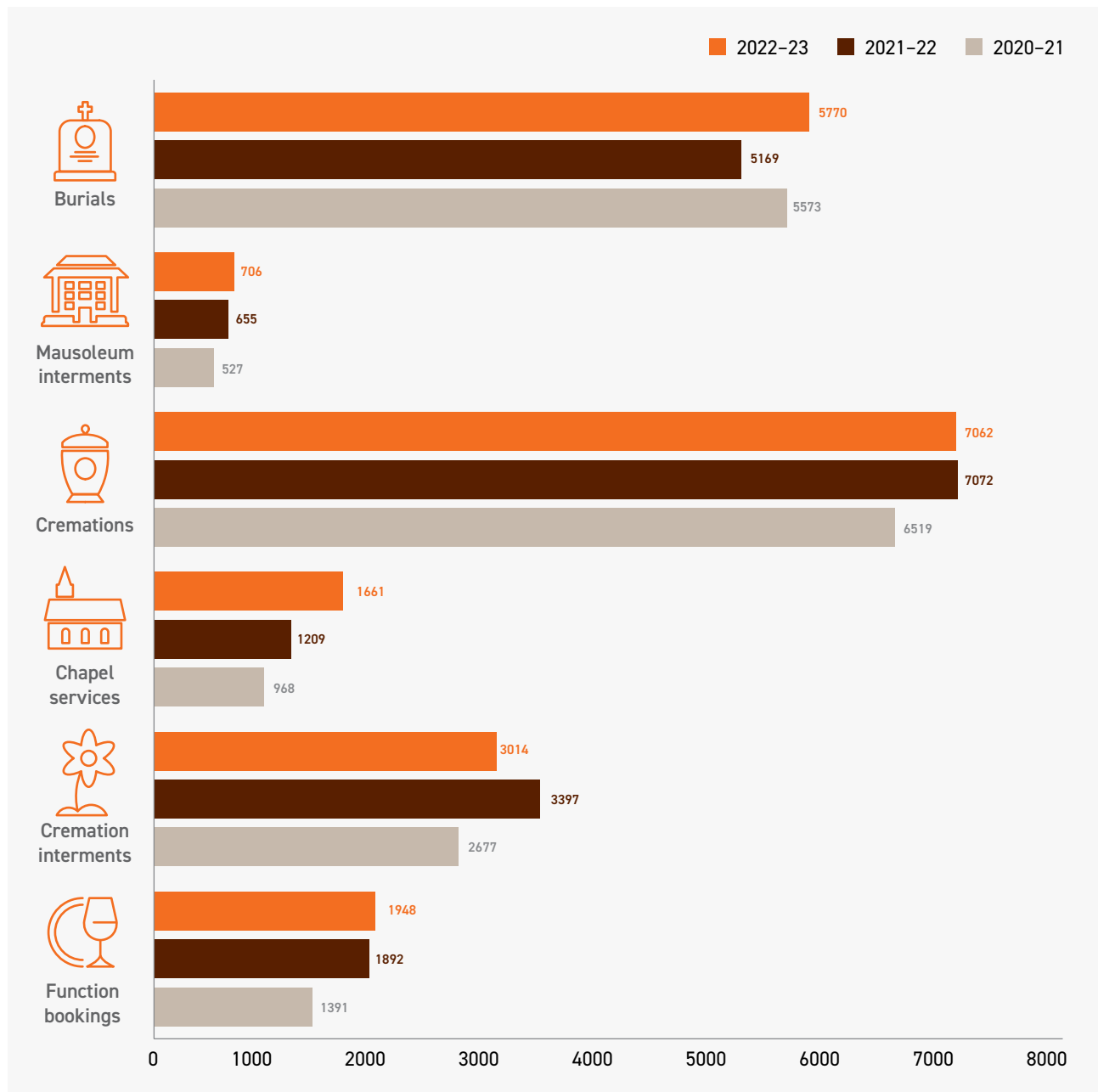
The Chief Customer Officer (CCO) is responsible for strategic leadership in partnerships, advocacy, communications, brand, marketing, community engagement, strategic planning, research, customer insights and service design. The CCO also leads the customer experience including the day-to-day operation of contact centre and funeral bookings team.

Chief Digital Officer

Vacant

The Chief Digital Officer (CDO) leads the digital experience for the customer and workforce. Their directorate is responsible for enterprise-wide change management and the delivery of digital projects and improvements for the business. The CDO also leads the management of data and the development of new digital products to support operational delivery of services.

Performance report



Environmental data reporting

2022–23 marked the first year of operation of GMCT's inaugural Sustainability Strategy. The Strategy has offered GMCT the chance to systematise our environmental management practices, as well as develop ways in which to measure and track our performance. Although GMCT's operations incorporate a range of existing sustainability practices that leave us well placed to meet the goals laid out in our Sustainability Strategy, we do not yet have sufficiently robust data collection processes to demonstrate these practices, or to identify hidden areas where improvement is required. This also means that we are not yet able to report comprehensively on all external environmental performance measures. The development of data collection capacity to meet our own and external reporting requirements is therefore a priority of the Executive in the coming year.

Of particular note in relation to GMCT's environmental impact is that GMCT's entire electricity consumption across its 19 sites is green energy. This energy is purchased from commercial electricity providers. The information regarding electricity generated within the reporting period was not available for this reporting period.

In relation to NABERS energy performance ratings for properties under GMCT control: although not all GMCT property portfolio assets have been environmentally rated, inhabited buildings within the portfolio (including leased assets) will be audited in the coming years and given environmental performance ratings. The performance ratings derived will be published in subsequent annual reports.

Table 1: Electricity production and consumption 2022–23

Total electricity consumption (MWh) (Indicator EL1)	1,321
Total electricity generated onsite (MWh) (Indicator EL2)	Not applicable
<i>See note above table</i>	
Fawkner Memorial Park (MWh)	78.3
Keilor Cemetery (MWh)	30.8
Total onsite generation capacity (MWh) (Indicator EL3)	109.1
Greenpower (MWh)	1,321
Total electricity offsets (MWh) (Indicator EL4)	1,321

Table 2: Stationary fuel use 2022–23

Diesel (MJ)	4,967,820
Petrol (MJ)	393,300
Natural gas (MJ)	15,969,673
Total fuels used in buildings and machinery (MJ) (Indicator F1)	21,330,793
Diesel (Tonnes CO2-e)	348.7
Petrol (Tonnes CO2-e)	26.7
Natural Gas (Tonnes CO2-e)	822.9
Total greenhouse gas emissions from stationary fuel consumption (Tonnes CO2-e) (Indicator F2)	1,198.3

Table 3: Transportation 2022–23	Total vehicles	Proportion of vehicles %
Road Vehicles Petrol (MJ)	696,982	
Road Vehicles Diesel (MJ)	887,800	
Total energy used in road vehicles (MJ)	1,584,782	
Total energy used in transportation (MJ) (Indicator T1)	1,584,782	
Road Vehicles Petrol	24	48.98%
Road Vehicles Diesel	22	44.9%
Road Vehicles Hybrid	4	6.12%
Total number and proportion of road vehicles (Indicator T2)	49	100%
Total number of vehicles within organisational boundary	49	
Road Vehicles Petrol (Tonnes CO2-e)	47	
Road Vehicles Diesel (Tonnes CO2-e)	63	
Total greenhouse gas emissions from road vehicles (Tonnes CO2-e) (Indicator T3)	109	
Total distance travelled by commercial air travel (km) (Indicator T4)	32,623	

Table 4: Energy use 2022–23

Total energy use fuels (MJ) (Indicator E1)	22,915,575
Total energy use electricity (MJ) (Indicator E2)	4,755,600
Renewable sources (MJ)	4,755,600
Non-renewable sources (MJ)	22,915,575
Total energy use (Indicator E3)	27,671,175
Total normalised energy use (MJ) Normalised by FTE (Indicator E4)	102,243

Table 5: Sustainable building and infrastructure 2022–23

Indicator B1: Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings.	Not applicable
Indicator B2: Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	Not applicable
Indicator B3: NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs.	Not applicable
Indicator B4: Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million, where these ratings have been conducted.	Not applicable
Indicator B5: Environmental performance ratings achieved for entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted.	Not applicable

Table 6: Water consumption 2022–23

Potable Water Kilot litres (kl)	113,806
Total units of metered water consumed (kl) (Indicator W1)	113,806
Total units of metered water consumed (kl) Normalised by FTE (Indicator W2)	421

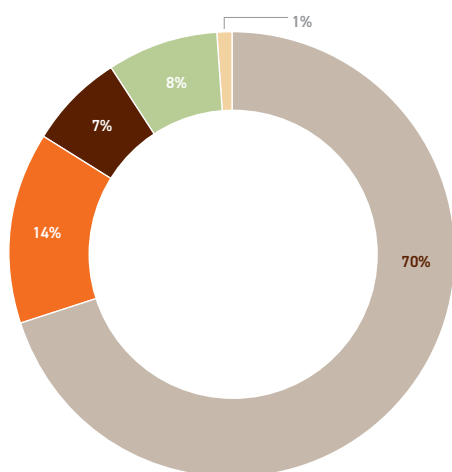
Table 7: Waste and recycling 2022–23

Landfill (kg)	67,634
Recycling/Recovery (kg)	3,298
Other – Secure Waste (kg)	513
Total units of waste disposed of (kg) (Indicator WR1)	71,445
Dedicated collection services provided in offices for printer cartridges, batteries, and soft plastics. (Indicator WR2)	Some
Total units of waste disposed normalised (kg) Normalised by FTE (Indicator WR3)	263.99
Recycling rate (Indicator WR4)	4.62%
Greenhouse gas emissions associated with waste disposal (Tonnes CO2-e) (Indicator WR5)	87.924

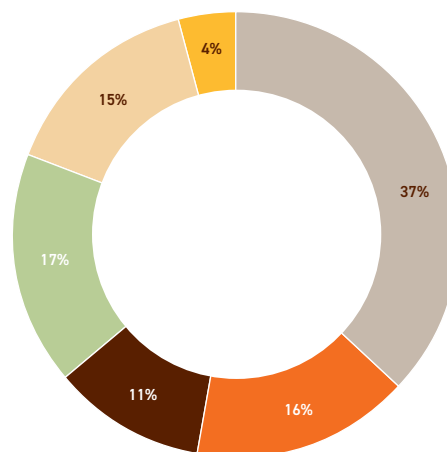
Table 8: Greenhouse gas emissions 2022–23

Total scope one (direct) greenhouse gas emissions (Tonnes CO2-e) (Indicator G1)	1,307
Total scope two (indirect electricity) greenhouse gas emissions (Tonnes CO2-e) (Indicator G2)	0
Scope three (other indirect) greenhouse gas emissions associated with commercial air travel	11
Scope three (other indirect) greenhouse gas emissions associated with waste disposal	88
Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (Tonnes CO2-e) (Indicator G3)	98

Comparative financial analysis



Income	\$000
Right of interment	\$57,203
Interments	\$11,420
Cremations	\$5,757
Memorialisation	\$6,420
Other	\$725



Costs	\$000
Salaries and wages	\$30,723
Maintenance and operations	\$13,114
Administration	\$9,301
Cost of sales	\$14,215
Other	\$12,295
Cemetery levy	\$2,886

Financial information/ Operating result	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
OPERATING RESULT					
Total revenue	96,194	108,508	82,022	67,857	68,361
Total expenses	82,534	82,671	59,853	69,882	49,262
Net result from transactions	13,660	25,837	22,169	(2,025)	19,099
Total other economic flows	9,292	(39,576)	35,277	(2,224)	2,730
Net result	22,952	(13,739)	57,446	(4,249)	21,829
Total assets	572,688	544,478	567,996	502,751	496,333
Total liabilities	53,323	48,064	51,963	44,954	34,287
Net assets/Total equity	519,365	496,414	516,033	457,797	462,046

Delivering on our strategic plan 2022–24

GMCT's strategic goals are premised on the cemetery lifecycle (see 'GMCT cemeteries and memorial parks' above) and shape our service model.

GMCT's service model has four distinct functions, each aligned with a strategic goal:

Past – to fulfil our purpose for those already in our care

This goal focuses on maintaining our established cemeteries and memorial parks, and the legacies of those interred or cremated there. This includes improving the accessibility and quality of important historical records, and the ongoing management of our investment funds for perpetual maintenance of these cemeteries.

Present – to fulfil our purpose for the families we care for today

This goal focuses on presenting GMCT to the community through all interactions in a manner that inspires trust and confidence. Compassion for the customer is at the heart of our communication, service design and delivery.

Future – to fulfil our purpose to care for future communities

This goal focuses on designing new cemeteries and memorial parks as well as developing grave and mausolea stock to meet community needs for Victoria's future generations.

Support and leadership – to sustain the operation of our business and the sector

Support and leadership includes all activities required for the delivery of GMCT's functions and purpose. This includes finance, human resources, governance, communications, risk management, technology and research. In addition, this includes strategies informing the leadership role we play in supporting the sector and Class B cemeteries.

GMCT's 2022–24 Strategic Plan sets a total of 11 strategic objectives beneath these four strategic goals, informing our initiatives and decision-making at every level, and ensuring we remain focused, transparent and accountable. GMCT's annual plans provide the mechanism through which we action and deliver on our Strategic Plan. These plans are available on our website: www.gmct.com.au/annual-reports

Past – to fulfill our purpose for those already in our care

This strategic goal relates to maintaining our established cemeteries and memorial parks, and the legacies of those interred or cremated there. This includes improving the accessibility and quality of important historical records, and the ongoing management of our investment funds for perpetual maintenance of these cemeteries.

There are two strategic objectives of this goal.

1. We maintain our sites in perpetuity at standards that balance community expectations and financial sustainability.
2. We will identify and rectify gaps or errors in historical records where appropriate.

Strategic objective: We maintain our sites in perpetuity at standards that balance the community expectations and financial sustainability.

Developed a customer and community visitation model and research program

To better understand who is using our sites, when and how they are using them, GMCT implemented a place auditing trial in collaboration with Inhabit Place.

Place audits in eight GMCT locations were conducted on both weekdays and weekends. The research revealed insights about our visitor demographics, the busiest times and days, and the purpose and behaviour of visitors while at our sites. An extension of this successful trial will combine this data with third party 'big data' sources to provide a deeper understanding of whole-of-site trends.

Engaged with other Class A cemeteries around performance measures for site maintenance

GMCT has developed and tested a more comprehensive set of Key Performance Indicators that better reflect how well a Class A trust is delivering on its mission, particularly on the maintenance of the sites under our stewardship. We have presented drafts of these approaches to performance measurement to other Class A trusts who share the challenges of maintenance and heritage protection for low usage sites. We look forward to making continued improvements to this performance management approach through further consultation.

Strategic objective: We will identify and rectify gaps or errors in historical records where appropriate.

Initiated a data rectification and management program

Like any organisation wanting to make historical data holdings accessible and useful, GMCT is addressing the challenges presented by legacy digital and analogue records. The Data Rectification Program (DRP) is a multi-year initiative established in FY22 to identify key problems related to our data, information and records, and to recommend and deliver appropriate solutions. The DRP has begun a substantial number of initiatives to squarely address historical data issues, including:

- › Undertaking data modelling on cemetery datasets to facilitate standardised and accurate reporting, and enable seamless integration with external systems;
- › Adding to and enriching the spatial data we hold within the GIS platform that underpins the mapping of our cemetery grounds;
- › Enriching our inventory data with investigations to resolve interment locations that have unknown or unclear statuses, which makes reporting more accurate and improves customers' experiences; and
- › Developing powerful new platforms and interfaces, such as CemSearch, that allow our staff to better identify and rectify issues in underlying cemetery records whenever they are discovered.

As part of our Data Rectification Program, the Data and Solutions team has updated over 500,000 records. They also continue to retrieve missing records that don't appear in our current cemetery management system, including records of cremated remains and burials previously housed in a legacy system. These migration and consolidation efforts along with the raft of other data rectification initiatives, are helping GMCT better understand the historical association of the deceased with the GMCT cemeteries. It also allows us to build a single view of our customers' engagement with us and allows staff to address customer enquiries more quickly and confidently.

Present – to fulfill our purpose for the families we care for today

This strategic goal aims to fulfil our purpose for the families we care for today. It relates to the delivery of burial and cremation services including enquiries, bookings and client care.

There are three strategic objectives of this goal.

1. We ensure that 'moments that matter' in service delivery and design meet community expectations.
2. We have the right people, processes and systems in place to manage operational risks.
3. We strengthen our relationships with the families we serve.

Strategic objective: We ensure that 'moments that matter' in service delivery and design meet community expectations

The Moments that Matter (MtM) Program is designed to place key moments at the centre of our service design to ensure customers view GMCT as a trusted partner. Through reviewing processes, using new technologies and engaging with the families we serve, we plan what we can do, and when we should do it, to ensure we deliver their moments that matter.

Improved the ways in which customers can engage with us

In October 2022, the GMCT Contact Centre went live with a new 'Genesys' telephony system, designed in partnership with the vendor to maximise its benefit to customers and staff. The system has proved more stable and reliable than past services and allows us to make use of state-of-the-art contact centre management tools, like call recording and automated analysis that improves the quality of training agents receive, powerful dashboards that allow supervisors to manage call queues to best effect, and interactive voice response (IVR) choices for callers that allow them to make payments or hang up and receive a call-back without staying on the line.

Along with the use of digital scripts for general enquiries the use of the new platform has markedly improved the quality of service to callers. This is demonstrated by the now-routine delivery of Contact Centre service targets.

Enhanced feedback and complaint reporting

GMCT conducted its regular satisfaction survey (March–April 2023) with customers and business partners. The results remained positive overall, most notably in the areas of 'satisfaction with decisions made', 'confidence in outcomes achieved' and 'ease of process'. GMCT is committed to capturing feedback from our customers, especially complaints that highlight issues we need to resolve. This type of feedback is crucial to ensuring that we are delivering on the moments that matter.

With this in mind, GMCT has undertaken further enhancements to customer feedback reporting in the past year to allow us to better capture, extract and analyse data for performance improvement. With this improved reporting available, GMCT will be able to improve planning and target the causes of common complaints.

Strategic objective: We have the right people, processes and systems in place to manage operational risks

Implemented training programs to support and develop staff across new competencies

A 'competency assessment matrix' has been developed for the operations team (the team at GMCT that includes burial, horticulture and funeral services). The matrix is a comprehensive assessment of the skills our team members possess and the ones they can develop to contribute in other areas of our work, when needed. It allows us to consistently train staff to ensure they are competent to deliver often challenging physical tasks – which ultimately keeps them safe. It also helps us to deliver a consistent service to our families.

As a result of completing the matrix exercise for our operations team, all staff who need tickets and licences for expanded duties have been assessed and are in the process of being appropriately qualified. We have established the need for a train-the-trainer program in order to develop competencies across all 19 GMCT sites and have issued a request for Expressions of Interest for the development of this program. Alongside the development of a burial manual to guide operations staff and competency assessments for all new staff upon induction, GMCT has strengthened the consistency and the applicability of skills among staff across all the sites we steward.

Improve our safety culture through an integrated safety and risk system

The safety of our staff is a central priority of our Strategic Plan and our everyday operations. Risk and safety data generated in the course of our work – crucial for safeguarding staff and ensuring safe workplaces – has historically been captured in labour intensive ways. Two initiatives in the past year have contributed to making the data more useful.

We commenced formal assessments of safety and risk systems in the market to replace the many spreadsheets that are used locally at GMCT's sites. The central system that we have scoped will centrally collate risk and safety data and facilitate more comprehensive analysis.

Alongside this, our outdoor teams now use online safety checklists called Safe Work Methods Statements (SWMS). These digital checklists are contained within an app on an iPad used at the specific location of outdoor teams (such as grave preparation, or shoring work) and replace manual SWMS checklists used in the past. The use of a digital checklist allows for compliance tracking, data collection and easier data entry for outdoor teams.

The introduction of these streamlined data tools allows staff at all levels to focus more on risk and hazard mitigation, and less on data entry.

Improved our inventory data to streamline our service offering

When the trusts that comprise GMCT originally came together, each cemetery and mausoleum categorised products differently. Over time, the lack of a central view of stock availability began to hamper our ability to serve our customers as we would like. This year, extensive work was done to standardise product descriptors across all our sites, with full descriptions and GPS tagging of locations made available in GMCT's GIS system. The new process allows us to identify what is available for sale and how much stock we have, with a consistent and granular degree of information on each product.

Strategic objective: We strengthen our relationships with the families we serve

Used service design to develop a compelling digital solution for families

The discipline of 'service design' is an attempt to formalise the process of improving the interaction between the providers of a service and its users. This year, GMCT commenced a Service Design Startup Program that brought together a mix of internal staff from across the organisation to explore the value of service design for us, specifically, how building service design capability might enable GMCT to address many of its organisational needs.

This work has produced *The Informed Customer* – a collaborative, multi-disciplinary effort that has mapped the end-to-end journeys of customers with GMCT. A set of user stories has been developed to inform the design and development of GMCT's website and the information architecture underpinning all of our digital services.

Reviewed and improved customer publications

The Informed Customer also took a human-centred design approach to the way GMCT's product and service information is created, formatted, designed and published. GMCT redeveloped all forms used by customer-facing teams and made them available on our MyHub platform. Our customers now benefit from a new set of consistently formatted and branded, accurate, up-to-date and accessible publications including a forthcoming series of location-based guides that showcase GMCT's offerings.

Future – to fulfil our purpose to care for future communities

This strategic goal aims to fulfil our purpose to care for future communities. It is focused on designing new cemeteries and memorial parks as well as developing grave and mausolea stock to meet community needs for Victoria's future generations.

There are three strategic objectives of this goal.

1. We provide products and services for Victoria's diverse communities when and where they're needed.
2. We embrace research and partnerships that enhance community value.
3. We engage with our communities for data and insights to serve communities of the future.

Strategic goal objective: We provide products and services for Victoria's diverse communities when and where they're needed

Delivered improvements and commenced expansion in Altona

Extensive work has been commenced at the Altona Memorial Park, including earthworks and reshaping at the park's entrance to improve the appearance of the site from Doherty's Road, as well as work to cleanse and stabilise land. Works underway will expand inventory at the existing site and provide further inventory for the benefit of the community.

In addition to work on the existing site, development has commenced on the Eastern Reserve, a site abutting the existing park to the east that has been gazetted as a cemetery for over 70 years but is as yet undeveloped. Preliminary community consultation has been done with community groups and will continue. Master planning has been completed and GMCT has commenced the detailed design for phase one of the site's development.

Commenced planning for an expanded site in Emerald

GMCT has commenced planning and is initiating rezoning for a new site to the south of the existing Emerald Cemetery. Initial planning has incorporated GMCT strategic objectives and community priorities for the new site, nestled in the leafy bushland of Emerald, so that it might become a sanctuary where cultural and environmental values are respected, preserved and enhanced.

Prepared detailed designs for Harkness Masterplan Stage 1 (Melton West)

At the beginning of 2023 we entered the detailed design phase for GMCT's largest development site at Harkness, in Melbourne's west. This and future stage plans provide specific details on the infrastructure, roads and drainage requirements over the first 15 years of the site's development. The design consortium engaged for this work has begun the designs for the initial building works and for the first cemetery inventory required, so that these construction requirements can be sent to tender in the coming year.

Delivered a Master and Precinct Plan Framework to guide development of active and greenfield sites

As a Class A trust, GMCT must steward important sites of remembrance across a wide geographic area, and physically develop sites with radically different spatial and environmental characteristics. With this challenge in mind, GMCT has delivered a Master and Precinct Plan Framework to guide development of active and greenfield sites. The framework will allow us to apply a more consistent approach to our masterplans and provide a governance structure around them. Further, it will guide us in creating masterplans that are achievable and realistic. The framework also provides more detail regarding finances and how our spatial planning fits into GMCT's long-term financial program.

Developed an updated Facilities Strategy

GMCT has developed an updated Facilities Strategy which will provide a long-term outlook on the facilities we'll need across our network of cemeteries and memorial parks over a 30-year period.

The Facilities Strategy provides a strategic overview of our building stock, enables us to set financial and operational expectations for new buildings and allows us to more easily contribute to future capital works budgets and master planning. The strategy ensures that when we create masterplans for individual sites, we can make excellent use of the existing built environment, avoid redundant construction and deliver any new facilities required in a way that meets our sustainability, accessibility and inclusion standards.

Strategic goal objective: We embrace research and partnerships that enhance community value

Expanded the reach of GMCT's collaboration with DeathTech

As an industry research partner, GMCT provides a connection between scholarly research and industry, helping to create new avenues for the practical application of academic research in the sector.

GMCT has partnered with Melbourne University's DeathTech team to host a seminar series called Death Futures. With the diverse and rapidly changing needs of modern society, the sessions looked at creative, environmentally sustainable solutions for cemetery landscapes, resources and assets for the death care industry.

Topics ranged from sustainable alternatives to burial and cremation to the use of digital technology in the cemetery sector, and the past, present and future role of cemeteries as public spaces for leisure and reflection. Initially presented for an audience of industry insiders at GMCT, we have now made the seminars available to a wider audience for the benefit of the sector more broadly.

Initiated partnerships to implement year 1 of our Sustainability Strategy

GMCT's Sustainability Strategy commits us to working with partners on a range of sustainability challenges. These challenges include the potential use of alternative disposition methods, fuels, and materials, and the development of performance metrics relevant to the sector.

GMCT has commenced scoping for further research into the possibility of green hydrogen for use in cremators. This research will include working with industry partners to produce a feasibility study for the implementation of green hydrogen at GMCT crematoria and the possible use of hydrogen in plant and equipment.

In concert with the Southern Metropolitan Cemeteries Trust (SMCT), we examined the business case for developing a prototype of a sustainable disposition method using alkaline hydrolysis. After extensive consideration and deepening our understanding of the impacts of the alkaline hydrolysis process, GMCT is not progressing with a trial of our own, though will continue to support SMCT in conducting further research and feasibility. This year's preliminary scoping of natural burial options commits us to market research, community engagement and an operations review in the coming year.

With regard to performance measurement, GMCT has begun an ongoing project to develop a carbon lifecycle analysis with work extending through to the end of the calendar year. The set of metrics and protocols around carbon lifecycle analysis we are developing will serve as an excellent tool for the sector at large. It will assist in providing a clear carbon footprint for each interment type and allow customers to make more informed choices

Strategic objective: We engage with our communities for data and insights to serve communities of the future

Conducted research on rituals and practices for death and memorialisation in culturally and linguistically diverse communities

As noted above, the interdisciplinary team delivering the Service Design Startup Program mapped our customers' journeys with GMCT through focused research with actual customers – this included research with customers from Indian, Fijian and Chinese migrant backgrounds and identifying the shared and the unique ways in which they engaged with GMCT. This effort produced a set of detailed 'journey maps' capturing their end-to-end experiences.

As part of *The Informed Customer* phase of the Program, GMCT conducted research with funeral directors who primarily service CALD (culturally and linguistically diverse) communities. An outcome of the research is that GMCT has an improved understanding of what information those communities need in different contexts, and how we can support those communities through targeted in-language communications. These learnings guided the redesign of the written information and forms our customers use.

At the same time, GMCT undertook separate location-specific research with Chinese-Australian community members to test some of the concepts proposed in the Lilydale Memorial Masterplan. This research helped GMCT understand how culture influences end-of-life purchase intent, decision-making and other factors influencing cemetery choice, with insights applicable well beyond the Lilydale site. The research also generated lessons – now incorporated in our customer service approaches – on how we can better serve Chinese-Australian and Asian-Australian communities through our communications.

Taken together, along with the ongoing feedback we solicit from representative community groups, these engagement and research efforts have contributed to the bedrock of our ongoing service redesign and refinement

Support and Leadership – to sustain the operation of our business and the sector

This strategic goal aims to sustain the operation of our business and the sector. Support and leadership includes all activities required for the delivery of GMCT's functions and purpose. This includes finance, human resources, governance, communications, risk management, technology and research. In addition, this includes strategies informing the leadership role we play in supporting the sector and Class B cemeteries.

There are three strategic objectives of this goal.

1. We invest appropriately in people, processes and systems to support our culture and fulfil our purpose.
2. We continually adapt to meet evolving community needs through business improvement initiatives.
3. We support the sector and Class B cemeteries.

Strategic objective: We invest appropriately in people, processes and systems to support our culture and fulfill our purpose

Developed technology for a learning management system and employee experience system

Extensive work was completed to scope and define the user requirements for a system that will deliver a comprehensive set of digital services to staff. Intended to act as the central and sole platform for employee administrative needs, the GMCT Customer and Employee Experience Digital Program will provide access to staff learning, onboarding and off-boarding, as well as incorporate all of the existing functions of GMCT's Human Resource Information System, such as payroll and leave. We have gone to market this year with the expectation that the platform can be implemented within the coming year.

Building a new training and operations centre for all GMCT operations staff

GMCT has commenced construction of a state-of-the-art facility at the Sages Road depot, Northern Memorial Park. The facility is designed to provide a central operational base for staff at Northern Memorial Park, bringing together several disparate facilities into a single location. Ideally located near public transport links, the facility will also serve as a training centre for operations staff from across our network, providing a place for the sharing of expertise and experience among staff from GMCT's 19 separate sites.

Strategic objective: We continually adapt to meet evolving community needs through business improvement initiatives.

Developed a Diversity and Inclusion Strategy

GMCT has developed a three-year diversity and inclusion strategy and action plan. We established this plan to foster a diverse and inclusive workplace where differences are embraced and our people, and the communities we serve, feel safe, supported and that they belong. Our consolidated Diversity and Inclusion Program intersects with many of our current GMCT strategies and action plans, including the Gender Equality Action Plan, Disability Access and Inclusion Plan and Reflect Reconciliation Action Plan and is underpinned by our organisational values.

The strategy and action plan provides a framework to ensure diversity and inclusion principles are embedded in everything we do, as well as metrics that help us understand how well we are meeting the expectations of our staff and the families and communities we serve in this regard.

Implemented an Enterprise Project Management Office to coordinate all project streams

The past year saw us work to establish an Enterprise Project Management Office, charged with maintaining an integrated view of the many projects and initiatives underway within GMCT and ensuring that they are benefiting the organisation. Located within GMCT's governance team, the EPMO is establishing mechanisms for oversight and considering what digital platforms may assist in bringing together a coherent view of project impact for the Executive.

Implemented a powerful financial data and reporting tool

GMCT built and delivered a customised implementation of a business intelligence platform (Power BI) that captures financial data digitally, completely replacing an existing paper-based system that relied on physical signatures and emailed attachments. The direct digital entry of financial information also allows all staff with executive financial management responsibility to get live, up-to-the-minute overviews of their expenses and revenue. This has already improved process flows for financial reporting and approvals, and we expect to harvest further gains from the implementation as staff experience with the system grows.

Strategic objective: We support the sector and Class B cemeteries

Delivered our business partner engagement program

In 2022–23, senior GMCT staff have continued to actively support our business partners through engagement with the peak bodies of industry. One example of this is the work of our Regional General Manager West, Brendan Koch, who serves on the Board of the Cemeteries and Crematoria Association of Victoria (CCAV). Through engagement at conferences and direct connections with partners, Brendan and GMCT staff have been able to share expertise on the design of small spaces with representatives of small Class B cemeteries, who do not have the budget for comprehensive design processes. Working through the CCAV allowed GMCT to contribute to a shared industry position on how to deal with right of interment transfers, as well as assist with a review and update of the way stonemason permits are processed.

Similarly, GMCT continued our close professional engagement with the Australian Funeral Directors Association (ADFA). Our General Manager of Customer Experience hosts a regular quarterly meeting with ADFA members alongside one of our Regional General Managers. These meetings provide opportunities to share GMCT's plans and progress, as well as field concerns and questions. All funeral directors receive occasional updates on news and important changes that might impact our shared work.

The peak body for stonemasons, the Master Stonemasons Association of Victoria (MSAV), remains an important partner for GMCT, and we continued our close engagement over the past year. GMCT hosted several planned discussions with MSAV Board Members and collaborated on the updating of GMCT's Stonemason's Fact File, the information pack that helps stonemasons navigate permit and approval processes. As with our funeral director partners, we also share formal updates with all registered stonemasons, covering news and issues of importance.

Workforce data reporting

Employee Count	2022-23	2021-22	2020-21
Male	162 (61%)	163 (63%)	156 (67%)
Female	102 (39%)	94 (37%)	78 (33%)
Self-described	0	0	0
Total	264	257	234

Employees Full-Time Equivalent (FTE)	2022-23	2021-22	2020-21
Full-time	242	230	206
Part-time	14	14	16
Total payroll FTE at 30 June	256	244	222
Vacancies at 30 June	15	22	9
Total workforce FTE (rounded)	271	266	231

Workforce age profile	2022-23	2021-22	2020-21
65 and over	7	6	6
55-64	67	65	60
45-54	67	66	59
35-44	63	61	57
25-34	46	46	43
Under 25	14	13	9
Total	264	257	234

Workforce/Labour category <i>CURRENT MONTH FTE</i>	June 2023	June 2022	June 2021
Indoor staff	124	120	103
Outdoor staff	125	119	112
Executive	7	6	7
Total (rounded)	256	244	222

Workforce/Labour category <i>AVERAGE MONTHLY FTE</i>	2023
Indoor staff	121
Outdoor staff	123
Executive	5
Total (rounded)	249

Executive Officer disclosures	2022-23	2021-22	2020-21	2019-20
Male	4	4	4	5
Female	2	2	3	2
Self-described	0	0	0	0
Total	6	6	7	7

Staff training	Total hours 2022-23	Total hours 2021-22	Total hours 2020-21
OHS	1464	660	516
Leadership and development	1238	569	228
Profession specific	9126	2780	2460
Other	576	220	612
Total	12,404	4229	3816

Occupational Health and Safety data reporting

Occupational health and safety statistics

- › In 2022-23 the total recordable injuries at GMCT were 19.
- › There were 12 standard WorkCover claims during the reporting period. The 12 claims included:
 - › 5 standard claims as a result of the claims exceeding the > ten day Employer Liability threshold.
 - › 6 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 time injury days were 418.
- › The number of lost time standard claims per 100 staff was 2.58.
- › Hazards and incidents per 100 staff were 222.06 (based on 270.64 staff).
- › 12 incidents occurred (including visitor and contractor incidents) and were reported to Victorian WorkCover Authority.

Occupational Health and Safety Statistics	2022-23	2021-22	2020-21
The number of reported hazards/incidents for the year per 100 FTE	222.06	200.42	173.49
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.22	3	1.73
The average cost per WorkCover claim for the year	\$78,150 Average incurred as at 30 June 2023	\$145,750 ⁻ Average incurred as at 30 June 2022	\$3,092 Average incurred as at 30 June 2021
Total workforce (FTE)	270.64	265.94	231.14

⁻ Increase in average claim cost for FY22 due to two large claims.

Year/item	Total recordable injury (TRI) incidents	Lost time injury (LTI) incidents	Total recordable injury frequency rate (TRIFR)	Total lost time injury frequency rate (LTIFR)	Total lost time injury frequency rate (LTIFR) target
2020-21	20	2	53.86	5.39	11
2021-22	19	8	42.53	17.90	11
2022-23	19	7	44.61	16.43	11

Occupational violence data reporting

Cemetery trusts are required, as a minimum, to report the following occupational violence statistics in the following format, including the definitions listed underneath the table.

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

Occupational violence statistics	2022-23	2021-22	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0	0	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0	0	0
Number of occupational violence incidents reported	9	12	13
Number of occupational violence incidents reported per 100 FTE	3.32 (based on 270.64 FTE)	4.51 (based on 265.94 FTE)	5.62 (based on 231.4 FTE)
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	11.11%	0	0

Definitions of occupational violence

Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover claims – accepted Workcover claims that were lodged in 2022–23.

Lost time – is defined as greater than one day.

Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Gender Equality Act 2020

GMCT continues to progress its approach to workforce inclusion over the reporting period. We have merged our Disability Access and Inclusion Plan (DAIP), Gender Equality Action Plan (GEAP) and Reflect Reconciliation Action Plan (RAP) into one portfolio within the Governance directorate. This has led to a more consistent and balanced approach to how we govern, implement and report on these plans and continue to embed a strong workplace culture of inclusion.

We continue to comply with the requirements of the *Gender Equality Act 2020* (Vic). Key actions the organisation has implemented include:

- forming a Diversity and Inclusion Network to complete gender impact assessments, review key policies, coordinate diversity and inclusion events and attend specialised training programs
- updated recruitment paperwork and payroll system to allow for employees to disclose their gender
- created an Occupational Violence Procedure and revised our Working Alone Procedure, both of which reference gender-based violence
- established an annual Diversity and Inclusion Events calendar to celebrate key milestones for our employees such as International Women's Day.

We look forward to outlining our actions in more detail when we submit our Gender Equality Action Plan progress report to the Commission for Gender Equality in the Public Sector in February 2024.

Consultancies

In 2022–23, there were 13 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies is \$500,539 (excluding GST). Details of individual consultancies can be viewed at www.gmct.com.au.

Consultant	Purpose	Start Date	End Date	FY23 Expenditure	Future Commitments	Total
Protiviti Pty Ltd	Internal audit	Jul-22	Jun-23	180,000	-	180,000
Velocious Consulting Pty Ltd	GHG Emissions Reduction Strategy	Jul-22	Jun-23	70,500	-	70,500
Andrew Wegener Pty Ltd	Capacity Delivery Program	Mar-23	Jun-23	46,875	-	46,875
The Good Cartel Consulting	Customer Strategy	Jul-22	Jun-23	35,506	-	35,506
HIP V HYPE Sustainability Pty Ltd	Environmental Policy	May-23	Jun-23	22,615	1,710	24,325
Creo Consultants Pty Ltd	Engineering Services	Oct-22	Jun-23	22,500	-	22,500
Diversity Partners Pty Ltd	Diversity and Inclusion Strategy	Jul-22	Jun-23	22,500	-	22,500
Strategic Implementation Partners	Moments That Matter program	Jul-22	Jun-23	21,150	-	21,150
Crystal Delta Pty Ltd	Digital Strategy	Apr-23	Jun-23	19,303	300	19,603
IPP Consulting Pty Ltd	Security Strategy	Oct-22	Jun-23	16,400	-	16,400
Make It Wet	Water Harvesting	Jul-22	Jun-23	12,300	-	12,300
CPR Communications & Public Relations Pty Ltd	Advocacy advice for Harkness	Jun-23	Jun-23	12,000	6,000	18,000
Moonland Group Pty Ltd	Land surveys	Jul-22	Jun-23	10,880	-	10,880
TOTAL				492,529	8,010	500,539

Consultancies less than \$10,000

In 2022–23, there were 8 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022–23 in relation to these consultancies is \$30,090 (excluding GST).

Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2022–23 is \$7.6 million (excluding GST).

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST) \$000	Total = Operational expenditure (a) and Capital expenditure (a) and Capital Expenditure (b) (excluding GST) \$000	Operational expenditure (OPEX) (a) (excluding GST) \$000	Capital expenditure (CAPEX) (b) (excluding GST) \$000
\$4.7 million	\$2.9 million	\$2.2 million	\$0.7 million

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

23 August 2023

Data integrity declaration

I, Andrew Eriksen, 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.



Andrew Eriksen
Chief Executive Officer

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

23 August 2023

Conflict of Interest declaration

I, Andrew Eriksen, 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.



Andrew Eriksen
Chief Executive Officer

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

23 August 2023

Integrity, Fraud and Corruption declaration

I, Andrew Eriksen, 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.



Andrew Eriksen
Chief Executive Officer

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

23 August 2023

Local Jobs First Act 2003

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 were no contracts completed in the reporting period with LJFP applied. 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.

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.

Building Act 1993

GMCT conducts regular assessments of its buildings to monitor compliance with building and maintenance provisions of the *Building Act 1993*, which encompasses the Building Code and Australian Standards for Publicly Owned Buildings 1994.

Regular essential safety measures and fire safety audits have been undertaken and concluded seventeen recommendations, eleven of which have been completed and six that are currently being implemented with completion due by end of Quarter 1 of financial year 2023–24.

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

Website: www.ibac.vic.gov.au

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.

Two FOI requests were received this financial year. The first request sought a copy of security camera footage from a cemetery. This request was not granted because of privacy reasons, however a copy of the footage was separately provided by GMCT to Victoria Police to assist investigations. The second request was from a solicitor regarding transfer of ownership of a Right of Interment. This request sought personal information about another family member, and was still being processed as at 30 June 2023.

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 the Chief Governance Officer, The Greater Metropolitan Cemeteries Trust, PO Box 42, Fawkner, VIC 3060.

Please note that entities should refer to the *Freedom of Information Act 1982* for the detailed requirements.

Additional information available on request

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
- › 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:

Chief Governance Officer

Phone: (03) 9355 3175

Email: enquiries@gmct.com.au

Chief Financial Officer's report

GMCT remains in a strong financial position. 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. A key focus area is increased productivity to ensure we remain a resilient organisation.

GMCT recorded a net result from transactions of \$13.7 million, a net result for the year of \$22.9 million, and net assets increased to \$519 million. The perpetual maintenance reserve increased to \$240 million.

The net result for the year was favourably impacted by continuing sales from the Gallery of the Saints Mausoleum at Keilor Cemetery and from the Plaza of Holy Angels Mausoleum at Fawkner Memorial Park coupled with strong contributions from the sale of Rights of Interment across all product lines.

Operating statement

The revenue for the year was \$81.5 million as compared to \$86.4 million for prior year.

Total expenses from transactions for the year were \$68.3 million as compared to \$64.1 million for prior year. Employee expenses of \$30.7 million reflects our commitment to staff and our support for the delivery of quality services to our communities. Maintenance and operating costs of \$13.1 million ensures the presentation of our 19 cemeteries and memorial parks meets community expectations.

We will contribute \$2.9 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 \$14.3 million is a consequence of actively managing our asset allocations and returns from investment markets during the year. The investment strategy continues to take a long-term view as we manage risk through a cautious risk appetite and a well-diversified portfolio.

Other economic flows included in the net result for the year recorded a gain of \$9.3 million, as compared to a loss of \$39.6 million in the prior year. This includes a net gain in the mark-to-market value of the investment portfolio of \$9.4 million.

Balance sheet

We have a significant investment in property, plant and equipment of \$118 million coupled with the investment portfolio of \$361 million that has ensured that a strong balance sheet is maintained, with total net assets of \$519 million to cater for future community needs.

Financial statements

For the financial year ended 30 June 2023

How this report is structured

The Greater Metropolitan Cemeteries Trust presents its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the Greater Metropolitan Cemeteries Trust's stewardship of the resources entrusted to it.

Note Ref.	Description	Page No.	Note Ref.	Description	Page No.
	Trust member's, accountable officer's and chief finance and accounting officer's declaration	46	5	Other assets and liabilities	79
	Auditor-General's Report	47	5.1	Receivables and contract assets	79
	Comprehensive operating statement	49	5.2	Payables	81
	Balance sheet	50	5.3	Contract liabilities	81
	Statement of changes in equity	51	5.4	Other provisions	82
	Cash flow statement	52	6	How we finance our operations	83
	Notes to the financial statements	53	6.1	Cash and cash equivalents	83
1	Basis of preparation	53	6.2	Commitments for expenditure	84
1.1	Basis of preparation of the financial statements	53	7	Risks, contingencies and valuations uncertainties	85
1.2	Impact of the COVID-19 pandemic	54	7.1	Financial instruments	86
1.3	Abbreviations and terminology used in the financial statements	54	7.2	Financial risk management objectives and policies	89
1.4	Key accounting estimates and judgements	54	7.3	Contingent assets and contingent liabilities	92
1.5	Accounting standards issued but not yet effective	55	7.4	Fair value determination	93
1.6	Goods and Services Tax (GST)	56	8	Other disclosures	100
1.7	Reporting entity	56	8.1	Reconciliation of net result for the year to net cash flows from operating activities	101
2	Funding delivery of our services	57	8.2	Responsible persons disclosure	101
2.1	Revenue and income from transactions	58	8.3	Remuneration of executives	103
3	The cost of delivering services	62	8.4	Remuneration of other personnel	103
3.1	Expenses from transactions	63	8.5	Related party transactions	103
3.2	Other economic flows	64	8.6	Remuneration of auditors	105
3.3	Employee benefits	65	8.7	Ex-gratia payments	105
3.4	Superannuation	67	8.8	Events occurring after the reporting period	105
4	Key assets to support service delivery	69	8.9	Equity	106
4.1	Investments and other financial assets	70			
4.2	Property, plant and equipment	71			
4.3	Intangible assets	75			
4.4	Depreciation and amortisation	76			
4.5	Inventories	77			
4.6	Impairment of assets	78			

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 2023 and the financial position of The Greater Metropolitan Cemeteries Trust as at 30 June 2023.

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 23 August 2023.



Michael Doery
Trust Chair

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria
23 August 2023



Andrew Eriksen
*Accountable Officer
Chief Executive Officer*

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria
23 August 2023



Brian Smart
*Chief Finance and
Accounting Officer*

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria
23 August 2023

Independent Auditor's report



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 2023• 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 2023 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 <i>APES 110 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

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
1 September 2023



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2023

	Note	2023 \$ 000	2022 \$ 000
Revenue	2.1	81,525	86,362
Cost of sales	3.1	14,215	18,603
Gross profit from transactions		67,310	67,319
Other income from transactions			
Other income	2.1	14,669	22,147
Total other income from transactions		81,979	89,905
Expenses from transactions			
Employee expenses	3.1	30,723	27,905
Depreciation and amortisation	4.4	7,203	8,603
Maintenance and operations expenses		13,114	10,880
Administration expenses		9,301	5,402
Other operating expenses		4,989	7,920
Audit fees – Victorian Auditor General’s Office	8.6	103	102
Cemetery levy	3.1	2,886	3,255
Total expenses from transactions		68,319	64,068
Net result from transactions – net operating balance		13,660	25,837
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		310	90
Net gain/(loss) on financial instruments		9,363	(39,330)
Revaluation of long service leave		(381)	(336)
Total other economic flows included in net result	3.2	9,292	(39,576)
Net result for the year		22,952	(13,739)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation reserve	4.2(b)	-	(5,880)
Total other comprehensive income		-	(5,880)
Comprehensive result for the year		22,952	(19,619)

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

Balance sheet as at 30 June 2023

	Note	2023 \$ 000	2022 \$ 000
Current assets			
Cash and cash equivalents	6.1	4,702	2,548
Receivables and contract assets	5.1	13,908	19,783
Inventories	4.5	7,983	11,343
Prepayments		699	590
<i>Total current assets</i>		<i>27,292</i>	<i>34,624</i>
Non-current assets			
Inventories	4.5	66,344	58,641
Investments and other financial assets	4.1	360,990	341,121
Property, plant and equipment	4.2	118,063	110,451
<i>Total non-current assets</i>		<i>545,398</i>	<i>510,213</i>
Total assets		572,688	544,478
Current liabilities			
Payables	5.2	11,530	10,938
Contract liabilities	5.3	34,903	31,075
Other provisions	5.4	253	95
Employee benefits	3.3	5,573	5,035
<i>Total current liabilities</i>		<i>52,259</i>	<i>47,143</i>
Non-current liabilities			
Employee benefits	3.3	1,064	921
<i>Total non-current liabilities</i>		<i>1,064</i>	<i>921</i>
Total liabilities		53,323	48,064
Net assets		519,365	496,414
Equity			
Contributed capital		148,872	148,872
Accumulated surplus/(deficit)		106,604	90,120
Perpetual maintenance reserve		240,000	233,533
Physical asset revaluation surplus reserve	4.2	23,889	23,889
Total equity		519,365	496,414

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

Statement of changes in equity

for the financial year ended 30 June 2023

Note	Contributed Capital \$ 000	Accumulated Surplus/ (Deficit) \$ 000	Perpetual Maintenance Reserve \$ 000	Physical Asset Revaluation Surplus \$ 000	Total \$ 000
Balance at 30 June 2021	148,872	103,859	233,533	29,769	516,033
Net result for the year	-	(13,739)	-	-	(13,739)
Transfer to/(from) physical asset revaluation surplus	-	-	-	(5,880)	(5,880)
Transfer to/(from) Accumulated Surplus/(Deficit)	-	-	-	-	-
Balance at 30 June 2022	148,872	90,120	233,533	23,889	496,414
Net result for the year	-	22,952	-	-	22,952
Transfer to/(from) physical asset revaluation surplus	-	-	-	-	-
Transfer to/(from) Accumulated Surplus/(Deficit)	-	(6,468)	6,468	-	-
Balance at 30 June 2023	148,872	106,604	240,000	23,889	519,365

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

Cash flow statement

for the financial year ended 30 June 2023

	Note	2023 \$ 000	2022 \$ 000
Cash flows from operating activities			
Receipts from customers		87,871	87,235
Payments to suppliers and employees		(86,034)	(67,624)
Investment income receipts		20,207	21,869
Net goods and services tax received		3,333	1,746
Net cash inflow/(outflow) from operating activities	8.1	25,377	43,225
Cash flows from investing activities			
Payments for property, plant and equipment		(13,069)	(10,022)
Proceeds from disposal of property, plant and equipment		353	388
Proceeds from sale of investments		29,000	24,700
Payments for investments		(39,506)	(60,166)
Net cash inflow/(outflow) from investing activities		(23,222)	(45,100)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net decrease in cash and cash equivalents		2,155	(1,875)
Cash and cash equivalents at beginning of the year		2,548	4,422
Cash and cash equivalents at the end of the year	6.1	4,702	2,548

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

Notes to the financial statements

for the financial year ended 30 June 2023

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

These financial statements represent the audited general purpose financial statements for The Greater Metropolitan Cemeteries Trust (GMCT) for the year ended 30 June 2023. 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.

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 to a '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. Apart from the changes in accounting policies, standards and interpretations as noted below, material 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 and 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 the Board of GMCT on 23 August 2023.

Note 1.2 – Impact of COVID-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked.

The Greater Metropolitan Cemeteries Trust was not materially impacted by the COVID-19 Coronavirus pandemic.

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	Financial Management Act 1994
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 makes 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 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 relate to the following disclosures:

- › Note 2.1 Revenue and income from transactions
- › Note 3.3 Employee benefits and related on-costs in the balance sheet
- › Note 4.1 Investments and other financial assets
- › Note 4.2 Property, plant and equipment
- › Note 4.3 Intangible assets
- › Note 4.4 Depreciation and amortisation
- › Note 4.6 Impairment of assets
- › Note 5.1 Receivables and contract assets
- › Note 5.2 Payables
- › Note 5.3 Contract liabilities
- › Note 5.4 Other provisions
- › Note 7.4 Fair value determination

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 beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	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, assets and liabilities 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

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 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 judgement 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 GMCT 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>

Note 2.1 – Revenue and income from transactions

	2023 \$ 000	2022 \$ 000
Revenue from contracts with customers		
Rights of interment – graves	36,947	29,453
Rights of interment – mausoleum crypts	15,134	29,935
Rights of interment – cremation memorial	5,122	3,836
Interment	8,426	8,596
Cremation	5,757	5,404
Memorialisation	6,420	5,938
Other interment services	2,781	2,561
Chapel services	213	199
Other operational revenue	725	440
Total revenue from contracts with customers	81,525	86,362
Other sources of income		
Rental income	316	628
Interest income financial assets	138	6
Dividends and distributions	14,215	21,513
Total other sources of income	14,669	22,147
Total revenue and income from operating activities	96,194	108,508

HOW WE RECOGNISE REVENUE FROM CONTRACTS WITH CUSTOMERS

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*.

When both conditions are satisfied GMCT:

- › identifies each performance obligation relating to the revenue
- › recognises a contract liability for its obligations under the agreement
- › recognises revenue as it satisfied its performance obligations, at a point in time or over time as and when services are rendered.

If a contract liability is recognised GMCT recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, GMCT:

- › recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9 *Financial Instruments*, AASB 16 *Leases*, AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*)
- › recognises related amounts (being financial instruments, provisions, revenue or contract liabilities from a contract with a customer); and
- › recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058 *Income of Not-for-profit Entities*.

The types of revenue recognised in accordance with AASB 15, and the performance obligations associated with those revenue streams, are detailed in the following table.

Revenue	Performance obligation
Rights of interment (ROI) <ul style="list-style-type: none">› Graves› Mausoleum crypts› Cremation memorials	ROI pertain to the right to determine who may be interred in a specific location, and the type of memorialisation (if any) that can be erected. The revenue earned from the sale of ROI for graves, mausoleum crypts and cremation memorials is recognised at a point in time, which is when the ROI is transferred to the customer at the point of sale, with the exception of the memorialisation portion, which is recognised at the time of interment.
Interment and cremation	Fees received for interment and cremation are for the service of burials, cremation and interring remains. The revenue earned from interment and cremation is recognised at a point in time, which is when the service is provided to the customer.
Memorialisation	Memorialisation revenue is derived from the sale of products such as granite and plaques that preserve memories of the interred. The revenue earned from memorialisation products is recognised at a point in time, which is when the product is delivered to the customer.
Retail sales	Retail sales pertain to sales from cafes, florists and functions. The revenue earned from retail sales is recognised at a point in time, which is when the product is delivered to the customer.

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. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

GMCT reviews its estimate of expected returns at each reporting date and updates the right to recover returned goods asset and refund liability accordingly.

HOW WE RECOGNISE OTHER SOURCES OF INCOME

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*.

When both these conditions are satisfied, GMCT:

- › identifies each performance obligation relating to the revenue
- › recognises a contract liability for its obligations under the agreement
- › recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

If a contract liability is recognised, GMCT recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

Rental income

GMCT has several operating lease contracts in place from which it derives rental income from the leasing of cemetery land not currently required for cemetery operations. 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:

	2023 \$ 000	2022 \$ 000
Non-cancellable operating lease receivables		
Not longer than one year	328	326
Longer than one year but not longer than five years	1,517	1,419
Longer than five years	3,693	3,511
Total	5,538	5,256

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.

Interest income

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

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 Other economic flows
- 3.3 Employee benefits and related on-costs in the balance sheet
- 3.4 Superannuation

KEY JUDGEMENTS AND ESTIMATES

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>GMCT applies significant judgement 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>
Measuring employee benefit liabilities	<p>GMCT applies significant judgement when measuring its employee benefit liabilities.</p> <p>GMCT applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if GMCT does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none">› an inflation rate of 4.350%, reflecting the future wage and salary levels› discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>
Determining timing of cost of sales recognition	<p>GMCT recognises the expenditure relating to sales when the sale of an item or right of interment occurs, by transferring the cost of the item/s from inventories.</p>

Note 3.1 – Expenses from transactions

	2023 \$ 000	2022 \$ 000
Employee expenses		
Salaries and wages	29,061	26,880
On-costs	170	147
Workcover premium	620	483
Other employee expenses	872	396
Total employee expenses	30,723	27,905
Cost of sales		
Rights of interment	11,111	16,509
Memorialisation	3,104	2,095
Total cost of sales	14,215	18,603

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

Salaries and wages include fringe benefits tax, superannuation, leave entitlements and termination payments.

Cost of sales

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

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% (2022: 3%).

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and includes fuel, light and power, other administrative expenses, repairs and maintenance, expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$5K) and cloud computing costs.

Non-operating expenses

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

Note 3.2 – Other economic flows

	2023 \$ 000	2022 \$ 000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	310	90
Total net gain/(loss) on non-financial assets	310	90
Net gain/(loss) on financial instruments		
Net unrealised gain/(loss) on revaluation of financial instruments	9,244	(46,448)
Net realised gain/(loss) on disposal of financial instruments	120	7,118
Total net gain/(loss) on financial instruments	9,363	(39,330)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave	(381)	(336)
Total other gains/(losses) from other economic flows	(381)	(336)
Total gains/(losses) from economic flows	9,292	(39,576)

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 3.3 – Employee benefits

	2023 \$ 000	2022 \$ 000
Current provisions		
Employee benefits		
Annual leave (unconditional and expected to be settled within 12 months)	1,584	1,410
Annual leave (unconditional and expected to be settled after 12 months)	756	772
Long service leave (unconditional and expected to be settled within 12 months)	322	305
Long service leave (unconditional and expected to be settled after 12 months)	2,130	1,876
Provision for on-costs		
Unconditional and expected to be settled within 12 months	324	273
Unconditional and expected to be settled after 12 months	456	399
Total current provisions	5,573	5,035
Non-current provisions		
Employee benefits		
Long service leave (conditional and expected to be settled after 12 months)	925	805
On-costs	139	116
Total non-current provisions	1,064	921
Total provision for employee benefits	6,638	5,956

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

Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave, for services rendered to the reporting date as an expense during the period the services are delivered.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as it is taken.

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.

Provision for on-costs include workers compensation and superannuation, which are recognised separately from employee benefits.

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
- 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.

Note 3.3 (a) Employee benefits and related on-costs

	2023 \$ 000	2022 \$ 000
Current employee benefits and related on-costs		
Annual leave	2,340	2,182
Unconditional long service leave	2,452	2,181
Current on-costs	781	672
Total current employee benefits and related on-costs	5,573	5,035
Non-current employee benefits and related on-costs		
Conditional long service leave	925	805
Non-current on-costs	139	116
Total non-current employee benefits and related on-costs	1,064	921
Total employee benefits and related on-costs	6,638	5,956

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

	2023 \$ 000	2022 \$ 000
Carrying amount at start of the year	5,956	5,488
Additional provisions recognised	3,340	2,628
Revaluation	(421)	(358)
Amounts incurred during the year	(2,237)	(1,803)
Carrying amount at end of the year	6,638	5,956

Note 3.4 – Superannuation

	Contributions for the year ended 2023 \$ 000	Contributions outstanding at year end 2023 \$ 000	Contributions for the year ended 2022 \$ 000	Contributions outstanding at year end 2022 \$ 000
Defined benefits				
Vision Super	143	17	122	16
Defined contributions				
Vision Super	963	74	713	71
Other	1,902	148	1,333	142
Total	3,008	239	2,168	229

HOW WE RECOGNISE SUPERANNUATION

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

(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 above.

(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 GMCT 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.

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. A triennial actuarial investigation was completed at 30 June 2020 with a Vested Benefit Index of 104.6% and the next is at 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. In the event the Vested Benefit Index falls below the shortfall threshold of 97%, the fund's Trustee is required under the superannuation prudential standards (SPS 160) to formulate a restoration plan to restore the Vested Benefit Index to 100% within three years.

Based on the advice from the fund's trustee, there is no shortfall in the defined benefit plan as at 30 June 2023 as the Vested Benefit Index is 104.1%.

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 and equipment
- 4.3 Intangible assets
- 4.4 Depreciation and amortisation
- 4.5 Inventories
- 4.6 Impairment of assets

KEY JUDGEMENTS AND ESTIMATES

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of investments and other financial assets	GMCT values its Managed Investment Schemes based on an updated price determined by the applicable fund manager. The fund publishes daily its redemption price and net asset value, and GMCT adopts this value without adjustment.
Measuring fair value of property, plant and equipment	<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, GMCT 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>GMCT 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 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.

Key judgements and estimates	Description
Identifying indicators of impairment	<p>At the end of each year, GMCT assesses impairment by evaluating the conditions and events specific to GMCT that may be indicative of impairment triggers. Where an indication exists, GMCT tests the asset for impairment.</p> <p>GMCT 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 there is a significant change in technological, market, economic or legal environment which adversely impacts the way GMCT 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, GMCT applies significant judgement and estimates to determine the recoverable amount of the asset.</p>

Note 4.1 – Investments and other financial assets

	2023 \$ 000	2022 \$ 000
Non-current		
Managed Investment Schemes	360,990	341,121
Total non-current	360,990	341,121
Total investments and other financial assets	360,990	341,121

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.

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

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.

Other financial assets are classified between current and non-current assets based on the Board of GMCT'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.

GMCT invests in managed funds that are not quoted in an active market but are based on an unquoted price determined by the applicable fund manager.

Fund managers declare unit prices for each fund by taking into account the investment return of the assets invested into, the tax payable, and the relevant fees and expenses.

GMCT regards these investments as level 2 according to AASB 13 *Fair Value Hierarchy*. The funds publish daily the redemption price and net asset value and GMCT adopts this value without adjustment.

GMCT acknowledges that there is significant estimation uncertainty as the investments are not quoted in an active market and inputs are observable indirectly.

Note 4.2 – Property, plant and equipment

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	2023 \$ 000	2022 \$ 000
Cemetery land under infrastructure at fair value	7,769	7,747
	7,769	7,747
Buildings at fair value	30,110	30,110
Less accumulated depreciation	(968)	-
	29,142	30,110
Infrastructure and improvements at fair value	68,592	63,871
Less accumulated depreciation	(13,991)	(10,400)
	54,601	53,471
Motor vehicles, plant and equipment at fair value	29,748	27,837
Less accumulated depreciation	(18,152)	(15,945)
	11,596	11,892
Capital works in progress at cost	14,955	7,231
Total property, plant and equipment	118,063	110,451

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

	Cemetery land under infrastructure \$ 000	Buildings \$ 000	Infrastructure and improvements \$ 000	Motor vehicles, plant and equipment \$ 000	Works in progress \$ 000	Total \$ 000
Balance at 30 June 2021	7,832	39,915	57,333	9,158	3,444	117,683
Additions	-	-	-	40	10,022	10,062
Transfers between asset classes	(5)	487	(4,246)	3,759	(79)	(84)
Transfers to completed assets	670	120	3,739	1,627	(6,156)	-
Revaluation	(750)	(5,130)	-	-	-	(5,880)
Disposals	-	(3,568)	(129)	(173)	-	(3,870)
Depreciation expense (Note 4.4)	-	(1,713)	(3,226)	(2,519)	-	(7,458)
Balance at 30 June 2022	7,747	30,110	53,471	11,892	7,231	110,451
Additions	-	-	-	-	13,921	13,921
Transfers between asset classes	(3)	-	-	-	28	25
Transfers to completed assets	25	-	4,721	2,392	(6,225)	913
Disposals	-	-	-	(43)	-	(43)
Depreciation expense (Note 4.4)	-	(968)	(3,591)	(2,644)	-	(7,203)
Balance at 30 June 2023	7,769	29,142	54,601	11,596	14,955	118,063

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.

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 in note 7.4.

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 performs 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 is 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 land and buildings was performed by the VGV in 2022. 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. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023. As the cumulative movement was less than 10% for land and buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

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.

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.

There were no changes in valuation techniques throughout the year to 30 June 2023.

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

Note 4.2 – Property, plant and equipment revaluation surplus

	2023 \$ 000	2022 \$ 000
Property, plant and equipment revaluation surplus		
Balance at the beginning of the reporting period	23,889	29,769
Revaluation decrement		
Land	-	(750)
Buildings	-	(5,130)
Balance at the end of the reporting period	23,889	23,889
Represented by:		
Land	1,042	1,042
Buildings	14,458	14,458
Plant and infrastructure	8,389	8,389
Balance at the end of the reporting period	23,889	23,889

Note 4.3 – Intangible assets

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

	2023 \$ 000	2022 \$ 000
Computer software systems at cost	2,778	2,778
Less accumulated amortisation	(2,778)	(2,778)
Total intangible assets	-	-

Note 4.3 (b) Reconciliation of intangible assets

	Intangible assets \$ 000	Work in progress \$ 000	Total \$ 000
Balance at 1 July 2021	1,064		1,064
Additions	79		79
Amortisation expense	(1,143)	-	(1,143)
Balance at 30 June 2022	-	-	-
Additions	-	-	-
Amortisation expense	-	-	-
Balance at 30 June 2023	-	-	-

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 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 tested for impairment whenever an indication of impairment is identified.

Note 4.4 – Depreciation and amortisation

	Note	2023 \$ 000	2022 \$ 000
Depreciation			
Buildings		968	1,713
Infrastructure and improvements		3,591	3,226
Motor vehicles, plant and equipment		2,644	2,519
Aggregate depreciation recognised as an expense during the year		7,203	7,460
Amortisation			
Amortisation of computer software systems	4.3(b)	-	1,143
Total depreciation and amortisation		7,203	8,603

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 \$5K (2022: \$5K) 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 \$5K (2022: \$5K) 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:

	2023	2022
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

	2023 \$ 000	2022 \$ 000
Current		
Land – interment purposes	76	232
Grave foundations and beams	5,941	8,048
Mausoleum crypts	1,966	3,064
	7,983	11,343
Non-current		
Land – interment purposes	11,547	11,736
Grave foundations and beams	18,369	11,962
Mausoleum crypts	12,991	14,957
Work in progress	23,437	19,986
	66,344	58,641
Total inventories	74,327	69,984

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 based on weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment.

Inventories expected to be sold/utilised within twelve months are recorded as current and inventories expected to be sold/utilised after twelve months are recorded as non-current. The methodology applied in the current year has been consistently applied in the prior year with the comparative amounts adjusted accordingly.

Note 4.6 – Impairment of assets

HOW WE RECOGNISE IMPAIRMENT

At the end of each reporting period, GMCT reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on GMCT which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, GMCT compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, GMCT estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GMCT did not record any impairment losses for the year ended 30 June 2023.

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, GMCT assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	GMCT applies significant judgement and estimate to determine the value of other provisions.

Note 5.1 – Receivables and contract assets

	Note	2023 \$ 000	2022 \$ 000
Current			
Contractual			
Trade and sundry debtors		1,912	2,197
Payment plan receivable		3,150	3,756
Accrued interest and distributions		8,042	13,579
Less: Allowance for impairment losses of contractual receivables	5.1(a)	(123)	(127)
Total current contractual receivables		12,981	19,405
Statutory			
GST receivable		927	378
Total current statutory receivables		927	378
Total receivables		13,908	19,783

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

	2023 \$ 000	2022 \$ 000
Balance at the beginning of the year	127	6
Amounts written off during the year	-	(10)
Increase/(decrease) in allowance recognised in net result	(4)	131
Balance at end of the year	123	127

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. GMCT 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. Payment plan receivables are carried at nominal amounts due and are set up on monthly payment plans ranging from 1 month to 36 months.

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 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 considers 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

	2023 \$ 000	2022 \$ 000
Current		
Contractual		
Trade creditors	2,173	1,279
Accrued salaries and wages	1,126	972
Other creditors and accruals	5,106	5,203
Total contractual creditors	8,405	7,454
Statutory		
Cemetery levy	2,886	3,255
Superannuation liability	239	229
Total statutory creditors	3,125	3,484
Total payables	11,530	10,938

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.

Note 5.3 – Contract liabilities

	2023 \$ 000	2022 \$ 000
Current		
Pre-need deed sales liability	27,438	23,945
Deposits received in advance	7,465	7,130
Total contract liabilities	34,903	31,075
Opening balance of contract liabilities	31,075	35,005
Payments received for performance obligations not yet fulfilled	8,067	8,539
Revenue recognised for the completion of performance obligations	(4,239)	(12,469)
Total contract liabilities	34,903	31,075

HOW WE RECOGNISE CONTRACT LIABILITIES

Contract liabilities comprise 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

	2023 \$ 000	2022 \$ 000
Current		
Onerous contracts	253	95
Total other current provisions	253	95
Balance at beginning of year	95	85
Amount taken to comprehensive operating statement	158	10
Balance at end of the year	253	95

HOW WE RECOGNISE OTHER PROVISIONS

GMCT receives funds in advance of delivering the related service.

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

	2023 \$ 000	2022 \$ 000
Cash on hand	-	1
Cash at bank	4,702	2,547
Total cash and cash equivalents	4,702	2,548

HOW WE RECOGNISE CASH AND CASH EQUIVALENTS

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

Note 6.2 – Commitments for expenditure

	2023 \$ 000	2022 \$ 000
Capital expenditure commitments		
Not longer than one year	26,765	26,375
Longer than one year and not longer than five years	2,044	4,793
Longer than five years	-	-
Total capital expenditure commitments	28,809	31,167
Operating expenditure commitments		
Not longer than one year	5,520	5,785
Longer than one year and not longer than five years	2,101	2,986
Longer than five years	-	-
Total operating expenditure commitments	7,621	8,770
Lease expenditure commitments		
Not longer than one year	-	351
Longer than one year and not longer than five years	-	-
Longer than five years	-	-
Total operating expenditure commitments	-	351

HOW WE DISCLOSE OUR COMMITMENTS

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

EXPENDITURE COMMITMENTS

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments 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 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
- 7.4 Fair value determination

Key judgements and estimates	Description
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Measuring fair value of non-financial assets

Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.

In determining the highest and best use, GMCT has assumed the current use is its highest and best use. Accordingly, characteristics of GMCT's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.

GMCT uses a range of valuation techniques to estimate fair value, which include the following:

- › Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of GMCT's land and buildings are measured using this approach.
- › Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of GMCT's buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.
- › Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. GMCT does not use this approach to measure fair value.

GMCT selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Subsequently, GMCT applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:

- › Level 1, using quoted prices (unadjusted) in active markets for identical assets that GMCT can access at measurement date. GMCT does not categorise any fair values within this level.
- › Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. GMCT categorises non-specialised land and right-of-use concessionary land in this level.
- › Level 3, where inputs are unobservable. GMCT categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

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

2023	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	4,702	-	-	4,702
Receivables	1,789	-	-	1,789
Payment plan receivable	3,150	-	-	3,150
Other receivables	8,042	-	-	8,042
Investments and other financial assets				
Managed investment schemes	-	360,990	-	360,990
Total financial assets (i)	17,683	360,990	-	378,673
Contractual financial liabilities				
Payables	-	-	(8,405)	(8,405)
Total financial liabilities (i)	-	-	(8,405)	(8,405)
	Contractual financial assets – loans and receivables	Contractual financial assets – available for sale	Contractual financial assets /liabilities at amortised cost	TOTAL
2022				
Contractual financial assets				
Cash and cash equivalents	2,548	-	-	2,548
Receivables	2,070	-	-	2,070
Payment plan receivable	3,756	-	-	3,756
Other receivables	13,579	-	-	13,579
Investments and other financial assets				
Managed investment schemes	-	341,121	-	341,121
Total financial assets (i)	21,953	341,121	-	363,074
Contractual financial liabilities				
Payables	-	-	(7,454)	(7,454)
Total financial liabilities (i)	-	-	(7,454)	(7,454)

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

HOW WE CATEGORISE FINANCIAL INSTRUMENTS

Categories of financial assets

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.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

GMCT recognises the following liabilities in this category:

- › payables (excluding statutory payables and contract liabilities).

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;
- › 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.

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 2022–23.

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 selected 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.

	Current	Less than 1 month	1–3 months	3 months– 1 year	1–5 years	TOTAL
30 June 2023						
Expected loss rate*	0%	0%	0%	38.2%	0%	
Gross carrying amount of contractual receivables	11,105	1,419	257	322	-	13,103
Loss allowance* (\$ 000)	-	-	-	(123)	-	(123)
30 June 2022						
Expected loss rate*	0%	0%	0%	23.6%	0%	
Gross carrying amount of contractual receivables	17,145	1,391	461	535	-	19,532
Loss allowance* (\$ 000)	-	-	-	(127)	-	(127)

* 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.

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 a result, no loss allowance has been recognised.

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. GMCT 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.

	Carrying amount \$ 000	Nominal amount \$ 000	Maturity dates			
			Less than 1 month \$ 000	1–3 months \$ 000	3 months– 1 year \$ 000	1–5 years \$ 000
Financial liabilities at amortised cost						
2023						
Total contractual creditors	8,405	8,405	8,405	-	-	-
Total	8,405	8,405	8,405	-	-	-
2022						
Total contractual creditors	7,454	7,454	7,454	-	-	-
Total	7,454	7,454	7,454	-	-	-

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 GMCT's investment objectives.

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 GMCT.

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

There were no material quantifiable or non-quantifiable contingent assets at the reporting date (2022: Nil).

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 GMCT; 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 liabilities at the reporting date (2022: Nil).

Note 7.4 – Fair value determination

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.

The following assets and liabilities are carried at fair value:

- › financial assets and liabilities at fair value through net result
- › property, plant and equipment.

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

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.

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. There have been no transfers between levels during the period.

GMCT monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is GMCT's independent valuation agency for property, plant and equipment.

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.

Note 7.4 (a) Fair value determination of investments and other financial assets

		Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
As at 30 June 2023				
Managed investment schemes	360,990	-	360,990	-
Total investments and other financial assets at fair value	360,990	-	360,990	-
As at 30 June 2022				
Managed investment schemes	341,121	-	341,121	-
Total investments and other financial assets at fair value	341,121	-	341,121	-

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

How we measure fair value of investments and other financial assets

Management investment schemes

GMCT invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

GMCT considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

GMCT classifies these funds as Level 2.

Note 7.4 (b) Fair value determination of non-financial physical assets

		Fair value measurement at end of reporting period using:		
	Carrying amount	Level 1 (i)	Level 2 (i)	Level 3 (i)
As at 30 June 2023				
Cemetery land under infrastructure at fair value				
Specialised land	7,769	-	-	7,769
Total of land at fair value	7,769	-	-	7,769
Buildings at fair value				
Specialised buildings	29,142	-	-	29,142
Total of buildings at fair value	29,142	-	-	29,142
Infrastructure and improvements at fair value				
Infrastructure and improvements	54,601	-	-	54,601
Total of infrastructure and improvements at fair value	54,601	-	-	54,601
Motor vehicles, plant and equipment at fair value				
Motor vehicles and plant and equipment (ii)	11,596	-	-	11,596
Total of plant and equipment and vehicles at fair value	11,596	-	-	11,596
Total balance at fair value 30 June 2023	103,108	-	-	103,108

Note 7.4 – Fair value determination (continued)

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
As at 30 June 2022				
Cemetery land under infrastructure at fair value				
Specialised land	7,747	-	-	7,747
Total of land at fair value	7,747	-	-	7,747
Buildings at fair value				
Specialised buildings	30,110	-	-	30,110
Total of buildings at fair value	30,110	-	-	30,110
Infrastructure and improvements at fair value				
Infrastructure and improvements	53,471	-	-	53,471
Total of Infrastructure and improvements at fair value	53,471	-	-	53,471
Motor vehicles, plant and equipment at fair value				
Motor vehicles and plant and equipment (ii)	11,892	-	-	11,892
Total of plant and equipment and motor vehicles at fair value	11,892	-	-	11,892
Total balance at fair value 30 June 2022	103,220	-	-	103,220

(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 (2022: Nil).

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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 highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

Non-specialised land, non-specialised buildings, investment properties and cultural assets

Non-specialised land, non-specialised buildings, investment properties 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 and investment properties, 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 2022.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

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

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

An independent valuation of GMCT's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

Vehicles

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

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (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 amount.

There were no changes in valuation techniques throughout the period to 30 June 2023.

Reconciliation of level 3 fair value measurement

	Cemetery infrastructure land at fair value	Buildings at fair value	Infrastructure and improvements at fair value	Motor vehicles, plant and equipment at fair value
Opening balance	7,747	30,110	53,471	11,892
Purchases/(sales)	-	-	-	(43)
Depreciation	-	(968)	(3,591)	(2,644)
Transfers in/(out)	22	-	4,721	2,392
Revaluation	-	-	-	-
Closing balance	7,769	29,142	54,601	11,596
Total balance at fair value 30 June 2023	7,769	29,142	54,601	11,596

	Cemetery infrastructure land at fair value	Buildings at fair value	Infrastructure and improvements at fair value	Motor vehicles, plant and equipment at fair value
Opening balance	7,832	39,915	57,333	9,158
Purchases/(sales)	-	(3,568)	(129)	(133)
Depreciation	-	(1,713)	(3,226)	(2,519)
Transfers in/(out)	665	607	(507)	5,386
Revaluation	(750)	(5,131)	-	-
Closing balance	7,747	30,110	53,471	11,892
Total balance at fair value 30 June 2022	7,747	30,110	53,471	11,892

Fair value determination of level 3 fair value measurement

Asset class	Examples	Expected fair value level	Valuation approach	Significant inputs (Level 3 only) (iii)
Cemetery – specialised land				
Land	Cemetery land subject to Level 3 restriction as to use		Market approach	Community Service Obligation (CSO) adjustment
Cemetery – specialised building				
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				
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

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

	2023 \$ 000	2022 \$ 000
Net result for the year	22,952	(13,739)
Non-cash flows in the operating result		
Depreciation and amortisation	7,203	8,603
(Profit)/loss from disposal of property, plant and equipment	(310)	(90)
Realised (gain)/loss on financial assets	(120)	(7,118)
Unrealised (gain)/loss on financial assets	(9,244)	46,448
Other non-cash	-	2,192
Project accruals	(859)	379
	(3,329)	50,413
Changes in assets and liabilities		
(Increase)/decrease in receivables	5,875	4,275
(Increase)/decrease in inventories	(5,273)	6,607
(Increase)/decrease in prepayments	(109)	(64)
Increase/(decrease) in payables	592	(814)
Increase/(decrease) in employee benefits	682	467
Increase/(decrease) in onerous contracts	158	10
Increase/(decrease) in unearned income	3,828	(3,930)
	5,754	6,551
Net cash flow from operating activities	25,377	43,225

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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned from the time the Legislative Assembly expired, until the Victorian election results were clear and a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday 1 November and new ministers were sworn in on 5 December.

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

Responsible minister	Period
The Honourable Mary-Anne Thomas, Minister for Health	01/07/2022 – 30/06/2023
Governing board (the Trust)	
Michael Doery (Chair)	01/07/2022 – 30/06/2023
Elizabeth Beattie	01/07/2022 – 30/06/2023
David Cragg	01/07/2022 – 30/06/2023
Beverley Excell	01/07/2022 – 30/06/2023
Dana Hlavacek	01/07/2022 – 30/06/2023
Kevin Quigley	01/07/2022 – 30/06/2023
Katerina Angelopoulos	01/07/2022 – 30/06/2023
Vedran Drakulic	01/07/2022 – 30/06/2023
Accountable officers	
Andrew Eriksen (Chief Executive Officer)	01/07/2022 – 30/06/2023

REMUNERATION OF RESPONSIBLE PERSONS

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

Income band	Total remuneration	
	2023	2022
\$0–\$9,999	-	1
\$10,000–\$19,999	7	7
\$30,000–\$39,999	1	1
\$100,000–\$109,999	-	1
\$320,000–\$329,999	-	1
\$400,000–\$409,999	1	-
	9	11
Total remuneration received or due and received by responsible persons from the reporting entity amounted to	\$545,279	\$588,754

Amounts relating to the Governing Board Members and Accountable Officer of GMCT's controlled entities are disclosed in their own financial statements. Amounts relating to responsible ministers are reported within the Department of State's Annual Financial Report.

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 disclosed in note 8.5)	Total remuneration 2023 \$ 000	Total remuneration 2022 \$ 000
Short term employee benefits	1,038	1,290
Post-employment benefits	108	129
Total remuneration (i)	1,146	1,419
Total number of executives	6	7
Total annualised employee equivalents (AEE) (ii)	4.1	6

(i) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of GMCT under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure. (Note 8.5).

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

GMCT complies with the Public Entity Executive Remuneration Policy (PEER Policy) which came into effect on 4 February 2021 and does 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 (2022: Nil).

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.

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of GMCT and its controlled entities, directly or indirectly.

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

KMPs 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 and the following Executive Officers:

Brian Smart	Chief Financial Officer 01/07/2022 – 30/06/2023
Jamie Reid	Chief Future Built Environment Officer 01/07/2022 – 30/06/2023
Kelli Browne	Chief Customer Officer 05/06/2023 – 30/06/2023
Dimi Patitsas	Chief Operations and People Officer 02/01/2023 – 30/06/2023 Chief People and Risk Officer 01/07/2022 – 01/01/2023 Acting Chief Operating Officer 01/07/2022 – 01/01/2023 Acting Chief Customer Officer 01/01/2023 – 04/06/2023
Andrew Port	Chief Governance Officer 02/01/2023 – 30/06/2023 Company Secretary 01/07/2022 – 01/01/2023 Acting Chief Strategy, Innovation and Performance Officer 01/08/2022 – 01/01/2023
Rowena Morrow	Chief Strategy, Innovation and Performance Officer 01/07/2022 – 31/07/2022

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 are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the State's annual financial report.

Compensation	2023 \$ 000	2022 \$ 000
Short-term employee benefits	1,532	1,830
Post-employment benefits	159	178
Total	1,691	2,008

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 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 GMCT, there were no related party transactions that involved key management personnel and their close family members or their personal business interests.

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 2021–22 cemetery levy of \$3.255 million (2022: \$2.469 million). Related party balances payable to the Department of Health for the cemetery levy as at 30 June 2023 were \$2.886 million (2022: \$3.255 million).

Insurance products are also obtained from the Victorian Managed Insurance Authority.

Note 8.6 – Remuneration of auditors

Victorian Auditor General's Office	2023 \$ 000	2022 \$ 000
Audit of the financial statements	103	102
	103	102

Note 8.7 – Ex-gratia payments

GMCT has not made any ex-gratia payments during the current reporting period or previous reporting period. GMCT also has not written off any ex-gratia payments during the current reporting period or previous reporting period. (2022: 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 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 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.

PHYSICAL ASSET REVALUATION SURPLUS RESERVE

The physical asset revaluation surplus reserve is used to record increments and decrements in the revaluation of non-current physical assets. In the event that an asset, that has an increment amount in the physical asset revaluation surplus reserve is sold, this amount may be transferred to accumulated surplus/(deficit).

PERPETUAL MAINTENANCE RESERVE

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.

Any transfer to the Perpetual Maintenance Reserve is capped each year to not exceed the comprehensive 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.


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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