



The Greater Metropolitan
Cemeteries Trust
Lasting memories, peaceful places.

Annual Report 2018-2019





**The Greater Metropolitan
Cemeteries Trust**
Lasting memories, peaceful places.

14 August 2019

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

Dear Minister,

We are pleased to submit, for presentation to Parliament, the annual report of The Greater Metropolitan Cemeteries Trust (GMCT) for the 12 months ending 30 June 2019.

The report was endorsed at a meeting of the trust on 14 August 2019.

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

The 2018-19 year was a positive one for GMCT — we further developed our capabilities to engage with our communities and gather customer insights, and progressed our planning activities for a new memorial park at Harkness.

We are proud of the organisation's achievements in delivering on GMCT's Strategic Plan 2017-2022. This plan focuses on community connections, lasting stewardship, operational excellence and change-ready agility under the theme 'stepping up, reaching beyond'.

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

Regards,

Geoff Mabbett
Chair

Deb Ganderton
Interim Chief Executive Officer

Head Office

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Contents

About GMCT	4
Our vision, mission, values, purpose	4
Our key stakeholders	5
Our cemeteries and memorial parks	6
Chair and chief executive officer report	8
Strategic Plan 2018-2023	10
At a glance	11
Performance report	12
Financial comparative analysis	13
Community connections	14
Highlights	15
Community advisory committee – chair’s report	16
Events and community engagement	17
Lasting stewardship	18
Highlights	19
Environmental sustainability	20
Operational excellence	22
Highlights	23
Occupational health and safety	24
Change-ready agility	26
Highlights	27
Workforce	28
Staff awards and recognition	30
The organisation	32
Trust at a glance	32
Organisational structure	33
Trust members	34
Trust and committee meetings attendance	35
Reporting to government	36
Management committees and staff leadership	38
Consultancies	40
Attestations, compliance and disclosures	42
Chief finance officer report	44
Financial statements	45
Independent auditor’s report Victorian Auditor-General’s Office	47
Disclosure index	94

About this report

The Greater Metropolitan Cemeteries Trust Annual Report 2018–2019 provides information about the trust’s governance, objectives, functions, performance and achievements.

The report highlights GMCT’s work throughout the year and includes information about management, operations, infrastructure and planning, workforce, sector leadership, stakeholder engagement and financial operations. It includes a joint report from the chair and chief executive officer.

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

This report covers the financial year ended 30 June 2019.

Responsible bodies declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for The Greater Metropolitan Cemeteries Trust (GMCT) for the year ending 30 June 2019.



Geoff Mabbett
Chair

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

14 August 2019

To receive this publication in an accessible format phone 1300 022 298 using the National Relay Service 13 36 77 if required, or email enquiries@gmct.com.au

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

Available at www.gmct.com.au/about-us/annual-report/

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About GMCT

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

Our belief in caring for the community with dignity and kindness underpins all our work at The Greater Metropolitan Cemeteries Trust. With compassion and respect, we help more than 12,000 families of all cultures and faiths each year.



The Greater Metropolitan Cemeteries Trust is a designated Class A cemetery trust under the *Cemeteries and Crematoria Act 2003*. Established on 1 March 2010, GMCT was formed following the consolidation of eight cemetery trusts. Those trusts were in Altona, Andersons Creek, Fawkner, Keilor, Lilydale, Preston, Templestowe and Wyndham.

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

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

Our vision

Lasting memories, peaceful places.

Our mission

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

Our values

- Compassion
- Respect
- Sustainability
- Integrity

Our purpose

The Greater Metropolitan Cemeteries Trust provides cremation, burial and interment services for Melbourne's diverse communities.

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

Our key stakeholders

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

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



GMCT cemeteries and memorial parks



Cemetery lifecycle

A number of GMCT cemeteries have been serving the local community for more than 150 years. Today GMCT manages 21 sites including two greenfield sites allocated for cemetery use under the Victorian Government Gazette. About one third of the cemeteries managed by GMCT are either in a state of perpetual maintenance or have almost reached peak capacity. The text at right explains the cemetery lifecycle.

1



Concept

The initial identification of need or opportunity and identification and acquisition of new land for cemetery use.

2



Establishment

Planning for the development of new greenfield sites and acquired land.

 SITE	 REGION	 LAND SIZE (ha)	 LIFECYCLE STAGE
▲ 1 Altona Memorial Park	West	53.3	Active
● 2 Andersons Creek Cemetery	East	3.3	Transitional
● 3 Burwood Cemetery	East	6	Transitional
● 4 Coburg Pine Ridge Cemetery	North	10.3	Transitional-Perpetual
● 5 Emerald Cemetery	East	2	Active-Transitional
● 6 Fawkner Memorial Park	North	111	Active
● 7 Healesville Cemetery	East	3.6	Active-Transitional
● 8 Keilor Cemetery	West	14	Active
● 9 Lilydale Lawn Cemetery	East	4.5	Transitional-Perpetual
▲ 10 Lilydale Memorial Park	East	36.3	Active
● 11 Northcote Cemetery	North	0.4	Perpetual
● 12 Northern Memorial Park	North	98.4	Establishment-Active
● 13 Preston Cemetery	North	9.5	Active-Transitional
● 14 Templestowe Cemetery	East	3.9	Transitional-Perpetual
● 15 Truganina Cemetery	West	1.6	Perpetual
● 16 Werribee Cemetery	West	5.6	Active-Transitional
● 17 Williamstown Cemetery	West	11.4	Active-Transitional
● 18 Yarra Glen Cemetery	East	2	Active-Transitional
■ 19 Plenty Valley	North	83.2	Establishment
■ 20 Harkness	West	128.6	Establishment
● 21 Footscray Cemetery*	West	11	Perpetual

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

3



Active

The operation of cemeteries that have high visitation and interments and a wide range of services.

4



Transitional

Lessening requirement for infrastructure, continued but declining interment and services, medium visitation.

5

Perpetual

Cemeteries with minimal space available and low visitation rates, requiring ongoing maintenance and a focus on heritage.

Chair and chief executive officer report

With Melbourne's population forecast to reach 8 million by 2051¹, the diverse communities that make up our city will continue to evolve over the next 30 years and beyond. We are stepping up to meet this long-term challenge by listening to our communities and continually changing in response to emerging needs.

2018-19 was another busy year at GMCT, with an estimated 1.8 million visitors to the open green spaces that make up our cemeteries and memorial parks. We provided burial, cremation and memorialisation services to around 12,000 families, received nearly 99,000 calls via the Customer Care team, and maintained over 600ha of beautiful public parkland and gardens.

We also passed a number of significant milestones on our journey to becoming a more customer-focused and sustainable organisation. We built on past successes, worked towards the goals set out in our strategic plan 2018-2023, and focused on our four strategic pillars: community connections, lasting stewardship, operational excellence and change-ready agility.

Financial performance

2018-19 presented some challenging economic conditions for GMCT, with soft consumer confidence paired with a declining death rate over the first three quarters to March. These factors were reflected in a decline in demand for pre-need purchases over the last 12 months, and a reduction in the number of services provided by GMCT (16,864 in 2018-19 compared to 17,335 in the previous year).

Over the past 6 years we have implemented conservative financial practices and we are well positioned to adapt to short-term revenue fluctuations. In 2018-19 we contributed \$16.8 million to our perpetual maintenance reserve ensuring the long-term viability of our cemeteries. Revenue from cemetery operations was \$53.7 million, and our operating surplus was \$21.8 million falling short of last year's high benchmark.

Although our revenue is down, the declining death rate is wonderful news for Victorians who are living healthier and longer lives every year. During this quieter period we continued to deliver a high standard of service, and focused on transforming the way we operate, strengthening our community connections, building collaborative partnerships and enhancing our customer experience.

¹ *Victoria in Future 2016: population and household projections to 2051*, The State of Victoria Department of Environment, Land, Water and Planning, 2016, pg 6

Putting the customer first

Central to the program of work we've undertaken this year – whether designing systems, processes, customer experiences, or entire cemetery landscapes – our organisational culture is firmly focused on ensuring we continue to listen and adapt, keeping the customer at the heart of everything we do.

In 2019 we undertook comprehensive community consultation with stakeholders from Melbourne's diverse Muslim communities, culminating in the first Muslim Communities Forum at Northern Memorial Park. Our staff joined religious leaders, funeral directors, community leaders and representatives from the Board of Imams and the Islamic Council of Victoria for a Halal dinner and readings from the Koran.

The in-depth insights and data gained from both formal and informal community engagement activities and events throughout the year will continue to inform our service offering, our approach to land-use planning, and our strategic direction.

Contributing to our communities

Forging meaningful connections with our communities means much more than communication, consultation and engagement. Through inclusive community activities, social procurement and community partnerships, GMCT aims to make positive contributions to the communities we work with across all 21 cemeteries and memorial parks.

This year we signed a Memorandum of Understanding with Kew Neighbourhood Learning Centre, formally partnering with this wonderful, community-focused organisation to offer horticulture training to young people with learning challenges or a disability. We also partner with YMCA Victoria to provide meaningful work experience for at-risk youth. Through these partnerships, GMCT is helping to empower members of our communities to find pathways to future careers. We also acknowledge the passionate contribution of our volunteers and friends groups who ensure our cemeteries are spaces with a living connection to community.

Building for Melbourne's future

In order to meet the dual challenges of a growing and ageing population, GMCT is investing in vital infrastructure to ensure we meet our customers' needs now and into the future. In 2018-19 our plans progressed for a new memorial park at Harkness in Melbourne's west, with the establishment of an international design reference panel to be supported by a community advisory panel.



The many productive, collaborative connections we made with a wide range of stakeholders throughout the year will help ensure we create a world-class cemetery fit for a world city.

Our master-planned development of the new River Red Gum precinct at Northern Memorial Park in Glenroy continued in 2018-19. More than 2,500 graves were released this year, and a further 2,100 constructed, adding to the 2,100 released in 2017-18. Construction efforts have now turned to the development of key infrastructure that will define the site for decades to come – tree-lined avenues, water features, and all the subtle elements that go into creating a unique memorial landscape. Work also began on the design of two new mausolea at Keilor and Fawkner.

Contributing to our sector

In line with our role in supporting Class B Cemetery Trusts, GMCT and Yan Yean Cemeteries Trust (YYCT) have signed a Memorandum of Understanding. GMCT and YYCT are collaborating on a pilot project to explore and test ways to work in partnership and to provide a working model for future collaborative opportunities in the wider cemetery sector.

GMCT has provided advice and assistance to YYCT in relation to the digitisation of interment records, Geographic Information System (GIS) mapping, policy and procedure development, and the implementation of Workplace Health and Safety (WHS) registrations for stonemasons, funeral directors and other contractors. GMCT's introduction of a flexible, online WHS prequalification system in 2016-17 continues to make our cemeteries safer places to work and underlines our commitment to a more digitally enabled future.

Investing in our people

GMCT's ongoing commitment to our people is demonstrated by improved results in the Workforce Engagement Survey this year. Not only was the participation rate up from 72 to 95 per cent, but positive responses to the questions "I am happy with the work I do at GMCT" and "I am motivated to do my best at GMCT" increased by 20 per cent and 18 per cent respectively since 2016. Building on these results, we took the time to formally record

and interpret the amazing stories of our long-serving and dedicated staff. These stories have informed a refreshed understanding of our organisational values. We also launched our new learning and development matrix aimed at developing employee skills, and our comprehensive leadership development program. These programs challenge how our emerging leaders think and equip them to act in ways that reinforce the positive workplace culture at GMCT.

Trust chair's acknowledgements

GMCT's corporate office is located on the lands of the Wurundjeri people, and we acknowledge them as Traditional Owners. We also pay respects to their Elders, past, present and future, and to the Traditional Owners of all the lands on which GMCT operates its 21 cemeteries.

The trust, community advisory committee, and trust subcommittees continued to provide the organisation with strong governance and effective leadership. Of special note is Jim Turcato who was appointed to the trust in September 2017 and contributed significantly during his time at GMCT. It was with great regret that Jim tendered his resignation in December 2018.

We also acknowledge the Minister for Health, Jenny Mikakos, the Parliamentary Secretary for Health, Anthony Carbines, and staff at the Department of Health and Human Services for the counsel and assistance they provide throughout the year, and for helping us deliver valuable services to Melbourne's rich and diverse communities. We farewell, too, outgoing Minister Jill Hennessy.

Above all, on behalf of the trust I would like to extend our thanks to GMCT staff and volunteers for their dedication and hard work, and to the communities that make each of our cemeteries and memorial parks unique.

Finally, I would like to personally acknowledge CEO Jacqui Weatherill who, after some seven and a half years of outstanding leadership, has moved on and taken up an exciting new opportunity in 2019-20. On behalf of the trust, the staff and the community members Jacqui has served during her tenure as CEO, thank you.

Geoff Mabbett
Chair

Jacqui Weatherill
Chief executive officer

Until 28 June 2019

Strategic Plan 2018-2023



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

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

We are investing in market research, community engagement and customer insights, ensuring our actions, decisions and initiatives continue to align with community expectations. We aim to measure and exceed these expectations as a leader in the cemetery sector, and as a provider of public open space.

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

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

Our road map for the five year strategic plan sees GMCT focus on four fundamental pillars:

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

A total of 12 strategies are built on these four pillars, informing our initiatives and decision-making at every level, and ensuring we remain focused, transparent and accountable.

GMCT's annual plans provide the mechanism through which we action and deliver on our five-year strategic plan. The plans can be viewed at: gmct.com.au/about-us/annual-report/

At a glance

21 cemeteries and memorial parks across Melbourne's north, east and west (including two greenfield sites)



1.8 million

estimated visitors to GMCT cemeteries and memorial parks



\$19.9 million investment in capital projects



\$9.4 million investment in the development of new stock



4520

burial interments



6724

cremations



487

mausoleum interments

228

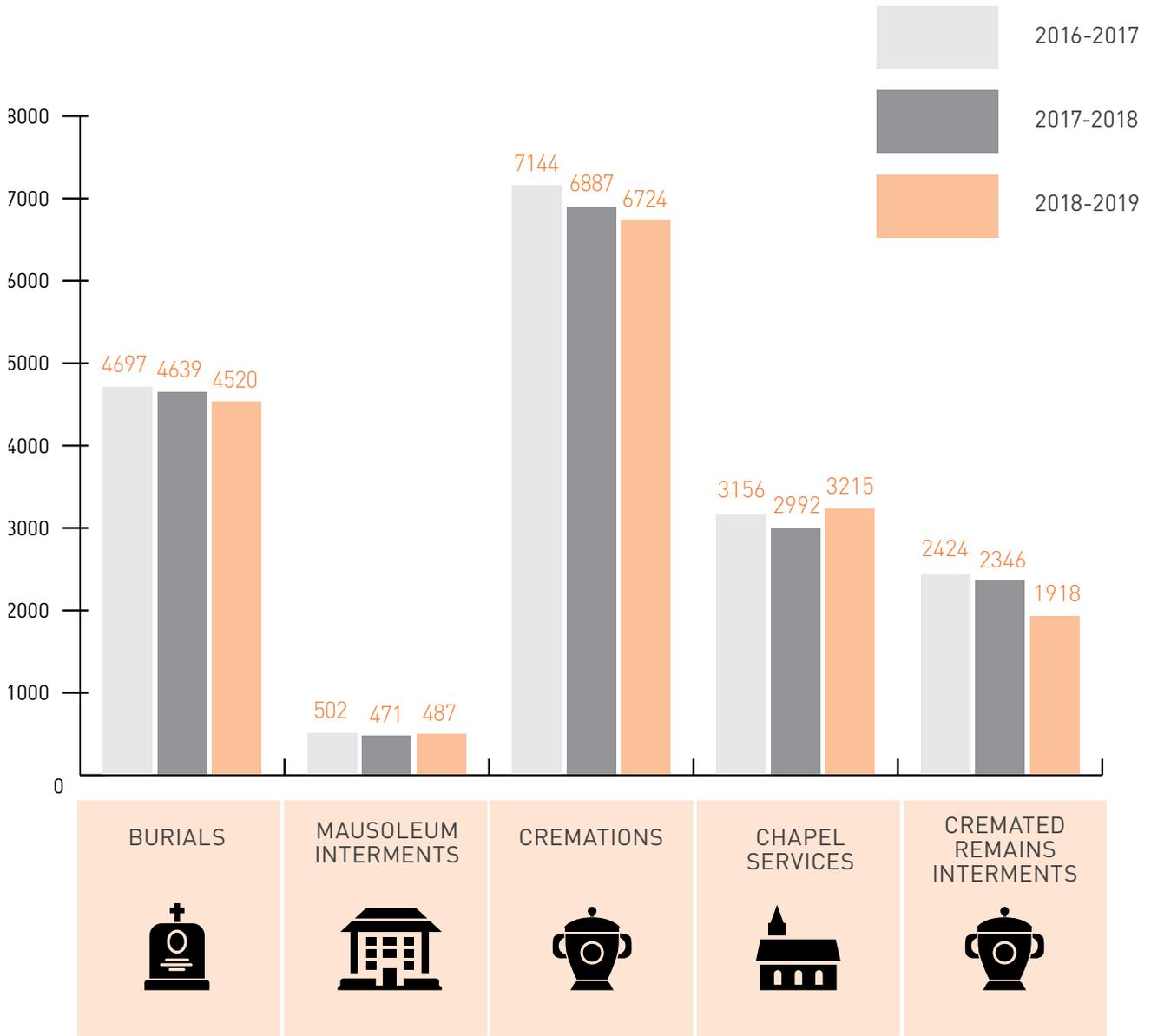
members of staff



2912

hours undertaken by staff for development and training

Performance report



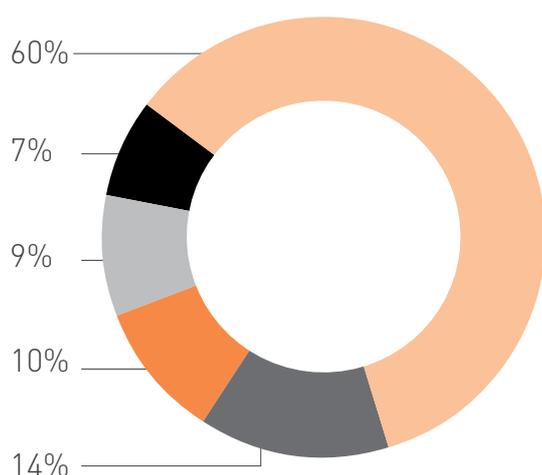
Energy consumption

Energy	2018-2019	2017-2018	2016-2017
Electricity	1,208 (MwH)	1,273 (MwH)	1,354 (MwH)
Gas	14,104 (GJ)	14,703 (GJ)	15,150 (GJ)*
Water	95 mega litres	82 mega litres	85 mega litres

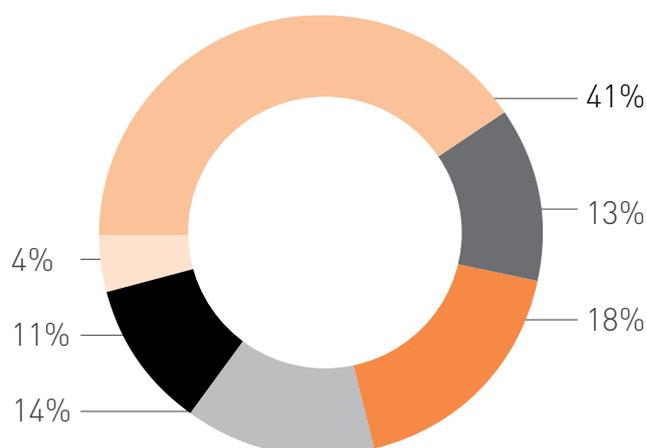
*Updated based on usage data from suppliers

Financial comparative analysis

Revenue



Operating expenses



	\$ 000
Right of interment	32,327
Interments	7,503
Cremations	5,169
Memorialisation	5,028
Other	3,647

	\$ 000
Salaries and wages	21,173
Maintenance and operations	6,562
Administration	9,397
Cost of sales	7,069
Other	5,751
Cemetery levy	2,042

GMCT comparative results

	2019 \$000	2018 \$000	2017 \$000	2016 \$000	2015 \$000
Operating and investment income	68,361	79,561	78,092	57,777	59,678
Cost of sales	(7,069)	(8,750)	(10,926)	(6,933)	(6,534)
Total income from transactions	61,292	70,811	67,166	50,844	53,144
Total expenses	39,465	38,476	34,962	31,747	33,438
Operating surplus	21,827	32,335	32,204	19,097	19,706
Total assets	496,333	470,677	431,175	369,904	351,289
Total liabilities	34,287	30,460	28,383	24,622	24,103
Net assets	462,046	440,217	402,792	345,282	327,186

Community connections



We aim to lead and nurture strong connections with the communities we serve.

Maintaining strong connections with our communities enables us to reflect their needs, preferences and beliefs while responding to emerging needs and shifting preferences as Melbourne's population grows and changes over time. The connections we build with the communities we serve ensure we can be there for our customers when they need us.

We reach out to our communities face-to-face, across our cemeteries and memorial parks, online, and in the forums where community conversations about death and dying are happening. Led by principles of human-centred design, we proactively nurture and facilitate meaningful community connections and value our engagement with customers, families and the communities they belong to.

STRATEGIC OBJECTIVES

1

Embed a family and community-oriented service

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

Enhance digital consumer connections

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

Build progressive community leadership

Nurture and facilitate deep and proactive connections with our communities through outreach, building awareness and demystifying our industry.

THRIVING COMMUNITY PARTNERSHIPS



Northcote Cemetery is playing an important role in the journey of a group of young people as the site of horticulture classes for students with learning challenges or a disability.

A community partnership between GMCT, Kew Neighbourhood Learning Centre, supported employment provider Burke and Beyond and Swinburne University is focused on equipping the students with horticulture training and experience to prepare them for future transition into further education, or the workforce.

Each week, supported by GMCT staff and their tutors, the group travels to Northcote Cemetery to learn essential horticulture skills – such as weeding, mulching, pruning and plant selection.

“KewNLC is thrilled to work together with GMCT providing opportunities for young people to learn, find out what they’re interested in and make their own decisions about future training”, says Christine Wallis, Planning and Development Manager at KewNLC. “Experiencing potential employment pathways through the partnership is a real way of making a difference”.

Highlights

— Digital connections

GMCT continues to use new technologies to connect with our communities and ensure their input informs decision making.

Through our online Community Voice Panel we gather insights into community attitudes, beliefs and preferences relevant to organisational decision making. The panel operates as a survey-based research program, providing us with valuable data and the opportunity to check in with our communities on key issues, keeping us grounded in a customer-centric approach. To date we’ve connected with our communities on a diverse range of topics, from end-of-life education to memorialising young people.

We also continued to grow our online communities in 2018-19, passing a major milestone of more than 6000 followers on Facebook. These virtual communities provide a platform for those with shared interest in our cemeteries to stay up-to-date, provide feedback to GMCT and participate in community discussions.

— Understanding and celebrating our communities

In March 2019, GMCT hosted the inaugural Muslim Communities Forum at the Commemoration Centre at Northern Memorial Park. This shared celebration acknowledged the completion of a comprehensive community engagement program undertaken with representatives from a wide range of Muslim communities in order to gain a deeper understanding of their needs.

Our staff joined religious leaders, funeral directors, community leaders and representatives from the

Board of Imams and the Islamic Council of Victoria for a shared meal, readings from the Koran, and a discussion facilitated by speaker and cross-cultural consultant Tasneem Chopra. “A massive win for multicultural engagement conducted proactively and not reactively,” said Tasneem.

— Community pop-up

More than 150 community members had their say on cemeteries at our community engagement pop-up as part of Moreland City Council’s Fawkner Festa in November. Our innovative station at the popular community festival helped us connect with locals in the suburbs surrounding our largest site, Fawkner Memorial Park.

People from a range of community demographics enjoyed the opportunity to provide feedback directly to GMCT and to share their opinions and ideas about the future of cemeteries through engaging and interactive activities.

— Friends of our cemeteries

GMCT has a holistic approach to community development, empowering key community groups and stakeholders with a focus on inclusion. Our dedicated friends groups and volunteers continued to perform a valuable role as ambassadors in our local communities, conducting a range of tours and activities across our cemeteries and memorial parks in 2018-19.

Friends of Coburg Cemetery hosted walking tours and educational events focused on the rich history of Coburg Pine Ridge Cemetery, and Friends of Williamstown Cemetery conducted tours exploring the maritime and Anzac histories of Williamstown.

Community advisory committee – chair’s report

It is the great privilege of GMCT’s Community Advisory Committee (CAC) to serve some of the most culturally and linguistically diverse communities in one of the most cosmopolitan cities in the world.

As GMCT approaches the end of its first decade, we have continued to mature as an organisation, and the makeup of our customers and communities has changed along with the growth of our city.

These communities are at the heart of our enterprise and its success. It is therefore more important than ever to work with one another to strengthen these connections as we develop our position as trusted leaders and partners within our communities and our sector.

This year CAC members have applied our strong community focus across a number of GMCT engagement activities, initiatives and decision-making processes, always with the goal of building the strong community connections that are at the heart of our strategic plan.

Over the past year we undertook a review of the purpose and role of the community advisory committee and identified an opportunity for GMCT to maximise the role CAC plays in informing the activities of the organisation. As a result we have broadened the scope and membership of the committee and have adopted a more active approach to connecting with groups in the wider community. This ensures we have the diversity of views, skills and voices required to achieve the best outcomes for GMCT and the communities we serve.

We have recruited new CAC members from across many sectors of our community including representatives of vulnerable and disadvantaged Victorians, key influential community groups and cultural organisations. The breadth and depth of expertise and community connections within our new committee is truly impressive, and will set us up for success.

In 2018-19 CAC embarked on a disability action plan, and in coming months will consult with the disability sector and set up an advisory committee to inform this process.

Our former CEO Jacqui Weatherill remained closely engaged with CAC throughout the year, recognising the strategic importance of community connections that help GMCT continue to deliver its services with genuine compassion and respect whilst providing us with invaluable insights into the needs of these communities as they change over time.

The committee also visited the site of our new memorial park at Harkness in Melbourne’s western growth corridor. An ambitious and important project, engagement with the local community and their stakeholders will be crucial to GMCT’s success in developing the site, and this was an excellent opportunity for CAC members to understand the scale of the project and the longevity of the site.

When communities work together it can be inspirational and powerful to see the outcomes.

Our dedicated and hard-working friends groups continually demonstrated this throughout the year, supporting a number of initiatives such as the reinstatement of historic headstones at Coburg Pine Ridge Cemetery, and helping connect GMCT with our local communities.

It is especially gratifying to see GMCT constantly looking beyond the technical and operational aspects of operating a cemetery trust and reaching out to the community to find better ways of bringing them together.

The community advisory committee wishes to acknowledge the work of its departing members and thank them for their service, and to welcome new members.

Departing members

- Janet Borg
- The Venerable Thich Nguyen Tang
- Meg Jenkins

New members

- Tashwita Rahalkar
- Anita Rivera
- Joseph Haweil
- Sacir Lacevic

Continuing members

- Liz Beattie (Chair)
- Kim McAliney
- Associate Professor Tammy Kohn
- David Cragg
- Vivienne Jackson
- Dr Bjorn Nansen

Liz Beattie
Chair



Events and community engagement

GMCT actively engages its communities through an annual program of events. In 2018-19 we hosted — or empowered friends groups, volunteers and community organisations to host — a total of 33 events, with more than 3,770 attendees and participants.

In addition to community events, various formal memorial services are held at GMCT sites throughout the year to mark days of significance, providing communities, families and individuals with a range of opportunities to reflect and remember. All Souls' Day mass, Anzac Day services and Mothers' and Fathers' Day services are among the most popular events.

— Highlights of the 2018-19 events program included:



A time to reflect

An important day in the Christian calendar, All Souls' Day commemorates all those who have passed away. GMCT hosted All Souls' Day mass at a number of our cemeteries, in a range of languages including English, Italian, Maltese and Polish, with 2,650 community members in attendance.



Carols in the Garden of Angels

The welcome sound of carollers could be heard ringing across the Fawkner Memorial Park landscape once more as the annual family Christmas event organised by Friends of the Garden of Angels came around.

Friends of the Garden of Angels is a community group dedicated to the special children interred at the Garden of Angels at Fawkner Memorial Park.



Police honoured at Burwood Cemetery

GMCT hosted The Police Association Victoria as they commemorated Inspector Francis Lawrence Heaney, founding member of the association, who is buried at Burwood Cemetery. Chief Commissioner Graham Ashton made a speech honouring his work in founding "the forerunner to what is, today, easily the best Police Association in the country".



Lest we forget

To mark the centenary of the end of World War I in November 2018, Keilor Historical Society and Keilor East RSL joined GMCT and the City of Brimbank to dedicate a Gallipoli Oak at Keilor Cemetery, creating a living, symbolic link to the site of the Anzacs' sacrifice.

On Anzac Day 2019, Friends of Williamstown Cemetery placed flags at hundreds of graves of service members. Volunteers also led a guided tour to highlight and honour its Anzac history.



Honouring Chinese ancestry

In April, Fawkner Memorial Park hosted Ching Ming – a traditional Chinese festival to show respect to one's ancestors.

The event was attended and supported by over 80 people, including representatives of numerous community organisations such as Brightmoon Temple, the See Yup Society, the Victorian Chinese Memorial Foundation, Chinese Nursing Home and the Victorian Elderly Chinese Welfare Society.



MoreArt at Fawkner Memorial Park

GMCT was once again proud to support the City of Moreland's MoreArt public art show. This program aims to activate public spaces through the installation of artworks that delight and challenge passers-by.

Three artworks were installed, including a 10 kilometre-long poem, an installation of terracotta chai cups harking back to the artist's cultural heritage, and a series of photographs exploring the diverse backgrounds of local residents.

Lasting stewardship



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

GMCT's commitment to lasting stewardship is about honouring the past, being present for the customers who need us now, and planning ahead for the long term.

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

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

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

STRATEGIC OBJECTIVES

2

Sustainable resource management

We will manage and implement a future-focused sustainability strategy whilst developing infrastructure to meet those needs.

Custodians of heritage

Preserving and promoting accessible cemetery history and heritage.

Influential policy leadership

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

Highlights

— Managing the GMCT urban forest

In 2018-19 GMCT's horticulturists and arborists have been auditing, preserving, protecting and restoring our population of approximately 20,000 trees, and also assessing and recording their health, history, condition, amenity value, rarity and location.

This important work aims to address the impacts of climate change, combat the 'urban heat island' effect, reduce water usage, and inform both the management plan for existing assets and longer term procurement plans for new, resilient and climate-appropriate trees.

Sustainable resource management is a key element of our strategic plan, and a range of processes have been put in place to preserve and improve the natural assets that characterise our green open spaces. These include a proactive maintenance program across all sites, five-yearly audits and data collection processes, recurring safety inspections, and an ongoing planting program.

Living Melbourne: our metropolitan urban forest is an ambitious strategy from Resilient Melbourne and the Nature Conservancy for a greener, more liveable Melbourne. It seeks to promote the idea that cities and nature can coexist through greening suburbs and city blocks, in spaces both private and public. GMCT's role as a significant landholder in metropolitan Melbourne positions us perfectly as an implementation partner with the initiative through our ongoing tree planting and environmental sustainability work. GMCT is proud to be part of the future of a greener and more resilient Melbourne.

— Building places for the future experience

In 2018-19, development continued on former farmland at the River Red Gum precinct to the north of Northern Memorial Park in Glenroy, providing much needed space to meet community needs as Melbourne's northern suburbs continue to grow and evolve.

GMCT's vision for the site is to create a cemetery environment with natural features to encourage reflection and strengthen connections between people and place. By designing the cemetery landscape with the customer in mind, we are creating an open public space that embraces our local communities and supports them through experiences of loss and grief.

Steady progress is being made on this new community asset, with the completion of grave infrastructure at the Sugar Gum and Snow Gum sections of the site. With over 4000 graves ready to meet our communities' emerging needs, construction has moved to the north-east corner of the site as our vision for a unique memorial landscape continues to take shape.

— Digitising our documented history

In the past 12 months GMCT has continued to make strong progress on our extensive digitisation program. The program covers an estimated 4 million pages of documentation. Of this, an estimated 2 million pages of documentation have already been digitised, indexed, and added to our Electronic Document and Records Management System.

These records are of great historical value and GMCT works closely with the Public Records Office Victoria (PROV) to ensure that our efforts align to relevant standards and guidelines for Victorian Government archival records. The program also seeks to collaborate and share information with historical societies and researchers, to support their ongoing research needs and to improve GMCT's historical knowledge.

We also continued to share the stories of those interred at our cemeteries and memorial parks in local media, online and via social networks. As custodians of cultural heritage GMCT aims to preserve and promote the stories of both prominent and ordinary Victorians. The *Footprints in history* series written and researched by historian and trust member Dr Jan Penney shines a light on the history of Victoria through the prism of our historic cemeteries.



Environmental sustainability

GMCT is committed to embedding principles of environmental sustainability wherever possible. We provide and promote sustainable products and services and manage our landscapes, resources and assets to ensure they can be enjoyed by future generations.

With that in mind, a five-year environmental sustainability plan was prepared in 2016. Based on the United Nations Sustainable Development Goals, its primary purpose is to direct efficient and effective improvements to GMCT's environmental sustainability performance.

As we begin to design a new memorial park for Harkness in the city's west and continue to develop the River Red Gum precinct at Northern Memorial Park, we are keeping environmental considerations at the fore.



Re-naturing our waterways

In the north-east corner of Northern Memorial Park in Glenroy, rehabilitation work has commenced on the banks of Campbellfield Creek. Our plans include weed management, adjustment of the flood levee back to a more natural creek alignment and native plantings to promote habitat for small birds.

Once complete, the rehabilitation will provide a peaceful sanctuary for cemetery users and the general public, who can access and traverse the wetland area on walking paths to be developed over the next twelve months.

Recycling our resources

Rather than sourcing a large quantity of crushed rock from a commercial supplier, the project team responsible for developing the River Red Gum precinct at Northern Memorial Park processed and crushed boulders cleared from GMCT sites over preceding decades. This initiative saw around 2,000 cubic metres of recycled materials used as the base for new infrastructure and pathways.



Reducing our water use

Traditionally, stormwater runoff from roads and burial areas has flowed into underground piped drainage systems leading into urban stormwater drainage, with potable water being drawn upon to support plantings.

In order to preserve historic River Red Gums within Northern Memorial Park expansion project during climate change, water sensitive urban design has become an important part of our development process which is now embedded in all future designs.

We now have a best practice system of drought tolerant plants, swales and sediment ponds which delay flows and purify rainwater as it circulates through the site before returning to the waterways promoting habitat for flora and fauna. A further 60,000 hardy and drought-resistant plants and shrubs are being planted in the River Red Gum precinct.





THE ART OF CEMETERY DESIGN

GMCT's Infrastructure and Development team, re-imagined as the Future Built Environment team during 2018-19, is working to meet the needs of our communities for generations to come, designing new memorial landscapes and cemeteries to last in perpetuity.

Cemetery design addresses ecological and socio-cultural sustainability, health and wellbeing through the art and science of the built environment. Through intelligent and informed place design, GMCT creates a range of experiences to support the various stages of grief. Our team's reflective and creative concepts weave together the natural landscape, heritage considerations, flora and fauna, infrastructure, roads and the layout of memorials.

Our future cemetery site at Harkness, near Melton, is located in one of Melbourne's fastest growing areas and GMCT envisions a peaceful sanctuary of community parkland providing a significant contribution to the future of integrated open space planning.



— Rehabilitating our eco-systems

With the assistance of the Victorian Government, GMCT is undertaking essential environmental works at the Altona Memorial Park eastern reserve. We are proud to partner with the Victorian Government through the Department of Health and Human Services cemetery grants program, and with Melbourne Water, to enact our comprehensive environmental management plan for approximately 11 hectares of cemetery reserve to the east of Altona Memorial Park.

The first phase of our plan has involved tree management, weed management, fencing and revegetation along Kororoit Creek. Noxious weeds have been cleared and exotic species are being replaced with native trees to help preserve and protect the site's unique riparian woodland and plains grassland habitats. Planning has also taken place this year for a large community planting event in partnership with Friends of Kororoit Creek and Hobsons Bay City Council in July 2019 to celebrate National Tree Day.

— From little things...

Environmental sustainability is not only about large-scale projects. A number of staff-focused initiatives from our Green Team have made great strides in embedding sustainability values in GMCT's culture.

The staff veggie garden at Fawkner promotes health and wellbeing by inviting staff who don't have gardens at home to get involved in horticulture and learn about sustainable food. Fresh produce from the garden finds its way to the harvest table, where staff also bring in food from their home gardens to share with colleagues. The Green Team is also closing the loop on food waste by composting waste from the staff kitchen and giving back to the staff garden.

As our facilities strategy continues to be rolled out, refurbishment works at GMCT have allowed us to donate office furniture to various charities. We have also been able to donate whitegoods to a charity who recondition and pass them on to families in need. We have connected with other charities and schools who may require donations in the future, and have built this practice into our asset disposal procedures.

Operational excellence



3

We strive for excellence in everything we do, empowered by innovative and effective technology, systems and processes.

GMCT seeks to make each customer's experience meaningful, whether planning ahead or during their time of loss. In order to meet our customers' needs we are committed to striving for excellence at every opportunity.

At every level of our operations we focus on positive outcomes and work within our teams to foster a culture of continuous improvement. We look for opportunities to add value for the communities we work with and always aim for best practice in project, program and enterprise governance. We proactively pursue strategic partnerships with key stakeholders and actively align our policies and procedures to our values and purpose.

STRATEGIC OBJECTIVES

Process excellence

Best practice and results-driven processes that foster excellence and productivity.

Aligned workforce capability

Foster a positive culture and a technologically-savvy, agile workforce, while increasing staff engagement to improve service delivery.

Blended service partnerships

Maximising strong strategic partnerships and business-to-business relationships to support customer needs.

Highlights

— Partnerships with purpose

In 2018-19 GMCT partnered with YMCA Victoria to provide young people with supported horticultural employment at Fawkner Memorial Park and Altona Memorial Park. ReBuild is a social enterprise that aims to reduce reoffending rates by providing employment and on-the-job training for 6-12 months for young offenders, and supporting them into longer-term roles.

By engaging ReBuild, GMCT has helped to create new pathways to stable employment for young adults. This creates positive social impacts for young adults while building community safety and savings for all Victorians through reduction in recidivism.

— Mapping cemetery development

In 2018-19, as part of GMCT's transformation journey, stakeholders from across the organisation collaborated to map the intricate process of designing and delivering new cemetery infrastructure for our customers. Subject matter experts from GMCT's three regional offices came together to chart the entire cemetery development journey, from gathering and analysing the customer insights initially identifying emerging needs, through to GIS mapping and perpetual maintenance planning.

Tracing this workflow across the organisation has resulted in a sense of role clarity, an alignment of interdepartmental operating rhythms, and gains in productivity across the breadth of the process. With improved collaboration and efficiencies, GMCT is becoming more agile and adaptive in its approach to cemetery development.

— Modelling process excellence

One of GMCT's responsibilities as a Class A cemetery trust under the *Cemeteries and Crematoria Act 2003* is to provide sector leadership and support Class B trusts. Yan Yean Cemetery Trust recently reached out to seek GMCT's assistance in a number of areas.

We have been pleased to lend our expertise in advising a fit-for-purpose Cemetery Management System. We also provided advice on the digitisation of interment records, and continue to provide assistance as the Yan Yean trust goes through the process of mapping its sites.

GMCT has also shared policies and procedures, and as part of our sector-wide commitment to making cemeteries safer places to work, we have begun discussions to help Yan Yean Cemetery Trust establish a Workplace Health and Safety registration and accreditation system in line with industry expectations.

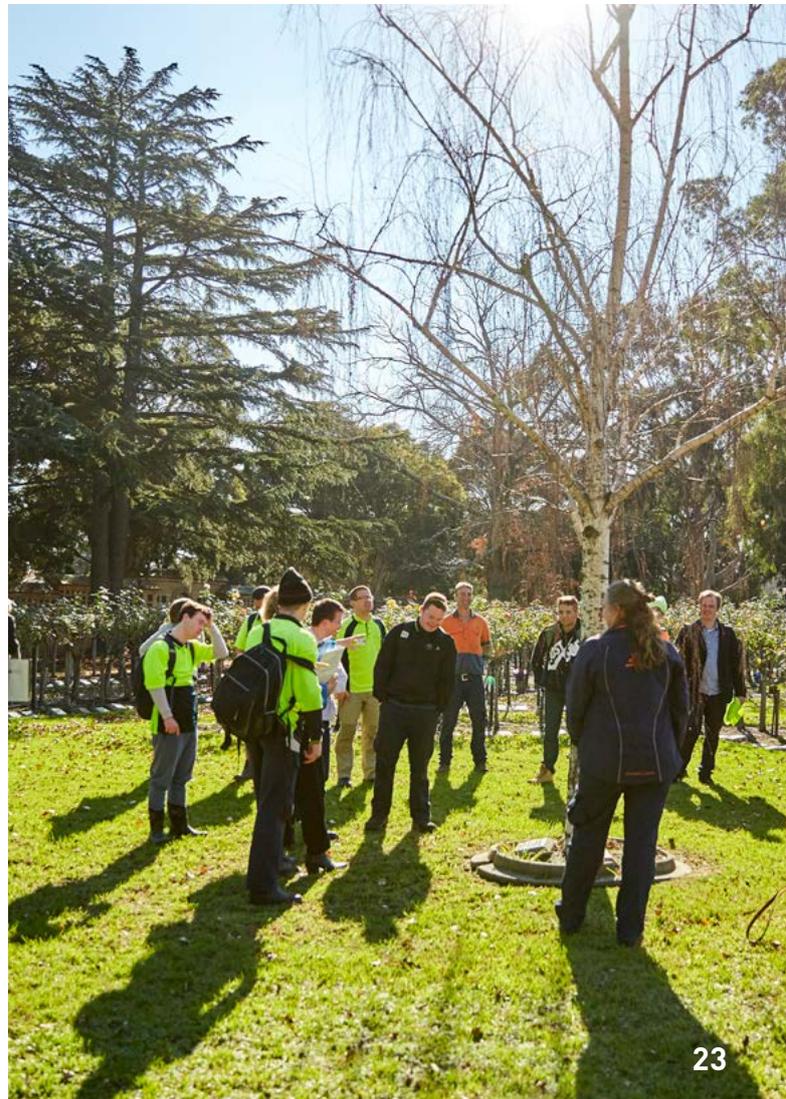
— Tree management

In 2018-19, an asset management plan was developed to formally document the lifecycle management approach applied to GMCT's tree population. Our plan ensures the tree population across all GMCT cemeteries and memorial parks is managed sustainably and cost effectively, minimising risk and providing for the ongoing care of these valued natural assets.

— Fleet review

Following an independent review of the fleet and workshop service delivery model in 2018-19, additional qualified mechanics will be recruited.

This will improve our service delivery and cost effectiveness through improved task workflows, the ability to bring some activities back in-house, and the ability to develop and implement an ongoing routine maintenance program.



Occupational health and safety

GMCT is committed to providing a safe and healthy workplace for all staff.

We empower and educate our workforce on issues of health, safety and wellbeing and take a proactive approach to managing risks, identifying hazards and preventing physical injuries and accidents.

GMCT held regular meetings of our regional OHS committees, with 11 having been held in the north, 10 in the west and 9 in the east .

Over the past 12 months, GMCT received 347 incident reports, and investigated all incidents involving a major injury. Incident reports of a minor nature, such as plaque damage, minor vehicle damage or monument damage were able to be actioned without formal investigation. A total of 182 incidents were formally investigated.

In 2018-19 GMCT initiated an independent audit of our organisational management of OH&S. The audit provided valuable insights, including identification of priority areas for improvement. An action plan to address these will be put in place once the final report has been received.

We also conducted a review into the cost and benefit of investing in automated external defibrillators across all GMCT sites, aligned with Safe Work Australia's model First Aid Code of Practice, and existing first aid provisions. In addition to the nine

defibrillator units available at GMCT sites, two new defibrillator units have been installed at Altona Memorial Park and Keilor Cemetery, complemented by a training program for staff.

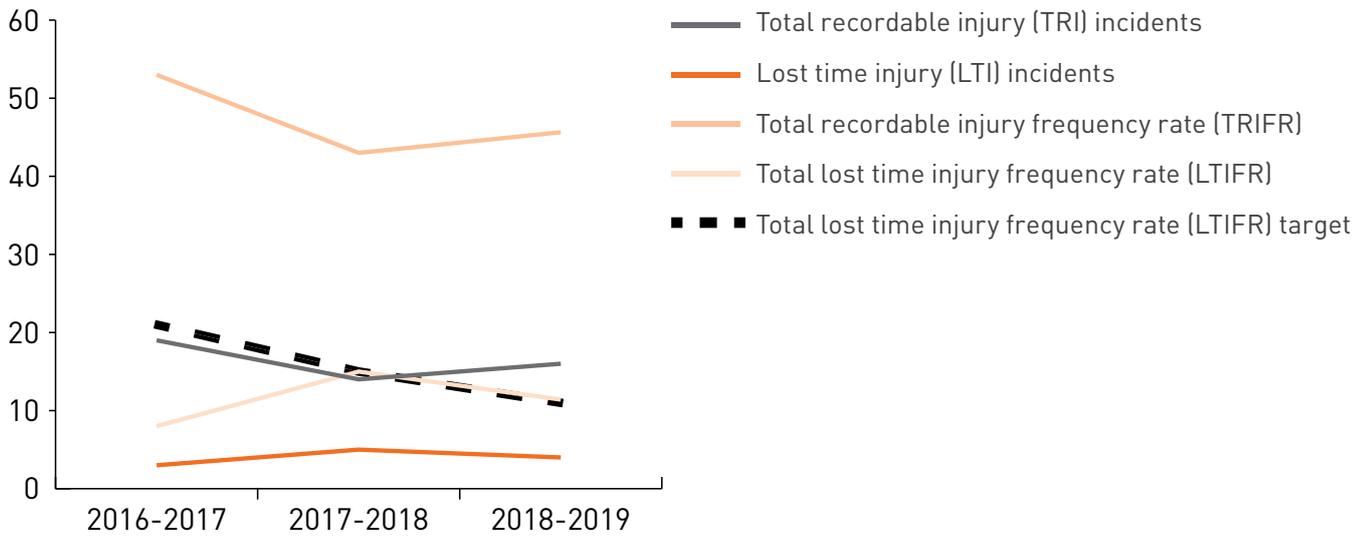
As part of our commitment to providing a safe workplace for our staff and contractors, an independent occupational hygiene consultant was engaged to monitor air at Fawkner Memorial Park for silica dust. GMCT's existing practices and controls were found to be effective at managing exposure to silica dust, which has been associated with illness if inhaled.

GMCT's OH&S team is working directly with Victorian WorkCover Authority (WorkSafe) officers to support stonemasons working at GMCT sites who may be exposed to silica dust in the course of working with monumental stone and materials.

Category		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Incidents	Total no. of incidents	347	312	329	370	296
	Lost days*	19	270	31	240	144
Workcover	No. of standard claims*	3	5	2	6	1
	No. of minor claims*	2	3	4	2	3
	Average claim cost*	\$5,731	\$55,384	\$1,328	\$25,650	\$24,905

*Figure based on accepted claims correct at 30 June 2019.

Occupational health and safety statistics



In 2018-19

- total recordable injuries were 16
- lost time injuries were 4
- standard workcover claims (over 10 days) were 0
- hazards and incidents per 100 staff were 152.19 (based on 228 staff)
- number of lost time standard claims per 100 staff was 0
- 0 fatalities or serious incidents occurred*.

*Serious event, interpreted as a notifiable event to VWA. Derived from: Incident Reporting GMCT 2018-19 and LTIFR Trending data.

*VWA define 'Standard time loss/weekly compensation claim' as 'A claim for time loss/weekly compensation which exceeds the employers excess (of 10 days)'.



COMMUNITY COLLABORATION AT COBURG

GMCT staff joined with enthusiastic members of the Friends of Coburg Cemetery for a working bee to commence our headstone reinstatement project. We are currently in the process of reinstating approximately 300 markers and headstones to their original sites at the cemetery which were removed in the 80s over safety concerns.

Signage was posted at affected graves to encourage families and visitors to make contact with GMCT to learn more. GIS officer Tina Bell provided training for the friends group in using our GIS mapping system to identify graves. Our operations, community connections, and communications teams went above and beyond to reach out to families before the reinstatement works commenced.

GMCT engaged a heritage consultant who advised on how headstones could be preserved in a manner which best acknowledges the legacy of those memorialised and reviewed the proposed methodology, ensuring works are aligned with the historical aesthetic of the cemetery. A specialist stonemason has been engaged to carry out the works.

Change-ready agility



Our culture is brave, innovative and collaborative, and aligns with our corporate values and strategic goals.

The cemetery sector is one that, by its nature, has undergone significant changes throughout its history and will continue to do so into the future. At GMCT we have built a workforce that is energised and ready to respond to future change. Over the coming years we are prepared to step up and meet a range of challenges, acknowledging them as opportunities to progress and realise our strategic goals.

We will continue to endeavour to operate in an ongoing cycle of positive change, involving our employees in decision-making, and working towards a culture of continuous improvement of our services, products and processes.

STRATEGIC OBJECTIVES

4

Empowered, collaborative and can-do workforce

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

Integrated knowledge management culture

Establish integrated systems and data to improve workplace efficiency.

Innovation through learning

Develop a culture of continuous improvement.

Highlights

— Putting the customer at the heart of all we do

In 2018-19 we partnered with experts in human-centred design to gain a deeper understanding of the role our current customer experience plays in shaping broader community experiences of death, dying, grief and memorialisation. We engaged with families, funeral directors and stonemasons who were all generous with their time and knowledge.

From this work, we have developed a blueprint to become a customer-focused organisation: one that aims to meet and exceed both community expectations and the expectations of our customers, families and business partners.

As part of this process GMCT was educated on principles of human-centred design. Valuable insights garnered from the process are being communicated and embedded at all levels of our organisation. This customer experience blueprint will underpin all GMCT activities next year – and beyond – as we continue to put the customer first.

— Exploring community-led approaches

Key to being an agile, future-ready organisation is exploring new approaches in our sector and responding to shifting community values and ideas.

A keynote address by 'deathwalker' and celebrant Zenith Virago at the GMCT annual meeting stimulated thought-provoking conversations between GMCT trust members, staff, industry colleagues and community members. As a 'deathwalker', Zenith guides families and individuals through the end-of-life process, facilitating personalised, community-led care and the creation of a dying experience of one's own.

— Digital leadership

GMCT designed and delivered new ICT architecture in 2018-19, including improvements to the various dynamic and static elements that make up the foundations of our information and telecommunications structures.

These improvements set a strong base for the organisation as we become a more digitally-connected enterprise, enabling us to communicate more effectively with our customers into the future.

We also undertook an assessment and Request for Proposal (RFP) exercise for a new digital Cemetery Management System and Business Intelligence platform. Ongoing investment in our core technologies increases our operational efficiency and provides business insights for a more agile, future-ready and customer-centric organisation.

— Given the chance...

GMCT is committed to developing a diverse workforce and supporting youth employment. GMCT has employed horticulture apprentices as a result of numerous partnerships with community organisations, including the WPC Group and the Brotherhood of St Laurence's 'Given the Chance' program. Apprentices undertake a Certificate III in Horticulture while developing skills in gardening, landscaping and property maintenance.

Mentoring and investing in young people has a strong legacy at Altona Memorial Park in GMCT's west region, where former apprentices now hold managerial and supervisory positions. GMCT is also partnering with tertiary institutions to offer internships in sales, marketing, communications and design.

— Modernising governance

Another achievement this year was the consolidation of the legal and governance directorate, with the addition of risk management to existing legal and governance services. This sets the foundation for a comprehensive and integrated approach to corporate planning and performance reporting, fostering a cohesive and agile team that can work together to support a high-performing organisation into the future.



Workforce

In 2018-19 our dedicated team of employees helped thousands of families plan and prepare for funeral, cremation, interment and memorial services.

From high quality services in customer care and burial operations to grounds maintenance and administrative staff, every day GMCT's workforce strives to deliver exceptional service to our communities across our 19 cemeteries and memorial parks.

— A motivated workforce

Our employment processes are consistent with the essential concepts of the Victorian Public Sector Commission's employment principles. The results of the 2018 Workforce Engagement Survey were impressive. Marked improvements had been made on the previous survey conducted in 2016. The participation rate increased to 95 per cent from the previous high of 72 per cent two years earlier, showing a far greater motivation and willingness to participate from all staff members. Some 97 per cent of participants responded to the question "I believe the work I do is important" in the affirmative, signalling that those who work at GMCT are highly motivated by the values of our organisation and how we collectively embody those values.

Overall, it is clear that there has been significant uplift in workforce engagement. Other encouraging results included responses to the statement "I am happy with the work I do at GMCT" which increased from a response of 65 per cent who either agreed or strongly agreed in 2016 to an emphatic 85 per cent in 2018.

— Supervisors and emerging leaders

In 2018-19 we were excited to deliver the GENOS EI 360 degree diagnostic tool: a world-leading emotional intelligence learning tool which was used for our tailored Supervisors and Emerging Leaders Program and supported with 1:1 coaching to build a team of better and successful leaders.

An Ignite Pilot Program for outdoor workers was also conducted. This program targets those who have limited experience in a supervisory role, have no previous formal leadership training, who want to extend and update their leadership skills or are interested in moving into a supervisory role in the future.

— Learning and development

GMCT promotes innovation through learning and development. In 2018-19 we launched our new Learning and Development Matrix focused on the development of employee skills. This will complement our ongoing focus on comprehensive and well-designed leadership development programs. These programs challenge how our leaders think and equip them to act in ways that reinforce a positive culture at GMCT.

Training and development	Total hours
OH&S	862.22
Leadership & development	838.40
Plant & equipment	855.00
Other	357.20
Total	2912.82

— Reinigorating our values

Our culture is driven by our leaders and formed through behaviours underpinned by our values. Values are what make us who we are as an organisation.

This year we commenced work on our Values Reinivigation Program. As a way of gaining insights into our culture, we held seven anecdote circles comprising small groups of GMCT staff and listened first-hand to their stories about how they connect with GMCT's purpose and values. The stories that most strongly resonated with staff were identified through focus groups conducted across our workforce. These powerful anecdotes reflecting our employee experience are set to inform future engagement activities.

A strong workplace culture needs to be agile. Moving forward, GMCT is focused on fostering a staff culture anchored in a clearly-defined purpose and values framework. Accordingly, work began in 2018-19 to link our staff reward and recognition program to our values, and to develop GMCT's Employee Value Proposition (EVP).

Improving the employee experience

GMCT has improved the employee experience this year by focusing on how we welcome new staff to the organisation. Effective on-boarding is a critical part of a welcoming culture and in creating a coherent workforce. New starters now participate in a comprehensive and supportive on-boarding program to introduce them to the organisation and help them forge connections with key leaders, including the chief executive officer and chief people officer.

In 2018-19, we also introduced a salary packaging program for staff to maximise potential salary savings as part of GMCT's Attraction and Retention Strategy.

Workforce by numbers

	Employees 2019	Employees 2018	Male/Female % 2019
Male	148	139	64.9%
Female	80	79	35.1%
Self described	0	0	0.0%
Total	228	218	100%

	2019 FTE	2018 FTE
Part-time	17.51	20.78
Full-time	193	183
Total	210.51	203.78

No. of employees	2019	2018
65 and over	7	8
55-64	51	54
45-54	63	65
35-44	60	52
25-34	39	35
Under 25	8	4
Total	228	218

Executive Officer disclosures

The GMCT executive is made up of a range of highly experienced directors from a diverse range of backgrounds. In 2018-19, the gender diversity of our executive team remained balanced.

	2019	2018
Male	4	3
Female	3	4
Self described	0	0
Total	7	7



Staff awards and recognition

The STAR (Special Thanks and Recognition) awards showcase exceptional performance by employees across a range of achievement categories.

Four recipients nominated by their peers are acknowledged annually for the manner in which they embrace GMCT's values of compassion, respect, sustainability and integrity.

A STAR award is also presented to a staff member who shows exceptional leadership, and to one or more employees who demonstrate outstanding commitment to workplace health and safety.

Directorate awards are presented across a number of categories while the chief executive officer's award for excellence is awarded for strong commitment to the overall values of the organisation or for outstanding achievement.

— STAR Award winners

For the value of
SUSTAINABILITY
Stephen Marrow
and Ray Taylor

For the value of
RESPECT
Troy Walters

For demonstrating
LEADERSHIP
Patricia Kavadas

For the value of
COMPASSION
Matthew
McCartney

For the value of
INTEGRITY
Michael Grech

For excellence in
OH&S
Mario Kukec

— CEO Award for excellence

Peggy Sideris

Peggy is renowned for her warmth, compassion and care for each and every family that attends GMCT. Peggy makes every family feel special and models all GMCT values on a daily basis, exceeding customer expectations at every opportunity.

— Directorate Awards

**INFRASTRUCTURE AND
DEVELOPMENT**
Brenton Grasby

SERVICE AND ENGAGEMENT
Angela Renwick

FINANCE
Lily Luesawad

OPERATIONS
Adam Moscatiello

**PEOPLE AND CULTURE AND
LEGAL AND GOVERNANCE**
Rose Naaz

— Service milestones — long service awards

The following GMCT employees were acknowledged during 2017-18 for their significant service to the organisation.

Five years service award

- Sue Quinsee
- David Tanti
- George Massouh
- Sam Stagnitti
- Noela Bajjali
- Andrew Eriksen
- Robert Luscombe
- Jo Sampson

10 years service award

- Mark Patton
- Aubrey Plunkett
- Neil Busbridge
- Mark Rowbottom
- John Howard
- Sylvie Sarkosh
- Gayleen McCulloch
- Terry Grasby
- Chris Benette
- Tony Saunders
- Steve Brown

15 years service award

- Michael Grech
- Carmelo Falzone
- Ron Prout
- Tom Peluso
- Shane Freeman

25 years service award

- Michael Hodgson
- Philip Keith
- Jeff Gatt

30 years service award

- John Monk
- Mark Phelan
- Tony Bowman



RESEARCH PARTNERSHIP FOR THE FUTURE

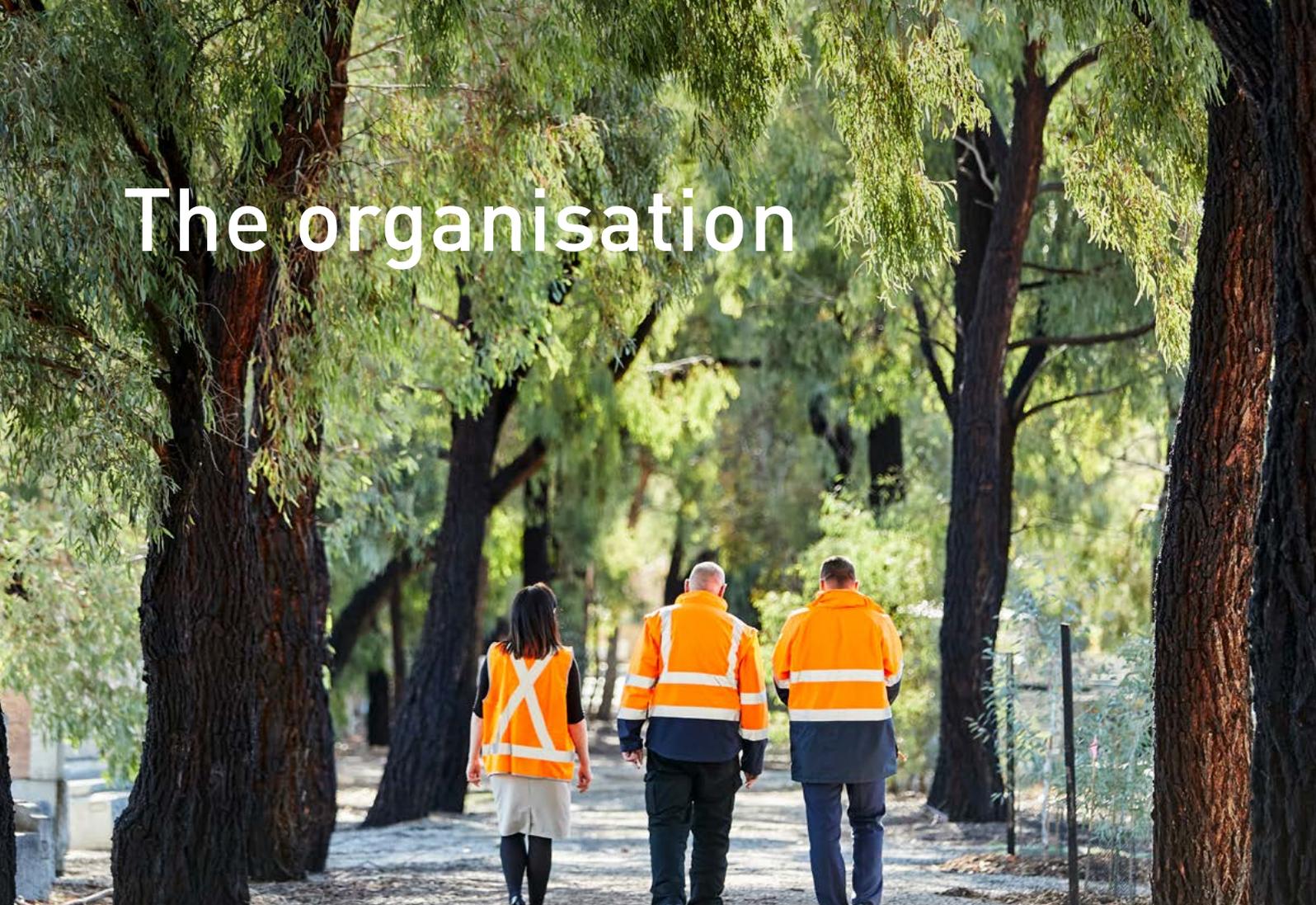
In 2018-19 GMCT formally partnered with the University of Melbourne on a three-year research project investigating the future of cemeteries.

GMCT will collaborate with researchers from the University of Melbourne and Oxford University to contribute to this important work funded by the Australia Research Council.

The Future Cemetery Project will explore new technologies to improve the cemetery experience using GMCT cemeteries and memorial parks as a case study. Researchers will investigate innovative and emerging technologies and assess how they might influence the development of future cemeteries. Technologies to be investigated include mobile apps, GPS systems, drones, holography, virtual reality, green burials, and resomation (a sustainable, water-based cremation alternative).

This partnership provides us with an outstanding opportunity to share expertise and seek insights and inspiration from national and international peers, academics and experts in order to better understand new approaches to burial, memorialisation and land use that will influence the future of our cemeteries.

The organisation



The trust at a glance

Objectives, functions and powers

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

Manner of establishment and the relevant minister

Established in 2010, GMCT is a body corporate with perpetual succession and is accountable to the Department of Health and Human Services and the Minister for Health. GMCT is responsible for the management and perpetual maintenance of 19 cemeteries across Melbourne's north, east and west, two greenfield sites and all associated burial, cremation and interment services. One site is managed under a fee-for-service arrangement.

Nature and range of services provided

GMCT provides the following services:

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

Trust members

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

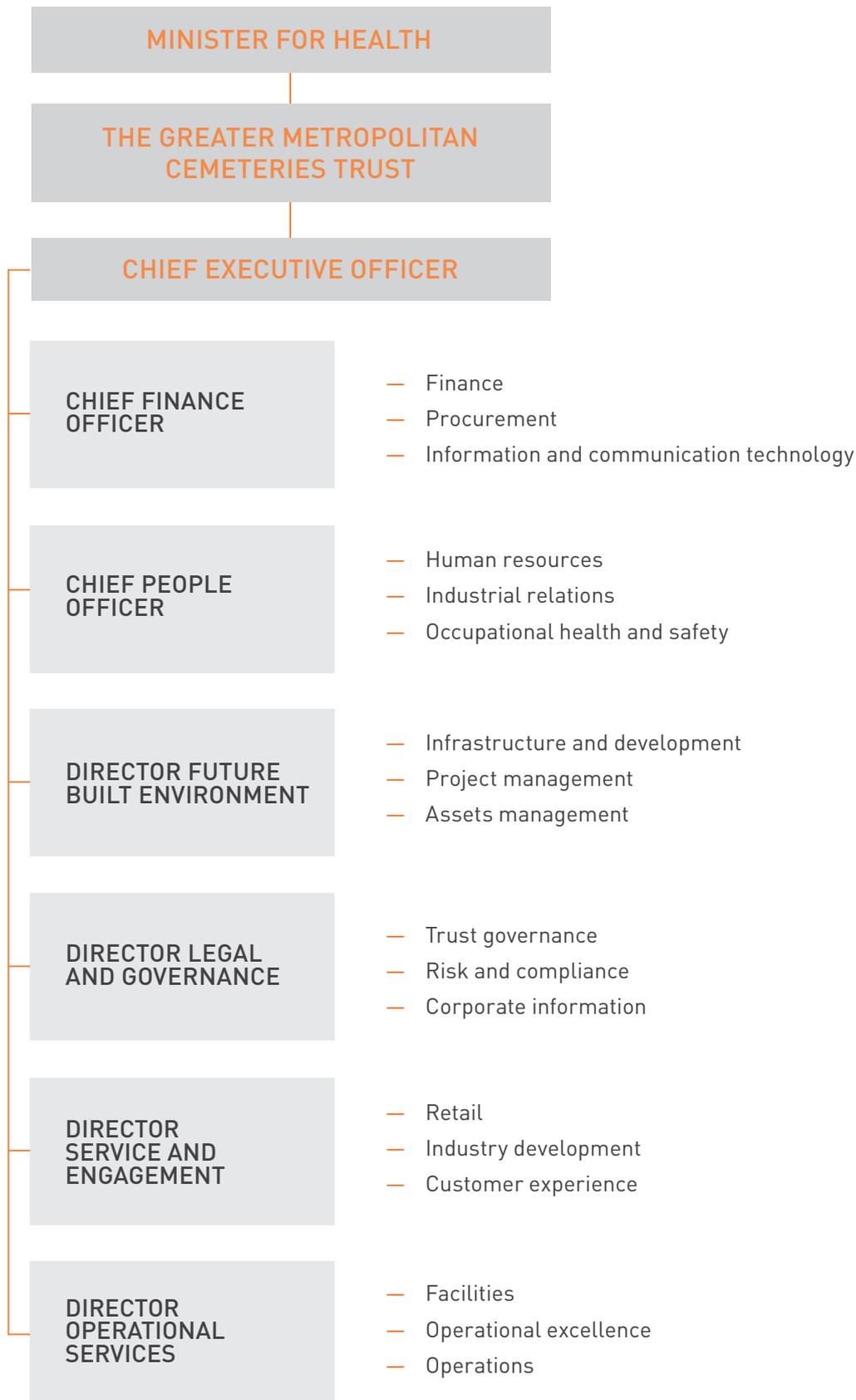
The key roles of the trust members include:

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

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

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

Organisational structure



Trust members at 30 June 2019



Geoff Mabbett – chair

BEng (Hons), MEng Sci, MIE
(Aust) CPEng (Ret), MAICD

Chair executive performance and remuneration committee



Kim McAliney – deputy chair

JP, BJ, Adv Dip Pub Safety(EM),
FCPA, GAICD

Member audit and risk management committee and community advisory committee



Elizabeth (Liz) Beattie

GAICD

Chair community advisory committee and member executive performance and remuneration committee



David Cragg

BA (Melb), Grad Dip in Ind Rel
(Melb)

Member finance and investment committee and community advisory committee



Beverley Excell

B.Sc(Hons), FAICD

Member executive performance and remuneration committee and finance and investment committee



Dana Hlavacek

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

Chair audit and risk management committee and member executive performance and remuneration committee



Dr Jan Penney

BA Hons, Dip Ed, PhD

Member finance and investment committee and audit and risk management committee



Kevin Quigley

FCA

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



James (Jim) Turcato

Dip Bus (Accounting), Grad Dip Ed,
Grad Dip Comp Ed, CPA, FAICD

Former chair finance and investment committee and member audit and risk management committee

Date term ended:
31 December 2018

Trust and committee meetings attendance

GMCT trust members	Trust meetings	Audit and risk management committee	Finance and investment committee	Community advisory committee	Executive performance and remuneration committee
Geoff Mabbett (appointed chair 2016)	12/12	-	-	-	5/5
Kim McAliney (appointed 2013)	11/12	5/6	-	2/5	
Dr Jan Penney (appointed 2010)	12/12	6/6	6/6	-	-
Dana Hlavacek (appointed 2016)	12/12	6/6	-	-	5/5
Elizabeth Beattie (appointed 2016)	12/12	-	-	5/5	4/5
David Cragg (appointed 2016)	10/12	-	4/6	2/5	-
Beverley Excell (appointed 2017)	12/12	-	6/6		5/5
Kevin Quigley (appointed 2017)	9/12	5/7	6/6	-	-
James Turcato (appointed 2017- Retired on 31 December 2018)	7/7	4/4	2/2	-	-

Changes to trust and committees since 1 July 2018:

** Beverley Excell was appointed trust member from 1 September 2017 and was a member of the community advisory committee until July 2018. She joined the finance and investment committee in July 2018.*

** Jim Turcato was appointed trust member from 1 September 2017 and retired on 31 December 2018*

** Kevin Quigley was appointed trust member from 1 September 2017 and joined the audit and risk management committee and the finance and investment committee. He was appointed as the FIC Chair from 1 January 2019.*

** Kim McAliney served as a member on the executive performance and remuneration committee until 25 July 2018.*

** External committee members:*

Dennis Sams served as an independent member of the finance and investment committee for the whole year.

Reporting to government

GMCT reports to the Minister for Health through the Cemetery Sector Governance Support Program of the Department of Health and Human Services.

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

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

— Independence of trust members

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

— Independent advice

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

— Trust performance

As part of its commitment to effective and transparent corporate governance, the trust undertook a self-assessment survey in June 2019.

— Trust committees

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

The trust may also appoint independent members from outside the organisation to provide specialist skills, knowledge and expertise as required. An independent member has been appointed to the finance and investment committee.

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

— Audit and risk management committee

The audit and risk management committee assists the trust in fulfilling its governance and oversight responsibilities in the following areas:

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

— Finance and investment committee

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

- appropriate, prudent, sustainable and efficient use of investment funds
- establishment and maintenance of the perpetual maintenance fund
- the accuracy and veracity of regular financial reports
- compliance with obligations to third parties and relevant internal policies
- other financial matters as requested by the trust.

— Community advisory committee

The community advisory committee's role is to provide advice to the trust to assist it in carrying out its community engagement responsibilities and to raise with the trust any issues of concern or matters of interest to the community regarding the services provided by GMCT.

A key objective is to proactively engage with community members to ensure that community and consumer views are considered in the planning and delivery of cemetery trust services and to provide advice in relation to the integration of consumer and community views at all levels of cemetery trust operations, planning and policy development.

Current committee members are:

- Liz Beattie (chair and trust member)
- Vivienne Jackson
- Janet Borg
- Associate professor Tammy Kohn
- Dr Bjorn Nansen
- Ms Tashwita Rahalkar
- Mr Sacir Lacevic
- Ms Anita Rivera
- Mr Joseph Haweil
- Ms Susan Parsons
- David Cragg (trust member)
- Kim McAliney (trust member)

— Executive performance and remuneration committee

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

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

Management committees and staff leadership

— Executive management group

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

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

Interim chief executive officer / director service and engagement

Deb Ganderton

MA, MSF, MAICD

The chief executive officer (CEO) sets the strategic direction and vision for the organisation with input from the trust. The CEO is responsible for advising the trust on operational, financial and other matters and delegates responsibility for management and day-to-day operations to the executive management group.

The director service and engagement is responsible for strategic leadership to transform the GMCT customer experience into one that places the customer at the centre of our service and delivers a seamless, convenient and empowering experience for all customers.

Director operational services

Martin Taylor

B.Com.Sci

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

Chief finance officer

Brian Smart

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

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

Director future built environment

Andrew Eriksen

MAIM, MAIPM(CPPM), GAICD

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

Chief people officer

Dimi Patitsas

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

The chief people officer leads and manages employee communications, organisational development, employee and industrial relations, policy development, employment legal compliance, occupational health and safety (OH&S), compensation and benefits. The directorate provides support across the organisation with expertise in the development and training of GMCT's workforce and OH&S programs and practices.

Director legal and governance

Andrew Port

BBus, Grad Dip Finance, MBA

The director legal and governance is responsible for supporting the organisation to develop, implement and embed common governance principles to enable cohesiveness, consistency and efficiency and positively influence effective governance, legal and compliance practices across the whole organisation.

— **Executive management group service concluded:**

Jacqui Weatherill

MBA, BA Rec, Grad Dip Sp Sci, GAICD

Chief executive officer

Until 28 June 2019

David Crowe

Dip Hort Sci, BAppSc(Hort), FAICD

Director operations

Until 25 January 2019

Pelagia Markogiannakis

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

Director infrastructure and development

Until 16 November 2018

— **Leadership group**

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

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

— **Internal committees and groups**

GMCT has several internal committees and working groups. These committees support the organisation's operations and workforce and drive improvement. GMCT's committees focus on a number of areas including occupational health and safety, information and communication technology, workforce and workplace issues, environmental sustainability and the development, review and implementation of specific projects and activities.



Consultancies

GMCT engages consultants for a variety of purposes. During the year ended 30 June 2019, GMCT engaged the consultants listed in the table below, where the total fees payable to the consultant exceeded \$10,000. GMCT also engaged 52 consultants where the total fees payable in each case were less than \$10,000, with expenditure on these engagements totalling \$199,969 (excluding gst).

Consultant	Purpose of consultancy	Start date	End date	Total approved \$000	Expenditure \$000	Future expenditure commitment \$000
Protiviti	Internal audit	Jul-2017	Jun-2020	400	230	170
Rivor Advisory	Risk management and KPI frameworks, Transformation program governance	Mar-2019	Jul-2019	114	114	-
Simsworx Pty Ltd	Operations review	Jan-2017	Apr-2019	94	94	-
Leigh Funston	Advocacy services	Jul-2018	Jun-2019	69	69	-
Entellect Pty Ltd	Data insights and analytics	Feb-2019	Dec-2019	129	51	78
Houston Kemp Pty Ltd	Pricing framework review	May-2019	Jun-2019	50	50	-
Immurs Advertising Pty Ltd	Advertising consultancy	Jan-2019	Mar-2019	48	48	-
Deloitte	Retail strategy review	Jun-2019	Oct-2019	46	46	-
Jim Grant & Associates Pty Ltd	Workforce plan and Remuneration strategy	May-2018	Jun-2019	44	44	-
Peter Rohan Pty Ltd	Executive Strategic Advice	Nov-2018	Nov-2018	43	43	-
Clifton Group	Project Management for Annual Report Production	Sep-2015	Sep-2018	40	40	-

Consultant	Purpose of consultancy	Start date	End date	Total approved \$000	Expenditure \$000	Future expenditure commitment \$000
Lara Lyttleton-Moor	Research and Engagement Consultancy	Dec-2018	Apr-2019	39	39	-
Ellis Jones Consulting	Brand program	Dec-2018	Apr-2019	27	27	-
Courtheath Consulting	Probity services	Sep-2018	Mar-2019	21	21	-
Regional Envirosense	Environment audit and reporting	Feb-2019	Jan-2021	167	17	150
Integrated Resilience Solutions Pty Ltd	Risk management	Jun-2018	Dec-2018	16	16	-
Adelecrane.com	Sales and marketing specialist	Feb-2019	Jul-2019	13	13	-
Total				958	729	228

— Details of information and communication technology expenditure

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

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

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

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

The total ICT expenditure incurred during 2018-19 is \$3.1 million (excluding GST) with the details shown below.

Business as usual (BAU) ICT expenditure total \$000	Non-business as usual (non-BAU) ICT expenditure		
	(Total = operational expenditure and capital expenditure) \$000	Operational expenditure (OPEX) \$000	Capital expenditure (CAPEX) \$000
2,517	600	34	567

Attestations, compliance and disclosures

Financial Management Compliance Attestation Statement

I, Geoff Mabbett, on behalf of the responsible body, certify that The Greater Metropolitan Cemeteries Trust has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Geoff Mabbett
Chair

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

14 August 2019

Integrity, fraud and corruption

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



Deb Ganderton
Interim Chief Executive Officer (Accountable officer)

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

14 August 2019

Compliance with Victorian government purchasing board (VGBP) policies

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



Deb Ganderton
Interim Chief Executive Officer (Accountable officer)

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

14 August 2019

Conflict of interest and duty to disclose

I, Deb Ganderton, certify that The Greater Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of clause 9 of schedule 1A of the Act, and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within The Greater Metropolitan Cemeteries Trust and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Deb Ganderton
Interim Chief Executive Officer (Accountable officer)

The Greater Metropolitan Cemeteries Trust
Fawkner, Victoria

14 August 2019

Freedom of Information Act 1982

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

No requests were received this year.

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

Director Legal and Governance
The Greater Metropolitan Cemeteries Trust
PO Box 42 Fawkner VIC 3060

Victorian Industry Participation Policy

No Victorian State Government grants requiring VIPP compliance were received in 2019.

Building Act 1993

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

All works associated with GMCT buildings are managed in accordance with the *Building Act 1993* including obtaining all permits as required.

Protected Disclosure Act 2012

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

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

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

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

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.

Additional information

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

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

The information is available on request from:

Director of Legal and Governance
Phone: (03) 9355 3175
Email: enquiries@gmct.com.au

Chief finance officer report

GMCT remains in a strong financial position. In delivering on the objectives of our strategic plan theme — stepping up, reaching beyond — we are financially responsible and continue to invest in our future by developing greenfield sites and grave infrastructure at existing cemeteries and managing investments to grow our perpetual maintenance reserve. A key focus area is increased productivity to ensure our growth is sustainable.

GMCT recorded a net result for the year of \$21.8 million and net assets increased to \$462 million. The perpetual maintenance reserve increased from \$199.1 million to \$215.9 million, including a \$16.8 million contribution from the net result for the 2018-19 financial year.

Operating statement

The income from cemetery operations for the year was \$53.7 million as compared to \$58.9 million in 2017-18. The decrease primarily related to reduced grave income and mausoleum income - a consequence of financial uncertainty due to the prevailing economic and market conditions experienced during the year.

Total expenses from transactions for 2018-19 were \$42.2 million as compared to \$37.7 million for prior year. Employee expenses of \$21.3 million as compared to \$19.1 million for the prior year reflects our commitment to staff and our support for the delivery of quality services to our communities. Maintenance and operating costs of \$6.6 million ensures the presentation of our cemeteries also meets community expectations.

We will contribute \$2 million to the state government, via the cemetery levy, during the next financial year.

Investment income of \$14.7 million for 2018-19 is a consequence of actively managing our asset allocations and returns from investment markets during the year. Our investment strategy continues to take a long-term view and we manage risk through a cautious risk appetite and a well-diversified portfolio.

Balance sheet

We have continued to plan for future community needs with significant investment of \$16.9 million in property, plant and equipment for the year, as compared to \$9.4 million in 2017-18.

The reinvestment of the operating surplus coupled with the increase in the investment portfolio of \$15.7 million has ensured that a strong balance sheet is maintained with a growth in total net assets of \$21.8 million, from \$440.2 million to \$462 million. The other economic flow included in the net result for the year, primarily in relation to the investment portfolio, was \$2.7 million, as compared to \$0.5 million in the prior year.

Total liabilities increased slightly from \$30.5 million to \$34.3 million, primarily due to the timing of payments and the impact of the increased capital expenditure program. The asset base comprises extensive cash and investment assets enabling continuous growth and capital investment into the future, as well as funding our perpetual maintenance obligations.



Brian Smart
Chief finance officer

14 August 2019

Financial statements

For the financial year
ended 30 June 2019



The Greater Metropolitan Cemeteries Trust

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of The Greater Metropolitan Cemeteries Trust as at 30 June 2019.

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

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



Geoff Mabbett
Trust chair

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

14 August 2019



Deb Ganderton
Accountable officer
Interim chief executive officer

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

14 August 2019



Brian Smart
Chief finance and
accounting officer

The Greater Metropolitan
Cemeteries Trust
Fawkner, Victoria

14 August 2019

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 2019 • 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 & accounting officer's declaration. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the cemetery as at 30 June 2019 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. 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 auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Trust 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, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trust 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>

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.

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



MELBOURNE
21 August 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Trust Members, The Greater Metropolitan Cemeteries Trust

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

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

Independence Declaration

As auditor for The Greater Metropolitan Cemeteries Trust for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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



MELBOURNE
21 August 2019

Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive operating statement for the financial year ended 30 June 2019

	Note	2019 \$000	2018 \$000
Income from transactions			
Cemetery operations income	2.1(a)	53,673	58,952
Less cost of sales	3.1(a)	(7,069)	(8,750)
		46,605	50,142
Investment income	2.1(b)	14,688	19,370
Total income from transactions		61,292	69,513
Expenses from transactions			
Employee expenses		21,337	19,139
Depreciation and amortisation	4.5	4,966	4,781
Maintenance and operations costs		6,562	5,733
Administration costs		4,332	3,496
Other expenses	3.1(b)	2,857	2,089
Audit fees – Victorian Auditor General’s Office	8.4	99	99
Cemetery levy		2,042	2,383
Total expenses from transactions		42,194	37,722
Net result from transactions		19,099	31,791
Other economic flows included in net result			
Net gain/(loss) on non-financial assets		215	60
Impairment of available for sale financial assets		-	(2,614)
Net gain/(loss) on financial instruments		2,679	3,089
Revaluation of long service leave		(164)	9
Total other economic flows included in net result	3.2	2,730	543
Net result for the year		21,829	32,335
Other comprehensive income			
Items that may be reclassified subsequently to the net result			
Net fair value gain/(loss) from available for sale investments	7.1	-	4,322
		-	4,322
Comprehensive result for the year		21,829	36,656

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

Balance sheet

as at 30 June 2019

	Note	2019 \$ 000	2018 \$ 000
Current assets			
Cash and cash equivalents	4.1	33,604	9,853
Receivables	5.1	2,299	3,041
Inventories	4.6	36,830	32,557
Investments and other financial assets	4.2	57,236	26,398
Prepayments		461	341
<i>Total current assets</i>		130,430	72,190
Non-current assets			
Inventories	4.6	17,482	17,985
Investments and other financial assets	4.2	232,452	275,582
Property, plant and equipment	4.3	113,169	100,862
Intangible assets	4.4	2,799	4,058
<i>Total non-current assets</i>		365,903	398,487
Total assets		496,333	470,677
Current liabilities			
Payables	5.2	9,077	7,624
Unearned income	5.3	19,722	18,040
Provision for loss on onerous contracts	5.4	214	417
Employee benefits	3.3	4,560	3,649
<i>Total current liabilities</i>		33,573	29,730
Non-current liabilities			
Employee benefits	3.3	714	730
<i>Total non-current liabilities</i>		714	730
Total liabilities		34,287	30,460
Net assets		462,046	440,217
Equity			
Contributed capital		148,872	148,872
Accumulated surplus/(deficit)		68,217	52,244
Perpetual maintenance reserve		215,978	199,136
Available for sale investment revaluation surplus reserve		-	10,986
Physical asset revaluation surplus reserve		28,979	28,979
Total equity		462,046	440,217
Commitments	6		
Contingent assets and contingent liabilities	7.2		

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

Statement of changes in equity for the financial year ended 30 June 2019

	Note	Contributed capital	Accumulated surplus/ (deficit)	Perpetual maintenance reserve	Available for sale investment revaluation surplus	Physical asset revaluation surplus	Total
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Balance at 30 June 2017		148,872	47,132	171,913	6,664	28,211	402,792
Net result for the year		-	32,335	-	-	-	32,335
Other comprehensive income for the year		-	-	-	4,322	-	4,322
Transfer to/(from) physical asset revaluation surplus		-	-	-	-	768	768
Transfer to/(from) accumulated surplus/(deficit)		-	(27,223)	27,223	-	-	-
Balance at 30 June 2018		148,872	52,244	199,136	10,986	28,979	440,217
Net result for the year		-	21,829	-	-	-	21,829
Opening balance adjustment on adoption of AASB 9	8.6	-	10,986	-	(10,986)	-	-
Transfer to/(from) accumulated surplus/(deficit)		-	(16,842)	16,842	-	-	-
Balance at 30 June 2019		148,872	68,217	215,978	-	28,979	462,046

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

Cash flow statement

for the financial year ended 30 June 2019

	Note	2019 \$ 000	2018 \$ 000
Cash flows from operating activities			
Receipts from customers		61,748	65,474
Payments to suppliers and employees		(51,953)	(46,912)
Investment income receipts		14,688	19,667
Goods and services tax received/(paid)		95	95
Net cash inflow from operating activities	8.1	24,579	38,324
Cash flows from investing activities			
Payments for property, plant and equipment		(17,584)	(11,993)
Proceeds from disposal of property, plant and equipment		506	358
Proceeds from sale of investments		78,531	-
Payments for investments		(62,281)	(33,780)
Net cash inflow/(outflow) from investing activities		(828)	(45,415)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		23,751	(7,091)
Cash and cash equivalents at beginning of the year		9,853	16,944
Cash and cash equivalents at the end of the year	4.1	33,604	9,853

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

Notes to the financial statements

Table of contents

Note Ref.	Description	
	Basis of Preparation	55
1	Summary of significant accounting policies	55
2	Funding delivery of our services	58
2.1	Income from transactions	58
3	The cost of delivering services	59
3.1	Expenses from transactions	59
3.2	Other economic flows	61
3.3	Employee benefits	62
3.4	Superannuation	64
4	Key assets to support service delivery	65
4.1	Cash and cash equivalents	65
4.2	Investments and other financial assets	65
4.3	Property, plant and equipment	66
4.4	Intangible assets	73
4.5	Depreciation and amortisation	74
4.6	Inventories	75
5	Other assets and liabilities	76
5.1	Receivables	76
5.2	Payables	77
5.3	Unearned income	78
5.4	Provision for loss on onerous contracts	79
6	Commitments	79
7	Risks, contingencies and valuations uncertainties	80
7.1	Financial instruments	80
7.2	Contingent assets and contingent liabilities	84
8	Other disclosures	85
8.1	Reconciliation of net result for the year to net cash flows from operating activities	85
8.2	(a) Responsible persons disclosure	86
8.2	(b) Executive officer disclosures	87
8.2	(c) Remuneration of other personnel	87
8.3	Related party transactions	87
8.4	Audit fees	88
8.5	Ex-gratia payments	88
8.6	Changes in accounting policy	88
8.7	New accounting standards and interpretations	90
8.8	Events occurring after the reporting period	94

Notes to the financial statements

Basis of presentation

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in Note 1(c) or in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid, except for the cash flow information.

Note 1 – Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for the Greater Metropolitan Cemeteries Trust (GMCT) for the year ended 30 June 2019. The report provides users with information about GMCT's stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994*, the *Australian Charities and Not-for-profits Commission Act 2012* 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, 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 "not-for-profit" Cemetery Trust under the Australian Accounting Standards.

The annual financial statements were authorised for issue by GMCT on 14 August 2019.

(b) 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.

The 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.

(c) Basis of accounting preparation and measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2019 and the comparative information presented in these financial statements is for the year ended 30 June 2018.

Note 1 – Summary of significant accounting policies (continued)

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

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

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

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

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

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

accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, including:

- Cemetery land under infrastructure at fair value,
- Buildings, infrastructure and improvements at fair value, and
- Employee benefits.

(d) Scope and presentation of financial statements

(i) Comprehensive operating statement

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

(ii) Balance sheet

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

(iii) Statement of changes in equity

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

(iv) Cash flow statement

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

(v) Rounding of amounts

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

(vi) Comparative information

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

(vii) Goods and services tax

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

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

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

Commitments and contingent assets or liabilities are presented including GST.

(e) Equity

(i) Contributed capital

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the GMCT.

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

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

(ii) Physical asset revaluation surplus reserve

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

(iii) Perpetual maintenance reserve

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

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

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

The perpetual maintenance reserve allocation is based on 20% of the contribution margin, plus 100% of net investment income (excluding unrealised gains/losses), plus 100% of net rental income, less the impact of all individual cemeteries recording a deficit, less the cemetery levy. The perpetual maintenance allocation is capped each year to not exceed the operating result for the year.

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

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

Note 2 – Funding delivery of our services

GMCT receives income from the supply of products and services. The Cemetery Trust may also receive grants from Government.

Note 2.1: Income from transactions

	2019 \$ 000	2018 \$ 000
(a) Cemetery operations income		
Grave income	22,657	24,716
Mausoleum income	5,997	9,567
Cremation memorial income	3,673	3,699
Interment	7,503	7,344
Cremation income	5,169	5,197
Memorialisation	5,028	5,145
Other operating income		
Other interment services	2,116	2,037
Chapel services	175	168
Rental income	742	572
Grant income	231	-
Other operating income (i)	383	448
Total cemetery operations income	53,673	58,892

(i) Upon adoption of AASB 9 the net gain/(loss) on non-financial assets of \$60K has been reclassified as other economic flows in the comparative data for the year ended 30 June 2018

	2019 \$ 000	2018 \$ 000
(b) Investment income		
Interest income financial assets	1,022	992
Dividends and distributions (ii)	13,666	18,378
Total investment income	14,688	19,370

(ii) From 1 July 2018 distributions received net of fees are recorded net of fees. This resulted in a decrease in distributions and a decrease in investment management fees of \$1,239K in the comparative data for the year ended 30 June 2018.

(c) Income recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised to the extent that it is probable that the economic benefits will flow to GMCT and the income can be reliably measured at fair value. Fees received in advance of service provision are recorded as unearned income in accordance with the guidance at Note 5.3.

(d) Cemetery operations income

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

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

(e) Dividend and distribution income

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

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

(f) Interest revenue

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

(g) 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.

(h) Government grants

In accordance with AASB 1004 *Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when GMCT gains control of the underlying assets irrespective of whether conditions are imposed on the use of the contributions. Contributions are deferred as income in advance when GMCT has a present obligation to repay them and the present obligation can be reliably measured.

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.

Note 3.1: Expenses from transactions

	2019 \$ 000	2018 \$ 000
(a) Cost of sales		
Rights of interment	5,307	6,777
Memorialisation	1,762	1,973
Total cost of sales	7,069	8,750
(b) Expenses from transactions		
Other operating costs	2,767	2,016
Investment management fees (i)	294	194
(Gain)/loss on onerous contracts	(204)	(124)
Doubtful debts expense	-	3
Total expenses from transactions	2,857	2,089

(i) From 1 July 2018 distributions received net of fees are recorded net of fees. This resulted in a decrease in distributions and a decrease in investment management fees of \$1,239K in the comparative data for the year ended 30 June 2018.

Note 3 – The cost of delivering services (continued)

Note 3.1: Expenses from transactions (continued)

(c) Expense recognition

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

(d) Cost of sales

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

(e) Employee expenses

Employee expenses include:

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

(f) Cemetery levy

In accordance with Section 18Q of The *Cemeteries and Crematoria Act 2003*, GMCT is required to pay a percentage of its gross earnings, as defined by the Department of Health and Human Services, to the Consolidated Fund held by the State of Victoria. Gross earnings is currently defined as cemetery operations income and investment income, excluding donations, government grants, profit or loss on sale of investments and other assets and assets received free of charge. The levy rate for this reporting period is 3% (2018: 3%).

(g) Other operating expenses

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

(h) Supplies and consumables

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

(i) 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 4.2 Investments and other financial assets; and
- Disposals of financial assets and derecognition of financial liabilities

(j) Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. 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.

(k) Impairment of non-financial assets

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

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

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

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

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

Note 3.2: Other economic flows

	2019 \$ 000	2018 \$ 000
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property, plant and equipment	215	60
Total net gain/(loss) on non-financial assets	215	60
Net gain/(loss) on financial instruments at fair value		
Impairment of financial assets	-	(2,614)
Net unrealised gain/(loss) on revaluation of financial instruments	4,085	-
Net realised gain/(loss) on disposal of financial instruments	(1,406)	(3,089)
Total net gain/(loss) on financial instruments at fair value	2,679	474
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave	(164)	9
Total other gains/(losses) from other economic flows	(164)	9
Total gains/(losses) from economic flows	2,730	543

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 and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/ (losses) of non-financial physical assets
 - Refer to Note 4.3 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.

Note 3 – The cost of delivering services (continued)

Note 3.3: Employee benefits

	2019 \$ 000	2018 \$ 000
Current provisions		
Employee benefits		
— Annual leave (unconditional and expected to be settled within 12 months)	1,027	905
— Annual leave (unconditional and expected to be settled after 12 months)	590	533
— Long service leave (unconditional and expected to be settled within 12 months)	215	88
— Long service leave (unconditional and expected to be settled after 12 months)	2,066	1,630
Provision for on-costs		
— Unconditional and expected to be settled within 12 months	230	170
— Unconditional and expected to be settled after 12 months	432	323
Total current provisions	4,560	3,649
Non-current provisions		
Employee benefits		
— Long service leave (conditional and expected to be settled after 12 months)	616	640
— On-costs	98	90
Total non-current provisions	714	730
Total provision for employee benefits	5,274	4,379

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

(a) Employee benefits and related on-costs

	2019 \$ 000	2018 \$ 000
Current employee benefits & related on-costs		
Annual leave	1,617	1,438
Unconditional long service leave	2,281	1,718
Current on-costs	662	493
Total current employee benefits & related on-costs	4,560	3,649
Non-current employee benefits & related on-costs		
Conditional long service leave	616	640
Non-current on-costs	98	90
Total non-current employee benefits & related on-costs	714	730
Total employee benefits and on-costs	5,274	4,379

(b) Movement in on-costs provision

	2019 \$ 000
Balance at start of the year	583
Additional provisions recognised	328
Unwinding of discount and effect of changes in the discount rate	51
Reduction due to transfer out	(202)
Balance at end of the year	760

(c) Employee benefits

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

(d) Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

(e) Annual leave

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

Depending on the expectation of the timing of settlement, liabilities for annual leave 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.

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

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

(g) 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.

(h) On-costs related to employee benefits

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

Note 3 – The cost of delivering services (continued)

Note 3.4: Superannuation

Employees of GMCT are entitled to receive superannuation benefits and GMCT contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

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

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

	Contributions for the year ending 2019	Contributions outstanding at year end 2019	Contributions for the year ending 2018	Contributions outstanding at year end 2018
	\$ 000	\$ 000	\$ 000	\$ 000
Defined benefits				
Vision Super	176	-	197	6
Defined contributions				
Vision Super	692	53	718	52
Other	1,102	95	963	75
Total	1,970	148	1,878	133

(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.

(b) Defined benefit superannuation plan

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

On the basis of the results of the most recent full actuarial investigation conducted by the fund's actuary, GMCT's current contribution is 9.5% of superannuation salary plus contribution tax.

(c) Unfunded defined benefit superannuation liability

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

In accordance with regulations, the fund's trustees are required to complete an actuarial review of superannuation funds at least every three years to ensure the current assets are adequate to meet the benefits that have previously been promised to members. The last actuarial review was 30 June 2017 and the next actuarial is schedule for 30 June 2020.

As a participating employer of this defined benefit plan, GMCT is liable to meet any call made by the fund's actuary. Based on the advice from the fund's trustee, there is no shortfall in the defined benefit plan as at 30 June 2019.

Note 4 – Key assets to support service delivery

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

Note 4.1: Cash and cash equivalents

	2019 \$ 000	2018 \$ 000
Cash on hand	2	2
Cash at bank (i)	33,602	9,851
Total cash and cash equivalents	33,604	9,853

(i) Cash at bank at 30 June 2019 includes \$28M that was invested into a new managed investment scheme on 1 July 2019.

Cash and cash equivalents

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

Note 4.2: Investments and other financial assets

	2019 \$ 000	2018 \$ 000
Current		
Australian Dollar Term Deposits >3 months	57,236	26,398
Total current	57,236	26,398
Non-current		
Managed Investment Schemes	232,452	275,582
Total non-current	232,452	275,582
Total investments and other financial assets	289,689	301,980

Investments and other financial assets

The GMCT classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

GMCT assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Note 4 – Key assets to support service delivery (continued)

Note 4.3: Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

		2019 \$ 000	2018 \$ 000
Cemetery land under infrastructure at fair value	(i)	6,716	6,573
Buildings, infrastructure and improvements at fair value	(i)	94,388	86,308
Less accumulated depreciation		(6,010)	(3,491)
		88,378	82,817
Motor vehicles, plant and equipment at fair value		17,986	15,726
Less accumulated depreciation		(9,121)	(7,863)
		8,865	7,863
Capital works in progress at cost		9,210	3,609
Total property, plant and equipment		113,169	100,862

(i) In accordance with the requirements of Financial Reporting Direction FRD103H Non-current Physical Assets, these assets were valued by an independent valuer, Steven Lane, Qualified Valuer, of the Valuer-General of Victoria, with effect at 30 June 2017.

Cemetery land under infrastructure

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

A land revaluation assessment was performed based on the current land indices provided by the Valuer-General Victoria and resulted in no changes to land valuations.

Buildings, infrastructure and improvements

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

(b) Reconciliation of property, plant and equipment

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

	Cemetery land under infrastructure \$ 000	Buildings, infrastructure and improvements \$ 000	Motor vehicles, plant and equipment \$ 000	Works in progress \$ 000	Total \$ 000
Balance at 30 June 2017	5,815	79,734	7,643	1,933	95,125
Additions	-	-	-	9,416	9,416
Transfers to completed assets	-	5,114	2,626	(7,740)	-
Transfers between asset classes	(10)	492	(492)	-	(10)
Disposals	-	(5)	(293)	-	(298)
Revaluation of land, buildings and infrastructure improvements	768	-	-	-	768
Depreciation expense (Note 4.4)	-	(2,518)	(1,621)	-	(4,139)
Balance at 30 June 2018	6,573	82,817	7,863	3,609	100,862
Additions	-	-	-	16,912	16,912
Transfers to completed assets	143	8,080	3,088	(11,311)	-
Disposals	-	-	(291)	-	(291)
Depreciation expense (Note 4.4)	-	(2,519)	(1,795)	-	(4,314)
Balance at 30 June 2019	6,716	88,378	8,865	9,210	113,169

Note 4 – Key assets to support service delivery (continued)

Note 4.3: Property, plant and equipment (continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Cemetery land under infrastructure at fair value				
— Specialised land	6,716	-	-	6,716
Total of land at fair value	6,716	-	-	6,716
Buildings, infrastructure and improvements at fair value				
— Specialised buildings	88,378	-	-	88,378
Total of buildings at fair value	88,378	-	-	88,378
Motor vehicles, plant and equipment at fair value				
— Motor vehicles (ii)	1,854	-	-	1,854
— Plant and equipment	7,011	-	-	7,011
Total of plant and equipment and motor vehicles at fair value	8,865	-	-	8,865
Total balance at fair value 30 June 2019	103,960	-	-	103,960

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Cemetery land under infrastructure at fair value				
— Specialised land	6,573	-	-	6,573
Total of land at fair value	6,573	-	-	6,573
Buildings, infrastructure and improvements at fair value				
— Specialised buildings	82,817	-	-	82,817
Total of buildings at fair value	82,817	-	-	82,817
Motor vehicles, plant and equipment at fair value				
— Motor vehicles (ii)	1,664	-	-	1,664
— Plant and equipment	6,199	-	-	6,199
Total of plant and equipment and motor vehicles at fair value	7,863	-	-	7,863
Total balance at fair value 30 June 2018	97,253	-	-	97,253

(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 (2018: nil)

(d) Reconciliation of Level 3 fair value

	Cemetery infrastructure land at fair value \$ 000	Buildings, infrastructure and improvements at fair value \$ 000	Motor vehicles, plant and equipment at fair value \$ 000
Opening balance	6,573	82,817	7,863
Purchases/(sales)	-	-	(291)
Depreciation	-	(2,519)	(1,795)
Transfers in/(out)	143	8,080	3,088
Closing balance	6,716	88,378	8,865
Total balance at fair value 30 June 2019	6,716	88,378	8,865

	Cemetery infrastructure land at fair value \$ 000	Buildings, infrastructure and improvements at fair value \$ 000	Motor vehicles, plant and equipment at fair value \$ 000
Opening balance	5,815	79,734	7,643
Purchases/(sales)	-	5,109	2,333
Depreciation	-	(2,518)	(1,621)
Transfers in/(out)	(10)	492	(492)
Items recognised in other comprehensive income			
— Revaluation	768	-	-
Closing balance	6,573	82,817	7,863
Total balance at fair value 30 June 2018	6,573	82,817	7,863

Note 4 – Key assets to support service delivery (continued)

Note 4.3: Property, plant and equipment (continued)

(e) 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 shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

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

GMCT develops unobservable inputs using the best information available in the circumstances, which might include its own data. In developing unobservable inputs, GMCT may begin with its own data, but shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to GMCT that is not available to other market participants. GMCT need not undertake exhaustive efforts to obtain information about other market participant assumptions, however it shall take into account all information that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

(f) Specialised land and specialised buildings

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

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

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

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

(g) 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).

(h) 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 2019. For all assets measured at fair value, the current use is considered the highest and best use.

(i) Fair value determination

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

(j) Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and accumulated impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government are transferred at their carrying amount.

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

Note 4 – Key assets to support service delivery (continued)

Note 4.3: Property, plant and equipment (continued)

(i) Land and buildings

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

(ii) Land for cemetery use

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

Cemetery use land was valued at 30 June 2017 by the Valuer-General in accordance with the requirements of Financial Reporting Direction FRD103H *Non-current Physical Assets*, issued pursuant to the *Financial Management Act 1994*. The next scheduled revaluation under FRD103H is set for the year ending 30 June 2022 or earlier if there is an indication that the fair value has moved materially since the last valuation. An Annual Revaluation Assessment has been performed and involves identifying land assets that have had a material (i.e. greater than or equal to 10%) movement against Valuer-General of Victoria Financial Year Indices.

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

(iii) Plant, equipment and motor vehicles

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

(k) Revaluation of non-current physical assets

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

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

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

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

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

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

(l) Property, plant and equipment revaluation surplus

Property, plant and equipment revaluation surplus	2019 \$ 000	2018 \$ 000
Balance at the beginning of the reporting period	28,978	28,211
Revaluation increment		
— Land	-	767
— Buildings	-	-
— Plant and infrastructure	-	-
Balance at the end of the reporting period*	28,978	28,978
*Represented by:		
— Land	1,002	1,002
— Buildings	19,588	19,588
— Plant and infrastructure	8,389	8,389
	28,978	28,978

Note 4.4: Intangible assets

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

	2019 \$ 000	2018 \$ 000
Computer software systems at cost	3,794	3,542
Less accumulated amortisation	(1,926)	(1,273)
	1,868	2,269
Works in progress - software systems	931	1,789
Total intangible assets	2,799	4,058

(b) Reconciliation of intangible assets

	2019 \$ 000	2018 \$ 000
Balance at the beginning of the year	4,058	2,475
Additions	-	2,225
Transfer to property, plant and equipments	(606)	-
Amortisation expense	(652)	(642)
Balance at end of the year	2,799	4,058

Note 4 – Key assets to support service delivery (continued)

Note 4.4: Intangible assets (continued)

(c) Intangible assets

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

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

Note 4.5: Depreciation and amortisation

	2019 \$ 000	2018 \$ 000
Depreciation		
Buildings, infrastructure and improvements	2,519	2,518
Motor vehicles, plant and equipment	1,795	1,621
Aggregate depreciation recognised as an expense during the year	4,314	4,139
Amortisation		
Amortisation of computer software systems	4.4	652
Total depreciation and amortisation	4,966	4,781

(a) Depreciation

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

Assets with a cost in excess of \$3K (2018: \$3K) are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated remaining useful lives.

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

The following table indicates the depreciation rates in use.

	2019	2018
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

(b) Amortisation

Intangible assets with a cost in excess of \$3K (2018: \$3K) are capitalised.

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

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

The following table indicates the amortisation rates in use:

	2019	2018
Computer software systems	3-6 years	3-6 years

Note 4.6: Inventories

	2019 \$ 000	2018 \$ 000
Current		
Finished goods		
Grave foundations and beams	16,420	11,690
Mausoleum crypts	11,535	12,459
Land – interment purposes	150	268
Work in progress		
Development costs	8,726	8,140
Total current	36,830	32,557
Non-current		
Land – interment purposes (undeveloped)	11,535	12,038
Work in progress		
Development costs (i)	5,947	5,947
Total non-current	17,482	17,985
Total inventories	54,313	50,542

(i) \$5.9M of inventory located in the Preston Cemetery mausoleum basement was reclassified in 2012 as work in progress. An engineering solution is being sought to determine the additional development required in order to make the inventory available for sale. It is expected that the inventory will have value above the carrying value, including the additional development.

Represented by	2019 \$ 000	2018 \$ 000
Land – interment purposes	11,685	12,306
Grave foundations and beams	16,420	11,690
Mausoleum crypts	11,535	12,459
Work in progress	14,673	14,087
	54,313	50,542

(a) Inventories

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

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

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

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

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

Note 5 – Other assets and liabilities

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

Note 5.1: Receivables

	2019 \$ 000	2018 \$ 000
Current		
Contractual		
Trade and sundry debtors	1,898	2,010
Accrued interest and dividends	127	942
<i>Less: Allowance for impairment losses of contractual receivables</i>	5.1(a) (6)	(6)
Total current contractual receivables	2,019	2,946
Statutory		
GST receivable	281	95
Total current statutory receivables	281	95
Total receivables	2,299	3,041

(a) Movement in impairment losses of contractual receivables

	2019 \$ 000	2018 \$ 000
Balance at the beginning of the year	6	9
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	-	(3)
Balance at end of the year	6	6

(b) Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors 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 are the 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. Collectability of debts is reviewed on an ongoing basis and debts that are known to be uncollectible are written off. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Details about GMCT's impairment policies, exposure to credit risk and the calculation of the allowance are set out in note 7.1(d).

Note 5.2: Payables

	2019 \$ 000	2018 \$ 000
Current		
Contractual		
Trade creditors	119	269
Accrued salaries & wages	413	363
Other creditors and accruals	6,358	4,474
Total contractual creditors	6,890	5,107
Statutory		
Cemeteries levy accrued	2,042	2,383
Superannuation liability	145	134
Total statutory creditors	2,187	2,517
Total trade creditors	9,077	7,624

(a) Payables

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 the 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.

(b) Liquidity risk

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

(c) Policy on managing liquidity risk

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

GMCT manages liquidity risk by monitoring cash flows to ensure sufficient funds are maintained in its operating bank account to meet liabilities as they fall due. This is done while ensuring that surplus funds are invested.

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

(d) Maximum exposure to liquidity risk

The maximum exposure to liquidity risk is the carrying amounts of the financial liabilities as shown in table 5.2 (e).

(e) Maturity analysis of financial liabilities

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

Note 5 – Other assets and liabilities (continued)

Note 5.2: Payables (continued)

Financial liabilities at amortised cost	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
2019						
Total contractual creditors	6,890	6,890	6,890	-	-	-
Total	6,890	6,890	6,890	-	-	-
2018						
Total contractual creditors	5,107	5,107	5,107	-	-	-
Total	5,107	5,107	5,107	-	-	-

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

Note 5.3: Unearned income

	2019 \$000	2018 \$000
Current		
Pre-need deed sales liability	19,302	17,217
Deposits received in advance	420	823
Total unearned income	19,722	18,040

(a) Unearned income

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

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

Note 5.4: Provision for loss on onerous contracts

	2019 \$000	2018 \$000
Balance at beginning of year	417	541
Amount taken to comprehensive operating statement	(204)	(124)
Balance at end of the year	214	417

The onerous contract provision is estimated based on the current deemed cost of the expenditure required to provide the goods and/or services, less the amount of revenue to be recognised.

Note 5.4: Provision for loss on onerous contracts (continued)

Provision for loss on onerous contracts (on unearned income)

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

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

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

Note 6 – Commitments

Capital expenditure commitments	2019 \$000	2018 \$000
Land and buildings	919	1,159
Plant and equipment	46	60
Intangible assets	846	822
Inventories	16,875	6,747
Total capital commitments	18,685	8,788

Operating expenditure commitments	2019 \$ 000	2018 \$ 000
Maintenance and operating	6,636	4,367
Administrative	1,163	100
Total operating expenditure commitments	7,800	4,467

Lease commitments	2019 \$000	2018 \$000
Operating leases	-	67
Total lease commitments	-	67

Capital expenditure commitments	2019 \$000	2018 \$000
Not longer than one year	17,785	8,712
Longer than one year and not longer than five years	822	38
Longer than five years	78	38
Total capital expenditure commitments	18,685	8,788

Operating expenditure commitments	2019 \$000	2018 \$000
Not longer than one year	4,500	2,284
Longer than one year and not longer than five years	3,300	2,183
Longer than five years	-	-
Total operating expenditure commitments	7,800	4,467

Operating lease commitments	2019 \$000	2018 \$000
Not longer than one year	-	67
Longer than one year and not longer than five years	-	-
Longer than five years	-	-
Total operating lease commitments	-	67

Commitments for expenditure are not recognised in the balance sheet. Commitments for expenditure are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Note 7 – Risks, contingencies and valuations uncertainties

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

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*.

(a) Categorisation of financial instruments

2019	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	33,604	-	-	33,604
Receivables	2,019	-	-	2,019
Investments and other financial assets				
— Interest bearing investments	57,236	-	-	57,236
— Managed share portfolios	-	232,452	-	232,452
Total financial assets (i)	92,858	232,452	-	325,310
Contractual financial liabilities				
Payables	-	-	(6,890)	(6,890)
Total financial liabilities (i)	-	-	(6,890)	(6,890)

2018	Contractual financial assets – loans and receivables	Contractual financial assets – available for sale	Contractual financial assets /liabilities at amortised cost	Total
Contractual financial assets				
Cash and cash equivalents	9,853	-	-	9,853
Receivables	2,946	-	-	2,946
Investments and other financial assets				
— Interest bearing investments	26,398		-	26,398
— Managed share portfolios	-	275,582	-	275,582
Total financial assets (i)	39,197	275,582	-	314,779
Contractual financial liabilities				
Payables	-	-	(5,107)	(5,107)
Total financial liabilities (i)	-	-	(5,107)	(5,107)

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

From 1 July 2018, GMCT applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

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
- receivables (excluding statutory receivables)
- term deposits
- certain debt securities.

Note 7 – Risks, contingencies and valuations uncertainties (continued)

Note 7.1: Financial instruments (continued)

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, GMCT may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

GMCT has designated all of its managed investment schemes as fair value through net result.

(b) Categories of financial assets previously under AASB 139

(i) Loans and receivables and cash

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). GMCT recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits
- certain debt securities.

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

(ii) Available for sale financial instrument assets

Available for sale financial instrument assets are those designated as available for sale or not classified in any other category of financial

instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition they are measured at fair value with gains and losses arising from changes in fair value recognised in 'other economic flows' until the investment is disposed.

Movements resulting from impairment and foreign currency changes are recognised in the net result as 'other economic flows'. On disposal, the cumulative gain or loss previously recognised in 'other economic flows' is transferred to 'other economic flows' in the net result.

(iii) Held to maturity financial assets

If GMCT has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

GMCT makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes term deposits for which GMCT intends to hold to maturity.

(c) Categories of financial liabilities under AASB 9 and previously under AASB 139

(i) **Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The GMCT recognises the following liabilities in this category:

- payables (excluding statutory payables)

(ii) **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.

(iii) **Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(iv) Impairment of financial assets: At the end of each reporting period, the GMCT assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. 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*.

(d) Contractual receivables at amortised costs

30 June 2019	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate*	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	1,301	588	130	6	-	2,025
Loss allowance	-	-	-	6	-	6
30 June 2018	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	2,681	154	117	-	-	2,952
Loss allowance	-	-	6	-	-	6

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

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the GMCT has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the GMCT's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

The GMCT applies AASB 9 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. The GMCT has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on GMCT's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Note 7 – Risks, contingencies and valuations uncertainties (continued)

Note 7.1: Financial instruments (continued)

On this basis, the GMCT determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	2019 \$000	2018 \$000
Balance at the beginning of the year	6	9
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	6	9
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	-	-
Reversal of provision of receivables written down during the year as uncollectable	-	-
Reversal of unused provision recognised in the net result	-	-
Balance at the end of the year	6	9

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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

The 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.

The GMCT also has investments in:

- managed funds
- term deposits.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

Note 7.2: Contingent assets and contingent liabilities

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

There were no quantifiable or non-quantifiable contingent assets or contingent liabilities at the reporting date (2018: NIL).

Note 8 – Other disclosures

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

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

	2019 \$ 000	2018 \$ 000
Net result for the year	21,829	32,335
Non-cash flows in the operating result		
Depreciation and amortisation	4,966	4,781
(Profit)/loss from disposal of property, plant and equipment	(215)	(60)
Impairment loss on available for sale financial assets	-	2,614
Realised (gain)/loss on available for sale financial assets	-	(3,089)
Net gain/(loss) on financial instruments	(2,679)	-
	2,072	4,246
Changes in assets and liabilities		
(Increase)/decrease in receivables	742	432
(Increase)/decrease in inventories	(3,771)	(2,709)
(Increase)/decrease in prepayments	(120)	(56)
Increase/(decrease) in payables	1,493	2,144
Increase/(decrease) in employee benefits	895	286
Increase/(decrease) in onerous contracts	(204)	(124)
Increase/(decrease) in unearned income	1,683	1,770
	679	1,742
Net cash flow from operating activities	24,579	38,324

Note 8.2(a): Responsible persons disclosure

In accordance with the ministerial directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting year.

Remuneration of ministers is disclosed in the financial report of the Department of Parliamentary Services.

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

Responsible minister	Period
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	Ceased 29 November 2018
The Honourable Jenny Mikakos, Minister for Health, Minister for Ambulance Services	Commenced 29 November 2018

Note 8 – Other disclosures (continued)

Note 8.2(a): Responsible persons disclosure (continued)

Governing board (the trust)	
Geoff Mabbett (chair)	Commenced as chair 1 March 2016 (trust member since 2013)
Elizabeth Beattie	Commenced 1 March 2016
David Cragg	Commenced 1 March 2016
Dana Hlavacek	Commenced 1 March 2016
Kim McAliney	Commenced 1 March 2013
Janice Penney	Commenced 1 March 2010
Kevin Quigley	Commenced 1 September 2017
James Turcato	Commenced 1 September 2017, resigned 31 December 2018
Beverley Excell	Commenced 1 September 2017

Accountable officer	
Jacqui Weatherill (Chief Executive Officer)	Ceased 28 June 2019
Deb Ganderton (Interim Chief Executive Officer)	Commenced 29 June 2019 Remuneration included as executive officer 1 July 2018 to 28 June 2019

Remuneration of responsible persons

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

Income band	Total remuneration	
	2019	2018
\$0 - \$9,999	2	2
\$10,000 - \$19,999	7	8
\$20,000 - \$39,999	1	1
\$310,000 - \$319,999	1	1
\$330,000 - \$339,999	-	1
	11	12
Total remuneration received or due and received by responsible persons from the reporting entity amounted to	\$465,372	\$479,994

Note 8.2(b): Executive officers remuneration

Executive officers remuneration

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

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

- Short-term employee benefits include wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long-service benefit or deferred compensation paid.
- Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including key management personnel)	Total remuneration	
	2019	2018
Short-term employee benefits	1,171	947
Post-employment benefits	108	85
Other long-term benefits	-	28
Termination benefits	-	71
Total remuneration (i)	1,279	1,131
Total number of executives	9	7
Total annualised employee equivalents (AEE) (ii)	6.3	4.8

(i) The total number of executive officers includes persons who meet the definition of key management personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure. (Note 8.3)

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

Note 8.2(c): Remuneration of other personnel

There were no contractors charged with significant management responsibilities receiving total expenses in excess of \$100K (2018: nil).

Note 8.3: Related party transactions

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

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

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

Key management personnel (KMP) of GMCT include portfolio ministers, cabinet ministers and KMP as determined by the Trust. KMP includes those identified as Responsible Persons by name in Note 8.2(a) and the following Executive Officers: - Martin Taylor, Brian Smart, Andrew Eriksen, Dimi Patitsas, Andrew Port David Crowe, Pelagia Markogiannakis and Martin Anderson.

Note 8 – Other disclosures (continued)

Note 8.3: Related party transactions (continued)

The compensation detailed below excludes the salaries and benefits the portfolio ministers receive. The minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services financial report.

	2019 \$ 000	2018 \$ 000
Compensation		
Short-term employee benefits	1,579	1,385
Post-employment benefits	148	126
Other long-term benefits	17	28
Termination benefits	-	71
Total	1,744	1,611

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with members of the public e.g. they incur stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and codes of conduct and standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

During the year GMCT had government related entity transactions with the Department of Health and Human Services, being the payment of the 2017-18 cemetery levy of \$2.383M (2018: \$2.344M). Related party balances payable to the Department of Health and Human Services for the cemetery levy as at 30 June 2019 were \$2.042M (2018: \$2.383M).

Note 8.4: Audit fees

	2019 \$000	2018 \$000
Victorian Auditor-General's Office		
Audit of the financial statements	99	99
Total	99	99

Note 8.5: Ex-gratia payments

During the reporting year ex-gratia expenses amounted to nil (2018: nil).

Note 8.6: Changes in accounting policy

GMCT has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

(a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and

(b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

This note explains the impact of the adoption of AASB 9 *Financial Instruments* on the financial statements.

Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, the GMCT's management has assessed for all financial assets based on GMCT's business models for managing the assets. The following are the changes in the classification of GMCT's financial assets:

(a) Managed investment schemes previously classified as available-for-sale under AASB 139 are now classified as fair value through net result under AASB 9 because their cash flows do not represent solely payments of principal and interest, thus not meeting the AASB 9 criteria for classification at amortised cost.

As the result of the above mentioned changes in classification, the related fair value gain of \$10.986 million was transferred from the available-for-sale revaluation surplus to retained earnings on 1 July 2018.

(b) Term deposits previously classified as held to maturity under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.

(c) Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.

The accounting for financial liabilities remains largely the same as it was under AASB 139.

Summary of reclassification of assets and liabilities

As at 30 June 2018 (\$'000)	AASB 139 Measurement categories	AASB 9 Measurement categories			
		Fair value through net result (designated)	Fair value through net result (mandatory)	Amortised cost	Fair value through other comprehensive income
AASB 139 Measurement categories					
Trade and sundry debtors	2,004	-	-	2,004	-
Loans to third parties	-	-	-	-	-
Accrued investment income	942	-	-	942	-
Other receivables	95	-	-	95	-
Held to maturities	26,398	-	-	26,398	-
Managed investment schemes	275,582	-	275,582	-	-
As at 1 July 2018	305,020	-	275,582	29,439	-

Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, GMCT applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Due to the nature of GMCT's operations the expected credit loss is zero and therefore there has been no significant adjustment to the loss allowance.

For debt instruments at amortised costs, GMCT considers them to be low risk and therefore determines the loss allowance based on ECLs associated with the probability of default in the next 12 months. Applying the ECL model does not result in recognition of additional loss allowance (previous loss allowance was nil). No further increase in allowance in the current financial year.

Transition impact

Transition impact of first time adoption of AASB 9 on comprehensive operating statement for the year ended 30 June 2018:

	30 June 2018 \$ 000
Comprehensive operating statement	
Changes to financial assets available-for-sale revaluation surplus	4,322
Other economic flows included in net result	4,322
Changes to financial assets available-for-sale revaluation surplus	-
Changes to financial assets at fair value through other comprehensive income revaluation surplus	-
Other economic flows – other comprehensive income	-
Comprehensive income	4,322

Note 8 – Other disclosures (continued)

Transition impact of first time adoption of AASB 9 on balance sheet

Balance sheet	Amount as at 30 June 2018	Reclassification	Re-measurement	Restated amount at 1 July 2018
Loans and receivable	3,041	(3,041)	-	-
Financial assets held for maturity	26,398	(26,398)	-	-
Available for sale	275,582	(275,582)	-	-
Financial assets at fair value through net result	-	275,582	-	275,582
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortised cost	-	29,439	-	29,439
Impairment loss allowance	-	-	-	-
Other financial assets	-	-	-	-
Total financial assets	305,021	-	-	305,021
Accumulated surplus/ (deficit)	52,244	10,986	-	63,230
Financial assets available for sale revaluation surplus	10,986	(10,986)	-	-
Financial assets through other comprehensive income revaluation surplus	-	-	-	-
Other items in equity	376,987	-	-	376,987
Total equity	440,217	-	-	440,217

Note 8.7: New accounting standards and interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period.

As at 30 June 2019, the following standards and interpretations had been issued but application was not effective for the year ending 30 June 2019. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as detailed in the table below. GMCT has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on GMCT financial statements
<p>AASB 15 Revenue from Contracts with Customers</p>	<p>The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards</i> – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.</p>	<p>1 Jan 2019</p>	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied.</p> <p>GMCT expects there to be no material impact.</p>
<p>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Entities</p>	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.</p> <p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	<p>1 Jan 2019</p>	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:</p> <p>AASB 9</p> <p>Statutory receivables are recognised and measured similarly to financial assets.</p> <p>AASB 15</p> <p>The ‘customer’ does not need to be the recipient of goods and/or services;</p> <p>The “contract” could include an arrangement entered into under the direction of another party;</p> <p>Contracts are enforceable if they are enforceable by legal or ‘equivalent means’;</p> <p>Contracts do not have to have commercial substance, only economic substance; and</p> <p>Performance obligations need to be ‘sufficiently specific’ to be able to apply AASB 15 to these transactions.</p>

Note 8 – Other disclosures (continued)

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on GMCT financial statements
<p>AASB 16 Leases</p>	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.</p>	<p>1 Jan 2019</p>	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p> <p>GMCT expects there to be no material impact.</p>
<p>AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities</p>	<p>This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	<p>1 Jan 2019</p>	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed.</p>

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on GMCT financial statements
<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p>	<p>AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context.</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	<p>1 Jan 2019</p>	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 <i>Contributions</i>.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.</p> <p>GMCT expects there to be no material impact.</p>
<p>AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i></p>	<p>This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.</p>	<p>1 Jan 2020</p>	<p>The standard is not expected to have a significant impact on the public sector.</p>

Note 8 – Other disclosures (continued)

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.

Since 30 June 2019 a request for a refund has been received for an amount greater than that provided for as at 30 June 2019. This matter is currently under investigation.

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.

Legislation	Requirement	Page reference
Ministerial directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant ministers	32
FRD 22H	Purpose, functions, powers and duties	32
FRD 22H	Initiatives and key achievements	14-27
FRD 22H	Nature and range of services provided	32
Management and structure		
FRD 22H	Organisational structure	33
Financial and other information		
FRD 10A	Disclosure index	94
FRD 11A	Disclosure of ex-gratia expenses	88
FRD 15E	Executive Officer disclosures in the Report of Operations	29
FRD 21C	Responsible person and executive officer disclosures	85-88
FRD 22H	Application and operation of <i>Protected Disclosure 2012</i>	43
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	42
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	42
FRD 22H	Details of consultancies over \$10,000	40-41
FRD 22H	Details of consultancies under \$10,000	40
FRD 22H	Employment and conduct principles	28-29
FRD 22H	Information and Communication Technology Expenditure	41

Disclosure index (continued)

Legislation	Requirement	Page reference
FRD 22H	Major changes or factors affecting performance	44
FRD 22H	Occupational health and safety	24-25
FRD 22H	Operational and budgetary objectives and performance against objectives	44
FRD 22H	Significant changes in financial position during the year	12
FRD 22H	Statement on National Competition Policy	43
FRD 22H	Subsequent events	94
FRD 22H	Summary of the financial results for the year	44
FRD 22H	Additional information available on request	43
FRD 22H	Workforce data disclosures including a statement on the application of employment and conduct principles	28-29
FRD 24C	Reporting of office-based environmental impacts	20-21
FRD 25C	Victorian Industry Participation Policy disclosures	43
FRD 29C	Workforce data disclosures	28-29
FRD 103F	Non-financial physical assets	72
FRD 110A	Cash flow statements	53
FRD 112D	Defined benefit superannuation obligations	64
SD 5.2.3	Declaration in report of operations	3
SD 5.1.2.2	Financial Management Compliance Attestation	42
Other requirements under standing directions 5.2		
SD 5.2.2	Declaration in financial statements	46
SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	46
SD 5.2.1(a)	Compliance with ministerial directions	55
<i>Freedom of Information Act 1982</i>		42
<i>Protected Disclosure Act 2012</i>		43
<i>Victorian Industry Participation Policy Act 2003</i>		42
<i>Building Act 1993</i>		42
<i>Financial Management Act 1994</i>		42



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