



# 2014-15 ANNUAL REPORT

BENDIGO CEMETERIES TRUST

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Acknowledgements: Cover photography by Aruana Photography – Mandy Michie

## From The Chair



The Hon. Jill Hennessy MP Minister for Health Parliament House Melbourne

Dear Minister

I am delighted to present you with the 2014/15 Annual Report on behalf of Remembrance Parks - Central Victoria [Bendigo Cemeteries Trust].

Over this reporting period the organisation has steadily consolidated its change and growth strategy resulting in an ongoing positive turnaround against its sustainability forecasts. For the second consecutive year we have recorded a surplus result that I am pleased to report has absorbed the accumulated deficits resulting from three years of significant deficit results in preceding years and an environment of declining market share and financial sustainability.

This year has also seen a record contribution to financial reserves that span our statutory obligation to plan for perpetual maintenance and a range of other internal operational imperatives in line with the organisation's Strategic and Annual Plans. Our cremation market share has continued to increase to the point whereby the Board has awarded a tender for the provision of a high-volume oversize cremator to increase capacity, which will also provide the community with an oversize cremation option that is currently not available but unfortunately is an increasing need.

The Community Advisory Committee and our growing volunteer team continues to provide an outstanding contribution to the organisation and community. The committee and volunteers are now fully integrated into the organisational planning and service delivery framework and provide an ideal conduit to/from the community, as does our enhanced relationship with Funeral Directors and other key stakeholders. The changed financial status of the organisation has also facilitated an ability to plan for record investment in site beautification and infrastructure development that commenced in this reporting period and will continue into future years, consistent with our multi-year planning horizon.



The Board and management team remain committed to pursuing increased efficiencies within the organisation and the broader sector. To this end, we now operate a blended team of in-house and outsourced labour as well as continuing to explore opportunities to partner with other Trusts and like organisations. Unfortunately the appetite for this shared services arrangement does not currently exist within the sector, however RPCV continues to work in partnership with willing participants to achieve a more efficient and effective service for the Victorian community. This has also seen RPCV, through the CEO and myself, actively participate in a National Cemeteries Forum consisting of key civic cemeteries from across Australia exploring opportunities of a similar scale at the national level.

This year has seen another positive result, with the Board determined to maintain the momentum for enhanced customer service and to remain agile and resilient within the dynamic environment in which we operate.

Our achievements over the last few years and particularly this year could not be achieved without the dedication and commitment of our Board, Chief Executive Officer Graham Fountain and his team. On behalf of the Board I acknowledge the efforts of all staff and volunteers and thank them for their ongoing commitment as we continue to progress our growth and change agenda into the next reporting period.

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PAM MACDONALD MBA(Tech),Grad.Dip.Adult Ed., GAICD CHAIR

# **CEO's Report**





This second year of the RPCV Strategic Plan 2013-2016 has culminated in an outstanding result for the organisation and provided it with long awaited opportunities to invest capital into much needed site beautification and infrastructure development. This year's results also directly contribute to a more financially sustainable organisation and an ability to enhance the value proposition of RPCV products and services to our clients and the broader community.

Notwithstanding the extremely positive results over this reporting period, RPCV remains focused on continuing to strive for increased efficiencies to deliver further improvements to its remembrance parks and services into the future. This approach continues to be premised on the underlying multi-year planning framework that now exists within RPCV and a focus on the performance metrics contained therein.

The following provides a summary of the major results achieved during this reporting period:

- A continuing return of financial results to surplus after several years of deficit results, including an ability to achieve a surplus budget result whilst also opportunistically bringing forward a number of major investments in the form of the preparatory work and renovations to the crematoria, additional site beatification initiatives and the construction of the new lakeside memorial garden
- An ongoing increase in our cremation service delivery with a 146% increase in this product line over the past two years and a 32% positive result above budgeted actual cremations for this reporting period
- A 136% increase in new clients utilising RPCV services during this same period with 30% increase this reporting period
- The expansion of our cremation pick-up service and service delivery program across the Central Victoria footprint
- Cash-backing of organisational reserves with an additional 52% placed in growth investments
- A 147% increase in site beautification expenditure and 129% increase in capital improvements undertaken across the organisation over the last two years
- The progressive renovation of the historically significant Sexton's Residence located at the Bendigo Remembrance Park resulting from a \$50k grant received from Heritage Victoria and ongoing contributions from the Orthometals Program
- The re-structure and implementation of a blended in and outsourced resourcing model across corporate and operational aspects of the business, focused at delivering more efficient and effective service

delivery to the community, including enhanced site beautification, presentation and customer service standards

- Successful registration of a number of trademarks, which underpin the strategic direction and growth opportunities for the organisation into the future
- The significant upgrade of the RPCV website enhancing an integrated online presence and revenue generating opportunities
- Business case development and selection of successful tenderer for the supply, installation and commissioning of a new high-volume, oversize cremator as well as provision of cremation maintenance services for the existing and new cremator

In addition to the above, RPCV have entered into a contractual arrangement to manage and operate the Axedale Catholic Cemetery on behalf of the Diocese of Sandhurst and are in active discussions with a number of other potential partners. This arrangement is one step within RPCV's broader growth strategy and culminates years of ongoing dialogue between parties. The Axedale Catholic Cemetery, located immediately adjacent to the Axedale Public Cemetery, will now operate in a completely seamless manner through RPCV.

This reporting period also saw the ongoing maturity of the community engagement strategy with the Community Advisory Committee now actively contributing to all aspects of RPCV's planning activities and the ongoing partnership with a number of local community groups. The completion of the *Gianna Centre Memorial Garden* in partnership with the Gianna Centre and a range of corporate partners, progressive renovation of the Kangaroo Flat Chapel with the support of the Kangaroo Flat community and interest groups are key deliverables under the strategy. The next reporting period will see a range of these community centered projects currently on-foot continue to evolve.

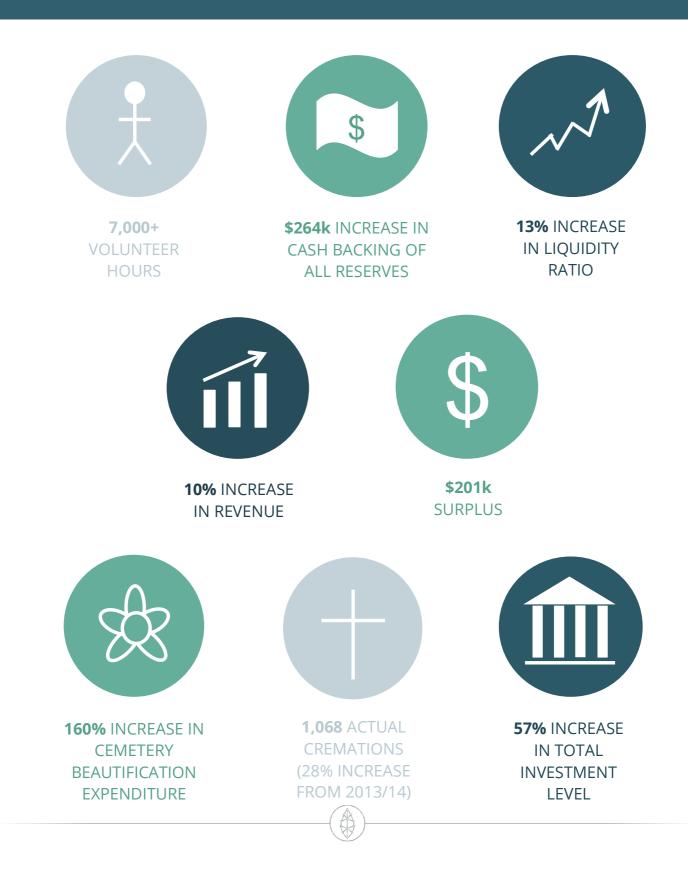
Our continued service commitment to the community and the outstanding results contained within this report would not have been possible without the dedicated support of the Board, staff and volunteers. Whilst the momentum for change to date has been significant this is not expected to dissipate in the forthcoming reporting periods with a number of exciting and significant projects and infrastructure improvements forecast to commence in the next financial year. The culmination of these will continue to strategically position RPCV to deliver enhanced services to the community as the custodian of the community's culturally and historically significant assets.

h/C

**GRAHAM FOUNTAIN** Grad.Dip.Exec.L'ship, Ass.Dip.App.Science, GAICD, GIFireE, MIAMA CHIEF EXECUTIVE OFFICER

# 2014/15 Highlights





## **Our Organisation**



### **Overview**

Remembrance Parks – Central Victoria (Bendigo Cemeteries Trust) is a government owned enterprise established as one of five (5) Class A Cemetery Trusts under the provisions of the *Cemeteries and Crematoria Act 2003* (the Act). It is accountable to the Minister for Health through the Department of Health and Human Services, is responsible for the direct management of six (6) sites and has a broader responsibility to provide leadership, support and assistance to Class B cemetery trusts across Central Victoria. In addition it has assumed responsibility to manage the Axedale Catholic Cemetery on behalf of the Diocese of Sandhurst.

The business provides the following services to the community:

- A range of cemetery, crematoria, reception and memorialisation services to the community including an evolutionary shift to e-commerce within a new online environment
- Provision of a range of *memorials@home*® products in line with changes in community attitude to memorialisation
- A suite of community support and development services which include:
  - o Genealogy research and advice
  - o Community advice
  - o Cemetery tours
  - o Volunteerism opportunities
- Maintenance, preservation and restoration of significant community, cultural and heritage assets
- Enhancing its sites as community parklands that are available for broader community use
- Providing leadership and support to key clients and Class B Cemetery Trusts across Central Victoria

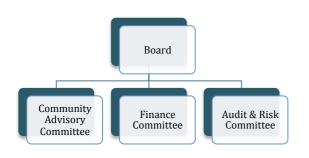


Photo by Aruana Photography

### Governance

Remembrance Parks – Central Victoria (RPCV) is governed by a Board appointed by the Governor-in-Council upon the recommendation of the Minister of Health (s.6A of the Act). During the reporting period the Board welcomed three (3) new members in addition to the existing six (6) members, resulting in the Board now consisting of the maximum nine (9) members.

Figure 1 – Governance Structure

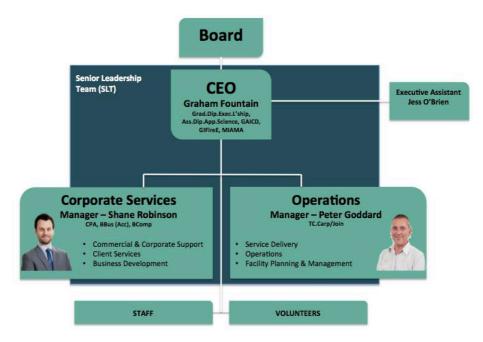


### Management

A Chief Executive Officer, appointed by and responsible to the Board (s. 18L of the Act) manages the organisation and its resources (s.18M of the Act) on a day-to-day basis. In addition to the responsibilities outlined for the CEO in the Act, the Board has delegated its powers according to s.15 of the Act to the CEO.

The CEO manages the organisation with the support of a team of staff, contractors and volunteers through the following organisational structure:

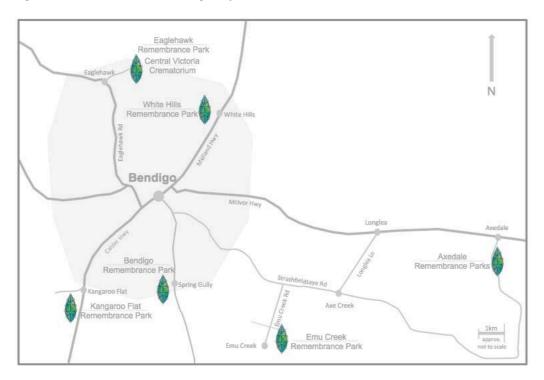
Figure 2 – Organisational Structure



### Locations

The following provides an overview of the six (6) locations managed by RPCV:

Figure 3 – Location of Sites Managed by RPCV



### **Business Performance**

During the reporting period, RPCV performed a total of 1,588 services for the community, as outlined below:

Table 1 – Services performed during the reporting period of 1 July 2014 – 30 June 2015

Service	Number
Interments (Bodily Remains)	389
Interments (Cremated Remains)	131
Cremations	1,068
TOTAL	1,588

#### Table 2 – Location Profiles (for reporting period)

	RPCV INDIVIDUAL SITES								
	TOTAL	Bendigo	Eaglehawk	White Hills	Kangaroo Flat	Axedale	Emu Creek		
Established	1987	1858	1864	1853	1855	1868	1869		
Area	73ha	21ha	22ha	20ha	4ha	2ha	4ha		
Employees (FTE)	9.4	-	9.4	-	-	-	-		
Volunteers	24	13	9	1	-	1	-		
Number of Cremations	1068	-	1068	-	-	-	-		
Interments (Bodily Remains)	389	202	84	47	51	3 (Axedale Catholic - 2)	-		
Interments (Cremated Remains)	131	41	79	2	9	-	-		
Memorial Conversion	465	199	158	51	55	2	-		
Chapel Usage	53	-	53	-	-	-	-		
Receptions	42	-	42	-	-	-	-		
Operating Revenue	2,326,931	667,055	1,262,569	201,342	183,397	12,568 (Includes Catholic)	-		
Community Activities	Y	Y	Y	Y	Y	Ν	Ν		

## **Product Offerings**

The following tables represent the current product offerings by location managed by RPCV, covering interments of bodily remains and memorialisation of cremated remains.



	Lawn Plaque	Lawn Headstone	Monumental	Vault	Natural/ Cultural	Natural Bushland
Bendigo	•		<b>♦</b>	•		
Eaglehawk	•		•	•		
White Hills	*		•	•		
Kangaroo Flat		•	•	•		
Axedale			<b>♦</b>	•		
Emu Creek						

#### Table 4 - Interment/Memorialisation of Cremated Remains Product Offerings (by site)

	Rose	Rock/Tree Shrub	Niche Wall	Memorial Lawn	Memorial Wall	Granite Pods	Ornamental Lake	Family Garden	Grave
Bendigo	•	•	•	•					•
Eaglehawk	•	•	٠	•	•	•	•	•	•
White Hills	٠	٠		٠					٠
Kangaroo Flat	•	•		•					•
Axedale									•
Emu Creek									

# Building A Sustainable & Viable Organisation



Pursuit of financial growth and sustainability through good governance, planning and resource efficiency.

# Manage our financial resources, assets and risks to deliver the best possible outcomes to the community.

The 2014/15 financial year has again seen a solid surplus result contributing to the ongoing turnaround of RPCV's financial sustainability. This year's surplus result of \$200,535 has absorbed the accumulated deficits resulting from three years of significant deficit results in preceding years. In addition to this surplus a steady increase in the liquidity ratio has occurred.

This year has also seen a record 52% increase in RPCV's cash-backed investment reserves that span its statutory obligation to plan for perpetual maintenance and a range of other internal operational imperatives in line with the organisation's Treasury Management Policy. The cremation market share has continued to increase to the point whereby the Board has awarded a tender for the provision of a high-volume oversize cremator to increase capacity, which will also provide the community with an oversize cremation option that is currently not available but for which there is an increasing need.

RPCV is proud to detail the following achievements throughout the 2014/15 financial year:

- Revenue from Cemetery Operations produced \$2.3 million, an increase of \$199k from last year's performance and above budget by \$36k. RPCV's cremation market share continues to grow resulting in this service being the biggest contributor towards this improved performance and now the largest revenue stream received by RPCV;
- Expenditure (including cost of sales) has increased by \$303k to \$2.1 million in 2014/15 compared to the previous reporting period. The increase from last year's expenditure is primarily due to a significant focus in the 2014/15 year on the maintenance and beautification of the cemetery grounds. RPCV has successfully engaged the services of an outdoor operations contractor, which has already substantially improved the appearance of the cemetery grounds in their first six month under the contractual arrangements; and
- Coinciding with the increase in maintenance costs RPCV have made cost savings in employee benefits in this financial year despite redundancy payments being made to five affected outdoor employees. Substantial savings will be recognised relating to employee benefits from the 2015/16 financial year onwards with the outsourced outdoor operations now in place, allowing RPCV to continue its substantial investment in cemetery beautification, works and enhancements.

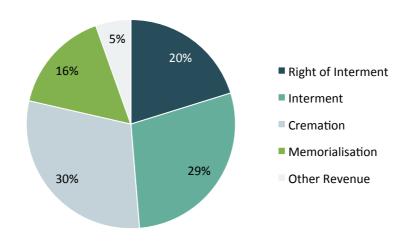
Table 5 – Summary of Performance Against Budget for the Reporting Period

	Actual	Budget	Variance
Revenue			
Operations Revenue	2,287,135	2,251,254	35,881
Other Revenue	39,796	8,100	31,696
Total Revenue	2,326,931	2,259,354	67,577
Expenditure			
Employee Benefits	1,003,450	1,060,280	(56,830)
Cemetery Levy	66,693	63,409	3,284
Other Expenditure	1,056,253	920,750	135,503
Total Expenditure	2,126,396	2,044,439	81,957
Operating Result	200,535	214,915	(14,380)

### Revenue

In the 2014/15 reporting period, RPCV increased its revenue relating to cemetery services to \$2.3 million up from \$2.1 million equating to an increase of 10%. This result is an increase on the previous year of 10% and an over-budget performance of 3%. The following highlights contributed to RPCV's strong 2014/15 revenue-related financial performance:

- Cremation revenue continued its strong performance during the reporting period growing revenue by \$165k to \$684k. This growth, whilst significant in isolation, has also been built on an increase in the previous reporting period of \$209k. This year's performance relating to cremations is a direct result of the improved service delivery model that has now been in place for 24 months and has cemented RPCV's position as a market leader in all facets of the crematoria service. Over the past three financial years the cremation revenue has grown from 16% of total revenue to now representing close to 30% of total revenue.
- Interment revenue has also continued to grow despite the increase in cremation income. Whilst RPCV realised a decrease in interment revenue in the 2013/14 reporting period, in 2014/15 RPCV has been able to recapture this lost revenue and more. In this financial year RPCV increased its revenue to \$609k, up by \$55k, recapturing the \$35k decrease in the previous financial period.
- RPCV received \$462k from sales of rights of interments, which was a decrease of \$5k from the previous year.
- Over the past 18 months RPCV has introduced a number of proactive policy changes that provides the community with greater accessibility to RPCV's services. The changes in policy relate to the acceptance of prepaid fees for additional services, including the interment fee, chapel and receptions fees and the introduction of payment plans across RPCV's products and services. Whilst providing the community with this additional and long overdue service, it has provided RPCV with additional cash flow and opportunities to responsibly invest and cash-back its reserves.

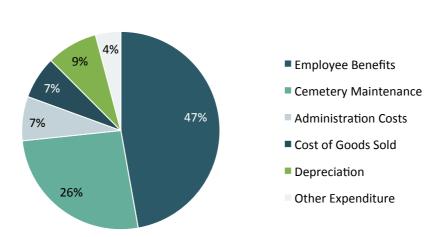


#### Revenue for 2014/15

### Expenditure

In the 2014/15 reporting period RPCV increased its expenditure (including cost of sales) to \$2.1 million, up \$303k from the previous year and 4% above budget. The increase in expenditure is a direct result of a deliberate focus to improving cemetery maintenance standards and facilities. During the reporting period RPCV experienced some significant one-off expenditure items including the redundancy of five outdoor operations staff members associated with the outsourcing of these functions. This additional expenditure was in excess of \$110k, which in the out-years will allow RPCV to redirect these savings into enhancing cemetery appearance and community experience. During the financial year RPCV recognised a 160% increase in maintenance expenditure. As discussed previously this was a direct result of an unprecedented investment in cemetery beautification and development initiatives as well as infrastructure development.

Figure 5 – Overview of Expenditure Sources



#### Expenditure for 2014/15

### **Five-Year Summary**

After a strong financial performance in the 2013/14 financial year, RPCV has reaffirmed its financial performance with another surplus year in 2014/15. RPCV was able to increase its revenue by 10% from the 2013/14 year allowing RPCV to allocate additional funds to pertinent projects directly aimed at site beautification initiatives. This 17% expenditure increase from the previous reporting period has allowed RPCV to proactively contribute to improving the standards across all sites, resulting in a substantial increase in positive community feedback. The additional expenditure on site beautification and continued investment in cash backing maintenance reserves has also resulted in an increase in assets by \$293k.

	2014/15	2013/14	2012/13	2011/12	2010/11
Total Revenue	2,326,931	2,117,273	1,932,702	1,755,951	1,763,742
Total Expenses*	(2,126,396)	(1,823,104)	(1,987,117)	(1,977,311)	(1,923,749)
Operating Surplus/ (deficit)	200,535	294,169	(54,415)	(221,360)	(160,007)
Accumulated Funds/ (Accumulated Deficit)**	(152,801)	(89,288)	(24,078)	(169,663)	121,966
Total Assets	4,851,568	4,588,164	4,014,717	4,087,293	3,539,488
Total Liabilities	1,763,193	1,689,919	1,390,541	1,390,112	1,383,348
Net Assets	3,088,375	2,868,245	2,624,176	2,697,181	2,156,140
Total Equity	3,088,375	2,868,245	2,624,176	2,697,181	2,156,140

#### Table 6 – Five-Year Summary of Financial Results

\* Includes cost of sales

\*\* Includes contributed capital balance

#### **Cash Backing of Reserves**

Since the introduction of the Treasury Management Policy in the previous financial year and the commitment of RPCV to proactively contribute and cash back reserves, RPCV has again in this financial year contributed an additional \$264k towards the reserves. The contribution towards these reserves includes contribution to perpetual maintenance reserves, the repayment of the defined benefits superannuation liability, establishment of pre-purchase reserve and increased contribution to the cremator replacement reserve. As a consequence of the increased contributions to the cremator replacement reserve over the previous two financial years, RPCV has been able to address business continuity concerns and increased capacity and oversize requirements by investing in a second cremator, reducing the reliance on the existing 25 year-old cremator.

#### **Pricing Structures**

The approved CPI increase of 1.4% was applied to all fees and charges, effective 1 July 2014. In the previous reporting period, the Board decided to absorb the increase in cremation prices having regard for the highly competitive environment in which RPCV operates in respect to cremations. However in this financial year, with the support of Funeral Directors who could see the benefit and increased investments in site beautification and improvement, and to ensure RPCV continued its contribution to cash backing its cremator reserve, RPCV increased prices in cremations for the first time in 18 months. This year also saw the implementation of the new payment plans offered for all RPCV services that has been actively taken up by the community and offered further opportunities for all community members to utilise RPCV services.

#### Investments

As a consequence of the implementation of the Board's growth and diversification strategy in the previous reporting period, RPCV continued its investment in accordance with the Treasury Management Policy, investing in sustainable and strong equities. This yielded a return on investment of \$30k through its dividend reinvestment program and resulted in investment growth of 3%.

# Ensuring fair and equitable decision making processes are in place and well communicated

#### **Multi-Year Planning**



Photo by Aruana Photography

This reporting period saw the completion of the second year of the current RPCV Strategic Plan. This involved the continuation of a number of multi-year projects, which span reporting periods consistent with RPCV's multi-year planning framework. This framework has facilitated a greater appreciation and understanding of the interdependencies that exist within and between a number of pertinent projects across RPCV and inform more robust and structured investment decisions by the Board. In addition, as a consequence of the introduction of this planning framework, RPCV has been able to opportunistically bring forward a number of projects within this reporting period that would otherwise have not been achievable. This has included preparatory work associated with the purchase of a new additional cremator, as well as the construction and completion of the new lakeside memorial garden.

#### **Stakeholder and Community Education**

RPCV continues to be proactively involved in a range of stakeholder engagement initiatives. This has included the conduct of ongoing Funeral Director Roundtables, which have matured to a point whereby RPCV and Funeral Directors are actively involved in a collaborative approach to the delivery of vertically integrated funeral services to the community, including issues identification and resolution processes.

In addition, the conduct of an annual *Clean Up Our Cemeteries Day* and biannual *Open Days* directly contribute to, and are proving beneficial to, a deliberate community engagement and education strategy.

# A well governed, efficient and responsive organisation

**Remembrance Parks – Central Victoria Board** 



L-R: Ken Befrage, Damien Tangey, Rod Fyffe, Brad Ead, CEO Graham Fountain, Mark Gibson, Pam Macdonald, Lisa Ruffell, Ian Grenfell. (Absent: Lauren Bean)

#### Pam Macdonald – Chair

Our Chair, Pam Macdonald has significant governance, change management and commercial experience gained from a number of executive roles in the financial services sector. Having worked for a number of Australia's blue chip companies, Pam has also worked with a major international consulting company and is proud to bring that diverse expertise together in a way that contributes to the community and a Board.

#### Rod Fyffe – Deputy Chair

Rod Fyffe has been a councillor with the City of Greater Bendigo since 1996. In 2012, he was one of three councillors elected to represent Lockwood Ward until 2016. He served as mayor in 2003/2004, 2004/2005 and 2010/2011. Rod is a retired teacher who taught mathematics, economics, accounting, geology, industry and enterprise and classical societies at Bendigo Senior Secondary College. In 2013, he was awarded a Medal of the Order of Australia in the Queen's Birthday Honours List. Rod was a councillor with the former City of Bendigo from 1983 to 1994 and was first elected to the City of Greater Bendigo in 1996.

#### Lauren Bean - Member

Lauren Bean holds a Masters degree in Communications and is a Graduate of the Australian Institute of Company Directors. She is currently the CEO of Cara Inc., a non-profit community service organisation which provides residential care for vulnerable young woman who are involved in the child protection system. Prior to moving to Cara, Lauren was the Acting CEO of St Luke's Anglicare, a regional community services organisation based in Bendigo serving the Loddon Mallee areas of Victoria and into southern NSW. As well as her experience in community services, Lauren has an extensive background in the marketing and communications field. This was gained through senior management positions in the National Australia Bank and the Nine Television Network. Lauren holds various Directorships including Community 21, Community Sector Banking and Cara Inc. As the mother of two daughters, Lauren has a keen interest in community development and especially the promotion of women in leadership roles.

#### Ken Belfrage – Member

Ken has completed a qualification in Chartered Accountants and is a member of the Australian Institute of Company Directors. Ken is a member of RPCV's Finance Committee as well as the Audit and Risk Committee.

#### Brad Ead – Member

Brad is a member of the Institute of Chartered Accountants Australia, a member of the Institute of Internal Auditors, an ASIC Registered Company Auditor, an ASIC Registered Self Managed Super Fund Auditor, a member of the Australian Institute of Company Directors, member of the Project Management Institute and member of ISACA. Brad is a partner of AFS & Associates, a Chartered accounting firm based in Central Victoria and has over 10 years experience in accounting, audit and risk management services. Brad heads the firm's Internal Audit department and Outsourced Finance Manager services.

#### Mark Gibson - Member

Mark has worked in a number of roles for a variety of organisations in the health and community services over the past 30 years. Roles have included senior and middle HR management positions and a range of community development positions for agencies such as the Department of Justice; Latrobe Community Health Service, Relationships Australia Victoria and the Family Mediation Centre. For the past two years Mark has been employed as a Financial Counsellor with St. Luke's, a division of Anglicare Victoria. Mark has served as a Director on a variety of Boards and Committees within the Victorian health sector; with sporting clubs, animal welfare agencies and on a Ministerial Advisory Committee. Mark is a member of the Parish Council of St. Paul's Anglican Cathedral, Bendigo. Mark has a strong interest in heritage matters and a number of his ancestors are buried in the Bendigo Remembrance Park.

#### Lisa Ruffell – Member

Cr Lisa Ruffell has been a councillor with the City of Greater Bendigo since 2008. In 2012, she was one of three councillors elected to represent Whipstick Ward until 2016. She served as mayor in 2012/2013. Cr Lisa Ruffell is a successful businesswoman with a diverse range of qualifications and experiences. Along with her family, she owns and operates a local business, Ruffell Family Jewellers. Cr Ruffell and her husband have run the business since 1985. Cr Ruffell has been as a member of numerous school, sporting, community and charitable organisations, including the Victoria Police Blue Ribbon Committee. She was awarded the 2000 Australian Federation of Business and Professional Woman Incorporated (BPW) Bendigo Business Woman of the Year. Cr Ruffell has a keen interest in promoting women's issues and was instrumental in organising the 'Women

Showing the Way' forums for young Greater Bendigo women. Cr Ruffell serves as a Council representative on the following committees: - Bendigo Trust - Finance Committee - Bendigo Stadium Limited - Bendigo Tennis Association - Bendigo Traders Association

#### Damien Tangey - Member

Damien is the Managing Director of Birchgrove Property, a Bendigo-based business specialising in residential development. Damien is a property valuer, Licensed Agent and Graduate of the Institute of Company Directors. He currently serves as a National Councillor of the Urban Development Institute of Australia, its Vice President in Victoria and is Chair of the UDIA's Northern Victorian Chapter. Damien resides in Bendigo with his wife and three children and is a committed member of the Bendigo community, also serving on a number of local committees.

#### **Board Performance**

Consistent with the principles of good governance, the Board and Audit & Risk Committee undertook a selfassessment in April 2015 aimed at providing the Board/Committee with an appraisal of its performance and areas for improvement. An external contractor compiled the self-assessment on behalf of the Board in order to maintain a level of independence throughout the process.

Another measure of Board performance is attendance at assigned Board and sub-committee meetings. The following provides an overview of attendance for the reporting period:

Participation at scheduled meeting during the reporting period (1 July 2014 – 30 June 2015)									
	Во	ard	Audit	Audit & Risk		Finance		Community Advisory	
	Meetings	Attended	Meetings	Attended	Meetings	Attended	Meetings	Attended	
Current Board Members									
Pam Macdonald	9	8	4	3	4	3			
Rod Fyffe	9	9	4	4	4	4	3	3	
Lauren Bean	9	6	-	-	-	-	3	2	
Ken Belfrage	9	8	4	2	4	2	-	-	
Brad Ead	9	8	4	4	4	4	-	-	
Mark Gibson	7	6	-	-	-	-	-	-	
lan Grenfell	9	9	-	-	-	-	-	-	
Lisa Ruffell	7	4	-	-	-	-	-	-	
Damien Tangey	7	6	-	-	3	3	-	-	
Independent Merr	nber of Au	dit & Ris <u>k C</u>	ommitt <u>ee</u>						
Kate Scarce	-	-	4	4	-	-	-	-	

Table 7 – Board Participation

#### **Annual Meeting**

Consistent with its legislative obligation (s. 18H) and its strategic direction to take a broader regional approach to its business, the Board convened an Annual Meeting on 24 November 2014. The agenda of this meeting included the 2013/14 year in review, an overview of the 2014/15 year ahead and other pertinent projects planned by RPCV. A number of community and cemetery sector representatives from across Central Victoria attended the meeting, in addition to the Board, senior management, staff and volunteers. At the AGM, RPCV

also convened a mini-briefing with Class B Cemetery Trusts that attended focused on establishing opportunities for support to these trusts arising from a number of RPCV projects underway.

#### **Governance Structures and Processes**

This year RPCV welcomed three new Board members in Mark Gibson, Lisa Ruffell and Damien Tangey who commenced their tenure in September 2014. The appointment of these new directors saw the conduct of a Board induction program and a consequential review of Board portfolio allocations. Following the completion of the internal induction program, all three new members, as well as the Executive Assistant, completed the Department of Health and Human Services Governance Training tailored specifically for the sector. In addition, during this reporting period the Board undertook a comprehensive review of its Governance Charter and approved a new contemporary Governance Charter that ensures the organisation is well placed for the future. This change also resulted in a decision to conduct bi-monthly meetings of the Board integrated with formal committee meetings held on the alternate months. A continued focus on performance metrics contained within the organisation's Strategic and Annual Plans and the use of a balanced scorecard approach to performance reporting continue to prove extremely beneficial reporting mechanisms across all levels of the organisation.

#### **Risk Management**

During this reporting period an increased focus on implementation of a *Safety 1<sup>st</sup>* approach to all aspects of the business has continued to be a major focus of the Board and management. This has included a proactive independent OH&S audit in addition to a comprehensive review of the organisation's risk register as part of its internal audit program. The outworkings of both of these audits continue to inform the implementation of risk mitigation and revised processes and procedures across the organisation.

This reporting period also saw the Audit & Risk Committee comprehensively review and adopt a new business continuity plan for the organisation as well as the continuation of its internal audit program with the conduct of two audits focused on payroll and receipting. The committee has also actively pursued the completion of a number of outstanding audit recommendations arising from previous audits conducted under its internal audit program.

#### **Organisational Capability**

A continual focus on enhancing organisational capability has continued during this reporting period with a major restructure of organisational resourcing arrangements. This has resulted in the introduction of a blended in-house and outsourced team now managing all outdoor operations, including gardening, maintenance and grave-digging activities. This restructure, following the conduct of an open tender process, saw RPCV welcome Groundswell Australia Pty Ltd, as its service provider in this regard. The addition of Groundswell to RPCV has provided a significant increase in organisational capability with consequential enhancements to site presentation and beautification initiatives that have resulted in extremely positive comments from the community and key stakeholders. These arrangements compliment previous enhancements to operational capability including the outsourcing of a range of corporate service functions to Stewarts Accountants.

Commensurate with the significant increase in market share and activity associated with cremations, additional capability and capacity has now been integrated into RPCV's structures. An ongoing review of RPCV's resourcing and structural model will continue into the next reporting period to ensure it is strategically aligned with the organisational direction and dynamic operating environment within which RPCV continues to operate.

#### Compliance

Consistent with its legislative and other obligations the Board has a comprehensive compliance monitoring and reporting framework that is integrated into its overall governance and reporting schedule. This compliance framework ensures that RPCV complies with the *Cemeteries and Crematoria Act 2003* and related legislation and policies, including but not limited to:

#### **Declarations of Pecuniary Interest**

All Board members have completed a declaration of pecuniary interests. As part of the governance framework review implemented by the CEO and approved by the Board, at the commencement of each meeting a specific agenda item calling for declarations of actual or perceived pecuniary interest and/or conflicts of interest is required.

#### **Building Act 1993**

The organisation makes every endeavour to maintain its buildings and properties in accordance with this Act. It has engaged external providers to undertake routine preventative maintenance services as required and undertake a structured dynamic inspection process.

#### **National Competition Policy**

The organisation is cognisant of its obligations in relation to National Competition Policy and applies appropriate strategies to ensure compliance. The Department of Health actively seeks assurances that competitive neutrality issues have been addressed.

The organisation has adopted and implemented the code of practice relating to competitive neutrality and includes advice in correspondence to clients that products available from the organisation are also available from other sources. The organisation also makes provision at no charge for other suppliers to promote their products and will not condone or participate in cartel type behavior within or outside of the sector.

#### Victorian Industry Participation Policy Act 2003

There were no contracts commenced and/or completed in the reporting period that require disclosure under the *Victorian Industry Participation Policy (VIPP) Act 2003*.

#### **Information Privacy Act 2000**

The organisation continues to review its practices and implements and maintains privacy awareness education to staff in accordance with the *Information Privacy Act 2000*. Initiatives were commenced in this reporting period to enhance compliance with information privacy expectations, including new records management practices, cemetery record digitisation and staff education program.

#### Freedom of Information Act 1982

There were no FOI requests or responses in the period July 2014 to June 2015. The Chief Executive Officer, Graham Fountain, was the principal officer for FOI purposes during the reporting period.

#### **Protected Disclosure Act 2012**

No disclosures as defined by the *Protected Disclosure Act 2012* were made during the reporting period. RPCV remains committed to the aims and objectives to the *Projected Disclosure Act 2012* and does not tolerate improper conduct by its employees, volunteers, stakeholders and clients nor the taking of reprisals for those who come forward to disclose such conduct.

#### **Other Information**

Subject to the provisions of the *Victorian Freedom of Information Act 1982* the following information is available upon request:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- Details of publications produced by the entity about itself, and how these can be obtained
- Details of major research and development activities undertaken by the entity
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- Details of assessments and measures undertaken to improve the occupational health and safety of employees
- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes

# Be actively involved and provide leadership to sector-wide reform across regional areas

#### **Shared Services**

During the reporting period RPCV continued to investigate and implement a range of shared services opportunities. Again during this reporting period RPCV approached other Class A Cemetery Trusts and other like-minded organisations regarding its shared services proposals, however the appetite for shared services across the sector is in its infancy and to date has not been embraced. RPCV will continue to investigate shared service arrangements, including the provision of outdoor operations, administration and other cloud based opportunities where a mutual benefit to both parties is provided.

During the reporting period RPCV engaged a total of six consultants where the total fees payable were less than \$10,000, equating to a total expenditure of \$13,192 (excluding GST). In addition, RPCV engaged the following consultants where expenditure exceeded \$10,000 (excluding GST).

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2014-15 (excl. GST)	Future Expenditure (excl. GST)
DJK Engineers	Technical survey of roads and paths	21/02/2015	30/06/2015	\$28,160	\$28,160	-

Table 8 – Details of Individual Consultancies (valued at \$10,000 or greater)

#### **Advocacy and Thought Generation**

RPCV continue to advocate for sector wide change that delivers a more integrated, effective and efficient statewide service to the Victorian community. Whilst at this stage these reforms have not been widely supported, RPCV continue to implement innovation and lateral initiatives that not only position it for commercial success and the delivery of service excellence, but establish new foundations upon which future sector wide reform may be established.

Consistent with its organisational appetite in this regard RPCV has participated in a new national forum directed at ongoing sector wide reform across civic cemeteries as well as accepting an invitation to present its change initiatives that have lead to increased market share to the NSW peak body.



Photo courtesy of CCA NSW

# Accessible & Improved Community Facilities



*Providing accessible community parklands as a place of remembrance and broader use by the community.* 

# Deliver efficient and effective services where customers are the focus

#### **Customer Service**

During this reporting period a key focus was to continue to build on the customer service experience that was developed as part of the renovations of the administration office and arrangements rooms in conjunction with a simplified bookings process in the previous reporting period. RPCV implemented a more user friendly and engaging website to improve the community experience with RPCV. The website has incorporated a genealogical function and other engagement aspects including accessibility to memorialisation product range and news and events with future opportunities for expansion in line with RPCV's ICT strategy.

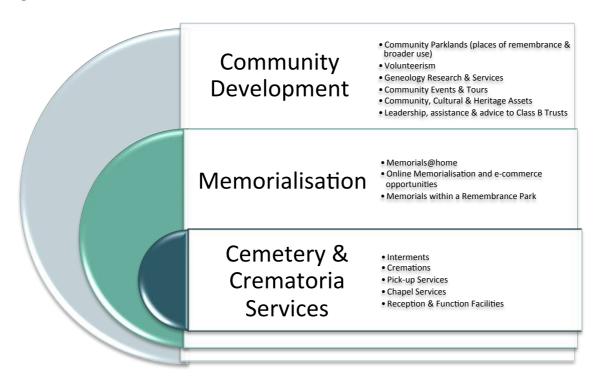
RPCV was delighted to be nominated and selected as a finalist in the 2014 Regional Achievement and Community Awards – Ricoh Australia Customer Service Award. This award recognised the outstanding change and delivery of customer service excellence by RPCV across Central Victoria. The CEO received the award during an awards ceremony conducted at Etihad Stadium. This award has significantly enhanced the RPCV brand across Central Victoria and provided increased recognition of RPCV services and those more generally by Cemetery Trusts across Victoria.



#### **Products and Services**

The *memorials@home*® product range continues to evolve and has experienced a substantial increase in sales since its introduction as alternative product lines for the community who seek to memorialise loved ones outside of a cemetery environment. Trademark registration of this brand was successfully registered during the reporting period, enhancing RPCV's value proposition of its intellectual property. The lakeside memorial garden, which offers a contemporary alternative for memorialisation of cremated remains, was opportunistically completed towards the end of the reporting period. This includes a new initiative from RPCV's granite supplier with granite pods, which have been installed in this new lakeside memorial garden offering the community a premium memorialisation product.

Figure 6 – Overview of Products and Services



#### **Asset Management**

Based on significant planning works undertaken in the 2013/14 period, RPCV has completed a range of high priority maintenance programs that enhance and/or undertake significant repair to a number of identified priority assets. This included the structural renovation of the Melaleuca Garden Niche Wall and enhanced site safety and security fencing at the Eaglehawk and White Hills Remembrance Parks, both completed with the support of the Department of Health and Human Services grants program.

In recognition of its increased cremation market share and activity levels across Central Victoria and reflective of the need to offer the community with an oversize cremation service, RPCV completed the planning for and business case development, including the conduct of an independently facilitated Investment Logic Map (ILM) workshop in accordance with Department of Treasury and Finance guidelines and accredited ILM facilitator, Ernest Stabek. Following an extensive tender process RPCV appointed IFZW Australia to supply and commission a new high-volume oversize cremator as well as the provision of integrated maintenance services to both the current and new cremator. Significant discussions were held with Funeral Directors and other key stakeholders surrounding the functionality of RPCV's reception room, which led to the upgrade of its furniture and overall modernisation of facilities, commensurate with RPCV's overall master plan for function room facilities.

Over the past 18 months RPCV has also worked closely with a local not-for-profit community organisation, the Gianna Centre, and corporate sponsors to establish an appropriate memorial alternative for their clientele. The *Gianna Centre Memorial Garden* (pictured below) is a location of remembrance where families can place a small plaque in recognition of their loved one.



## Improve the accessibility and beautification standards of our assets and establish them as community parklands

#### Lawn Area Improvements

In accordance with RPCV's site beautification (lawn) program during this reporting period RPCV completed an unprecedented enhancement to its lawn areas involving in excess of 2,500m<sup>2</sup> of new and rejuvenated turf. This program has significantly enhanced presentation standards across the sites involved and has received significant complimentary feedback from the community and key stakeholders. This achievement was year one of a multi-year program aligned to the organisation's strategic objective to enhance the presentation of its sites with the ultimate objective of creating community parklands. The remaining 4,700m<sup>2</sup> will be progressed in subsequent reporting periods.

#### **Community Facilities**

Progressive implementation of enhanced community facilities has occurred during this reporting period. This includes finalisation of a new community focused naming protocol and regime for all areas within RPCV sites. These names represent members of the community who have made a significant contribution and were carefully selected for inclusion by the Community Advisory Committee. The renaming of areas within RPCV sites will be progressively implemented consistent with new signage and mapping programs.

In addition, RPCV has undertaken significant improvements to a range of its facilities including the development of master plans for an upgrade to the Elaine McNamara Chapel and development of a new reception/functions area and courtyard (pictured below), both of which are major projects included in the Annual Plan and Budget for the next reporting period. A new lakeside memorial garden with community seating and picnic facilities, incorporating an Anzac Centenary memorial, was opportunistically completed during this reporting period. Anzac Centenary memorials, including lone pines donated by the Bendigo RSL, are also being installed at all RPCV sites with a unique sculpture being incorporated in the memorials at the Bendigo and Eaglehawk Remembrance Parks.

The RPCV function/board room was also upgraded during this reporting period, with multi-purpose furniture that enhances its functionality and rectifies a number of issues previously identified by Funeral Directors and other clients. In partnership with the Bendigo Historical Society and Friends of Bendigo Cemeteries Trust, a number of significant memorials were restored by these groups with the support of RPCV. The historically significant Sexton's Residence, located at the Bendigo Remembrance Park, was also subject to significant restoration during this reporting period, including the installation of heating/cooling to support an enhanced work environment for our volunteers and the community, sanding and polishing of the floorboards to restore them to their original state as well as significant restoration to the slate roof in accordance with a number of heritage standards. These projects were made possible through the Orthometals recycling program and a significant grant via Heritage Victoria.

The garden of angels located at the Bendigo Remembrance Park has a sad but historically significant history

within the community. RPCV has been successful in obtaining a grant from the Frances & Abbott Foundation (Sandhurst Trustees), which will contribute to a significant restoration of these gardens in the early stages of the next reporting period. This will provide a more dignified and reflective environment for the families of loved ones interred in these gardens.

The restoration of the historically significant Kangaroo Flat Chapel is near completion and will be completed within the early stages of the next reporting period, aligned with the community's desire to see this chapel restored to its original state.



#### **Paths and Tracks**

This year significant investment facilitated a technical survey and master plan for priority roads and paths at the Bendigo Remembrance Park, which establishes the baseline of a multi-year improvement program to be considered in future reporting periods. This survey and supplementary technical drawings also compliments future expansion opportunities and necessary infrastructure works to facilitate these at the Bendigo Remembrance Park.

Ongoing development of a signage strategy, with its interrelationship to the new naming protocols and naming of specific areas aligned to this protocol, are continued with all preparatory work now in place for the rollout of the signage strategy in the next reporting period.

## Increase the utilisation of RPCV assets and services

#### **Chapel Utilisation**

During the reporting period RPCV set an increased target for chapel utilisation rates, however did not achieve the target, falling short by 4% of forecast statistics. In the 2015/16 financial year funds have been allocated to renovate the Elaine McNamara chapel incorporating a contemporary audio visual system, extension of the facility to enhance capacity, modernisation of the internal fixtures and fittings and other improvements. These are all necessary works to establish the chapel as a modern facility catering for the current and future needs of the community in a highly competitive operating environment. Whilst not being utilised for the funeral services as forecast, RPCV has been able to again increase the utilisation of the chapel for community events, heritage tours and community remembrance tours.

#### **Receptions**

In the 2014/15 reporting period RPCV experienced an under budget performance of function room utilisation by 5% against forecast statistics. After stakeholder and community consultation through its Community Advisory Committee, RPCV has allocated funding to improve the reception room functionality, making the facility more conducive for use by the community, beyond funeral services. RPCV already completed a number of improvements during this reporting period, however further enhancements to its function room facility should assist to increase its utilisation with an outdoor courtyard including BBQ facilities, children's playground and shelters being incorporated into the plan for 2015/16.

# Facilitate the appreciation of our unique community, cultural and heritage assets

#### **Conservation Management**

RPCV's focus on its custodial responsibilities to maintain the cultural and historically significant assets contained within its sites has continued to guide a range of initiatives in this regard. These have included the ongoing restoration of the Kangaroo Flat Chapel with the support of heritage advisors, incremental implementation of the restoration of the Sexton's Residence at Bendigo Remembrance Park, in line with conservation management plans, as well as a range of community focused initiatives developed in partnership with relevant community groups.

#### **Memorial Restoration**

RPCV has continued its partnership approach to memorial restoration with the Bendigo Historical Society, Friends of Bendigo Cemeteries Trust and the Bendigo Chinese Association, which has focused on the cleaning, maintenance and turning over of significant memorials and headstones at identified interment sites.

Community education on the ownership and responsibility for memorial maintenance continues to be a challenge for RPCV, which is compounded by the historical nature of early memorials that date back in some cases to the gold rush. Finding living descendants to collaborate with to maintain ageing memorials continues to

be a challenge and the community more generally does not appreciate the ownership and responsibility arrangements for memorial maintenance. RPCV during this reporting period has maintained a proactive media presence, complimented by such events as the Clean Up Our Cemeteries Day and Cemetery Tours, to assist with community education in this regard.

#### **Chapel and Sexton's Residence**

In accordance with an established restoration plan for the historically significant Chapel and Sexton's Residence at the Bendigo Remembrance Park, RPCV has continued to direct investment and source supplementary grant support to incrementally restore these important assets. During this reporting period RPCV was successful in acquiring a significant grant from Heritage Victoria, which has resulted in restoration to the slate roof, roof fixtures and fascia of the Sexton's Residence. In addition, through the Orthometals Program, the Sexton's Residence floorboards have been fully refurbished to their previous state, both of these programs significantly advance the restoration program for the Sexton's Residence. Concurrent with this focus, a master plan and supporting engineering advice for the restoration of the Chapel at the Bendigo Remembrance Park has also been finalised and will guide future investment decisions and grant applications. Despite this, during this reporting period, the Chapel has again been used for a wedding and continues to attract broader community interest.

# Increase the level of sustainable development and revenue generating use of our assets

#### Site Development

Significant advances and investments have been made during this reporting period on the planning for implementation of a range of site development initiatives. This has included an unprecedented investment in rejuvenation and turfing of priority lawn areas equating to over 2,500m<sup>2</sup> of lawn, the development and implementation of a master plan and construction of a new lakeside memorial garden at the Eaglehawk Remembrance Park, significant redevelopment of the Elaine McNamara Chapel fernery, development of a comprehensive master plan for Chapel Renovations and enhanced function room facilities/community courtyard at Eaglehawk, as well as the commencement of a comprehensive master plan for expansion and premium interment areas at the Bendigo Remembrance Park. This latter initiative, attracting grant funding support for the initial stages involving the redevelopment of the Garden of Angels, which has significant community historical value.

Prioritisation and conceptual input into all of the above initiatives and future thinking regarding site development has involved the active contribution of the Community Advisory Community and Funeral Director Roundtables, which clearly demonstrate the maturing of this relationship and the value of community input into RPCV's overall planning framework.

#### **Revenue Generation**

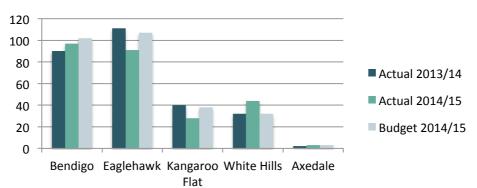
Building on its foundation of a flexible and cost reflective price structure and the implementation of a breadth of new services and service options, RPCV was able to generate additional revenue from interments, memorialisation and cremations. Cremation revenue has once again been RPCV's most significant increase in

revenue, increasing by 32% in this reporting period. Proactive actions have been taken and planned to execute increased revenue generation in forthcoming reporting periods, including an increased online presence, alternative marketing techniques, new products and services and broader community engagement, direct client engagement and use of RPCV facilities beyond funeral services.

#### **Right of Interment Sales**

This reporting period saw a change from previous patterns with a higher than budgeted percentage of re-open interments being performed resulting in an under-budgeted performance and decrease in right of interment sales for the year. All investigations performed by RPCV indicate that this is a cyclical trend and will not be reflective of future performances, albeit the changing community attitude and shift from interment to cremations. The following graph indicates the level of sales associated with right of interments for the reporting period.

#### Figure 7 – Right of Interment Sales Performance

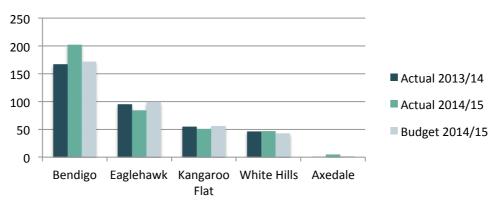


#### **Right of Interment Sales**

#### Interments (Bodily Remains)

This reporting period resulted in an increase to interment revenue from the previous year (10% increase) and an above budget performance (7% above) across all RPCV sites. The reporting period experienced a shift in interments of bodily remains from Eaglehawk to Bendigo, with other sites performing close to budgeted expectations. The following graph outlines the performance for interments (bodily remains) in the reporting period:

Figure 8 – Interments (Bodily Remains) Performance

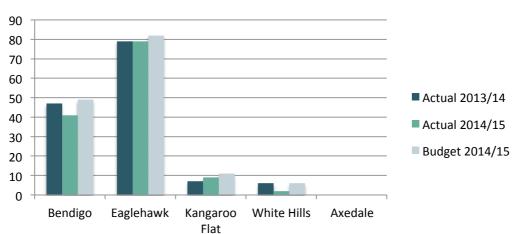


**Interments (Bodily Remains)** 

#### Interments (Cremated Remains)

The interments of cremated remains revenue stream continued to grow this year despite statistically not performing as well as the previous year. This reporting period saw an increase of cremated remains interments into graves, resulting in the additional revenue for RPCV. The financial result has seen RPCV perform 3% above budget and 10% above the previous year. The following graph outlines the performance for interments (cremated remains) in the reporting period:

Figure 9 – Interments (Cremated Remains) Performance



**Interments (Cremated Remains)** 

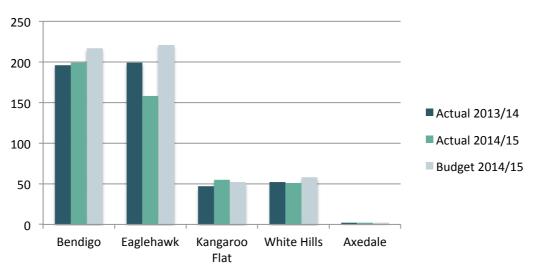
#### **Memorialisation Conversion and Sales**

During this reporting period memorialisation conversion and sales continues to underperform and be a key focus for RPCV. This product line provides RPCV with its biggest revenue growth opportunities and as such, it continues to invest resources into researching marketing, community engagement and monitoring consumer trends and sales opportunities. Future growth plans for this product line will continue to evolve but will incorporate e-commerce opportunities through the new website, in conjunction with a more tailored communication strategy. Planning for the



2015/16 year to increase memorialisation conversion rates will involve the development of a major marketing campaign.

Memorialisation performance during this reporting period resulted in a financial increase of 2% on the previous period performance, however after setting a stretch goal of a 10% increase on the 2013/14 memorialisation conversion results, RPCV has performed 8% under budget in 2014/15, hence providing similar results to the previous year. The following graph outlines the memorial performance for the reporting period:



Memorialisation

#### **Future Land Use**

Whilst the annual capacity and demand analysis confirms there is no urgent need for additional land in the near future, the opportunity to maximise existing land has been factored into site master plans this year. This includes exploration of natural burials and the development of new and premium cremated remains interment areas within existing sites.

In the next reporting period more detailed analysis on future land needs commensurate with population shifts and growth corridors/new suburbs across the Bendigo district will be undertaken to inform future investment decisions in this regard. This analysis will include any potential utilisation and use of the Emu Creek site.

## Provide infrastructure and facilities that are well managed, environmentally sustainable and are suitable for the community's needs into the future.

#### **Environmental Sustainability**

The focus by staff on increased environmental sustainability has resulted in improved tracking and monitoring of environmental impacts. Improved measures include printer consumption tracking and the incorporation of filtration and environmental considerations into the cremator tender requirements, which have all been implemented during the reporting period. Continued monitoring of our energy consumption that drives an ongoing focus on environmental sustainability for future years is also included in existing analysis. Progressive changes to LED energy efficient lighting commenced during this reporting period with the replacement of exterior lights to energy efficient LED lighting.

#### Recycling

RPCV's ongoing participation in the Orthometals Program involving the recycling of the orthopedic metals arising from the cremation process again provided a positive outcome aligned to RPCV's environmental commitment. In addition, RPCV again held its 2<sup>nd</sup> annual *Clean Up Our Cemeteries Day* (in conjunction with *Clean Up Australia Day*), which has grown from the previous years attendance and attracted greater local media that also assists with RPCV's community education objectives. Participants in the *Clean Up Our Cemeteries Day* were encouraged to recycle where possible but also assisted in drawing attention to the environmental impacts on our remembrance parks.

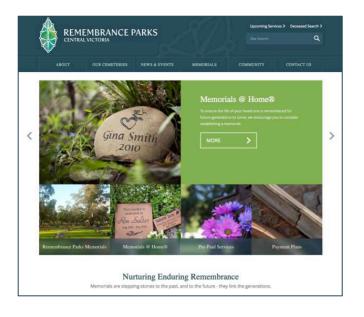
# Establish a community and customer-focused online presence.

#### **Cemetery Management Systems Upgrade**

In the current reporting period, RPCV continued to enhance its ICT systems including the streamlining of the bookings process and implementing the ICT Strategic Plan. The implementation of the strategic plan and improvements in processes is fundamental in the implementation of the new cemetery management system, scheduled for 2015/16, and business continuity of RPCV's ICT disaster recovery plan. In addition during this year RPCV finalised its digitisation project ensuring historical records are now available online and backed up for future security.

#### Website

In the latter half of this reporting period RPCV launched its new contemporary website (pictured below). The new website has incorporated e-commerce opportunities and enhanced the customer experience including improvements in memorialisation opportunities, news and events and genealogical research. The new website will provide a platform for future integrated functionality with the impending cemetery management system upgrade and other significant improvements including online plaque design and ordering capabilities, intranet and stakeholder portals and cemetery services accessibility.



#### **Records Management**

Significant work was conducted during the reporting period in regards to the digitisation of all cemetery interment records, receipts and cremation records up until the mid 1990's. This was a project supported by a grant from the Department of Premier and Cabinet. This project links with the upgrades to the cemetery management system and allows enhanced user-friendly research capabilities. During the reporting period and after substantial consultation with the cemetery industry, the Public Records Office of Victoria released a cemetery specific Retention and Disposal Authority (RDA) which governs the records management of RPCV and all other Cemetery Trusts. This release and the implementation fulfilled a key target for RPCV and is linked to an ongoing project in the 2015/16 reporting period.

With the generous support of RPCV volunteers Tom and Libby Luke and Pat and Ian Belmont RPCV has also integrated into its database a diverse suite of photographic images of memorials across its sites. This work will continue to evolve over subsequent reporting periods and forms the backbone of the Community Remembrance Project that aims to integrate and make available a comprehensive historical chronology and associated information on each interment across all sites.



Photo by Aruana Photography

## Adopting A Broader Regional Focus



Extending service delivery, leadership, support and assistance across the Central Victoria region.

## Improve and strengthen our strategic regional partnerships to ensure our ongoing financial viability.

#### **New Service Delivery Model**

Into its second year of operation, the cremation service delivery model has grown significantly since its implementation. During this reporting period RPCV's cremation pick-up service, which forms a major component of this service delivery model, has grown and now incorporates a wider geographic clientele base than has ever been serviced previously by RPCV. Such is the success of this pick-up service, RPCV has invested in and commissioned a new transfer vehicle to service the growing demand as well as finalising the business case, planning and procurement processes for a second cremator with high volume oversize capability, due for installation in the 2<sup>nd</sup> quarter of the 2015/16 period. During this reporting period RPCV has experienced actual growth of 28% from the previous reporting period in relation to cremations and 32% above budget. The financial growth of 32% in this reporting period is on top of 92% growth realised in the 2013/14 reporting period, proving this service delivery model to be highly valued in the Central Victorian region. This has continued to enhance RPCV's reputation as a key service provider in the Central Victorian community.

Since the introduction of the cremation pick-up service in June 2013, it has grown to contribute to 31% to the total cremations performed at the Central Victorian Crematorium. The following graphs demonstrate the significant increase in cremation numbers and revenue over this reporting period compared to previous periods and budget:

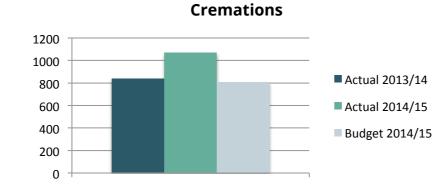
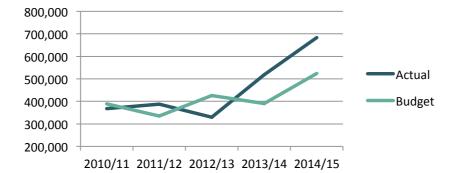


Figure 11 – Cremations Performance



#### **Cremation Revenue**

#### **Establish Regional Partnerships**

Commensurate with its broader regional activity, RPCV has evolved a number of significant partnerships across Central Victoria resulting in securing increased market share in a highly competitive operating environment with a 30% increase in new clients utilising RPCV services across Central Victoria. Throughout the reporting period, these partnerships have matured into a trusted collaborative relationship upon which RPCV plans to continue to extend its service offerings.

# Provide increased leadership, support and assistance to Class B Trusts.

#### **Class B Engagement and Support**

Throughout the year RPCV continued to provide an increased level of leadership, support and assistance to Class B Cemetery Trusts across Central Victoria. Such is the support and guidance offered by RPCV that it has now reaffirmed its position as a preferred Class A Cemetery Trust offering support to Class B Cemetery Trusts with support requests now coming from all across the state and interstate. This has included governance, policy, administrative and operational support as requested as well as change management advice linked to the significant turnaround of the business over the last three (3) years, despite general trends across the sector. Phone and in-person based support and education was provided across numerous trusts and subject matter.

# Be recognised as a centre of excellence within Central Victoria.

#### **Information and Intelligence Portal**

The annual demographic analysis by Local Government Area (LGA) across Central Victoria not only guided RPCV's decision-making but also supported Class B Cemetery Trusts and other key clients across this geographic area. With the implementation of the new website and future evolution of the new database, the establishment of a more interactive information and intelligence portal to support regional activities is a key focus of RPCV moving forward.

#### Doctrine

A rolling review and enhancements to RPCV doctrine and policy positions continued to occur throughout the reporting period with 50% of current policies formally reviewed and a number of new policies promulgated throughout the year. These have included a number of pertinent policy positions strategically aligned to the business change and growth strategy as well as a range of audit outcomes and recommendations.

#### **Presentation and Seminars**

The RPCV brand now has achieved a level of presence and respect across Central Victoria that has attracted significant interest and invitations from a range of community, interest and stakeholder groups within and outside of Victoria. The CEO has made a number of strategic change management presentations, including to the Cemetery and Crematoria Association of NSW (CCA) State Conference, as well as a range of other presentations and media interviews on the successful transformation program that has occurred across RPCV over this and previous reporting periods.



## A More Actively Engaged Community



Building trusted and enduring relationships with the community and key clients that deliver collaborative outcomes to the community.

As RPCV has progressively increased its footprint across a broader geographical area of Central Victoria as well as the evolution of its products, services and service delivery model, the challenge to maintain an actively engaged community continues to necessitate a broad range of tools and techniques. During the reporting period RPCV continued to implement a multi-faceted community engagement strategy that focused specifically on building a direct and trusted relationship between RPCV, the broader community and specific key clients, community and interest groups. This has included the maturing of the Community Advisory Committee process, as well as the Funeral Directors roundtables, online engagement mechanisms including social media, and a range of other general and targeted community engagement approaches.

# Provide opportunities for involvement in our activities for groups and individuals within the community.

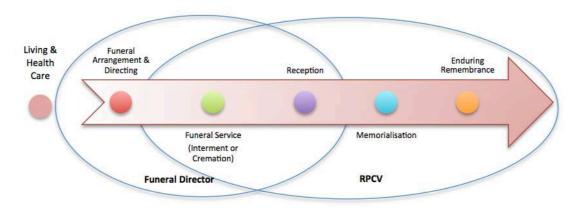
The revitalised Community Advisory Committee (CAC), consistent with RPCVs legislative obligation (s.18D), has made a significant contribution to the organisation's strategic direction, activities and most importantly its interaction with the community. This has established an ideal platform from which RPCV will continue to engage with and fully understand the community's expectations and needs as it continues to mature its new strategic direction and next phase of its change agenda. Throughout the reporting period the CAC has made a positive contribution to the establishment of a suite of new naming protocols that will result in more reflective community centered naming of areas within RPCV sites. In addition, the CAC has been fundamental in the development of community and stakeholder related policies including the Decoration Policy and Guidelines as well as defining planning priorities and activities and contributing to the successful conduct of a range of community centered events and activities.

These initiatives have included planning for the establishment of the Kehillah S'dot Zahav-Yizkor Memorial Tablet at White Hills Remembrance Park, as well as the establishment of Anzac Centenary Lone Pine Memorials across all RPCV sites in partnership with the Bendigo RSL.

# Establish a collaborative, transparent and trusted relationship with Funeral Directors as key clients.

Funeral Director utilisation of RPCV services across Central Victoria has steadily increased by 136% over the last two years, including a 30% increase in this year. This ongoing increase in utilisation of RPCV services is directly attributable to a more collaborative and trusted relationship that now exists between RPCV and these key clients. Greater participation and recognition of the need to deliver vertically integrated services to the community in a collaborative manner in accord with *the After Life Care and Remembrance Continuum* outlined below is now a regular discussion point between RPCV and Funeral Directors. This approach has been the essence of a more fruitful relationship and service delivery enhancements benefiting the community. The relationship has evolved to the stage of including a nominated Funeral Director representative on the Community Advisory Committee to act as a direct conduit between this committee and Funeral Directors on mutual issues, which has proved extremely beneficial to all parties. Mr. Andrew Hampton, William Farmer Funeral Directors, has fulfilled this role during the reporting period.

#### Figure 13 – After Life Care and Remembrance Continuum



#### **Funeral Services Alliance**

The underlying philosophy and ethos involved with the establishment of a formal Funeral Service Alliance has been encapsulated and evolved through the revised relationships outlined above. This includes a significant increase in the number of alliance partners utilising RPCV services during this reporting period. These partners include, but extend beyond, Funeral Directors consistent with the broader 'funeral services' intent of the alliance concept.

Figure 14 – Funeral Services Alliance Logo



### Ensure the community has access to a range of educational opportunities to maximise their understanding and planning for after life care and remembrance.

#### **Events**

Building on its revised focus on a more direct interaction with the community and including within these interactions a range of community education opportunities, site beautification and environmental sustainability, RPCV conducted a number of successful events throughout this reporting period. These included the conduct of RPCV's second *Clean Up Our Cemeteries Day*, *Halloween Tour*, *Christmas Remembrance Service* including the Bendigo Youth Choir and *Mothers Day Remembrance Service* during this year. In particular the *Clean Up Our Cemeteries Day* was a resounding success.

The following provides a breakdown of the number of cleanup bags that were collected and the volunteers who participated in the day:

Location	Participants (excl. staff & Board)	Bags
Kangaroo Flat	12	252
Eaglehawk	20	114
Bendigo	24	152
TOTAL	56	518

The inaugural *Christmas Remembrance Service* was also a successful event that was well attended by the community with extremely positive feedback received, ensuring the service becomes an annual event on RPCV's calendar. This Remembrance Service offered community members an opportunity to remember their loved one with kind words provided by a celebrant and the opportunity to light a candle and leave a message on the Community Christmas Tree in recognition of the life lost.

In addition to the events held by RPCV, participation also occurred in other Bendigo community events including the involvement in the Vahland celebration week convened by the City of Greater Bendigo.



#### **Community Remembrance**

RPCV volunteers continue to play a pivotal role within the community with the provision of genealogy and research services as well as the establishment of a range of community remembrance material that will ensure the contribution of members of the community are recognised and remembered into perpetuity. This project will integrate into the online environment through the new website and database within the next reporting period.

RPCV's commitment to community remembrance is evident through its collaboration with the Gianna Centre in establishing the *Gianna Centre Memorial Garden* recognising the loss of an infant life.



# Work with all levels of government and agencies to strengthen the physical environment, standing and service provision of RPCV.

RPCV continued to foster a positive and collaborative relationship with the Department of Health and Human Services and other key levels of government and agencies throughout the reporting period. This included participation in a range of sector-wide meetings/forums as well as continuing to advocate for change within the sector at all levels of government.

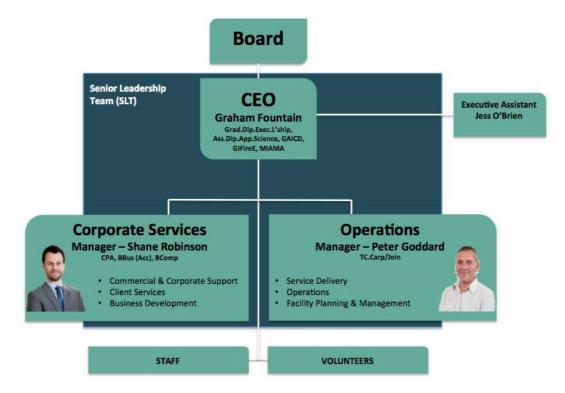
## **Developing Our People**



Developing, empowering and encouraging our people to deliver service excellence to the community.

# An organisation that demonstrates community inspiring leadership.

Figure 15 – Current Organisational Structure



#### **Employee Demographic**

During the reporting period, RPCV undertook a significant review of its structure and staff resourcing and tendered for the provision of outdoor operations services (incorporating grave digging, gardening and grounds/facility maintenance). As a result of this tender, RPCV has been able to reduce its reliance on internal resourcing and mitigate business continuity concerns. The following profile outlines the staff demographic employed across the organisation at the end of this reporting period against the previous year:

#### Table 9 – Employee Demographic

Employee Category	Fulltime Equivalent (30 June 2015)	Fulltime Equivalent (30 June 2014)	Variance
Indoor Staff	4	4	-
Outdoor Staff	4.4	9	(4.6)
Executive	1	1	-
Total	9.4	14	(4.6)

#### Table 10 – Gender Demographic

Employee Gender	Fulltime Equivalent (30 June 2015)	Fulltime Equivalent (30 June 2014)	Variance
Female	4	5	(1)
Male	5.4	9	(3.6)
Total	9.4	14	(4.6)

#### Table 11 – Age Demographic

Employee Age	Fulltime Equivalent (30 June 2015)	Fulltime Equivalent (30 June 2014)
Under 25	1.4	1
25 - 34	2	3
35 - 44	1	1
45 – 54	3	5
55 - 64	2	4
Over 65	-	-
Total	9.4	14

#### **Training and Development**

Subsequent to the awarding of the outdoor services contract, a revised training program was developed based on the specific training needs aligned to positional requirements and revised scope of duties and responsibilities under the new blended resource model. The year saw the employment of a casual cremator operator to relieve the existing operator during times of high volume and/or absence. The new cremator operator was provided with training and up-skilling to be able to operate the cremator and crematorium facility reducing this key business continuity risk to RPCV. The CEO and staff attended various professional development opportunities including industry conferences, community held seminars and other technologyspecific training courses.

#### Culture

Consistent with its staff and volunteer cultural awareness program, discussions were held with the local indigenous association to recognise elders as part of our new site naming protocols and develop an Aboriginal burial ground recognising indigenous Australian cultural burial practices. Ongoing discussions will continue with all applicable parties in the 2015/16 period.

#### **Workplace Relations**

After extensive negotiations RPCV reached *'in-principle'* agreement on a new single consolidated Enterprise Bargaining Agreement for application across all staff. This process was not concluded as quickly as desired due to the ongoing restructuring of RPCV resourcing arrangements and the interface between these arrangements, other change programs and the employment provisions contained within the existing and proposed agreements. The new Enterprise Agreement will be submitted for approval to the Fair Work Commission in the early stages of the next reporting period. This agreement achieves some reform to modernising working arrangements, consistent with RPCV's Strategic Plan, and is directly aligned to Government industrial relations and wages policies.

#### **Empowerment**

A formal delegations review occurred during the reporting period to ensure it remained current and facilitated the new blended resourcing and structural model now applying within RPCV. This review and associated accountability frameworks ensured RPCV staff are empowered to actively contribute towards the strategic direction of the organisation and the fulfillment of their respective individual and collective responsibilities.

#### **Succession Planning**

Consistent with the identified succession planning requirements of the organisation, additional resourcing and training was provided to pivotal positions including a significant enhancement of our crematoria operations commensurate with the increased growth and capacity necessary within this sphere of the organisation.

## Encourage volunteerism to create active, confident, engaged, informed and resilient communities.

#### **Broader Roles and Membership**

Once again, during this reporting period, RPCV has diversified and achieved significant growth in volunteerism across all spheres of the business. This not only provides additional capability and capacity for the organisation, but also provides a mechanism for community members to remain actively engaged in the community with consequential positive impacts on a healthy and active community. This increase in volunteer capability and capacity has allowed increased servicing times for the community, providing a virtual fulltime service at the Eaglehawk office.

#### **Collaborative Opportunities**

RPCV has continually sought to establish a more collaborative relationship with local community and interest groups. This has again resulted in a range of community-centered projects being achieved during this reporting period as well as enhancing the value proposition and recognition associated with the RPCV brand.

#### Recognition

At the last Annual General Meeting, RPCV recognised the services of long serving staff and volunteers that continue to serve and contribute to the success of RPCV. These awards included the following:

Staff:

- John Anderson 25 years service
- Gary Forbes 15 years service
- Craig Kinniburgh 5 years service
- Shane Robinson 5 years service

#### Volunteers:

- Bev Hanson 21 years service
- Greta Balsillie 21 years service
- Tom Ladson 14 years service
- John Kelly 13 years service
- Bill Earl 11 years service
- Bill Letts 11 years service
- Ruth Claridge 10 years service
- Keith Lane 10 years service
- Pat Belmont 9 years service
- Ian Belmont 9 years service
- Adele Casbolt 9 years service
- Joy Mildren 8 years service
- Jeff Madigan 5 years service

Of particular note in this regard was a cumulative total of 151 years service provided to the organisation and community by RPCV volunteers. This is an outstanding commitment and continues today.



## **Future Focus**



This reporting period has seen a significant achievement towards realising and building upon a number of multiyear projects aligned to the RPCV Strategic Plan. This momentum will continue into the following reporting period with the implementation of a range of exciting projects across RPCV:

- Unveiling of our new Anzac Centenary Gallipoli Lone Pine Memorials located across all sites
- Ongoing cash backing and contribution to established reserves
- Commencement of sales for new lakeside memorial garden at Eaglehawk
- Installation and commission of an additional new high volume oversize cremator
- Creation of a suitably reflective garden at the Garden of Angels at Bendigo
- Further enhancements to lawn coverage across priority areas
- Completion of site naming and signage upgrades
- Implementation of stage 1 of the roads and path program at Bendigo
- Elaine McNamara Chapel upgrade at Eaglehawk
- Completion of enhanced function facilities and a reception courtyard facility at Eaglehawk
- Completion of the Kangaroo Flat Chapel restoration
- Heritage restoration of the Sexton's Residence at Bendigo, including a new kitchen and potential future commercial use
- Establishment of the Kehillah S'Dot Zahav-Yizkor Memorial Tablet at White Hills
- Heritage restoration of the Bendigo Chapel
- Upgrade and enhanced database and mapping capability
- Incorporation of online booking processes, automated functions and e-commerce opportunities to our current website
- Convening a range of community events with the support of the Community Advisory Committee
- A new and innovative marketing strategy for RPCV
- Development of a suite of self-guided heritage walking tours
- Implementation of a new Enterprise Bargaining Agreement

## Department of Health Key Performance Indicator Report



The following provides an 'initial' assessment against a suite of sector-wide KPI's:

ĸ	ey Performance Indicator (P	(PI) Results		
Cemetery trust name	Bendigo Cemeteries Trust			
Reporting period	2014/15			
KPI 1	Operations income this period	<b>\$</b> 2,183,316	11.77%	
Operations income growth rate	Operations income previous period	\$1,953,466	11.7776	
KPI 2	Net profit this period	\$200,535	0.199/	
Return on sales	Operations income this period	\$2,183,316	9.18%	
KPI 3 Market share	Number of cremation services (disposals) and interments of bodily remains performed this period	1457	3.90%	
	Number of deaths in Victoria this period	37384	0.0070	
KPI 4	Total maintenance costs this period	\$555,971	\$7,616.04	
Average maintenance costs per hectare	Total land area (ha.)	73.00	\$7,010.04	
KPI 5	KPI 5         Number of interments of bodily remains sold this period         438		22.0.49/	
Interment of bodily remains market growth	Number of interments of bodily remains sold previous period	327	33.94%	
KPI 6	Number of cremation services (disposals) sold this period	1137	44 500/	
Cremation services market growth rate	Number of cremation services (disposals) sold previous period	803	41.59%	

## Attestations



#### Responsible Bodies Declaration as at 30 June 2015 - Bendigo Cemeteries Trust

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Bendigo Cemeteries Trust for the year ending 30 June 2015.

Redonto

Pam Macdonald Chair

Bendigo 25 August 2015

## Attestation for Compliance with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

I, Graham Fountain certify that the Bendigo Cemeteries Trust has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Bendigo Cemeteries Trust Audit Committee verifies this.

Graham Fountain Accountable Officer

Bendigo 25 August 2015

#### Attestation on Data Integrity

I, Graham Fountain certify that the Bendigo Cemeteries Trust has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. The Bendigo Cemeteries Trust has critically reviewed these controls and processes during the year.

1

Graham Fountain Accountable Officer

Bendigo 25 August 2015



## **FINANCIAL STATEMENTS**

## FOR THE YEAR ENDED

30 JUNE 2015

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

We certify that the attached financial statements for the Bendigo Cemeteries Trust have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions (FRDs), 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 2015 and the financial position of the Bendigo Cemeteries Trust as at 30 June 2015.

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

The Board of the Bendigo Cemeteries Trust adopted the attached financial statements at its meeting held on 24 August 2015 and authorised the persons named hereunder to sign and issue the attached financial statements on behalf of the Trust.

sila

PAM MACDONALD Chair

25 August 2015

GRAHAM FOUNTAIN Accountable Officer

25 August 2015



SHANE ROBINSON Chief Finance & Accounting Officer

25 August 2015



Level 24, 35 Collins Street Melbourne VIC 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

#### INDEPENDENT AUDITOR'S REPORT

#### To the Trust Members, Bendigo Cemeteries Trust

#### The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Bendigo Cemeteries Trust which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the Trust Member's, Accountable Officer's and Chief Finance and Accounting Officer's declaration has been audited.

#### The Trust Member's Responsibility for the Financial Report

The Members of the Bendigo Cemeteries Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Trust Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trust Members, as well as evaluating the overall presentation of the financial report.

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

#### Independent Auditor's Report (continued)

#### Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

#### Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Bendigo Cemeteries Trust as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

John Doyle Auditor-General

MELBOURNE 27 August 2015

#### COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	_		
	Note	2015	2014
	_	\$	\$
Income			
Cemetery Operations Income	2(a)	2,287,135	2,088,576
Cost of Sales	3(b)	(147,641)	(149,239)
		2,139,494	1,939,337
Investment Income	2(c)	39,796	28,697
Total Income		2,179,290	1,968,034
Expenses			
Employee Benefits	3(a)	1,003,450	1,058,354
Depreciation & Amortisation	4	177,564	180,119
Maintenance and Operating Costs	3(a)	555,971	213,828
Administrative Costs	3(a)	153,867	138,521
Cemetery Levy	3(c)	66,693	59,208
Finance Costs	3(d)	3,310	6,845
Audit Fees	3(e)	17,900	16,990
Total Expenses	_	1,978,755	1,673,865
Operating Result for the year	_	200,535	294,169
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Net Result			
Net Fair Value Gains/(Losses) on Available for Sale Financial Assets	15(c)	4,397	11,488
Items that will not be Reclassified to Net Result			
Net Fair Value Revaluation on Non Financial Assets	15(b)	15,198	14
Realisation of Available For Sale Investment Revaluation Surplus	15(c)	-	( 24,220)
Total Other Comprehensive Income	_	19,595	( 12,732)
Comprehensive Result for the Year	_	220,130	281,437

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

#### **BALANCE SHEET AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents	5	259,890	370,503
Receivables	6	189,895	163,261
Inventories	7	188,702	81,442
Prepayments	8	33,656	10,757
Total Current Assets	8 <del>1</del>	672,143	625,963
Non-Current Assets			
Inventories	7	108,730	109,162
Property, Plant and Equipment	10(a)	3,324,727	3,396,756
Intangible Assets	11	76,556	<u>=</u>
Investments and Other Financial Assets	9	669,412	426,283
Total Non-Current Assets	-	4,179,425	3,932,201
Total Assets		4,851,568	4,558,164
Current Liabilities			
Payables	12	453,056	401,184
Provision for Employee Benefits	13(a)	110,932	111,793
Provision for Onerous Contracts	13(d)	366,923	397,887
Unearned Income	14	803,557	624,619
Total Current Liabilities	_	1,734,468	1,535,483
Non-Current Liabilities			
Payables	12	9,612	117,141
Provision for Employee Benefits	13(a)	19,113	37,295
Total Non-Current Liabilities		28,725	154,436
Total Liabilities		1,763,193	1,689,919
Net Assets	-	3,088,375	2,868,245
Equity			
Contributed Capital	15	604,962	604,962
Accumulated Deficit	15(a)	(757,763)	( 694,250)
Property, Plant & Equipment Revaluation Reserve	15(b)	2,450,262	2,435,064
Available for Sale Investment Revaluation Reserve	15(c)	15,885	11,488
Perpetual Maintenance Reserve	15(d)	408,713	279,165
Other Reserves	15(e)	366,316	231,816
Total Equity	11 <u>-</u>	3,088,375	2,868,245
Commitments for Expenditure	18		
Contingent Assets and Contingent Liabilities	19		

The Balance Sheet should be read in conjunction with the accompanying notes

		Property, Plant and Equipment Revaluation Reserve	Available for Sale Investment Revaluation Reserve	Accumulated Deficit	Perpetual Maintenance Reserve	Other Reserves	Contributed Capital	Total
	Note	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013		2,472,432	24,220	( 629,040)	151,602	-	604,962	2,624,176
Correction of Prior Period Error	24	( 37,368)	-	-	-	-	-	( 37,368)
Balance at 1 July 2013 Rest	ated	2,435,064	24,220	( 629,040)	151,60 <b>2</b>	-	604,962	2,586,808
Operating Result for the Year	15(a)	-	-	294,169	-	-	-	294,169
Other Comprehensive Income for the Year	15(c)	-	11,488	-	-	-	-	11,488
Transfer to/(from) Revaluation Reserve	15(c)	-	( 24,220)	-	-	-	-	( 24,220)
Transfer to/(from) Accumulated Surplus	15(d)	-	-	( 359,379)	127,563	231,816	-	-
Balance at 30 June 2014		2,435,064	11,488	( 694,250)	279,165	231,816	604,962	2,868,245
Operating Result for the Year	15(a)	-	-	200,535	-	-	-	200,535
Other Comprehensive Income for the Year	15(c)	-	4,397	-	-	-	-	4,397
Transfer to/(from) Revaluation Reserve	15(b)	15,198	-	-	-	-	-	15,198
Transfer to/(from) Accumulated Surplus	15(d)	-	-	( 264,048)	129,548	134,500	-	-
Balance at 30 June 2015	15	2,450,262	15,885	( 757,763)	408,713	366,316	604,962	3,088,375

#### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

#### CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$\$
Cash Flows from Operating Activities			
Receipts from Customers		2,634,655	2,348,174
Payments to Suppliers and Employees		( 2,260,298)	(1,674,812)
Investment Income Receipts		39,796	5,357
Goods and Services Tax Paid		( 83 <i>,</i> 808)	( 66,146)
Net Cash Inflow from Operating Activities	16	330,345	612,573
Cash Flow from Investing Activities			
Payments for Property, Plant & Equipment		( 366,836)	( 348,773)
Payments for Investments		(238,731)	(414,795)
Proceeds from Sale of Assets	2(b)	164,609	54,580
Proceeds from Sale of Investments		-	223,340
Net Cash Inflow/(Outflow) from Investing Activities		( 440,958)	( 485,648)
Cash Flows from Financing Activities		-	-
Net Cash Inflow Financing Activities		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents		( 110,613)	126,925
Cash and Cash Equivalents at Beginning of the Financial Year		370,503	243,578
Cash and Cash Equivalents at End of the Financial Year	5	259,890	370,503
The Crick Flow Statement should be used in an investigation with the mean mean investor			

The Cash Flow Statement should be read in conjunction with the accompanying notes.

#### Notes to the Financial Statements for the Year Ended 30 June 2015

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#### **1. Statement of Significant Accounting Policies**

These annual financial statements represent the general purpose financial statements for the Bendigo Cemeteries Trust (the Trust) for the financial year ended 30 June 2015. The purpose of the report is to provide users with information about the Trust's stewardship of resources entrusted to it.

#### (a) Statement of Compliance

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

The financial statements also comply with relevant Financial Reporting Directions (FRD) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance. In complying with AASs, the Trust has, where relevant, applied those paragraphs applicable for not-for-profit entities.

The annual financial statements were authorised for issue by the Bendigo Cemeteries Trust on 18 August 2015.

#### (b) Basis of Accounting Preparation and Measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015, and the comparative information presented in these financial statements for the year ended 30 June 2014.

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values; and
- Available for sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income items that may be reclassified subsequent to net result).

Historical cost is based on the fair values of the consideration given in exchange for assets.

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*, Bendigo Cemeteries Trust 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 FRDs.

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

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

For the purpose of fair value disclosures, Bendigo Cemeteries Trust 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, Bendigo Cemeteries Trust 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 Bendigo Cemeteries Trust's independent valuation agency.

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. Judgments and assumptions made by management in the application of AAS that have significant effect on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- The fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(j));
- Superannuation (refer to note 1(f)); and
- Assumptions for employee benefits provision based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(k)).

#### (c) Reporting Entity

The financial statements include the controlled activities of the Bendigo Cemeteries Trust. The Bendigo Cemeteries Trust was established under the *Cemeteries Act 1958* and the operations are governed by the *Cemeteries and Crematoria Act 2003*. The financial statements of the Bendigo Cemeteries Trust includes Bendigo, Eaglehawk, Kangaroo Flat, White Hills, Axedale, Emu Creek Remembrance Parks and the Central Victoria Crematorium located at the Eaglehawk Remembrance Park.

The Trust's principal address is:

Bendigo Cemeteries Trust 5 Victoria Street, Eaglehawk Victoria 3556

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

#### (d) Scope and Presentation of Financial Statements

#### **Comprehensive Operating Statement**

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

#### **Balance Sheet**

Assets and liabilities are categorised either as current or non-current (non-current being those assets or liabilities expected to be recovered more than 12 months after the financial year), are disclosed in the notes where relevant.

#### **Statement of Changes in Equity**

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

#### **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 requirements under AASB 107 *Statement of Cash Flows*.

#### Rounding

All amounts shown in the financial statements are expressed to the nearest dollar unless otherwise stated.

#### **Comparative Information**

Where necessary the previous year's figures have been reclassified to facilitate comparison.

#### (e) Income from Transactions

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

#### Fees

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 granite and plaques are recognised as revenue in the financial year that the goods or services are provided. Fees received in advance of service provision are recorded as unearned income in accordance with guidance below.

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

#### **Dividend Revenue**

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

#### **Interest Revenue**

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

#### Sale of Investments

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

#### Unearned Income

Unearned income represents monies received in advance of the provision of goods or services. These monies are recorded as revenue in the financial year that the goods or services are provided, and as income received in advance at reporting date.

#### (f) Expense Recognition

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

#### **Cost of Goods Sold**

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

#### **Employee Expenses**

Employee expenses include:

- Wages and salaries;
- Annual leave;
- Sick leave;
- Long service leave; and
- Superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

#### **Defined Contribution Superannuation Plans**

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 financial year. Contributions to defined contribution superannuation plans are expenses when incurred.

#### **Defined Benefit Superannuation Plans**

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

The name and details of the major employee superannuation funds and contributions made by the Trust are disclosed in Note 20.

#### 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 and items under operating leases). 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 a manner intended by management.

Depreciation is calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the useful lives, residual value and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. Assets with a cost in excess of \$3,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

The following table indicates the useful life determined for each class of asset:

	2015	2014
Buildings	50 - 80 years	50 - 80 years
Plant & Equipment	10 years	10 years
Infrastructure and Improvements	40 - 100 years	40 - 100 years
Office Equipment, Furniture and Fittings	3 - 15 years	3 - 15 years
Computer Systems	3 - 10 years	3 - 10 years
Motor Vehicles	6 - 10 years	6 - 10 years

#### Amortisation

Amortisation is allocated to non-produced intangible assets with finite useful lives on a systematic (typically 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 is 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 concerned is tested as to whether its carrying value exceeds its recoverable amount.

Intangible assets with finite useful lives are amortised over a 5 year period (2013-14: N/A).

#### **Cemetery Levy**

In accordance with Section 18Q of the *Cemeteries and Crematoria Act 2003*, the Trust 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 financial year is 3% (2014: 3%).

#### **Finance Costs**

Finance costs are recognised as expenses in the financial year in which they are incurred.

#### **Other Operating Expenses**

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

#### Maintenance and Operating Costs

Maintenance and operating costs are recognised as an expense in the financial year in which they are incurred. Maintenance and operating costs include utilities (gas, electricity, rates), vehicle running costs and maintenance, workshop supplies and crematorium repairs.

#### Administrative Costs

Administrative costs are recognised as an expense in the financial year in which they are incurred. Administrative costs are costs relating to the ongoing running of the organisation and includes insurances, phones, printing, marketing, legal, computing and taxation expenses.

#### (g) Other Comprehensive Income

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

#### Net Gain/ (Loss) on Non-Financial Assets

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

#### Revaluation Gains/ (Losses) of Non-Financial Physical Assets

Refer to Note 1(j) Revaluations of non-financial physical assets.

#### Net Gains/ (Losses) 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 determined after deducting from the proceeds the carrying value of the asset at that time.

#### Net Gain/ (Loss) on Financial Instruments

Net gain/ (loss) on financial instruments includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (refer Note 1 (i)); and
- Disposals of financial assets and derecognition of financial liabilities.

#### **Revaluations of Financial Instrument at Fair Value**

Refer to Note 1 (h) Financial Instruments.

#### Other Gains/ (Losses) from Other Comprehensive Income

Other gains/ (losses) 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
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

#### (h) 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 the Bendigo Cemeteries Trust's activities, certain financial assets and financial liabilities arise under statute rather than contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial on taxes do not meet the definition of financial assets and penalties do not meet the definition of financial instruments as they do not arise under contract.

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

The following refers to financial instruments unless otherwise stated.

#### Receivables

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs.

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

#### Available for Sale Financial 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. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 17.

#### **Financial Liabilities at Amortised Cost**

Financial instrument liabilities are initially recognised on the date they are originated. They are measured at fair value plus any directly attributable transaction costs.

Financial instrument liabilities include the Trust's contractual payables and advances received.

#### (i) Assets

#### **Cash and Cash Equivalents**

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

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current interest bearing liabilities in the balance sheet.

#### Receivables

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, which includes predominantly GST input tax credits recoverable.

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

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. An allowance for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

#### **Other Financial Assets**

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

The Bendigo Cemeteries Trust 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.

The Bendigo Cemeteries Trust assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

#### Available for Sale Financial Assets

Available for sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 17.

#### **Impairment of Financial Assets**

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

Receivables are assessed for bad and doubtful debts on a regular basis. Bad debts considered as 'written off' and 'allowances for doubtful receivables' are expensed. Bad debt not written off by mutual consent and the allowance of doubtful debts are classified as other comprehensive income.

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

In 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*.

#### Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

#### **Revaluations of Financial Instruments at Fair Value**

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets.

#### (j) Non-Financial Assets

#### Inventories

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

Inventories include land allocated for interment purposes held for sale. 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 works in progress or finished goods. Works in progress includes undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished goods represent inventories available for sale to customers including land to be used for interment purposes.

Inventories also include stock held in maintenance stores, and stocks of precast concrete lined graves, pre-poured foundations for graves, memorial wall niches and granite. These inventories are measured at the lower of cost and net realisable value. Cost for these inventories is determined on the basis of weighted average cost.

Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

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

#### Property, Plant and Equipment

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 10.

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

Land and Buildings are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment.

**Plant, Equipment and Vehicles** are recognised 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.

#### **Revaluations of Non-Current Physical Assets**

Non-current physical assets are measured at fair value are revalued in accordance with FRD 103F *Non-Current Physical Assets*. A full revaluation normally occurs at least 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 valuer's are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in other comprehensive income and accumulated in the property, plant and equipment revaluation surplus, except that to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in the operating result, the increment is recognised as income in the operating result.

Revaluation decrements are recognised immediately as expenses in the operating result, except that, to the extent that a credit balance exists in the property, plant and equipment revaluation surplus in respect of the same class of assets, they are debited directly to the property, plant and equipment revaluation surplus.

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 normally not transferred to accumulated funds on derecognition of the relevant asset.

Cemetery land was formally valued as at 30 June 2012 by the Valuer-General of Victoria in accordance with the requirements of FRD 103F Non-Current Physical Assets, issued pursuant to the Financial Management Act 1994.

Due to a cumulative increase greater than 10% in land indicies provided by the Valuer General Victoria since the last formal land revaluation on 30 June 2012, a managerial review was conducted on all cemetery land in accordance with FRD103F. Consequently infrastructure land, as detailed in Note 10, has been increased in value in line with these indicies.

The next scheduled revaluation under FRD 103F is set for the year ending 30 June 2017 or earlier if there is an indication that fair values have moved materially since the last valuation.

#### **Other Non-Financial Assets**

#### Prepayments

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

#### (k) Liabilities

#### Payables

Payables consist of:

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

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

#### **Unearned Income**

All unearned income is classified as a current liability as the Trust does not have an unconditional right to defer settlement when a purchaser seeks to use the service. Prepaid fees are recognised at their nominal (contracted) value.

#### Provisions

Provisions are recognised when the Trust 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 balance date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using the discount rate that reflects the time value of money and risks specific to the provision.

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

#### **Employee Benefits**

#### Wages and Salaries, Annual Leave and Accrued Days Off

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

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

- Undiscounted value if the Trust expects to wholly settle within 12 months; or
- Present value if the Trust does not expect to wholly settle within 12 months.

#### Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value -- if the Trust expects to wholly settle within 12 months; and
- Present value if the Trust does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability because 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 the 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 due to changes in bond interest rates for which it is then recognised as an other economic flow.

#### **Termination Benefits**

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

The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the financial year are discounted to present value.

#### On-Costs

Employee benefits on-costs, such as workers compensation and superannuation, are recognised separately from provision for employee benefits.

#### Superannuation

The accounting treatment for contributions to defined contribution and defined benefit plans has been outlined in Note 1(f).

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

#### **Defined Contribution Superannuation Plan**

The defined contribution funds receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee Legislation (2013/14: 9.25%). The Trust's contribution increased to 9.5% from 1 July 2014. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of their chosen superannuation fund.

#### **Defined Benefit Superannuation Plan**

The defined benefit plan provides benefits to employees based on years of service and final average salary. The Trust makes employer contributions to the defined benefits category of the Vision 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 at 30 June 2014, the Trust's current contribution is 9.5% of the superannuation salary, plus any shortfall identified as part of the actuarial review. For the year ending 30 June 2015 the Bendigo Cemeteries Trust have made no contributions or made any provision for a shortfall contribution.

#### Unfunded Defined Benefit Superannuation Liability

The Bendigo Cemeteries Trust makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (LASF), known as Vision Super since 2002, which 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 Saver (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.

In early 2015, Vision Super wrote to all participating cemeteries and other agencies regarding the results of their actuarial investigation into the LASF defined benefit plan.

The actuarial investigation resulted in no shortfall of funds being identified and thus the Bendigo Cemeteries Trust has not recognised a liability for 2015 in its financial statements.

#### **Onerous Contracts (on Pre-Paid Fees)**

A provision is recognised in relation to pre-paid fees where the cost of providing the purchased goods and/or services is expected to be greater than the amount received/revenue to be recognised and the current service cost can be reliably measured. The provision represents the present value of the expenditure required to provide the goods and/or service, less the amount of revenue to be recognised.

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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

#### **Derecognition of Financial Liabilities**

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

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

#### (I) Lease

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

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

#### **Finance Lease**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset and is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. If there is certainty that the Trust will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be depreciated over the useful life. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

#### **Operating Lease**

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

#### (m) Equity

#### **Contributed Capital**

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119 *Contributions by Owners*, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are treated as contributed capital.

#### Property, Plant & Equipment Revaluation Reserve

The Property, Plant and Equipment Revaluation Reserve is used to record increments and decrements on the revaluation of non-current physical assets.

#### **Available For Sale Investment Revaluation Reserve**

The Available For Sale Investment Revaluation Reserve arises on the revaluation of available for sale financial assets. Where a revalued financial asset is sold, the portion of the reserve which relates to that financial asset is effectively realised, and is recognised in the operating result. Where an available for sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to operating result.

#### **Cremator Reserve**

Funds are allocated to this reserve to ensure that the Cemetery Trust has ample funds available should another cremator unit need to be purchased. The cremator unit is an essential part of the successful ongoing operations of the Bendigo Cemeteries Trust. Due to the non-cash backing of this reserve it was closed during the 2013 financial year, however as per budgeted cash inflow, the Bendigo Cemeteries Trust was able to cash back and increase this reserve substantially during the 2013/14 and 2014/15 financial years.

#### **Perpetual Maintenance Reserve**

Fees received in respect of the rights of interment for monumental and lawn burials, memorial gardens and cemetery gardens include amounts for perpetual maintenance to be carried out in future years. Such amounts are transferred to the perpetual maintenance reserve and released as deemed necessary in equal amounts over the periods for which the maintenance has been contracted. The Trust realises the importance of this reserve and has accepted a strategic objective to contribute to this reserve in the future.

#### **Prepaid Interment Reserve**

Fees received in respect of prepaid interment fees for monumental and lawn burials, memorial gardens and cemetery gardens are included in this reserve. Such amounts are transferred into the prepaid interment reserve to recognise the liability accepted by the Trust when receiving these fees. This reserve will continue to be contributed to until all interment fees are fully cash backed in this reserve.

#### **Defined Benefit Superannuation Reserve**

The Bendigo Cemeteries Trust created this reserve to recognise the funds the Trust drew down during 2012/13 to fund the unfunded defined benefit superannuation liability call with the intention of repaying these funds over a three year period. Up until the end of the 2014/15 financial year, the Trust has re-contributed 75% of this draw down and has budgeted to contribute the remaining amount in first half of the 2015/16 year. Once repaid the Trust intends on building up the reserve to cover any future unfunded calls that may arise.

#### (n) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the 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 receivable 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 financing activities which are recoverable from, or payable to, the ATO, are presented as operating cash flow.

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

#### (o) Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note 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 value 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.

#### (p) Contingent Assets and Contingent Liabilities

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

#### (q) Correction of Prior Period Error

During the 2013/14 financial year and preceding financial years since the Trust's inception at 30 June 2007, the Bendigo Cemeteries Trust did not recognise undeveloped land as inventory in accordance with FRD103F. It was classified as infrastructure land and as such was increased with valuations performed under FRD103F. A valuation was last performed on 30 June 2012 by Mr. Mark Sanderson AAPI, Certified Practicing Valuer, as an agent of the Valuer-General Victoria on all land controlled by Bendigo Cemeteries Trust. This resulted in an increase in all land and consequently the portion of inventory land classified as undeveloped land has now been deducted as an error.

The error had the following effect on the 2013/14 financial statements:

- Overstated infrastructure land by \$107,636
- Understated inventory by \$70,269
- Overstated the asset revaluation reserve by \$37,367

The error has been corrected by restating each of the affected financial statement line items in the comparative year contained within these financial statements. Details of the error and the impact on the financial statements can be found at Note 24.

#### (r) Events Occurring after the Reporting Period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Trust and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the financial year.

Adjustments are made to amounts recognised in the financial statements for events which occur after the financial year end before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the financial year. Note disclosure is made about events between the end of the financial year and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the financial year and the date financial year and which may have a material impact on the results of subsequent financial years.

# (s) New Accounting Standards and Interpretations

Certain Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 financial year.

As at 30 June 2015, the following standards and interpretations had been issued but were not mandatory for the financial year ended 30 June 2015. The Bendigo Cemeteries Trust has not and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 18	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2014 4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	<ul> <li>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</li> <li>Establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</li> <li>Prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.</li> </ul>	1 Jan 16	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2015 6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	The Amendments extend the scope of AASB 124 Related Party Disclosures to not- for-profit public sector entities. Guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 Jan 16	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.

In addition to the standards above, the AASB has issued a list of amending standards that are not effective for the 2014-15 financial year (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impact on the public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

- 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.

- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]

- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]

2. Revenue	- Note	2015	2014
	_	\$	\$
(a) Cemetery Operations Income	_		
Right of Interment Income		461,937	467,108
Interment Income		609,064	553,777
Cremation Income		683,857	518,937
Cremation Memorial Income		42,533	38,390
Memorialisation Income		365,053	356,043
Chapel Hire and Function Income		20,872	19,191
Other Operating Income		52,894	41,572
Government Grants		86,258	43,321
Gain/(Loss) on disposal of Property, Plant & Equipment	2(b)	( 35,333)	50,237
Total Cemetery Operations Income	-	2,287,135	2,088,576
(b) Gain/(Loss) on Disposal of Property, Plant & Equipment			
Proceeds from Sale		164,609	54,580
Written Down Value		( 199,942)	( 4,343)
Total Gain/(Loss) on Disposal of Property, Plant & Equipment	-	( 35,333)	50,237
(c) Investment Income			
Interest from Cash and Cash Equivalents		10,041	5,357
Dividends Received		29,755	-
Net Gain/(Loss) due to Sale of Available for Sale Investments		-	23,340
Total Investment Income	-	39,796	28,697

3. Expenses	Note	2015	2014
·	_	\$	\$
(a) Expenses from Transactions			
Employee Benefits		1,003,450	1,058,354
Depreciation & Amortisation	4	177,564	180,119
Maintenance and Operating Costs		555,971	213,828
Administrative Costs		153,867	138,521
Cemetery Levy	3(c)	66,693	59,208
Finance Costs	3(d)	3,310	6,845
Audit Fees	3(e)	17,900	16,990
Total Expenses	-	1,978,755	1,673,865
(b) Cost of Sales			
Right of Interment		8,561	16,559
Memorialisation		136,223	129,399
Other		2,857	3,281
Total Cost of Sales	-	147,641	149,239
(c) Cemetery Levy			
Cemetery Levy		66,693	59,208
Total Cemetery Levy	-	66,693	59,208
(d) Finance Costs			
Finance Charges on Finance Leases		3,310	6,845
Total Finance Costs	-	3,310	6,845
(e) Audit Fees			
Auditor General		10,900	10,600
Internal Audit		7,000	6,390
Total Audit Fees	-	17,900	16,990

4. Depreciation and Amortisation	2015	2014
	\$	\$
Depreciation		
Buildings, Infrastructure and Improvements	85,289	84,326
Plant and Equipment	80,282	86,929
Office Equipment, Furniture and Fittings	11,914	8,864
Total Depreciation	177,485	180,119
Amortisation		
Computer Software	79	-
Total Amortisation	79	-
Total Depreciation and Amortisation	177,564	180,119

# 5. Cash and Cash Equivalents

Total Cash and Cash Equivalents	259,890	370,503
Cash at Bank	252,615	357,177
Cash on Hand	7,275	13,326

For the purposes of the cash flow statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

# 6. Receivables

Current		
Contractual		
Trade Debtors	179,273	93 <i>,</i> 285
Other Receivables	10,622	69,976
Total Receivables	189,895	163,261

No impairment for credit losses has been booked in a separate account during either financial years reported. The nature and extent of risk arising from receivables and ageing of receivables is contained in Note 17.

7. Inventories	2015	2014
	\$	\$
Current		
Work in Progress		
Land for Interment Purposes	98,004	-
Finished Goods		
Consumables	57,341	44,322
Grave Foundations	33,357	37,120
	188,702	81,442
Non-Current		
Work in Progress/Undeveloped		
Land for Interment Purposes	108,730	109,162
	108,730	109,162
Consumables	57,341	44,322
Land for Interment Purposes	206,734	109,162
Grave Foundations	33,357	37,120
Total Inventories	297,432	190,604

# 8. Prepayments

Prepayments of Expenditure	33,656	10,757
Total Prepayments	33,656	10,757

# 9. Investments and Other Financial Assets

Total Other Financial Assets	669,412	426,283
Managed Shares Portfolio	515,548	311,069
Interest Bearing Investments	153,864	115,214
Current		

(a) Ageing analysis of other financial assets

Please refer to Note 17 for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from investments

Please refer to Note 17 for nature and extent of credit risk arising from other financial assets.

# 10. Property, Plant and Equipment

(a) Gross Carrying Amount and Accumulated Depreciation	2015	2014
	\$	\$
Cemetery Infrastructure Land at Valuation	147,833	132,635
	147,833	132,635
Buildings, Infrastructure and Improvements at Fair Value	2,731,732	2,646,379
Less Accumulated Depreciation	( 169,615)	( 84,326)
	2,562,117	2,562,053
Plant and Equipment at Fair Value	555,894	715,574
Less Accumulated Depreciation	( 167,211)	( 86,929)
	388,683	628,645
Office Equipment, Furniture and Fittings at Fair Value	73,628	46,420
Less Accumulated Depreciation	( 20,778)	( 8,864)
	52,850	37,556
Capital works in progress at cost	173,244	35,867
Total Property, Plant and Equipment	3,324,727	3,396,756

#### (b) Reconciliation of Property, Plant and Equipment

Reconciliations of the carrying amounts of each class of asset for the Cemetery Trust at the beginning and end of the previous and current financial year are set out below.

	Cemetery Infrastructure Land \$	Buildings, Infrastructure and Improvements \$	Plant and Equipment \$	Office Equipment, Furniture and Fittings \$	Capital Works In Progress \$	Total \$
Balance at 1 July 2013	132,635	2,547,322	507,826	16,321	28,341	3,232,445
Additions	-	99,057	207,748	34,442	35,867	377,114
Expenditure on Capital Works	-	-	-	-	16,379	16,379
Completed Assets	-	-	-	-	( 44,720)	( 44,720)
Disposal	-	-	-	( 4,343)	-	( 4,343)
Depreciation	-	( 84,326)	( 86,929)	( 8,864)	-	( 180,119)
Balance at 1 July 2014	132,635	2,562,053	628,645	37,556	35,867	3,396,756
Additions	-	3,899	32,992	27,208	-	64,099
Expenditure on Capital Works	-	-	-	-	243,482	243,482
Revaluation of Assets	15,198	-	-	-	-	15,198
Transfers	-	-	-	-	( 17,381)	( 17,381)
Completed Assets	-	88,724	-	-	( 88,724)	-
Disposal	-	( 7,270)	( 192,672)	-	-	( 199,942)
Depreciation	-	( 85,289)	( 80,282)	( 11,914)	-	( 177,485)
Balance at 30 June 2015	147,833	2,562,117	388,683	52,850	173,244	3,324,727

(i) An independent valuation of the Trust's land and buildings was performed by Mr. Mark Sanderson AAPI, Certified Practicing Valuer, as an agent of the Valuer-General Victoria, as at 30 June 2012. The valuation, which confirms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments then discounted by 95% (2007: 95%), representing the Community Service Obligation (CSO) associated with cemeteries.

Subsequent to this formal valuation, due to a cumulative increase greater than 10% in land indicies provided by the Valuer General Victoria since the last formal land revaluation on 30 June 2012, a managerial review was conducted on cemetery infrastructure land in accordance with FRD103F. Consequently infrastructure land has been increased in value in line with these indicies providing a more accurate value of infrastructure land.

The calculation of the value of land for cemetery use is:	Cemetery Use
Land at HBU (unrestricted) value	2,956,660
less: CSO (discount of 95%)	( 2,808,827)
Total Land at Valuation	147,833

Valuation of buildings, infrastructure, improvements and the cremator unit was also undertaken, effective 30 June 2012, based on the opinion of Mr. Mark Sanderson AAPI, to represent the "fair value" of the replacement cost of the remaining economic value of those assets.

(c) Aggregate Depreciation Recognised as an Expense During the Year	2015	2014
	\$	\$
Buildings at Fair Value	85,289	84,326
Plant, Infrastructure and Improvements at Fair Value	80,282	86,929
Office Equipment, Furniture and Fittings at Fair Value	11,914	8,864
Total	177,485	180,119

(i) The useful lives of assets as stated in Note 1 are used in the calculation of depreciation.

# (d) Fair Value Measurement Hierarchy for Assets as at 30 June 2015

	Carrying amount as at	Fair value measurement at end finanical year:		end of the
	30 June 2015	Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
Cemetery Infrastructure Land at Fair Value				
Specialised	147,833	-	-	147,833
Total of Land at Fair Value	147,833	-	-	147,833
Buildings and Infrastructure at Fair Value				
Specialised	2,153,441		-	2,153,441
Heritage	408,676		-	408,676
Total of Buildings and Infrastructure at Fair Value	2,562,117	-	-	2,562,117
Plant, Equipment and Vehicles at Fair Value				
Plant equipment and vehicles at fair value				
- Vehicles <sup>(ii)</sup>	132,123	-	-	132,123
- Plant and Equipment	256,560	-	-	256,560
Total Plant, Equipment and Vehicles at Fair Value	388,683	-	-	388,683
Office Equipment, Furniture and Fittings at Fair Value				
Office and Computer Equipment Furniture	52,850	-	-	52,850
Total Office Equipment, Furniture and Fittings at Fair Value	52,850	-	-	52,850
Total Assets	3,151,483	-	-	3,151,483

(i) Classified in accordance with the fair value hierarchy, see Note 1.

(ii) Vehicles are categorised to Level 3 assets as the depreciated replacement cost is used in estimating the fair value.
 There have been no transfers between levels during the financial year.

#### Specialised Land and Specialised Buildings

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

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

For the cemetery trusts, 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 the Cemetery Trust's specialised land and specialised buildings was performed by Mr. Mark Sanderson on behalf of the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. Subsequently a managerial revaluation has been performed on infrastructure land after the cumulative total of the land indicies provided by the Valuer General Victoria totalled greater than 10%. The effective date of the valuation is 30 June 2015.

#### Heritage Assets, Infrastructure and Road Infrastructure

Heritage assets, infrastructure and road infrastructure are valued using the depreciated reproduction cost method. This cost represents the reproduction cost of the building/component after applying depreciation rates on a useful life basis. Reproduction costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated reproduction cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of the Cemetery Trust's heritage assets, infrastructure and road infrastructure was performed by Mr. Mark Sanderson on behalf of the Valuer-General Victoria. The valuation was performed based on the depreciated reproduction cost of the assets. The effective date of the valuation is 30 June 2012.

#### Vehicles

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

#### 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.

An independent valuation of the Cemetery Trust's crematorium plant and equipment was performed by Mr. Mark Sanderson on behalf of the Valuer-General Victoria. The valuation was performed based on the depreciated reproduction cost of the assets. The effective date of the valuation is 30 June 2012.

There were no changes in valuation techniques throughout the year to 30 June 2015.

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

# (e) Reconciliation of Level 3 Fair Value

	Cemetery Infrastructure Land at Fair Value	Buildings, Infrastructure and Improvements at Fair Value	Plant and Equipment at Fair Value	Office Equipment, Furniture and Fittings at Fair Value
2015				
Opening Balance	132,635	2,562,053	628,645	37,556
Purchases/(Sales)	-	85,353	( 159,680)	27,208
Transfers in/(out) of Level 3	-	-	-	-
Gains or Losses Recognised in Net Result				
Depreciation	-	( 85,289)	( 80,282)	( 11,914)
Impairment Loss	-	-	-	-
Subtotal	-	( 85,289)	( 80,282)	( 11,914)
Items Recognised in Other Comprehensive Income				
Revaluation	15,198	-	-	-
Subtotal	15,198	-	-	-
Closing Balance before Unrealised Gains/(Losses)	147,833	2,562,117	388,683	52,850
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-
Closing Balance after Unrealised Gains/(Losses)	147,833	2,562,117	388,683	52,850

# (f) Description of Significant Unobservable Inputs to Level 3 Valuations

	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs
Cemetery - Specialised Land Axedale, Bendigo, Eaglehawk, Kangaroo Flat, White Hills and Emu Creek Remembrance Parks	Market approach	Community Service Obligation (CSO) adjustment	95%	A significant increase or decrease in the CSO adjustment would result in a significantly lower or higher fair value.
Cemetery - Specialised Buildings				
Central Victoria Crematorium and Chapel	Depreciated replacement cost	Direct cost per square metre	\$2,750	A significant increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value.
		Useful life of specialised buildings	50 - 80 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Crematorium Equipment at Fair Value				
Cremator Equipment	Depreciated replacement cost	Cost per unit	\$9,800 - \$49,700	A significant increase or decrease in the gross replacement cost would result in a significantly lower or higher fair value.
		Useful life of cremator equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.
Plant and Equipment at Fair Value				
Interment and crematorium equipment	Depreciated replacement cost	Cost per unit	\$5,961 - \$22,647	A significant increase or decrease in the gross replacement cost would result in a significantly lower or higher fair value.
		Useful life of plant and equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.

	Valuation Technique	Significant Unobservable Inputs	Range {Weighted Average)	Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs
Office Equipment, Furniture and Fittings at Fair Value	Depreciated replacement cost	Cost per unit	Nil	A significant increase or decrease in the gross replacement cost would result in a significantly lower or higher fair value.
		Useful life of office equipment	Nil	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value.

# 11. Intangible Assets

	2015 \$	2014 \$
Capitalised Computer Software Trademarks - Capital Works in Progress	24,000 52,635	-
Accumulated Amortisation	( 79)	-
Total Intangible Assets	76,556	-

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the previous and current financial year are set out below.

	Capitalised Computer Software \$	Capital Works In Progress \$	Total \$
Balance at 1 July 2013	-	-	-
Balance at 1 July 2014	-	-	-
Expenditure on Capital Works	-	59,254	59,254
Transfers	-	17,381	17,381
Completed Assets	24,000	( 24,000)	-
Amortisation Expense	( 79)	-	( 79)
Balance at 30 June 2015	23,921	52,635	76,556

12. Payables	2015	2014
	\$	\$
Current		
Contractual		
Trade Creditors	248,915	107,896
Finance Lease	29,879	26,376
Accruals	96,222	101,163
Unexpended Grants and Donations	39,992	127,498
Other Creditors	47,535	33,240
Statutory		
Net GST (receiveable)/payable	( 9,487)	5,011
Total Current	453,056	401,184
Non Current		
Contractual		
Finance Lease	9,612	117,141
Total Non Current	9,612	117,141
Total Payables	462,668	518,325
(a) Ageing analysis of payables		
Please refer to Note 17 for the againg analysis of navables		

Please refer to Note 17 for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 17 for nature and extent of credit risk arising from payables

13. Provisions	2015	2014
	\$	\$
(a) Employee Benefits		
Current Provisions Employee Benefits <sup>(i)</sup>		
Annual Leave - Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	41,877	51,078
Annual Leave - Unconditional and expected to be settled after 12 months ((())	25,230	16,319
Rostered Days Off - Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	647	2,116
Long Service Leave - Unconditional and expected to be settled within 12 months $^{(\mathrm{ii})}$	5,731	8,224
Long Service Leave - Unconditional and expected to be settled after 12 ${\sf months}^{({\sf III})}$	25,119	22,232
Total Employee Benefits	98,604	99,969
Provision for Employee On-Costs		
Annual Leave - Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	5,130	5,836
Annual Leave - Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	3,091	1,999
Rostered Days Off - Unconditional and expected to be settled within 12 months(iii)	79	259
Long Service Leave - Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	764	1,007
Long Service Leave - Unconditional and expected to be settled after 12 months <sup>(III)</sup>	3,264	2,723
Total Provision for Employee On-Costs	12,328	11,824
Total Current Provisions	110,932	111,793
Non-Current Provisions		
Long Service Leave - Conditional and expected to be settled after 12 months <sup>(III)</sup>	17,027	33,225
On-costs on non-current employee provisions	2,086	4,070
Total Non-Current Provisions	19,113	37,295
Total Provision for Employee Benefits	130,045	149,088

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including oncosts

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present value

# (b) Employee Benefits and On-Costs

## **Current Employee Benefits**

Annual Leave	67,107	67,397
Long Service Leave	30,850	30,456
Rostered Days Off	647	2,116
Non-Current Employee Benefits		
Long Service Leave	17,027	33,225
Total Employee Benefits	115,631	133,194
Current On-Costs	12,328	11,824
Non-Current On-Costs	2,086	4,070
Total On-Costs	14,414	15,894
Total Employee Benefits and On-Costs	130,045	149,088

(c) Movement in Provisions	2015	2014
	\$	\$
Movement in Long Service Leave		
Balance at start of year	71,481	93,184
Provisions made during the year		
Revaluations	1,330	( 4,742)
Expense recognising employee service	( 2,851)	13,826
Long service leave taken	( 15,969)	( 30,787)
Balance at the End of the Year	53,991	71,481
Movement in Annual Leave:		
Balance at start of year	75,232	66,105
Provision made during the year		
Expense recognising employee service	57,368	62,966
Annual leave taken	( 57,272)	( 53,839)
Balance at the End of the Year	75,328	75,232
(d) Provision for Onerous Contracts <sup>(i)</sup>		
Balance at Beginning of Year	397,887	426,033
Decrease to provision recognised in operating statement	( 30,964)	( 28,146)
Total Provision for Onerous Contracts	366,923	397,887
Current		
Amount expected to be settled within 12 months	36,692	39,789
Amount expected to be settled after 12 months	330,231	358,098
Total Provision for Onerous Contracts	366,923	397,887

(i) The provision for onerous contracts represents the additional cost expected to be incurred by the Trust when an item of unearned income is provided. It is classified as current due to the present entitlement that the Trust has on unearned income and thus the provision. Based on historical trends it has been estimated that only 10% of the total liability relating to unearned income is reasonably expected to be 'utilised' and transferred to revenue within the next 12 months.

# 14. Unearned Income

Current		
Deposits Taken in Advance		
Amount expected to be settled within 12 months	80,356	62,462
Amount expected to be settled after 12 months	723,201	562,157
Total Unearned Income	803,557	624,619

(i) Unearned income represents the income received before the good or service is provided. It is classified as current due to the present entitlement that the cemetery trust has on the prepaid funds. Based on historical trends it has been estimated that only 10% of the total liability is reasonably expected to be 'utilised' and thus transferred to revenue within the next 12 months and not the entire liability.

	_		
15. Equity		2015	2014
	_	\$	\$
Composition of Equity			
Contributed Capital		604,962	604,962
Accumulated Funds	15(a)	(757,763)	( 694,250)
Property, Plant and Equipment Revaluation Reserve	15(b)	2,450,262	2,435,064
Available for Sale Investment Revaluation Reserve	15(c)	15,885	11,488
Perpetual Maintenance Reserve	15(d)	408,713	279,165
Other Reserves	15(e)	366,316	231,816
Total Equity	_	3,088,375	2,868,245
(a) Movement in Accumulated Deficit			
Balance at the Beginning of the Year		(694,250)	( 629,040)
Net Result for the Year		200,535	294,169
Transfer (to)/from Reserves		(264,048)	(359,379)
Balance at the End of the Year	-	( 757,763)	( 694,250)
(b) Property, Plant and Equipment Revaluation Reserve			
Buildings, Infrastructure & Improvements		2,219,657	2,219,657
Plant & Equipment		82,772	82,772
Infrastructure Land		147,833	132,635
	-	2,450,262	2,435,064
Buildings, Infrastructure & Improvements			
Balance at the Beginning of the Year		2,219,657	2,219,657
Revaluation Increment/(Decrement)		_,,	_,,
Balance at the End of the Year	-	2,219,657	2,219,657
Plant & Equipment			
Balance at the Beginning of the Year		82,772	82,772
Revaluation Increment/(Decrement)		-	
Balance at the End of the Year	-	82,772	82,772
Infrastructure Land			
Balance at the Beginning of the Year		132,635	132,635
Revaluation Increment/(Decrement)		15,198	-
Balance at the End of the Year	-	147,833	132,635
Total Property, Plant & Equipment Revaluation Surplus	_	2,450,262	2,435,064
(c) Available for Sale Investment Revaluation Reserve			
Balance at the Beginning of the Year		11,488	24,220
Realised (Gain)/Loss on Sale of Investment		-	( 24,220)
Revaluation Increment/(Decrement)		4,397	11,488
Balance at the end of the Year	-	15,885	11,488
	_	<u> </u>	, -

_	2015	2014
Note	\$	\$
-		
	279,165	151,602
	129,548	127,563
-	408,713	279,165
	221,697	-
	( 57,569)	221,697
-	164,128	221,697
	69,087	-
	162,585	69,087
-	231,672	69,087
	(58,968)	-
1(m)	-	( 117,936)
	29,484	58,968
-	( 29,484)	( 58,968)
_	366,316	231,816
	-	Note \$ 279,165 129,548 408,713 221,697 (57,569) 164,128 69,087 164,128 69,087 162,585 231,672 1(m) 29,484 (29,484) (29,484) (29,484)

# 16. Reconciliation of Net Cash Flow from Operating Activities to Result for the Year

Result for the Year	200,535	294,169
Non-Cash Flows in Operating Surplus		
Depreciation	177,564	180,119
Net (Gain)/Loss from Sale of Property, Plant and Equipment	35,333	( 50,237)
Net Gain from Sale of Investment	-	( 23,340)
Changes in Assets and Liabilities		
Increase in Receivables	(26,634)	( 71,643)
(Increase)/Decrease in Prepayments	( 22,899)	2,243
Increase in Inventories	( 106,828)	( 18,116)
Increase/(Decrease) in Payables	( 55,657)	254,567
Decrease in Provisions	( 50,007)	( 41,164)
Increase in Unearned Income	178,938	85,975
Net Cash Inflows from Operating Activities	330,345	612,573

# **17.** Financial Instruments

## (a) Financial Risk Management Objectives and Policies

The Cemetery Trust's principal financial instruments comprise of:

- Cash Assets
- Receivables (excluding statutory receivables)
- Available for Sale Investments
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability is disclosed in note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Bendigo Cemeteries Trust financial risk within the government policy parameters.

Categorisation of Financial Instruments		2015	2014	
Account Balance	Note	e Category	\$\$	\$
Financial Assets <sup>(i)</sup>				
Cash and Cash Equivalents	5	Cash	259,890	370,503
Receivables	6	Receivables (at Amortised Cost)	179,273	93,285
Other financial assets	9	Available for Sale Investments (at Fair Value Through Equity)	669,412	426,283
Total Financial Assets			1,108,575	890,071
Financial Liabilities <sup>(ii)</sup>				
Payables	12	Financial Liabilities (at Amortised Cost)	442,276	486,938
Total Financial Liabilities			442,276	486,938

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)
 (ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

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

<b>Financial Assets</b> <sup>(i)</sup> Cash and Cash Equivalents Receivables	39,796 -	28,697 -
Available for Sale at Fair Value through Equity	4,397	11,488
Total Financial Assets	44,193	40,185
Financial Liabilities		
At Amortised Cost <sup>(ii)</sup>	-	-
Total Financial Liabilities	-	-

(i) For cash and cash equivalents, receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result; and

(ii) For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

## (b) Credit Risk

Credit risk arises from the financial assets of Bendigo Cemeteries Trust, which comprise cash and cash equivalents, trade and other receivables and available for sale investments. The exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to Bendigo Cemeteries Trust. Credit risk is measured at fair value and is monitored on a regular basis.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

#### (i) Policy in Managing Credit Risk

Bendigo Cemeteries Trust does not have any material credit risk exposure to a single debtor or group of debtors. In respect to trade and sundry receivables, Bendigo Cemeteries Trust minimises concentrations of credit risk by undertaking transactions with a large number of customers. Trade debtors are normally paid within 30 days of end of month. Sundry debtor terms are normally up to a maximum of 6 months.

In addition, management reviews on an ongoing basis the age analysis of receivables to assess the quality of them and apply any action required to ensure the collectability of the debt. According to successful past experience in managing the credit risk on receivables, Bendigo Cemeteries Trust has assessed this risk as low.

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

Investments are managed in accordance with our Investment Policy, which stipulates, where applicable minimum credit ratings. The Investment Policy is reviewed regularly by management in conjunction with independent investment advisors.

Bendigo Cemeteries Trust uses external advisers to manage most of the funds allocated as available for sale financial assets. The total funds invested are diversified across a range of reputable and experienced external managers and financial institutions. This mitigates the credit risk on this class of financial assets.

#### (ii) Maximum Exposure to Credit Risk

Bendigo Cemeteries Trust maximum exposure to credit risk at balance date in relation to each class of financial asset is represented below:

	2015	2014
Financial Assets	\$	\$
Cash and Cash Equivalents	259,890	370,503
Receivables	179,273	93,285
Available for Sale Investments	669,412	426,283
Total	1,108,575	890,071

Currently Bendigo Cemeteries Trust does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

	Financial Institutions (AAA Credit Rating) \$	Government Agencies (AAA Credit Rating) \$	Government Agencies (BBB Credit Rating) \$	Other (Not Rated) \$	Total \$
2015 Financial Assets					
Cash and Cash Equivalents:					
Cash on Hand	7,275	-	-	-	7,275
Cash at Bank	252,615	-	-	-	252,615
Receivables	-	-	-	179,273	179,273
Available for Sale Investments:					
Interest Bearing	153,864	-	-	-	153,864
Managed Share Portfolio	515 <i>,</i> 548	-	-	-	515,548
Total Financial Assets	929,302	-	-	179,273	1,108,575
2014 Financial Assets					
Cash and Cash Equivalents:					
, Cash on Hand	13,326	-	-	-	13,326
Cash at Bank	357,177	-	-	-	357,177
Receivables	-	-	-	93,285	93,285
Available for Sale Investments:					
Interest Bearing	115,214	-	-	-	115,214
Managed Share Portfolio	311,069	-	-	-	311,069
Total Financial Assets	796,786	-	-	93,285	890,071

# (iii) Credit Quality of Contractual Financial Assets that are Neither past due nor Impaired

(iv) Ageing Analysis of Financial Assets as at 30.	June
--	------

	Connina	Not Past Due		Past Due but	Not Impaired		Impaired
	Carrying Amount	and Not	Less Than 1	1-3 Month	3 Months	1-5 Years	Financial
		Impaired	Month		- 1 Year		Assets
	\$	\$	\$	\$	\$	\$	\$
2015 Financial Assets							
Cash and Cash							
Equivalents:							
Cash on Hand	7,275	7,275	-	-	-	-	-
Cash at Bank	252,615	252,615	-	-	-	-	-
Receivables	179,273	179,273	-	-	-	-	-
Available for Sale Assets:							
Interest Bearing Investment	153,864	153,864	-	-	-	-	-
Managed Share Portfolio	515,548	515,548	-	-	-	-	-
Total	1,108,575	1,108,575	-	-	-	-	-
2014 Financial Assets							
Cash and Cash							
Equivalents:							
Cash on Hand	13,326	13,326	-	-	-	-	-
Cash at Bank	357,177	357,177	-	-	-	-	-
Receivables	93,285	93,285	-	-	-	-	-
Available for Sale							
Assets:							
Interest Bearing	115,214	115,214	_	-	_	_	-
Investment	,+	,					
Managed Share Portfolio	311,069	311,069	-	-	-	-	-
Total	890,071	890,071	-	-	-	-	-

Currently Bendigo Cemeteries Trust does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

#### Contractual financial assets that are either past due or impaired

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

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

#### (c) Liquidity Risk

Liquidity risk arises when Bendigo Cemeteries Trust is unable to meet obligations associated with financial liabilities when they fall due.

Bendigo Cemeteries Trust objective in managing liquidity risk is 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.

Bendigo Cemeteries Trust manages liquidity risk by monitoring cash flows to ensure sufficient funds are maintained in the transactional bank account to meet liabilities as they fall due. This is done while ensuring that surplus funds are transferred for investment. Daily monitoring occurs, with monthly reports delivered to management regarding the cash flow position and cash flow forecasts. Bendigo Cemeteries Trust believes that this policy ensures sufficient funds are held to allow for the proper administration of the cemetery.

Bendigo Cemeteries Trust has assessed this risk as minimal considering the current position of current assets.

#### (i) Maximum Exposure to Liquidity Risk

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

	2015	2014
Financial Liabilities	\$	\$
Payables	442,276	486,938
Total	442,276	486,938

#### (ii) Maturity analysis of Financial Liabilities as at 30 June

The following table discloses the contractual maturity analysis for Bendigo Cemeteries Trust financial liabilities.

	Carrying	Nominal		Maturit	y Dates	
	Amount	Amount	Less Than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
	\$	\$	\$	\$	\$	\$
2015 Financial Liabiities						
Payables	442,276	442,276	404,043	2,515	26,106	9,612
Total	442,276	442,276	404,043	2,515	26,106	9,612
2014 Financial Liabilities						
Payables	486,938	513,314	369,797	6,594	19,782	117,141
Total	486,938	513,314	369,797	6,594	19,782	117,141

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

#### (d) Market Risk Exposure

Bendigo Cemeteries Trust has diversified investments across a range of investments, including investments in the Australian and International share market, in order to fund pre-paid fees and long-term perpetual maintenance obligations. These markets are subject to volatility. It is accepted that the share market is cyclical and that there is inherent volatility.

Investments are managed in accordance with our investment policy, which stipulates, asset allocation ranges to diversify and mitigate risk. The investment policy is reviewed regularly by management in conjunction with independent investment advisors as deemed necessary by the Finance Committee who oversee the investment portfolio of the Trust.

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

#### (i) Currency Risk and Policy in Managing Currency Risk

Bendigo Cemeteries Trust's exposure to foreign currency risk arises mainly from the investments held in overseas shares and listed property trusts.

Bendigo Cemeteries Trust manages its currency risk by allocating its investments into Australian equities and investments, diversifying the investments into various Australian owned shares in accordance with its Treasury Management Policy.

## (ii) Interest Rate Risk and Policy in Managing Interest Risk

#### **Financial Liabilities**

Exposure to interest rate risk is minimal as Bendigo Cemeteries Trust does not hold interest bearing liabilities.

#### Available for Sale Investments

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

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

#### Interest Rate Exposure of Financial Assets and Liabilities as at 30 June

	Weighted	Carrying	Interest Rate Exposure				
	Average	Amount	Fixed Interest	Variable	Non-Interest		
	Effective	Amount	Rate	Interest Rate	Bearing		
	Interest Rate	\$	\$	\$	\$		
2015 Financial Assets							
Cash and Cash Equivalents:							
Cash on Hand	0.00%	7,275	-	-	7,275		
Cash at Bank	1.55%	252,615	-	252,615	-		
Receivables	0.00%	179,273	-	-	179,273		
Available for Sale Assets:							
Interest Bearing Investments	3.00%	153,864	-	153,864	-		
Managed Share Portfolio	0.00%	515,548	-	-	515,548		
Total		1,108,575	-	406,479	702,096		
2015 Financial Liabilities							
Payables	0.31%	442,276	39,491	-	402,785		
Total		442,276	39,491	-	402,785		

	Weighted		Interest Rate Exposure			
	Average	Carrying	Fixed Interest	Variable	Non-Interest	
	Effective	Amount	Rate	Interest Rate	Bearing	
	Interest Rate	\$	\$	\$	\$	
2014 Financial Assets						
Cash and Cash Equivalents:						
Cash on Hand	0.00%	13,326	-	-	13,326	
Cash at Bank	1.62%	357,177	-	357,177	-	
Receivables	0.00%	93,285	-	-	93,285	
Available for Sale Assets:						
Interest Bearing Investments	3.23%	115,214	-	115,214	-	
Managed Share Portfolio	0.00%	311,069	-	-	311,069	
Total		890,071	-	472,391	417,680	
2014 Financial Liabilities						
Payables	2.03%	513,314	143,517	-	369,797	
Total		513,314	143,517	-	369,797	

#### (iii) Other Market Risk and Policy in Managing Other Market Risk

Exposure to other price risk arises due to the inherent risk associated with the possibility of a fall in the market value of Available for Sale Financial Assets.

Bendigo Cemeteries Trust objective of managing other price (primarily equity market) risk is to minimise negative impacts on investment value due to the volatility of the stock markets.

Bendigo Cemeteries Trust has appointed external, independent investment managers to monitor the value and volatility of stock market investments. The investment manager is expected to manage this risk, through the appropriate diversification of specific stocks and diversification through different sectors within the market in accordance with our investment parameters (including ethical guidelines).

#### (iv) Sensitivity Analysis on Other Price Risk

Bendigo Cemeteries Trust manages its investment portfolio internally through its finance committee which monitors the value and volatility of stock market investments. The finance committee operates within the strict guidelines established by the Board through its Treasury Management Policy. This policy specifies strict monetary guidelines to reduce the risk exposure of the Trust. The Finance Committee is expected to manage this risk, through the appropriate diversification of specific stocks and diversification through different asset classes in accordance with established investment parameters (including ethical guidelines).

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Bendigo Cemeteries Trust has estimated that the movements presented below are reasonably possible in the forthcoming 12 months. This sensitivity analysis has been prepared for the next 12 months. (Base rates are sourced from the Reserve Bank of Australia) Management does not believe that it is possible to reasonably estimate the variables used further than for 12 months.

A shift of -1% and 1% in market interest rates (AUD) from year end rates of 3%

A shift of 15% up or down for the relevant stocks index

The following table discloses the impact on net operating result and equity for each category of financial instrument held by Bendigo Cemeteries Trust at year end as presented to key management personnel, if changes in the relevant risk occur.

			Interest	Rate Risk			Other P	rice Risk	11
	Carrying	(1%	6)	1%	6	(15	%)	15	%
	Amount \$	Net Result \$	Equity \$						
2015 Financial Assets									
Cash and Cash Equivalents	259,890	( 2,599)	( 2,599)	2,599	2,599	-	-	1000	-
Receivables	179,273		-	-	-	-	-	( <b>1</b> 44)	-
Available for Sale Assets:									
Interest Bearing Investments	153,864	( 1,539)	( 1,539)	1,539	1,539	2	<u>-</u>	3 <b>2</b> 3	
Managed Share Portfolio	515,548		-	-	-	12	( 77,332)		77,332
2015 Financial Liabilities									
Payables	( 472,155)		đ			7	5	3752	-
Total	636,420	( 4,138)	( 4,138)	4,138	4,138	35	( 77,332)		77,332

			Interest	Rate Risk		-	Other P	rice Risk	
	Carrying Amount \$	(19	6)	1%	6	(15	%)	15	%
		Net Result \$	Equity \$						
2014 Financial Assets									
Cash and Cash Equivalents	370,503	( 3,705)	(3,705)	3,705	3,705	÷		658	-
Receivables	93,285		5	2	-		-	83 <b>7</b> 0	-
Available for Sale Assets:									
Interest Bearing Investments	115,214	( 1,152)	( 1,152)	1,152	1,152		-		
Managed Share Portfolio	311,069		-	-	-	-	( 46,660)	-	46,660
2014 Financial Liabilities									
Payables	( 513,314)	-	2	-	-	82	-	320	-
Total	376,757	( 4,857)	( 4,857)	4,857	4,857	-	( 46,660)		46,660

## (e) Fair Value

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

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

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

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

#### **Comparison Between Carrying Amount and Fair Value:**

	Carrying Amount	Fair value	Carrying Amount	Fair value
	2015	2015	2014	2014
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	259,890	259,890	370,503	370,503
Receivables	179,273	179,273	93,285	93,285
Available for Sale Investments:				
Interest Bearing Investments	153,864	153,864	115,214	115,214
Managed Share Portfolio	515,548	515,548	311,069	311,069
Total Financial Assets	1,108,575	1,108,575	890,071	890,071
Financial Liabilities				
Payables	( 472,155)	( 472,155)	( 513,314)	( 513,314)
Total Financial Liabilities	( 472,155)	( 472,155)	( 513,314)	( 513,314)

#### Financial assets measured at fair value

	Carrying Amount Fair value measurement at end of financial year u			
	as at 30 June \$	Level 1 <sup>(i)</sup> \$	Level 2 <sup>(i)</sup> \$	Level 3 <sup>(i)</sup> \$
2015				
Available for sale financial assets:				
Interest Bearing Investments	153,864	153,864	-	-
Managed Share Portfolio <sup>(ii)</sup>	515,548	515,548	-	-
Total Financial Assets	669,412	669,412	-	-
2014				
Available for sale financial assets:				
Interest Bearing Investments	115,214	115,214	-	-
Managed Share Portfolio <sup>(ii)</sup>	311,069	311,069	-	-
Total Financial Assets	426,283	426,283	-	-

(i) Classified in accordance with the fair value hierarchy, see Note 1.

(ii) The Cemetery Trust invests in a managed share portfolio which is valued at current market rates at balance date

18. Commitments	2015	2014
	\$	\$
Capital Commitments		
Cemetery Infrastructure	309,382	60,280
Total Capital Commitments	309,382	60,280
Operating Expenditure Commitments		
ICT Equipment	22,529	31,886
Building Maintenance	-	5,850
Total Operating Expenditure Commitments	22,529	37,736
Lease Commitments		
Finance Leases <sup>(i)</sup>	39,491	143,517
Total Lease Commitments	39,491	143,517
Capital Expenditure Commitments		
Not Longer Than 1 Year	309,382	60,280
Total Capital Expenditure Commitments	309,382	60,280
Operating Expenditure Commitments		
Not Longer Than 1 Year	9,377	15,207
Longer Than 1 Year and Not Longer Than 5 years	13,152	22,529
Total Operating Expenditure Commitments	22,529	37,736
Lease Commitments <sup>(i)</sup>		
Not Longer Than 1 Year	29,879	26,376
Longer Than 1 Year and Not Longer Than 5 years	9,612	117,141
Total Lease Commitments	39,491	143,517

\* all amounts shown in the commitments note are nominal amounts inclusive of GST

(i) These finance leases entered into in the 2013/14 and 2014/15 financial years are 3 year terms and relate to motor vehicle leases. Bendigo Cemeteries Trust has the option of acquiring the leased assets at the end of the lease term. This residual acquisition amount has been included in the above lease commitments amounts. The weighted average interest rate implicit in leases is 4.08% (2014 - 7.48%).

# **19. Contingent Assets and Contingent Liabilities**

#### **Perpetual Maintenance**

The Bendigo Cemeteries Trust has an obligation under the *Cemeteries and Crematoria Act 2003* (the Act) to manage and maintain each public cemetery for which it is responsible. As stated in section 12 of the Act in exercising its functions, the Bendigo Cemeteries Trust must have regard to its obligations in relation to the funding of the perpetual maintenance of the public cemetery.

At this time the Bendigo Cemeteries Trust is aware that there will be ongoing significant cash outflows for the perpetual maintenance expenditure of the public cemeteries under its management but is unable to calculate a sufficiently reliable estimate of any related present obligation which may arise under the accounting standards. An estimate was provided by a qualified economist as part of the price review conducted in 2012 and was estimated to be a liability of \$14m.

Over the past two years Bendigo Cemeteries Trust has cash backed a specific reserve to cater for this obligation. Cash backing of this reserve in line with the organisation's Treasury Management Policy will continue to occur and this reserve will provide a source of funds towards it's perpetual maintenance obligations, which is disclosed as a Perpetual Maintenance Reserve in Note 15.

#### **Enterprise Agreement**

At 31 December 2013 and 30 June 2014 the two enterprise agreements covering the employment conditions for employees of the Bendigo Cemeteries Trust expired. Extensive negotiations were held during the 2013/14 and 2014/15 financial years to amalgamate the two agreements. In late June 2015, an 'in principle' agreement was reached between the union and Trust and the preliminary processes necessary for its submission to the Fair Work Commission for approval is continuing with the application to the Commission imminent.

If the enterprise agreement is approved with no further changes it is anticipated that the additional cost relating to employee benefits for the 2015/16 financial year will be \$16,000.

#### **Trademark Applications**

The Bendigo Cemeteries Trust undertook a rebranding exercise during the 2012/13 and the 2013/14 financial years. Forming part of that review was an application to register names and logos created during this exercise as trademarks. The application was submitted through the Trust's solicitors in December 2012. At 30 June 2015 the Trust has achieved registration of Remembrance Parks Central Victoria and logo, Funeral Services Alliance Logo only and memorials@home marks. The Funeral Services Alliance application is still pending and is in the final stages of adjudication. Once these trademarks have been successfully registered their combined registered value is estimated at \$60,000.

#### 20. Superannuation

The Bendigo Cemeteries Trust makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Bendigo Cemeteries Trust and the Bendigo Cemeteries Trust's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense when they are made or due.

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Superannuation Guarantee contribution rate is legislated to progressively increase to 12% by 2025. The Superannuation Guarantee rate will remain at 9.5% for 7 years, increasing to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

#### **Defined Benefit**

As provided under Paragraph 34 of AASB 119, Bendigo Cemeteries Trust does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding Arrangements

Bendigo Cemeteries Trust makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the Vested Benefit Index (VBI) of the defined benefit category of which Bendigo Cemeteries Trust is a contributing employer was 103.4%.

The Australian Prudential Regulation Authority (APRA) has introduced a prudential standard (SPS 160 - Defined Benefit Matters) to determine the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- the VBI is the measure to determine whether there is an unfunded liability; and
- any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the defined benefit category's funding arrangements from prior years.

The Fund's employer funding arrangements comprise three components as follows:

- 1. Regular contributions which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
- 2. Funding calls which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
- 3. Retrenchment increments which are additional contributions to cover the increase in liability arising from retrenchments.

Bendigo Cemeteries Trust is also required to make additional contributions to cover the contribution tax payable on components 2 and 3 referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

#### **Employer Contributions**

#### **Regular Contributions**

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Bendigo Cemeteries Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee, on the advice of the Fund's Actuary. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate increased from 9.25% for the year ended 30 June 2014 and will increase in line with the required Superannuation Guarantee contribution rate.

In addition, Bendigo Cemeteries Trust reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

#### **Funding Calls**

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- A fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigation.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Bendigo Cemeteries Trust) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner liabilities (including any potential pensioner liabilities arising from deferred members) which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### Latest Actuarial Investigation Surplus Amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Bendigo Cemeteries Trust is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Bendigo Cemeteries Trust was notified of the results of the actuarial investigation during January 2015.

#### **Prior Actuarial Investigation Shortfall Amounts**

The Fund's prior actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category. A total of \$2.6 million (excluding contributions tax) was outstanding as at 30 June 2015 (\$7.9 million amount for 2013/14).

Bendigo Cemeteries Trust was informed of its share of the shortfall on 2 August 2012 and Bendigo Cemeteries Trust's share of the shortfall amounted to \$123,717 (excluding contributions tax) which was reduced through early payment by \$4,359 to \$119,358. The \$119,358 was accounted for in the 2011/12 Comprehensive Operating Statement with Employee Benefits and in the Balance Sheet in Current Liabilities Provisions.

Bendigo Cemeteries Trust has nil amount owing as at 30 June 2015 (2013/14: nil)

#### Accrued benefits

The Fund's liability for accrued benefits was determined in the 30 June 2014 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 - Financial Reporting by Superannuation Funds as follows:

	30 June 2014
	\$ million
Net Market Value of Assets	2,354.9
Accrued Benefits	(2,061.9)
Difference between Assets and Accrued Benefits	293.0
Vested Benefits	2,277.8

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2017.

## (a) Superannuation Contributions

Contributions by Bendigo Cemeteries Trust (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June are detailed below:

Fund	2015 \$	2014 \$
Defined Benefits Fund		
Annual Employer Contributions		
Employer contributions paid to Vision Super	6,353	<del>9</del> ,072
Total Annual Employer Contributions	6,353	9,072
Accumulation Funds		
Annual Expenditure		
Employer contributions to Vision Super	33,768	32,961
Employer contributions to Australian Super	18,568	16,892
Employer contributions to Other Funds	24,551	19,668
Total Annual Expenditure	76,887	69,521
Contributions Outstanding at Reporting Date		
Employer contributions payable to Vision Super	5,490	7,132
Employer contributions payable to Australian Super	3,605	4,294
Employer contributions payable to Other Funds	6,287	4,398
Total Contributions Outstanding at Reporting Date	15,382	15,824

# 21. Responsible Persons Disclosure

In accordance with the Ministerial Direction issued by the Minister for Finance under the *Financial Management Act 1994,* the following disclosures are made regarding responsible persons for the financial year.

1/07/2014 - 3/12/2014
4/12/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/09/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/07/2014 - 30/06/2015
1/09/2014 - 30/06/2015
1/09/2014 - 30/06/2015
1/07/2014 - 30/06/2015

## (a) Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income bands;

	Total Rem	uneration	Base Remuneration		
Income Band	2015	2014	2015	2014	
Income Banu	No.	No.	No.	No.	
\$0 - \$9,999	9	6	9	6	
\$10,000 - \$19,999	1	1	1	1	
\$140,000 - \$149,999	-	1	-	1	
\$160,000 - \$169,999	1	-	1	-	
Total Numbers	11	8	11	8	
Total remuneration received or due and					
receivable by Responsible Persons for the	\$226,213	\$192,161	\$211,955	\$183,858	
finanical year from the Trust amounted to:					

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Dendine Constants Truck	Nation to the Cinematel Contenants	feasthe uses and an 20 June 2015
Bendigo Cemeteries Trust,	Notes to the Financial Statements	for the year ending 30 June 2015

Other Transactions of Responsible Persons and their Related Parties	2015 \$	2014 \$
Member B Ead is a partner in AFS & Associates, a public accounting and auditing firm. AFS & Associates invoices the Trust for Member Ead's Trust Member allowance on a monthly basis in lieu of Member Ead being paid this allowance.	8,098	7,289
Member L Bean was Acting Chief Executive Officer of St.Luke's Anglicare during 2013/14, a charitable organisation providing welfare services to the Central Victorian community. During the previous financial year St. Luke's Anglicare delivered cultural training to staff.	-	500
Member R Fyffe and Member L Ruffell are councillors for the City of Greater Bendigo with which the Trust has dealings with in relation to planning, waste disposal services and other matters on a semi regular basis.	3,487	2,294

#### (b) Executive Officer's Remuneration

The numbers of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the financial year are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

	Total Remuneration Base Remu		uneration	
Income Band	2015	2014	2015	2014
	No.	No.	No.	No.
\$140,000 - \$149,999	-	1	-	1
\$160,000 - \$169,999	1	-	1	-
Total Numbers	1	1	1	1
Total Annualised Employee Equivalent	1	1	1	1
Total Remuneration	\$161,504	\$143,546	\$146,047	\$135,243

#### (c) Remuneration of Other Personnel

There were no contractors charged with significant management responsibilities receiving total remuneration in excess of \$100,000 during the year (2014: nil).

# 22. Events occurring after Balance Sheet Date

There have been no events that have occurred subsequent to 30 June 2015 which would cause the financial statements to become misleading.

# 23. Ex-Gratia Payments

There we no Ex-Gratia Payments made during the reporting period. (2014: Nil)

# 24. Correction of Prior Period Error

During the 2013/14 financial year and all preceding financial years since its inception at 30 June 2007, Bendigo Cemeteries Trust did not recognise undeveloped land as inventory in accordance with FRD103F *Non-Current Physical Assets* and FRD102 *Inventories*. It was classified as infrastructure land and as such was increased with valuations performed under FRD103F. A formal valuation was last performed on 30 June 2012 by Mr. Mark Sanderson AAPI, Certified Practicing Valuer, as an agent of the Valuer-General Victoria on all land controlled by Bendigo Cemeteries Trust. This resulted in an increase in all land and consequently the portion of inventory land classified as undeveloped land which has now been determined as an error.

The error had the following effect on the 2013/14 financial statements:

- Overstated infrastructure land by \$107,637
- Understated inventory by \$70,269
- Overstated the asset revaluation reserve by \$37,368

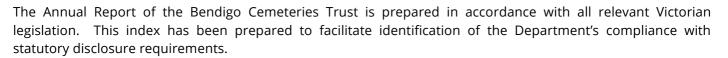
The error has been corrected by restating each of the affected financial statements lines items in the comparative year contained within these financial statements.

Bendigo Cemeteries Trust has a correction of an error that has caused a restatement of property, plant and equipment, inventories and revaluation reserves as at 1 July 2013. As such in accordance with AASB 101.39, a third balance sheet plus notes relating to restated amounts have been presented.

Balance Sheet Extract	2014	Increase/	2014
		(Decrease)	Restated*
	\$	Ş	\$
Non-Current Assets			
Inventories	38,893	70,269	109,162
Property, Plant and Equipment	3,504,393	( 107,637)	3,396,756
Total Non-Current Assets	3,969,569	( 37,368)	3,932,201
Total Assets	4,595,532	( 37,368)	4,558,164
Total Liabilities	1,689,919	-	1,689,919
Net Assets	2,905,613	( 37,368)	2,868,245
Fite			
Equity			
Property, Plant & Equipment Revaluation Surplus	2,472,432	( 37 <i>,</i> 368)	2,435,064
Total Equity	2,905,613	( 37,368)	2,868,245

Third Balance Sheet	Note	2015	2014 Restated*	1 July 2013 Restated*
	NOLE	\$	\$	\$
Current Assets		-		
Cash and Cash Equivalents	5	259,890	370,503	243,578
Receivables	6	231,145	163,261	91,618
Inventories	7	188,702	81,442	62,510
Prepayments	8	33,656	10,757	13,000
Total Current Assets		713,393	625,963	410,706
Non-Current Assets				
Inventories	7	108,730	109,162	109,978
Property, Plant and Equipment	10(a)	3,324,727	3,396,756	3,232,446
Intangible Assets	11	76,556	-	-
Investments and Other Financial Assets	9	669,412	426,283	224,220
Total Non-Current Assets		4,179,425	3,932,201	3,566,644
Total Assets		4,892,818	4,558,164	3,977,350
Current Liabilities				
	10	101.000	101 101	262 750
Payables Provision for Employee Penefits	12 12(a)	494,306	401,184 111,793	263,758
Provision for Employee Benefits Provision for Onerous Contracts	13(a) 13(d)	110,932 366,923	397,887	133,895 426,033
Unearned Income	13(u) 14(a)	803,557	624,619	538,644
Total Current Liabilities	1 (0)	1,775,718	1,535,483	1,362,330
Non-Current Liabilities				
	10	0.612	117141	
Payables Provision for Employee Benefits	12 13(a)	9,612 19,113	117,141 37,295	- 28,211
	12(a)			
Total Non-Current Liabilities		28,725	154,436	28,211
Total Liabilities		1,804,443	1,689,919	1,390,541
Net Assets		3,088,375	2,868,245	2,586,809
Equity				
Contributed Capital	15	604,962	604,962	604,962
Accumulated Deficit	15(a)	(757,763)	(694,250)	(629,040)
Property, Plant & Equipment Revaluation Surplus	15(b)	2,450,262	2,435,064	2,435,065
Available for Sale Investment Revaluation Surplus	15(c)	15,885	11,488	24,220
Perpetual Maintenance Reserve	15(d) 15(a)	408,713	279,165	151,602
Other Reserves	15(e)	366,316	231,816	-
Total Equity		3,088,375	2,868,245	2,586,809

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