



BENDIGO CEMETERIES TRUST

ANNUAL REPORT 2016/17

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From the Chair

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

Dear Minister

I am delighted to present you with the 2016/17 Annual Report on behalf of Remembrance Parks - Central Victoria [Bendigo Cemeteries Trust].

The new RPCV Strategic Plan was developed and approved by the Secretary during this reporting period. This plan consolidates a paradigm shift in focus for the organisation from one of rebuilding the business and its ongoing sustainability to one that focuses on growth, community and partnerships. Already the plan has resulted in a significant increase in community engagement and collaboration with key stakeholders, with RPCV now entrenched within the Central Victorian community as a leader in the afterlife care sector/s. To manage this area of growth within the business, RPCV has increased its resourcing levels and established a permanent community and partnerships hub at the Bendigo Remembrance Park. This strategic direction has also resulted in growth in volunteerism and the recognition of RPCV's brand in the community.

The year also saw another positive budgetary outcome for RPCV, including record investment in infrastructure improvement. The commissioning of a second and high volume oversize cremator to serve the ongoing growth in the crematoria business and to meet the bariatric needs of the community has significantly improved RPCV's service delivery and value proposition to the community. Master planning work during this period has also provided a positive baseline for future planning and investment decisions for the organisation.

In accordance with the Department Key Performance Indicators, the Board undertook an independent Board Review during the year that validated the Board's high performance and governance framework. The Board accepted and has implemented a range of recommendations arising from this review to further enhance governance across RPCV.

With the majority of the current Board member's terms expiring in the early part of the next reporting period it would be remiss of me not to acknowledge the contribution of the current Board in achieving the ongoing growth and sustainability of the organisation. On behalf of the Board I would also like to acknowledge the contribution and support of our Chief Executive Officer Graham Fountain, his staff, members of the community advisory committee and our volunteers.



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



From the CEO

Whilst diversity and growth in the business has continued to provide its challenges to the organisation, I am delighted to again be able to report ongoing growth and a strong budgetary outcome (\$218k) for the reporting period. Our community presence and strategic partnerships have significantly increased, in light of our new strategic plan, which has been both challenging but pleasing, with RPCV now firmly embedded as a leader in the community.

This year has seen a slight (2%) increase in interments, a 5% increase in cremations resulting in 1,257 cremations conducted and a 20% increase in the number of funeral directors utilising RPCV services. Notwithstanding these continued growth results, memorialisation conversion continues to be a challenge for the organisation.

In addition, RPCV was successful in obtaining a \$200k grant as part of the Victorian Government *Living Heritage Grant Program*, directed toward the restoration of the historically significant Mortuary Chapel at the Bendigo Remembrance Park. This multi-year project has commenced and will be a significant advancement in our site beautification and conservation management plan frameworks. An additional \$30k grant funding was directed toward priority projects to enhance facilities for our volunteers and the permanent establishment of the community and partnerships hub at the Bendigo Remembrance Park.

Ongoing investment directed toward infrastructure improvements has resulted in the development of a new reception courtyard, expansion and renovation of the chapel at Eaglehawk Remembrance Park, continuation of our lawn rejuvenation program and enhancements to RPCV's ICT infrastructure, including implementation of the new cemetery management system.

In addition to its general operations RPCV continues to operate the Axedale Catholic Cemetery on behalf of the Diocese of Sandhurst and provide additional support to Class B Trusts across Central and North East Victoria.

The ongoing growth and performance of the organisation would not be possible without the foresight and untiring support of the Board and the commitment of staff and volunteers, all of whom I sincerely thank. We look forward to a range of other initiatives coming to fruition in the next reporting period.



GRAHAM FOUNTAIN Grad.Dip.Exec.L'ship, Ass.Dip.App.Science, GAICD, GFireE, PRI

CHIEF EXECUTIVE OFFICER



2016/17 Highlights



7,000+
VOLUNTEER
HOURS



**30% INCREASE IN
INVESTMENT
RETURNS**



**\$525k INVESTED IN
IMPROVING
COMMUNITY ASSETS**



**7% INCREASE
IN REVENUE**



**\$319k
SURPLUS**



**393 ACTUAL
BURIALS
(0% INCREASE
FROM 2016/17)**



**1,257 ACTUAL
CREMATIONS
(7% INCREASE
FROM 2016/17)**



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 100+ 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:

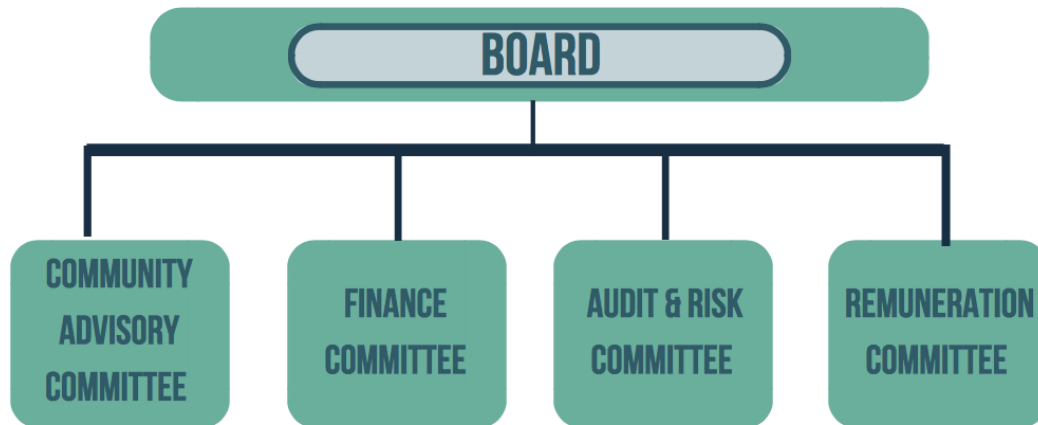
- A range of cemetery, crematoria, reception and memorialisation services to the community including an evolutionary shift to e-commerce within a new online environment
- Provision of a range of *memorials@home®* products in line with changes in community attitudes to memorialisation
- A suite of community support and development services which include:
 - Events
 - Genealogy research and advice
 - Community advice
 - Cemetery tours
 - 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



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).

Figure 1 – Governance Structure

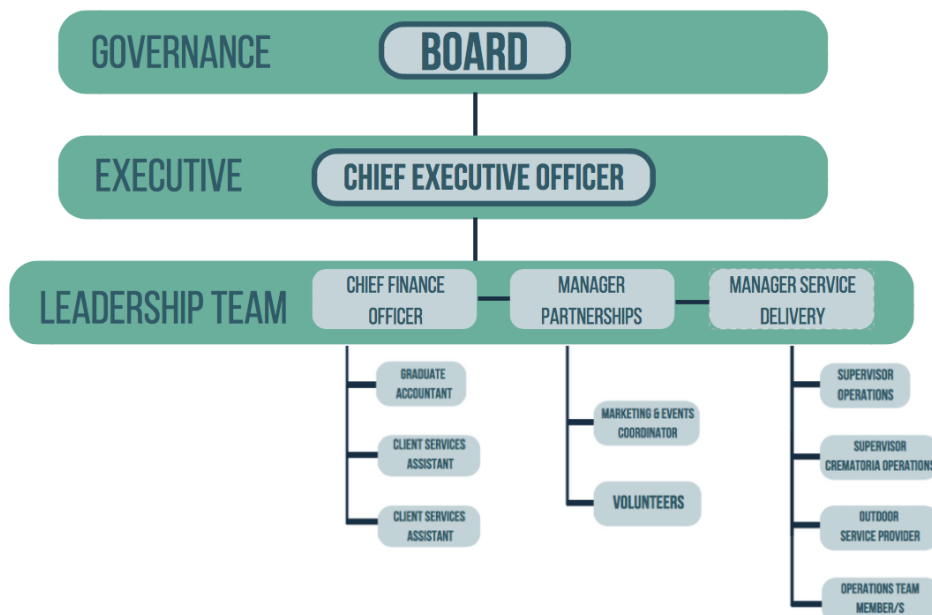


Management

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:

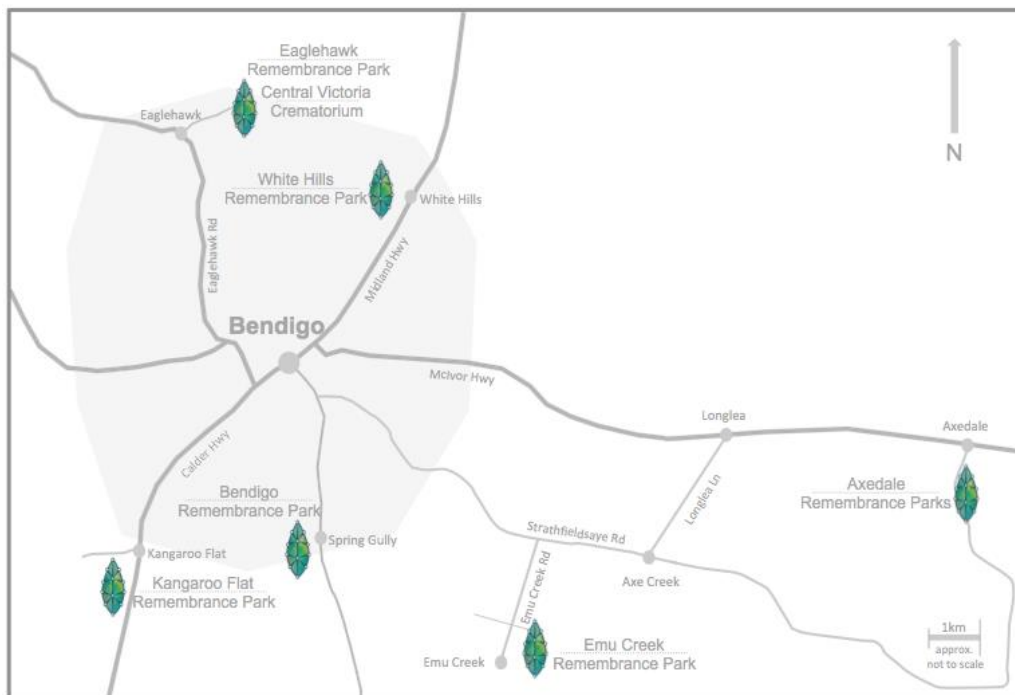
Figure 2 – Organisational Structure



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 1,764 services for the community, as outlined below:

Table 1 – Services performed during the reporting period of 1 July 2016 – 30 June 2017

Service	Number
Interments (Bodily Remains)	393
Interments (Cremated Remains)	114
Cremations	1,257
TOTAL	1,764



Table 2 – Location Profiles (for reporting period)

	RPCV TOTAL	INDIVIDUAL SITES					
		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)	10.2	-	10.2	-	-	-	-
Volunteers	24	13	10	-	-	1	-
Number of Cremations	1,257	-	1,257	-	-	-	-
Interments (Bodily Remains)	393	176	109	60	41	7 (Axedale Catholic - 4)	-
Interments (Cremated Remains)	114	43	61	8	2	-	-
Memorial Conversion	325	118	157	40	10	-	-
Chapel Usage	62	-	62	-	-	-	-
Receptions	46	-	46	-	-	-	-
Operating Revenue	\$2,593,810	\$684,949	\$1,543,519	\$219,509	\$107,722	\$38,111 (Includes Catholic)	-
Community Activities	Y	Y	Y	Y	Y	N	N

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.

Table 3 – Interment Product Offerings (by site)

	Lawn Plaque	Lawn Headstone	Monumental	Vault
Bendigo	◆		◆	◆
Eaglehawk	◆		◆	◆
White Hills	◆		◆	◆
Kangaroo Flat		◆	◆	◆
Axedale			◆	◆
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	◆	◆	◆	◆	◆	◆	◆	◆	◆
White Hills	◆	◆		◆					◆
Kangaroo Flat	◆	◆		◆					◆
Axedale									◆
Emu Creek									

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

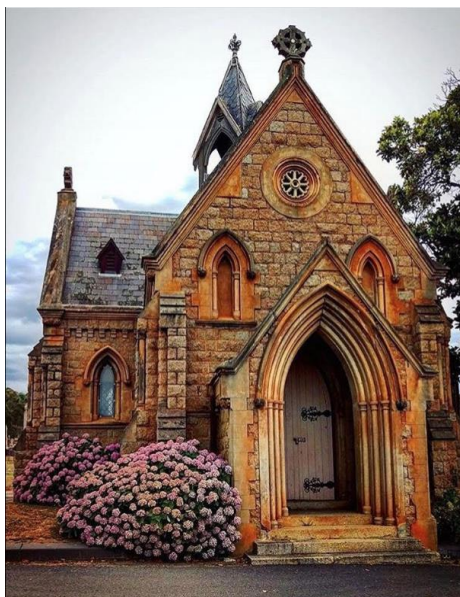


Manage our financial resources, assets and risks to deliver the best possible outcomes to the community.

The 2016/17 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 \$352,705 allowed RPCV to continue to grow its investment reserves that supports 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.

RPCV is proud to detail the following achievements throughout the 2016/17 financial year:

- Revenue from Cemetery Operations produced \$2.59 million, an increase of \$200k from last year's performance and above budget by \$108k. 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.
- RPCV was fortunate to receive a \$200k grant as part of the Victorian Government *Living Heritage Grant Program* for the restoration of the historic Mortuary Chapel at the Bendigo Remembrance Park. The initial tranche of funding for this grant was received during this reporting period with the remainder to be received in line with the funding agreement as the project progresses.



Bendigo Remembrance Park
Mortuary Chapel.

- Expenditure (including cost of sales) has increased by \$175k to \$2.4 million in 2016/17 compared to the previous reporting period. The increase from last year's expenditure is primarily due to increases in services provided, an organisation restructure, and a range of organisational imperatives throughout the year, including the renewal of the strategic plan and governance related matters.



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

	Actual	Budget	Variance
Revenue			
Operations Revenue	2,593,810	2,485,154	108,656
Other Revenue	169,219	28,815	140,404
Total Revenue	2,763,029	2,513,969	249,060
Expenditure			
Employee Benefits	916,338	840,481	(75,857)
Cemetery Levy	76,346	74,435	(1,911)
Other Expenditure	1,417,640	1,319,631	(98,009)
Total Expenditure	2,410,324	2,234,547	(175,777)
Operating Result	352,705	279,422	73,283

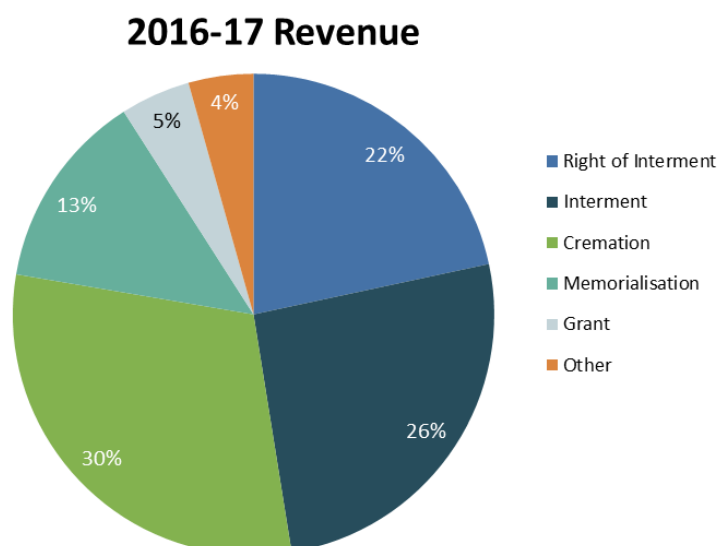
Revenue

In the 2016/17 reporting period, RPCV increased its revenue relating to cemetery services to \$2.59 million up from \$2.39 million in 2015/16. This result is an increase of 8.3% on the previous year and 4.3% increase compared to budget.

- Cremation revenue continued its strong performance during the reporting period growing revenue by \$72k to \$834k, representing a 9.4% increase from the last reporting period and a 157% increase from the implementation of the previous strategic plan and service delivery model in 2012. This year's performance relating to cremations is a direct result of the commissioning of a second cremator alongside the improved service delivery model that has now been in place for 4 years. Over this time, cremation revenue has grown from 16% of total revenue to now representing 30% of total revenue.
- Interment revenue has also continued to grow despite the increase in cremation income, demonstrating the increased market share of RPCV cremation services across Central and Northern Victoria. In 2016/17 interment income equaled \$674k, representing 26% of total revenue.
- RPCV received \$597k from sales of rights of interment, which is an increase of \$117k from the previous year. This increase is driven by increase in interment numbers as well as increase in number of sites pre-purchased.



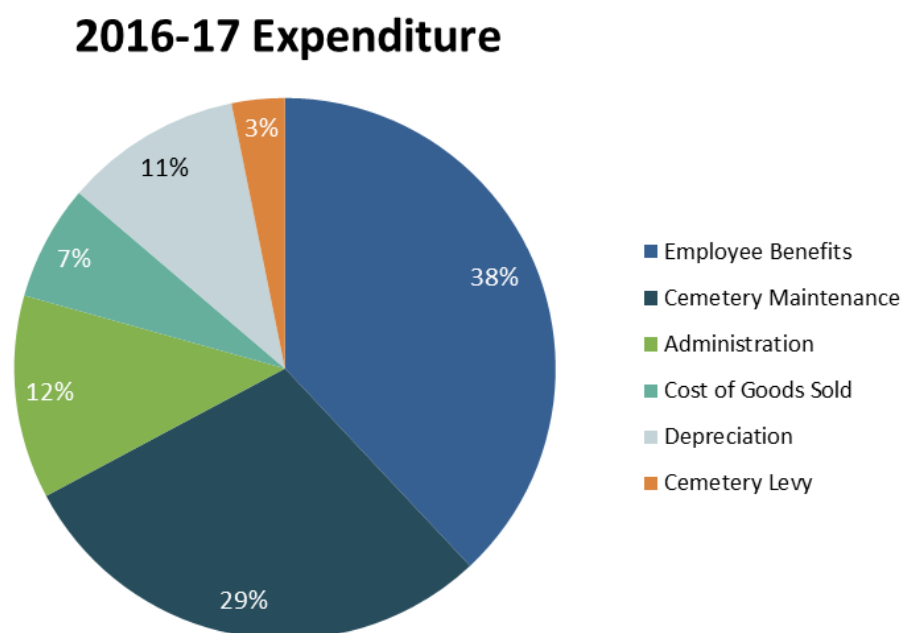
Figure 4 – Overview of Revenue Sources



Expenditure

In the 2016/17 reporting period RPCV increased its expenditure (including cost of sales) to \$2.4 million, up \$175k from the previous year and 8% above budget. The increase in expenditure is commensurate with the increased services provided within the period. During the financial year RPCV invested \$44k on site beautification works and reticulation infrastructure. Overall employee benefits have increased 3% on the previous year, with a 5% increase in administration costs on the previous year.

Figure 5 – Overview of Expenditure Sources



Five-year summary

RPCV has reaffirmed its financial performance with another solid surplus year in 2016/17. RPCV was able to increase its revenue by 8% from the 2015/16 year allowing RPCV to allocate additional funds to pertinent projects directly aimed at value adding and site beautification initiatives. This 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 feedback from the community.

Table 6 – Five-Year Summary of Financial Results

	2016/17	2015/16	2014/15	2013/14	2012/13
Total Revenue	2,763,029	2,554,166	2,326,931	2,117,273	1,932,702
Total Expenses*	(2,410,323)	(2,235,109)	(2,126,396)	(1,823,104)	(1,987,117)
Operating Surplus/ (deficit)	352,706	319,056	200,535	294,169	(54,415)
Accumulated Funds/ (Accumulated Deficit)**	(52,051)	65,629	(152,801)	(89,288)	(24,078)
Total Assets	5,863,478	5,333,629	4,851,568	4,588,164	4,014,717
Total Liabilities	(1,866,754)	(1,772,366)	(1,763,268)	(1,689,919)	(1,390,541)
Net Assets	3,996,724	3,561,264	3,088,300	2,868,245	2,624,176
Total Equity	3,996,724	3,561,264	3,088,300	2,868,245	2,624,176

* Includes cost of sales

** Includes contributed capital balance

Cash backing of reserves

Since the introduction of the Treasury Management Policy and the commitment of RPCV to proactively contribute and cash back reserves, RPCV has again in this financial year contributed an additional \$464k towards the reserves. The contribution towards these reserves includes contribution to perpetual maintenance reserves, defined benefits superannuation shortfall and contribution to the pre-purchase reserve. The balance of the cremator reserve was used to fund renewal works to ensure continuous services can be offered to the community.

Price structures

The approved CPI increase of 1.9% was applied to all fees and charges, effective 1 July 2016. RPCV continues to have confidence in its pricing structures and methodology and when benchmarked against other comparable trusts it provides a significant value proposition to the community.

Investments

RPCV has continued its investment in accordance with the Treasury Management Policy, investing in sustainable and strong equities. This yielded a return on investment of \$36k through its dividend reinvestment program but due to external financial pressures no overall investment growth was achieved. This year RPCV's investments have been impacted by negative market fluctuations but remains confident its investment strategy is geared appropriately and will service the longer term needs of the organisation.



Building a Sustainable and Viable Organisation

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

This reporting period saw the completion of the last RPCV Strategic Planning cycle. 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.

In accordance with its legislative responsibilities, RPCV undertook a strategic planning process that resulted in a paradigm shift from the previous plan that was focused on business sustainability to one of community and partnership centered operations. The new strategic plan was approved by the Secretary and now guides RPCV activities and direction.

Stakeholder and Community education

In line with the *Strategic Plan* and community expectations *RPCV* are increasing its commitment to community activities.

The annual *Clean Up Your Cemeteries Day* and leadership in *Dying to Know Day events*, are proving beneficial to a deliberate community engagement and education strategy. Remembrance events such as the opening of the Garden of Angels on *Pregnancy and Infant Loss Remembrance Day* and *Memories of Mothering* have seen the community reengage with Remembrance Parks in a new and exciting way. This has in turn created community requests for additional events such as Father's Day into the future.



Board Members: Damien Tangey and Brad Ead at Dying to Know Day 2016.



A well governed, efficient and responsive organisation

Remembrance Parks – Central Victoria Board



L-R: Ken Belfrage, 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 holds an MBA (technology) and is a Graduate of the AICD as well as a Certified Practitioner of Fellow status with the Australian Human Resources Institute. Pam 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, 2010/2011 and 2015/16. 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. Rod chairs the RPCV finance committee and is deputy chair of the RPCV community advisory committee.



Lauren Bean – Member

Lauren holds a Master's degree in Communications and is a Graduate of the Australian Institute of Company Directors. She is currently the General Manager, Community Bank® National Council. Lauren provides strategic, relationship, analysis and technical support and guidance to the Council to enable them to drive greater outcomes for the Bendigo Community Bank® Network. Lauren has previously held various senior leadership positions in the community services sector including CEO of Cara Incorporated, General Manager MacKillop Family Services, and Acting CEO/Deputy CEO of St Luke's Anglicare in Bendigo. In addition to her experience in community services, Lauren had an extensive background in finance and broadcast media. Lauren is a past director of Bendigo TAFE, Community 21 and Community Sector Banking. As a mother of two daughters, Lauren has a keen interest in community engagement and especially the promotion of women in leadership roles. Lauren chairs RPCV's Community Advisory Committee.

Ken Belfrage – Member

Ken is a qualified Chartered Accountant 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 and serves on a number of other Boards/Committees throughout the region.

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 and chairs the RPCV Audit & Risk Committee.

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. Mark is the Team Leader-Financial Wellbeing for Anglicare Victoria (St Luke's Region). Mark has served for the past three years 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 an active Justice of the Peace and is a member of the AICD. Mark has a strong interest in heritage matters and a number of his ancestors are buried in the Bendigo Remembrance Park.

Ian Grenfell – Member

Ian is a long term serving board member with RPCV. Before retirement Ian taught as a trade teacher, teaching engineering for 25 years. He was a councillor for 18 years at the Shire of Strathfieldsaye, and served two terms as mayor of Strathfieldsaye. Ian is also an existing foundation board member of the Central Victoria Group Training Australia (CVGT), serving for the past 32 years and a member of the AICD.

Lisa Ruffell – Member

Lisa Ruffell has been a councillor with the City of Greater Bendigo since 2008 until the most recent council elections where she chose to not stand for re-election. In 2012, she was one of three councillors elected to represent Whipstick Ward until 2016. She served as mayor in 2012/2013. Lisa 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. Lisa and her husband have run the business since 1985. Lisa has been 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. Lisa 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.

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, as 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 commissioned a detailed independent Board review aimed at providing the Board/Committee with a detailed independent appraisal of its performance and areas for improvement. This review was completed and whilst validating the high standard of governance applying across RPCV. The board has implemented a range of recommendations arising from this review to ensure its continually strives for best practice.

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:

Table 7 – Board Participation

Participation at scheduled meetings during the reporting period (1 July 2016 – 30 June 2017)								
	Board		Audit & Risk		Finance		Community Advisory	
	Meetings	Attended	Meetings	Attended	Meetings	Attended	Meetings	Attended
Current Board Members								
Pam Macdonald	7	6	4	3	4	4	-	1
Rod Fyffe	7	7	4	4	4	4	5	3
Lauren Bean	7	6	-	-	-	-	5	4
Ken Belfrage	7	7	4	4	4	4	-	-
Brad Ead	7	6	4	4	4	4	-	-
Mark Gibson	7	7	-	-	-	-	-	1
Ian Grenfell	7	7	-	-	-	-	-	-
Lisa Ruffell	7	6	-	-	-	-	-	-
Damien Tangey	7	5	-	-	4	1	-	-
Independent Member of Audit & Risk Committee & Observer to Finance Committee								
Kate Scarce	-	-	4	2	4	2	-	-

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 21 November 2016. The agenda of this meeting included the 2015/16 year in review, an overview of the 2016/17 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.



Governance structures and processes

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 provide extremely beneficial reporting mechanisms across all levels of the organisation. An annual review of the governance charter and delegation's manual resulted in improvements to these important governance documents. In addition, during this reporting period and consistent with the Department of Health and Human Services Key Performance Indicators (KPI), the Board commissioned and undertook an independent board review. The outcomes of this review have been integrated into the governance framework.

Risk management

During this reporting period an increased focus on implementation of a *Safety 1st* approach to all aspects of the business has continued to be a major focus of the Board and management. This has included adoption of the VMIA software to maintain the organisation's risk register as part of its internal audit program following a detailed and holistic view of organisational risks. Compliance reporting and an internal audit program also underpin the organisations risk management framework.

Organisational capability

A 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. The outsourced arrangements for outdoor operations are in the final contract year and will be reviewed in the early phases of the next reporting period.

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 Department of Health & Human Services 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 which is the sale and supply of memorialisation goods and services by cemetery trust and other alternative suppliers in Victorian public cemeteries. This relates to the 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 2015 to June 2016. 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

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 national forum directed at ongoing sector wide reform across civic cemeteries as well as participating in a range of activities in partnership with the NSW peak body that have greater alignment to RPCV change appetite and offer a mutually beneficial value proposition for all parties.

Shared services

During the reporting period RPCV continued to investigate a range of shared services opportunities, including an approach to other Class A Cemetery Trusts and 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 all parties is achievable.

Details of consultancies (under \$10,000)

In 2016/17, there were four consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2016/17 in relation to these consultancies was \$17,473 (excluding GST).

Details of consultancies (\$10,000 or greater)

In 2016/17 there was one consultancy where the total fees payable were \$10,000 or greater. The total expenditure incurred during 2016/17 in relation to this consultancy was \$10,000 (excluding GST).

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

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2016-17 (excl. GST)	Future Expenditure (excl. GST)
James Holyman	Strategic Plan	31/10/2016	30/11/2016	10,000	10,000	-



Accessible & Improved Community Facilities

Deliver efficient and effective services where customers are the focus

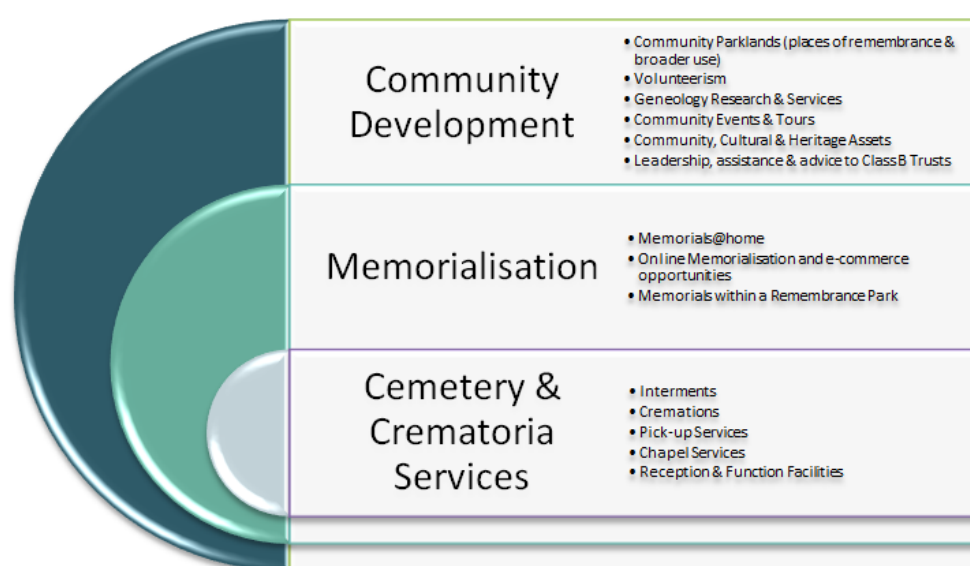
Customer service

During this reporting period RPCV has continued its focus on improving its customer service experience through an enhanced online presence as well as enhanced site guidance material for visitors. Staff undertook specifically tailored customer service training during the reporting period, which has proved extremely valuable in enhancing RPCV's customer centered approach.

Products and services

Memorialisation conversion continues to be a challenge for the organisation. The culmination of a culture change within the community involving a shift to cremation and storing of cremated remains at home and the geographic reach of RPCV's cremation market contributes to this challenge. Across the sector, memorialisation is a challenge. RPCV will continue to pursue innovative mechanisms in an attempt to increase memorialisation conversion rates both within its sites and at alternative locations.

Figure 6 – Overview of Products and Services



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 continued to complete an unprecedented enhancement to its lawn areas involving in excess of 1,500m² 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.

Community facilities

Progressive implementation of enhanced community facilities has continued to occur during this reporting period.

This includes installation of locational signage that will progressively extend to secondary signage, to support the introduction of new area names, educate the community of RPCV declaration policy requirements and above all, assist the community to navigate around RPCV sites.

In addition, RPCV has undertaken significant improvements to a range of its facilities including:

- Development of a reception courtyard to enhance the existing reception and meeting facilities
- An upgrade to the Elaine McNamara Chapel
- Ongoing restoration of the Sexton's residence
- Beautification of the Garden of Angels

The historically significant Sexton's Residence, located at the Bendigo Remembrance Park, was subject to ongoing restoration and 'fit for purpose' work during this reporting period. It now operates as a partnerships/community hub on a fulltime basis. In keeping with RPCV's commitment to conservation management, we were delighted to announce that the Mortuary Chapel (pictured below) at the Bendigo Remembrance Park as the recipient of the Victorian Government's Living Heritage Grant to undertake urgent restoration works. It is anticipated that on completion of these works, a significant cultural asset for the people of Bendigo will be made available for the community.



Bendigo Remembrance Park
Mortuary Chapel.



Increase the utilisation of RPCV assets and services

Chapel utilisation

During the reporting period RPCV provided 62 chapel services, 6% below budget target. Renovation and extension works of the Elaine McNamara Chapel have progressed throughout 2016/17 with completion of works estimated for mid-August 2017. The underperformance of chapel services is attributed to the need to decommission the chapel for periods of time in order for renovation works to occur.

Receptions

In the 2016/17 reporting period RPCV experienced an under budget performance of function room utilisation by 11% against budget target. Upgrade works to the function room courtyard were conducted in 2016/17 contributing to this underperformance.

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

Memorial restoration

Identified as a challenge in this strategic planning cycle, RPCV recognises the importance of educating the community on the ownership and responsibility for memorial maintenance. An educative piece of work associated with memorial restoration saw RPCV during this reporting period slightly alter the focus of Clean Up Our Cemeteries Day to Clean up Your Cemeteries Day with some work on memorial maintenance and education for people in attendance on care of monuments. Work on this front will continue for future reporting periods.

Conservation management

RPCV's recognises that heritage is an integral part of our Remembrance Parks and serve as the community's emotional, religious and cultural focus in many instances. Our focus remains on maintaining custodial responsibilities to protect and, where possible restore, the cultural and historically significant assets contained within its sites. Working in partnership with relevant community groups and heritage representatives, RPCV continues to meet its obligations under the *Heritage Act* to maintain its sites.



Chinese Burning Tower White Hills Remembrance Park.

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. A focus on the development of future masterplans for key sites and pressure points was a significant focus during this reporting period. This planning ensure future investment decisions are made cognisant on land use and demand analysis commensurate with changing community expectations.

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. In addition, enhanced community engagement and stakeholder management techniques have also provided valuable input into these plans.

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 9.4% 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, broader community engagement, direct client engagement and use the of RPCV facilities beyond funeral services.

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 Bendigo will be undertaken to inform future investment decisions in this regard.



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

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 annual *Clean Up Your Cemeteries Day* (in conjunction with *Clean Up Australia Day*), which has grown from the previous year's attendance and attracted greater local media that also assists with RPCV's community education objectives. This year the focus shifted to the concept of caring for the memorial of your loved one.

Establish a community and customer-focused online presence.

ICT Enhancements

Building on the implementation of its new cemetery management system (CMS) in the previous reporting period and expansion of its facilities/service delivery footprint, RPCV has undertaken further work to enhance its ICT network, data integrity and security which are all fundamental for business continuity and ICT disaster recovery planning. The initial concept phase of the development of a funeral director portal integrated into its CMS was completed during the reporting period with planning for a pilot and go-live commencement early in the new reporting period. This portal further enhances RPCV's customer service and also delivers significant productivity dividends to all users.

Table 9 – Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2016/17 was \$106,154 (excluding GST), with the details shown below.

Business as usual (BAU) ICT expenditure	Non-Business as usual (non-BAU) ICT expenditure	Non-BAU operational expenditure	Non-BAU capital expenditure
\$74,942	\$31,212	-	\$31,212



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 fourth year of operation, the cremation service delivery model has continued to be a significant value proposition and a major revenue generating operation.

Since the introduction of the cremation pick-up service in June 2013, the service has grown to contribute to 37% of the total cremations performed at the Central Victorian Crematorium. The new-pick up service has also enabled remote and small funeral directors to access cremation services when previously they were unable to.

The following graphs demonstrate the significant increase in cremation numbers and revenue over this reporting period compared to the previous four financial years:

Figure 7 – Cremations Performance

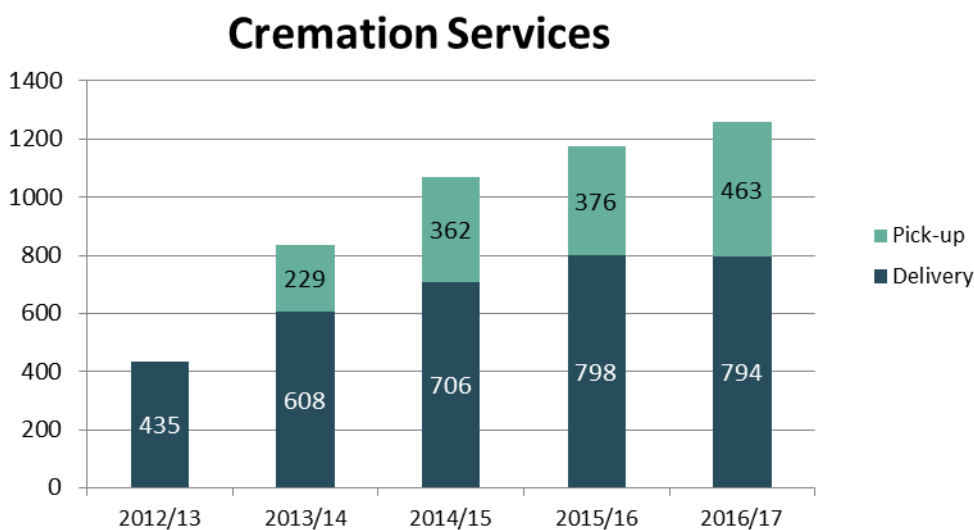
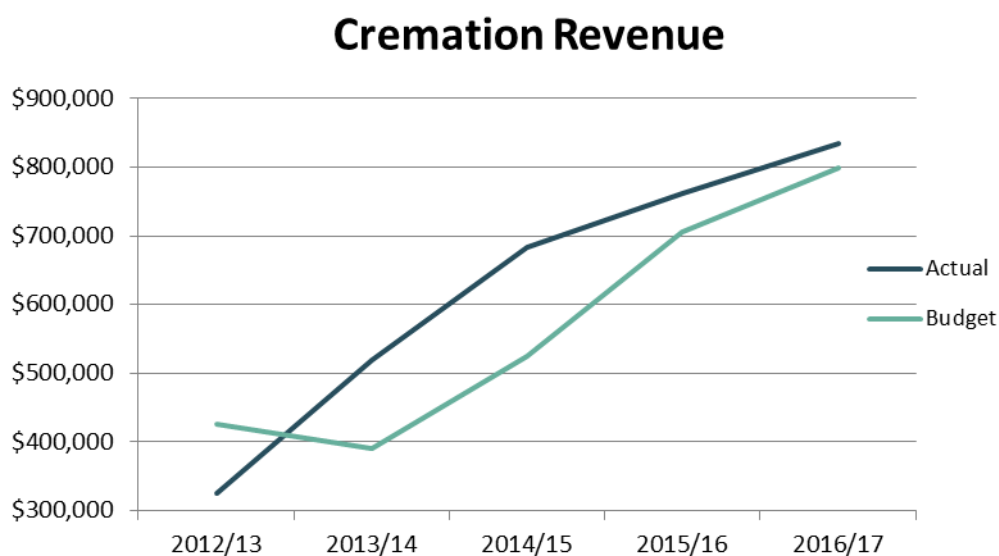


Figure 8 – Cremation as a Revenue Stream



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 20% increase in new funeral director clients utilising RPCV services this reporting period. Throughout the reporting period, these partnerships have matured into trusted collaborative relationships upon which RPCV plans to continue to extend its service offerings.

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

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 requests for support now coming to us from across the state and interstate. Support has included governance, policy, administrative and operational, as well as change management advice linked to the significant turnaround of the business, despite general trends across the sector. Phone and in-person based support and education was provided across numerous trusts and varying subject matter.



A More Actively Engaged Community

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

A deliberate strategy within this reporting period has been relationship building. Recognising that significant emotional, religious and cultural needs of the community are served by the Remembrance Parks within our care, RPCV has established better lines of communicating with both the public and partners such as funeral directors.

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

During this reporting period the Community Advisory Committee (CAC) was renewed and modernised to reflect a broader and more contemporary approach to community engagement. The Sextons Residence at the Bendigo Remembrance Park has evolved into a Community and Partnerships Hub resulting in a significant increase in the conduct of and involvement in community led events. Additionally, we have developed smaller targeted events with specific community groups such as Rotary and Bendigo Muslim Leaders.

During the next reporting period and consistent with the next year of the strategic plan, the CAC will contribute to ongoing projects within the Remembrance Parks.

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

The relationship between Funeral Directors and RPCV is a critical one and relies on a collaborative and trusted relationship.

Funeral Director Round Tables which take place biannually and the direct involvement of Mr. Andrew Hampton, William Farmer Funeral Directors, as the Funeral Director representative on the Community Advisory Committee are two methods used to strengthen these relationships.

This reporting period has seen an increase in the cross collaboration between RPCV and Funeral Directors in community events.



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

Events

A deliberate strategy of RPCV has been around educational opportunities to inform the community about end of life matters in a potentially less confrontational manner.

Halloween Tours have become an additional method whereby community members are willing to engage with RPCV. In this reporting period this event was conducted at the Eaglehawk Remembrance Park. The underlying educative process of Halloween provides the community with an appreciation of the past in a historically accurate and yet respectful fashion. The community uptake has ensured Halloween will remain a very viable and enjoyable event on the RPCV calendar into the coming years.

The shift to the use of *Clean Up Our Cemeteries Day* to the concept of *Clean Up YOur Cemeteries Day* is a very deliberate concept to educate the community on perpetual maintenance matters and will see a very deliberate campaign into the remainder of the Strategic Planning Period.



Catholic College Students on an Anzac history tour with volunteer Greta Balsillie, April 2017.

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

RPCV continues 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.

In addition, RPCV is working more closely with the City of Greater Bendigo to ensure RPCV and its sites are integrated into the development of council plans and strategies including open space planning. The trust is also pursuing greater partnership opportunities with community health services and other specific community, cultural and religious groups.



Developing Our People

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

An organisation that demonstrates community inspiring leadership.

Employee Demographic

The following profile outlines the staff demographic employed across the organisation at the end of this reporting period against the previous year:

Table 10 – Employee Demographic

Employee Category	Fulltime Equivalent (30 June 2017)	Fulltime Equivalent (30 June 2016)	Variance
Indoor Staff	7.2	6.7	0.5
Outdoor Staff	2.0	2.0	-
Executive	1.0	1.0	-
Total	10.2	9.7	0.5

Table 11 – Gender Demographic

Employee Gender	Fulltime Equivalent (30 June 2017)	Fulltime Equivalent (30 June 2016)	Variance
Female	5.7	5.3	0.4
Male	4.5	4.4	0.1
Total	10.2	9.7	0.5

Table 12 – Age Demographic

Employee Age	Fulltime Equivalent (30 June 2017)	Fulltime Equivalent (30 June 2016)
Under 25	1.0	-
25 – 34	1.5	3.0
35 – 44	2.7	1.7
45 – 54	2.0	3.0
55 – 64	2.0	2.0
65 and over	1.0	-
Total	10.2	9.7



Broader Roles and Membership

This Annual Report has witnessed a change in volunteering across RPCV sites. Volunteers are now expressing an interest across spheres and involvement in aspects beyond the traditional research sphere. Commitment from RPCV towards the greater involvement of committed volunteers is an important aspect of the recognition of the importance our Volunteers play in assisting RPCV in meeting the vision of *Nurturing Enduring Remembrance*.

RPCV has continually sought to establish a more collaborative relationship with 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.

The opening of the Garden of Angels at the Bendigo Remembrance Park on Pregnancy and Infant Loss Remembrance Day (October 15 – pictured below) demonstrates the maturity across partnerships and interaction with community. This event saw the involvement of State Members of Parliament, City of Greater Bendigo Councilors, The Gianna Centre, Interfaith Committee members, Sands, Funeral Directors, family and community members and the volunteers and staff of RPCV.



RPCV Chair, Pam Macdonald(c), Volunteers and staff at Bendigo Sextons Residence, 15 October 2017.



Future Focus

RPCV will work to consolidate growth, community and partnerships to enhance its value propositions more broadly and in a considered approach. The cornerstone of this work remains the deliberate educative process across all aspects of Remembrance Parks.

Investment infrastructure and master planning opportunities into the next reporting period represent an exciting chapter for RPCV.

A key focus, thanks to the Victorian Government's Living Heritage Grant will be utilised on the restoration of the Mortuary Chapel at the Bendigo Remembrance Park to ensure this important historical asset continues to be used by the community for a variety of purposes.



Department of Health and Human Services

Key Performance Indicator Report

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

Key performance indicator (KPI) results			
Cemetery trust name	Bendigo Cemeteries Trust		
Reporting period	01/07/2016 - 30/06/2017		
KPI 1 Operations income growth rate	Operations income this period	\$2,593,810	8.43%
	Operations income previous period	\$2,392,195	
KPI 2 Return on sales	Net profit this period	\$391,436	15.09%
	Operations income this period	\$2,593,810	
KPI 3 Market share	Number of cremation services (disposals) and interments of bodily remains performed this period	1650	3.99%
	Number of deaths in Victoria this period (excluding deceased persons who were transported out of Victoria)	41,328*	
KPI 4 Average maintenance costs per hectare	Total maintenance costs this period	\$703,191	\$9,632.75
	Total land area (ha.)	73.00	
KPI 5 Interment of bodily remains market growth rate	Number of interments of bodily remains sold this period	393	-9.03%
	Number of interments of bodily remains sold previous period	432	
KPI 6 Cremation services market growth rate	Number of cremation services (disposals) sold this period	1,257	-1.49%
	Number of cremation services (disposals) sold previous period	1,174	



Attestations

Responsible Bodies Declaration as at 30 June 2017 – 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 2017.



Pam Macdonald
Chair

Bendigo
30 August 2017

Attestation for Compliance with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes

I, Graham Fountain certify that the Bendigo Cemeteries Trust has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes. The Bendigo Cemeteries Trust Audit Committee verifies this.



Graham Fountain
Accountable Officer

Bendigo
30 August 2017



Attestation for Compliance with the Australian / New Zealand Risk Management Standard

I, Graham Fountain certify that the Bendigo Cemeteries Trust has risk management processes in place consistent with the AS/NZS ISO 3100:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Bendigo Cemeteries Trust Audit Committee verifies this assurance and that the risk profile of the Bendigo Cemeteries Trust has been critically reviewed within the last twelve months.



Graham Fountain
Accountable Officer

Bendigo
30 August 2017

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.



Graham Fountain
Accountable Officer

Bendigo
30 August 2017







REMEMBRANCE PARKS
CENTRAL VICTORIA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017



BENDIGO CEMETERIES TRUST

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 has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions (FRDs), the Australian Charities and Not for Profits Commission Act 2012, Australian Accounting Standards and Interpretations and other mandatory professional reporting requirements.

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

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 Trustees of the Bendigo Cemeteries Trust authorised the attached financial statements for issue on this day.



PAM MACDONALD
Chair

30 August 2017



GRAHAM FOUNTAIN
Accountable Officer

30 August 2017



Kym Paterson
Chief Financial Officer

30 August 2017



Auditor-General's Independence Declaration

To the Trust of the Bendigo Cemeteries Trust

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


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

Independence Declaration

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

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

MELBOURNE
5 September 2017


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Independent Auditor's Report


To the Trust of the Bendigo Cemeteries Trust

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



Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cemetery's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust • conclude on the appropriateness of the Trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the cemetery's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the cemetery to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Trust regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p> <p>I also provide the Trust with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.</p>
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MELBOURNE
5 September 2017


 Charlotte Jeffries
as delegate for the Auditor-General of Victoria



BENDIGO CEMETERIES TRUST

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
Cemetery Operations Income	2.1 (a)	2,725,414	2,509,710
Cost of Sales	3.1 (a)	(166,210)	(165,622)
		2,559,204	2,344,087
Investment Income	2.1 (c)	37,615	44,456
Total Income		2,596,819	2,388,543
Expenses			
Employee Benefits	3.1(c)	916,338	889,315
Depreciation & Amortisation	4.4	255,233	169,193
Maintenance and Operating Costs	3.1(c)	735,486	753,651
Administrative Costs	3.1(c)	261,536	247,484
Loss on disposal of available for sale financial assets	3.1(c)	7,645	-
Finance Costs	3.2	1,725	2,301
Loss on Onerous Contracts	3.3(c)	(32,295)	(89,110)
Audit Fees	8.4	22,100	26,700
Cemetery Levy	3.1(b)	76,346	69,953
Total Expenses		2,244,114	2,069,487
Operating Result for the year		352,705	319,056
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Net Result			
Net Fair Value Gains/(Losses) on Available for Sale Financial Assets	8.1(c)	17,760	(48,042)
Items that will not be Reclassified to Net Result			
Net Fair Value Revaluation on Non-Financial Assets	8.1(b)	69,993	201,950
Total Other Comprehensive Income		87,753	153,908
Comprehensive Result for the Year		440,458	472,964

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



BENDIGO CEMETERIES TRUST
BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and Cash Equivalents	4.1	147,884	41,892
Receivables	5.1	227,319	152,460
Inventories	5.2	100,957	135,496
Prepayments		3,309	6,094
Total Current Assets		479,469	335,942
Non-Current Assets			
Inventories	5.2	200,625	204,243
Property, Plant and Equipment	4.3	4,464,640	4,056,222
Intangible Assets	4.5	74,068	79,867
Investments and Other Financial Assets	4.2	644,677	657,355
Total Non-Current Assets		5,384,010	4,997,687
Total Assets		5,863,479	5,333,629
Current Liabilities			
Payables	5.3	253,797	338,790
Provision for Employee Benefits	3.3	158,437	125,084
Provision for Onerous Contracts	3.3 (c)	245,518	277,813
Unearned Income	5.4	1,172,861	971,599
Total Current Liabilities		1,830,614	1,713,285
Non-Current Liabilities			
Payables	5.3	15,273	22,973
Provision for Employee Benefits	3.3	15,868	36,107
Total Non-Current Liabilities		31,141	59,080
Total Liabilities		1,861,755	1,772,366
Net Assets		4,001,723	3,561,264
Equity			
Contributed Capital	8.1	604,962	604,962
Accumulated Deficit	8.1 (a)	(652,014)	(539,333)
Property, Plant & Equipment Revaluation Reserve	8.1 (b)	2,722,206	2,652,212
Available for Sale Investment Revaluation Reserve	8.1 (c)	(14,397)	(32,157)
Perpetual Maintenance Reserve	8.1 (d)	654,086	504,849
Other Reserves	8.1 (e)	686,880	370,731
Total Equity		4,001,723	3,561,264
Commitments for Expenditure	6.2		
Contingent Assets and Contingent Liabilities	7.2		

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



BENDIGO CEMETERIES TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		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 2015		2,450,262	15,885	(757,838)	408,713	366,316	604,962	3,088,300
Operating Result for the Year		-	-	319,056	-	-	-	319,056
Other Comprehensive Income for the Year		-	(48,042)	-	-	-	-	(48,042)
Transfer to Asset Revaluation Reserve		201,950	-	-	-	-	-	201,950
Transfer to/(from) Accumulated Surplus		-	-	(100,551)	96,136	4,415	-	-
Balance at 30 June 2016		2,652,212	(32,157)	(539,333)	504,849	370,731	604,962	3,561,264
Operating Result for the Year		-	-	352,705	-	-	-	352,705
Other Comprehensive Income for the Year		-	17,760	-	-	-	-	17,760
Transfer to Asset Revaluation Reserve		69,993	-	-	-	-	-	69,993
Transfer to/(from) Accumulated Surplus		-	-	(465,386)	149,237	316,149	-	-
Balance at 30 June 2017	8.1	2,722,206	(14,397)	(652,014)	654,086	686,880	604,962	4,001,723

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



BENDIGO CEMETERIES TRUST
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from Customers		2,727,654	2,805,959
Government Grants		129,773	-
Payments to Suppliers and Employees		(2,145,228)	(2,200,586)
Investment Income Receipts		37,615	44,456
Goods and Services Tax Paid		(80,590)	(126,065)
Net Cash Inflow from Operating Activities	8.2	669,224	523,765
Cash Flow from Investing Activities			
Payments for Property, Plant & Equipment		(604,436)	(765,550)
Payments for Investments		22,794	(35,985)
Proceeds from Sale of Assets		18,410	59,773
Net Cash (Outflow) from Investing Activities		(563,232)	(741,762)
Cash Flows from Financing Activities		-	-
Net Cash Inflow Financing Activities		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents		105,992	(217,998)
Cash and Cash Equivalents at Beginning of the Financial Year		41,892	259,890
Cash and Cash Equivalents at End of the Financial Year	4.1	147,884	41,892

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



Notes to the Financial Statements for the Financial Year Ended 30 June 2017

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1. Statement of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for the Bendigo Cemeteries Trust (the Trust) for the financial year ended 30 June 2017. The report provides users with information about the Trust's stewardship of resources entrusted to it.

(a) Statement of Compliance

These financial statements have been prepared in accordance with the *Financial Management Act 1994*, the *Australian Charities and Not for Profits Commission Act 2012* and applicable Australian Accounting Standards (AAS) which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRD) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance. In complying with AASBs, 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 30 August 2017.

(b) Basis of Accounting Preparation and Measurement

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

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

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.

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 when new indices are published by the Valuer-General Victoria (VGV) to ensure that the carrying amounts do not materially differ from their fair values;
- Available for sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income – items that may be reclassified subsequent to net result); and
- The fair value of assets other than land is generally based on their depreciated replacement value.



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.

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.

Judgements, estimates and 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 4.3);
- Superannuation (refer to Note 3.4); and
- Actuarial 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 3.3).

(c) Reporting Entity

The financial statements include all 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. Minor discrepancies in tables between totals and sum of components are due to rounding.

(e) 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 Australian Taxation Office. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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



(f) AASBs issued that are not yet effective

Certain Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period.

As at 30 June 2017, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. 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 Trust's Financial Statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the 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 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	The requirements for classifying and measuring financial liabilities were added to MSB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: - The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and - Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.



AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AAS's to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: - the entity's right to receive payment of the dividend is established; - it is probable that the economic benefits associated with the dividend will flow to the entity; and - the amount can be measured reliably.	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AAS's to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licences that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.



AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-3 <i>Amendments to Australian Accounting Standards - Clarifications to AASB 15</i>	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: - a promise to transfer to a customer a good or service that is "distinct" to be recognised as a separate performance obligation; - For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and - For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access).	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.
AASB 2016-4 <i>Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i>	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136.
AASB 16 Leases	The key changes introduced by AASB 16 included the recognition of most operating leases (which are currently not recognised) on the balance sheet.	01-Jan-19	The changes in recognition requirements in AASB 16 may result in changes to the timing and amount of expenses recorded in the financial statements.



AASB 1058 Income of Not-for-Profit Entities	This Standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives.	1 Jan 2019	The assessment has indicated that there is minimal impact.
AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	This Standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	The assessment has indicated that there is minimal impact, other than those identified in AASB 9 and AASB 15.

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

- AASB 1057 Application of Australian Accounting Standards.
- AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049].
- AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative; Amendments to AASB 107.



NOTE 2: Funding Delivery of Our Services

To enable the Trust to fulfil its objectives it receives income based on parliamentary appropriations. The Trust also receives income from the supply of services.

2.1. Analysis of revenue by source

	Note	2017 \$	2016 \$
(a) Cemetery Operations Income			
Right of Interment Income		597,927	479,590
Interment Income		674,064	638,921
Cremation Income		834,402	761,570
Cremation Memorial Income		39,593	37,639
Memorialisation Income		366,769	391,397
Chapel Hire and Function Income		30,265	24,579
Other Operating Income		50,790	58,499
Government Grants		129,773	121,242
Gain/(Loss) on disposal of Property, Plant & Equipment	2(b)	1,831	(3,727)
Total Cemetery Operations Income		2,725,414	2,509,710
(b) Gain/(Loss) on Disposal of Property, Plant & Equipment			
Proceeds from Sale		18,409	59,773
Written Down Value		(16,578)	(63,500)
Total Gain/(Loss) on Disposal of Property, Plant & Equipment		1,831	(3,727)
(c) Investment Income			
Interest from Cash and Cash Equivalents		1,997	6,283
Dividends Received		35,618	38,173
Total Investment Income		37,615	44,456



Fees

Fees received for the rights of interment for graves, cremation memorials and mausoleum crypts are recognised as revenue at the time of sale 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.

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.

Disposal of non-financial assets

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



Note 3: The Cost of Delivering Services

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

3.1 Analysis of expenses by source

	2017	2016
	\$	\$
(a) Cost of Sales		
Right of Interment	22,410	18,588
Memorialisation	110,468	122,222
Other	33,332	24,812
Total Cost of Sales	166,210	165,622
(b) Cemetery Levy		
Cemetery Levy	76,346	69,953
Total Cemetery Levy	76,346	69,953
(c) Expenses from Transactions		
Employee Benefits	916,338	889,315
Maintenance and Operating Costs	735,486	753,651
Administrative Costs	261,536	232,353
Loss on onerous contracts	(32,295)	(73,979)
Gain / (loss) on disposal of available for sale financial assets	7,645	-
Total Expenses	1,888,710	1,801,340

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 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 contributions plans.

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% (2016: 3%).

Other Operating Expenses

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



3.2 Finance Costs

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
Finance charges on finance leases	1,725	2,301
	<u>1,725</u>	<u>2,301</u>

Finance costs are recognised as expenses in the financial year in which they are incurred. Finance costs include finance charges in respect of finance leases recognised in accordance with AASB 117 *Leases*.



3.3 Provisions

	2017	2016
	\$	\$
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	46,249	39,056
Annual Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	27,864	23,530
Accrued Days Off - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	559	1,079
Long Service Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	6,853	9,285
Long Service Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	61,675	40,696
Total Employee Benefits	143,200	113,646
Provision for On-Costs		
Annual Leave - unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	5,664	4,785
Annual Leave - unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	3,413	2,882
Accrued Days Off - unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	68	132
Long Service Leave - unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	610	676
Long Service Leave - unconditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	5,482	2,963
Total Provision for Employee On-Costs	15,237	11,438
Total Current Provisions	158,437	125,084
Non-Current Provisions		
Long Service Leave - Conditional and expected to be settled after 12 months ⁽ⁱⁱ⁾	14,573	33,657
On-costs on non-current employee provisions	1,295	2,450
Total Non-Current Provisions	15,868	36,107
Total Provision for Employee Benefits	174,305	161,191
 (i) Provisions for employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers compensation insurance are not employee benefits and are reflected as a separate provision.		
(ii) The amounts disclosed are nominal amounts		
(a) Employee Benefits and On-Costs ⁽ⁱ⁾		
Current Employee Benefits		
Annual Leave	74,113	62,586
Long Service Leave	68,528	49,981
Accrued Days Off	559	1,079
Non-Current Employee Benefits		
Long Service Leave	14,573	33,657
Total Employee Benefits	157,773	147,303
Current On-Costs	15,237	11,438
Non-Current On-Costs	1,295	2,450
Total On-Costs	16,532	13,888
Total Employee Benefits and On-Costs	174,305	161,191



(i) Provisions for employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers compensation insurance are not employee benefits and are reflected as a separate provision.

(b) Movement in Employee Benefits Provisions

	2017	2016
	\$	\$
Movement in Long Service Leave		
Balance at the start of the year	89,727	53,991
Provisions made during the year		
Expense recognising employee service	5,527	35,736
Long service leave taken	(4,766)	-
Balance at the end of the period	90,488	89,727
Movement in Annual Leave:		
Balance at the start of the year	70,252	75,328
Provision made during the year		
Expense recognising employee service	52,962	48,143
Annual leave taken	(40,022)	(53,219)
Balance at the end of the period	83,192	70,252
Movement in Accrued Days Off:		
Balance at the start of the year	1,211	726
Provision made during the year		
Expense recognising employee service	5,804	6,662
Accrued days taken	(6,387)	(6,177)
Balance at the end of the period	628	1,211
(c) Provision for Onerous Contracts		
Balance at beginning of the period	277,813	366,923
Decrease to provision recognised in Operating Statement	(32,295)	(89,110)
Total Provision for Onerous Contracts	245,518	277,813
Current		
Amount expected to be settled within 12 months	41,738	48,387
Amount expected to be settled after 12 months	203,780	229,426
Total Provision for Onerous Contracts	245,518	277,813



Employee Benefits

Annual Leave and Accrued Days Off

Liabilities for annual leave, and accrued 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 settlement of these liabilities.

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. An unconditional right arises after a qualifying period.

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.

On-Costs

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

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 future expenditure on perpetual maintenance of the public cemetery but is unable to calculate a sufficiently reliable estimate of any related present obligation which may arise under the accounting standards and accordingly has not recognised a value for this obligation in these financial statements.



3.4 Superannuation

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

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

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

Fund	Paid contributions for the year		Contributions outstanding at year end	
	2017 \$	2016 \$	2017 \$	2016 \$
Defined Benefit plans ⁽ⁱ⁾				
Vision Super	5,974	4,718	1,792	1,096
Defined contribution plans:				
Vision Super	29,220	18,714	8,199	4,904
Australian Super	12,133	17,579	3,227	4,260
Other Funds	22,863	27,784	8,187	14,724
TOTAL	70,191	68,795	21,406	24,984

(i) The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Defined Contribution Superannuation plans

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 as required under Superannuation Guarantee (SG) legislation (9.5%).

Defined Benefit Superannuation plans

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 2016 interim actuarial investigation conducted by the Fund Actuary, The Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2016). This rate will increase in line with any increase to the SG contribution rate. In addition, the Trust reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.



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.

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the Defined Benefit category of which the Trust is a contributing employer

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 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 2016.

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.

The 2017 full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.



Note 4: Key Assets to Support Service Delivery

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

4.1. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash assets include 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.

	2017	2016
	\$	\$
Cash on Hand	6,160	16,575
Cash at Bank	141,724	25,317
Total Cash and Cash Equivalents	147,884	41,892

Cash and cash equivalents recognised on the balance sheet 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.



4.2. Investments and Other Financial Assets

	2017	2016
	\$	\$
Non-Current		
Interest Bearing Investments	133,975	96,645
Managed Shares Portfolio	510,702	560,710
Total Other Financial Assets	644,677	657,355

(a) Ageing analysis of other financial assets

Please refer to Note 7.1 for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from investments

Please refer to Note 7.1 for nature and extent of credit risk arising from 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. All financial assets except those measured at fair value through profit or loss are subject to annual review for impairment.



4.3. Property, Plant and Equipment

4.3 (a) Gross carrying amount and accumulated depreciation

	2017	2016
	\$	\$
Cemetery Infrastructure Land at Fair Value	211,148	147,833
	211,148	147,833
Buildings, Infrastructure and Improvements at Fair Value	4,294,504	4,002,526
<i>Less accumulated depreciation</i>	<i>(1,211,653)</i>	<i>(1,162,784)</i>
	3,082,851	2,839,742
Plant and Equipment at Fair Value	1,082,754	917,920
<i>Less accumulated depreciation</i>	<i>(350,062)</i>	<i>(238,038)</i>
	732,692	679,882
Office Equipment, Furniture and Fittings at Fair Value	395,791	152,006
<i>Less accumulated depreciation</i>	<i>(133,894)</i>	<i>(68,280)</i>
	261,897	83,726
Capital works in progress at cost	176,051	305,039
Total Property, Plant and Equipment	4,464,640	4,056,222



4.3 (b) Reconciliation of Property, Plant and Equipment

Reconciliations of the carrying amounts of each class of asset for the 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 2015	147,833	2,562,117	388,683	52,850	173,244	3,324,727
Additions	-	59,280	36,163	-	-	95,443
Expenditure on Capital Works	-	-	-	-	661,995	661,995
Revaluation of Assets	-	201,950	-	-	-	201,950
Transfers	-	-	-	-	-	-
Completed Assets	-	104,653	382,042	43,505	(530,200)	-
Disposal	-	-	(63,500)	-	-	(63,500)
Depreciation	-	(88,258)	(63,506)	(12,629)	-	(164,393)
Balance at 1 July 2016	147,833	2,839,742	679,882	83,726	305,039	4,056,222
Additions	-	-	5,948	42,781	-	48,729
Expenditure on Capital Works	-	-	-	-	555,707	555,707
Revaluation of Assets (i)	63,315	6,678	-	-	-	69,993
Transfers	-	-	-	-	-	-
Completed Assets	-	324,804	158,887	201,004	(684,695)	-
Disposal	-	-	(16,578)	-	-	(16,578)
Depreciation	-	(88,374)	(95,446)	(65,614)	-	(249,434)
Balance at 30 June 2017	211,148	3,082,851	732,692	261,897	176,051	4,464,640

- (i) An independent valuation of the Trust's land and buildings was performed by Mr. Mark Sanderson AAPI, Certified Practising Valuer, as an agent of the Valuer-General Victoria, as at 30 June 2017. The valuation of land, 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% (2012: 95%), representing the Community Service Obligation (CSO) associated with cemeteries.

The calculation of the value of land for cemetery use is:

Land at HBU (unrestricted) value
less: CSO (discount of 95%)

Total Land at Valuation

Cemetery Use

4,224,338
(4,013,190)

211,148



4.3 (c) Fair Value Measurement Hierarchy for Assets as at 30 June 2017

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Cemetery Infrastructure Land at Fair Value				
Specialised	211,148	-	-	211,148
Total of Land at Fair Value	211,148	-	-	211,148
Buildings and Infrastructure at Fair Value				
Specialised	2,665,736	-	-	2,665,736
Heritage	417,115	-	-	417,115
Total of Buildings and Infrastructure at Fair Value	3,082,851	-	-	3,082,851
Plant, Equipment and Vehicles at Fair Value				
Vehicles ⁽ⁱⁱ⁾	113,502	-	-	113,502
Plant and Equipment	619,190	-	-	619,190
Total Plant, Equipment and Vehicles at Fair Value	732,692	-	-	732,692
Office Equipment, Furniture and Fittings at Fair Value				
Office and Computer Equipment Furniture	261,897	-	-	261,897
Total Office Equipment, Furniture and Fittings at Fair Value	261,897	-	-	261,897
Total Assets	4,288,588	-	-	4,288,588

	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
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	2,377,698	-	-	2,377,698
Heritage	462,044	-	-	462,044
Total of Buildings and Infrastructure at Fair Value	2,839,742	-	-	2,839,742
Plant, Equipment and Vehicles at Fair Value				
Vehicles ⁽ⁱⁱ⁾	113,502	-	-	113,502
Plant and Equipment	566,380	-	-	566,380
Total Plant, Equipment and Vehicles at Fair Value	679,882	-	-	679,882
Office Equipment, Furniture and Fittings at Fair Value				
Office and Computer Equipment Furniture	83,726	-	-	83,726
Total Office Equipment, Furniture and Fittings at Fair Value	83,726	-	-	83,726
Total Assets	3,751,183	-	-	3,751,183

(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.



Specialised Land and Specialised Buildings

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

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

For 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. The effective date of the valuation is 30 June 2017.

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 2017.

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.

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



4.3 (d) 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
2017				
Opening Balance	147,833	2,839,742	679,882	83,726
Purchases/(Sales)	-	324,804	148,257	243,785
<i>Gains or Losses Recognised in Net Result</i>				
Depreciation	-	(88,374)	(95,446)	(65,614)
Subtotal	-	(88,374)	(95,446)	(65,614)
<i>Items Recognised in Other Comprehensive Income</i>				
Revaluation	63,315	6,678	-	-
Subtotal	63,315	6,678	-	-
Closing Balance before Unrealised Gains/(Losses)	211,148	3,082,850	732,692	261,897
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-
Closing Balance after Unrealised Gains/(Losses)	211,148	3,082,850	732,692	261,897
2016				
Opening Balance	147,833	2,562,117	388,683	52,850
Purchases/(Sales)	-	163,933	354,705	43,505
<i>Gains or Losses Recognised in Net Result</i>				
Depreciation	-	(88,258)	(63,506)	(12,629)
Subtotal	-	(88,258)	(63,506)	(12,629)
<i>Items Recognised in Other Comprehensive Income</i>				
Revaluation	-	201,950	-	-
Subtotal	-	201,950	-	-
Closing Balance before Unrealised Gains/(Losses)	147,833	2,839,742	679,882	83,726
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-
Closing Balance after Unrealised Gains/(Losses)	147,833	2,839,742	679,882	83,726



4.3 (e) Description of Significant Unobservable Inputs to Level 3 Valuations

	Valuation Technique	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
Cemetery - Specialised Buildings		
Central Victoria Crematorium and Chapel	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Crematorium Equipment at Fair Value		
Cremator Equipment	Depreciated replacement cost	Cost per unit Useful life of cremator equipment
Plant and Equipment at Fair Value		
Interment and crematorium equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Office Equipment, Furniture and Fittings at Fair Value		
	Depreciated replacement cost	Cost per unit Useful life of office equipment

The significant unobservable inputs remain unchanged from 2016.

Refer to Note 7.3 for guidance on fair value determination.

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

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 4.3.

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

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

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.

Cultural, collections, heritage assets and other non-current physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at the cost of replacing the asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset and any accumulated impairment. These policies and any legislative limitation and restrictions imposed on their use and/or disposal may impact their fair value.

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 reserve, except that to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in 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 reserve.

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

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

Cemetery buildings were formally valued as at 30 June 2017 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*.



4.4 Depreciation and Amortisation

	2017	2016
	\$	\$
Depreciation		
Buildings, Infrastructure and Improvements	88,374	88,258
Plant and Equipment	95,446	63,506
Office Equipment, Furniture and Fittings	65,614	12,629
Total Depreciation	249,434	164,393
Amortisation		
Computer Software	4,800	4,800
Trademark	999	-
Total Amortisation	5,799	4,800
Total Depreciation and Amortisation	255,233	169,193

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:

	2017	2016
Buildings	50 - 80 years	50 - 80 years
Plant & Equipment	5-10 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	4 - 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.



4.5 Intangible Assets

	2017	2016
	\$	\$
Capitalised Computer Software	23,921	23,921
Capitalised Trademarks	60,746	-
Trademarks - Capital Works in Progress	-	60,746
Accumulated Amortisation	(10,599)	(4,800)
Total Intangible Assets	74,068	79,867

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 \$	Capitalised Trademark \$	Capital Works In Progress \$	Total \$
Balance at 1 July 2015	23,921	-	52,635	76,556
Expenditure on Capital Works	-	-	8,111	8,111
Amortisation (Note 4.4)	(4,800)	-	-	(4,800)
Balance at 1 July 2016	19,121	-	60,746	79,867
Expenditure on Capital Works	-	-	-	-
Completed Assets	-	60,746	(60,746)	-
Amortisation (Note 4.4)	(4,800)	(999)	-	(5,799)
Balance at 30 June 2017	14,321	59,747	-	74,068

Intangible assets represent identifiable non-monetary assets without physical substance, and include trademarks.

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



Note 5: Other Assets and Liabilities

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

	2017	2016
	\$	\$
5.1. Receivables		
Current		
Contractual		
Trade Debtors	214,795	137,437
Other Receivables	12,524	15,023
Total Receivables	227,319	152,460

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.

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

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



5.2. Inventories

	2017	2016
	\$	\$
Current		
Finished Goods		
Consumables	56,314	80,991
Grave Foundations	44,643	54,505
	100,957	135,496
Non-Current		
Work in Progress/Undeveloped		
Land for Interment Purposes	200,625	204,243
	200,625	204,243
Consumables	56,314	80,991
Land for Interment Purposes	200,625	204,243
Grave Foundations	44,643	54,505
Total Inventories	301,582	339,739

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.



5.3 Payables

	2017	2016
	\$	\$
Current		
Contractual		
Trade Creditors	90,381	146,404
Finance Lease	7,700	14,566
Other Creditors and Accruals	154,234	184,263
Statutory		
Net GST Payable / (Receivable)	1,482	(6,443)
Total Current payables	253,797	338,790
Non Current		
Contractual		
Finance Lease	15,273	22,973
Total Non Current	15,273	22,973
Total Payables	269,070	361,763

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 net 30 days; and
- 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.

5.4 Unearned income**Current****Deposits taken in advance**

Amount expected to be settled within 12 months	199,386	169,223
Amount expected to be settled after 12 months	973,475	802,376
Total unearned income	1,172,861	971,599

All unearned income is classified as a current liability as the Trust does not have an unconditional right to receive deposits in advance. Prepaid fees are recognised at the nominal (contracted) value. Based on historical trends it has been estimated that only 17% of the total liability is reasonably expected to be 'utilised' and transferred to revenue within the next 12 months and not the entire liability.



Note 6: How we finance our Operations

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

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

6.1. Borrowings

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 shorter of the lease term and its 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.



6.2. Commitments

	2017	2016
	\$	\$
Capital Commitments		
Cemetery Infrastructure	134,278	270,775
Total Capital Commitments	134,278	270,775
Operating Expenditure Commitments		
ICT Equipment	18,277	15,945
Total Operating Expenditure Commitments	18,277	15,945
Lease Commitments		
Finance Leases ⁽ⁱ⁾	22,973	37,539
Total Lease Commitments	22,973	37,539
Capital Expenditure Commitments		
Not Longer Than 1 Year	134,278	270,775
Total Capital Expenditure Commitments	134,278	270,775
Operating Expenditure Commitments		
Not Longer Than 1 Year	5,684	4,290
Longer Than 1 Year and Not Longer Than 5 years	12,593	11,655
Total Operating Expenditure Commitments	18,277	15,945
Lease Commitments ⁽ⁱ⁾		
Not Longer Than 1 Year	7,700	14,566
Longer Than 1 Year and Not Longer Than 5 years	15,273	22,973
Total Lease Commitments	22,973	37,539

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

(i) These finance leases entered into in the 2015/16 and 2016/17 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.

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.



Note 7: Risks, Contingencies & Valuations Uncertainties

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



7.1 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.

	Contractual financial assets - loans and receivables \$	Contractual financial assets - available for sale \$	Contractual financial liabilities at amortised cost \$	Total \$
2017				
Contractual Financial Assets				
Cash and cash equivalents	147,884	-	-	147,884
Receivables	214,795	-	-	214,795
Investments and other financial assets				
- Interest bearing investments	-	133,975	-	133,975
- managed shares portfolio	-	510,702	-	510,702
Total Financial Assets ⁽ⁱ⁾	362,679	644,677	-	1,007,356
Financial Liabilities				
Payables	-	-	267,589	267,589
Total Financial Liabilities ⁽ⁱⁱ⁾	-	-	267,589	267,589
	Contractual financial assets - loans and receivables \$	Contractual financial assets - available for sale \$	Contractual financial liabilities at amortised cost \$	Total \$
2016				
Contractual Financial Assets				
Cash and cash equivalents	41,892	-	-	41,892
Receivables	137,437	-	-	137,437
Investments and other financial assets				
- Interest bearing investments	-	96,645	-	96,645
- managed shares portfolio	-	560,710	-	560,710
Total Financial Assets ⁽ⁱ⁾	179,329	657,355	-	836,684
Financial Liabilities				
Payables	-	-	368,207	368,207
Total Financial Liabilities ⁽ⁱⁱ⁾	-	-	368,207	368,207

(i) The total amount of financial assets disclosed here excludes statutory receivables

(ii) The total amount of financial liabilities disclosed here excludes statutory payables



Categorisation of Financial Instruments			2017	2016
Account Balance	Note	Category	\$	\$
Financial Assets ⁽ⁱ⁾				
Cash and Cash Equivalents	4.1	Cash	147,884	41,892
Receivables	5.1	Receivables (at Amortised Cost)	214,795	137,437
Other financial assets	4.2	Available for Sale Investments (at Fair Value Through Equity)	644,677	657,355
Total Financial Assets			1,007,356	836,684
Financial Liabilities ⁽ⁱⁱ⁾				
Payables	5.3	Financial Liabilities (at Amortised Cost)	267,589	368,207
Total Financial Liabilities			267,589	368,207

(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

	Net holding gain(loss) \$	Total interest income \$	Total dividend income \$	Impairment loss \$	Total \$
2017					
Financial Assets					
Cash and cash equivalents ⁽ⁱ⁾	-	1,997	-	-	1,997
Available for sale ⁽ⁱ⁾	17,760	-	35,618	-	53,378
Total Financial Assets	17,760	1,997	35,618	-	55,375
Financial Liabilities					
At Amortised Cost ⁽ⁱⁱ⁾	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

	Net holding gain(loss) \$	Total interest income \$	Total dividend income \$	Impairment loss \$	Total \$
2016					
Financial Assets					
Cash and cash equivalents ⁽ⁱ⁾	-	6,283	-	-	6,283
Available for sale ⁽ⁱ⁾	(48,042)	-	38,173	-	(9,869)
Total Financial Assets	(48,042)	6,283	38,173	-	(3,586)
Financial Liabilities					
At Amortised Cost ⁽ⁱⁱ⁾	-	-	-	-	-
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:

	2017	2016
	\$	\$
Financial Assets		
Cash and Cash Equivalents	147,884	41,892
Receivables	214,795	137,437
Available for Sale Investments	644,677	657,355
Total	1,007,356	836,684



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

	Financial Institutions (AAA Credit Rating) \$	Government Agencies (AAA Credit Rating) \$	Government Agencies (BBB Credit Rating) \$	Other (Not Rated) \$	Total \$
2017 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	-	-	-	6,160	6,160
Cash at Bank	-	-	141,724	-	141,724
Receivables	-	-	-	214,795	214,795
<i>Available for Sale Investments:</i>					
Interest Bearing	-	-	133,975	-	133,975
Managed Share Portfolio	-	-	510,702	-	510,702
Total Financial Assets	-	-	786,401	220,955	1,007,356
2016 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	16,575	-	-	-	16,575
Cash at Bank	25,317	-	-	-	25,317
Receivables	-	-	-	137,437	137,437
<i>Available for Sale Investments:</i>					
Interest Bearing	96,645	-	-	-	96,645
Managed Share Portfolio	560,710	-	-	-	560,710
Total Financial Assets	699,247	-	-	137,437	836,684



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

	Carrying Amount	Not Past Due and Not Impaired	Past Due but Not Impaired				Impaired Financial Assets
			Less Than 1 Month	1-3 Month	3 Months - 1 Year	1-5 Years	
	\$	\$	\$	\$	\$	\$	\$
2017 Financial Assets							
<i>Cash and Cash Equivalents:</i>							
Cash on Hand	6,160	6,160	-	-	-	-	-
Cash at Bank	141,724	141,724	-	-	-	-	-
Receivables	214,795	214,795	-	-	-	-	-
<i>Available for Sale Assets:</i>							
Interest Bearing Investment	133,975	133,975	-	-	-	-	-
Managed Share Portfolio	510,702	510,702	-	-	-	-	-
Total	1,007,356	1,007,356	-	-	-	-	-
2016 Financial Assets							
<i>Cash and Cash Equivalents:</i>							
Cash on Hand	16,575	16,575	-	-	-	-	-
Cash at Bank	25,317	25,317	-	-	-	-	-
Receivables	137,437	137,437	-	-	-	-	-
<i>Available for Sale Assets:</i>							
Interest Bearing Investment	96,645	96,645	-	-	-	-	-
Managed Share Portfolio	560,710	560,710	-	-	-	-	-
Total	836,684	836,684	-	-	-	-	-

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.

(i) Policy in managing liquidity risk

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.

(ii) Maximum Exposure to Liquidity Risk

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

	2017	2016
Financial Liabilities	\$	\$
Payables	267,589	368,207
Total	267,589	368,207

(iii) Maturity analysis of Financial Liabilities as at 30 June

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

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less Than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
	\$	\$	\$	\$	\$	\$
2017 Financial Liabilities						
Payables	267,589	267,589	168,911	1,283	82,122	15,273
Total	267,589	267,589	168,911	1,283	82,122	15,273
2016 Financial Liabilities						
Payables	368,207	368,207	216,055	20,346	91,238	40,568
Total	368,207	368,207	216,055	20,346	91,238	40,568

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 Average Effective Interest Rate	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$
2017 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	0.00%	6,160	-	-	6,160
Cash at Bank	0.05%	141,724	-	141,724	-
Receivables	0.00%	214,795	-	-	214,795
<i>Available for Sale Assets:</i>					
Interest Bearing Investments	2.10%	133,975	-	133,975	-
Managed Share Portfolio	0.00%	510,702	-	-	510,702
Total		1,007,356	-	275,699	731,657
2017 Financial Liabilities					
Payables	0.31%	267,589	22,973	-	244,615
Total		267,589	22,973	-	244,615

	Weighted Average Effective Interest Rate	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$
2016 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	0.00%	16,575	-	-	16,575
Cash at Bank	0.05%	25,317	-	25,317	-
Receivables	0.00%	137,437	-	-	137,437
<i>Available for Sale Assets:</i>					
Interest Bearing Investments	2.40%	96,645	-	96,645	-
Managed Share Portfolio	0.00%	560,710	-	-	560,710
Total		836,684	-	121,962	714,722
2016 Financial Liabilities					
Payables	0.31%	368,207	37,540	-	330,667
Total		368,207	37,540	-	330,667



(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.

(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 2.1%

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.



	Carrying Amount	Interest Rate Risk				Other Price Risk			
		(1%)		1%		(15%)		15%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2017 Financial Assets									
Cash and Cash Equivalents	147,884	(1,479)	(1,479)	1,479	1,479	-	-	-	-
Receivables	214,795	-	-	-	-	-	-	-	-
<i>Available for Sale Assets:</i>									
Interest Bearing Investments	133,975	(1,340)	(1,340)	1,340	1,340	-	-	-	-
Managed Share Portfolio	510,702	-	-	-	-	-	(76,605)	-	76,605
2017 Financial Liabilities									
Payables	(267,589)	-	-	-	-	-	-	-	-
Total	739,767	(2,819)	(2,819)	2,819	2,819	-	(76,605)	-	76,605

	Carrying Amount	Interest Rate Risk				Other Price Risk			
		(1%)		1%		(15%)		15%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2016 Financial Assets									
Cash and Cash Equivalents	41,892	(419)	(419)	419	419	-	-	-	-
Receivables	137,437	-	-	-	-	-	-	-	-
<i>Available for Sale Assets:</i>									
Interest Bearing Investments	96,645	(966)	(966)	966	966	-	-	-	-
Managed Share Portfolio	560,710	-	-	-	-	-	(84,107)	-	84,107
2016 Financial Liabilities									
Payables	(368,207)	-	-	-	-	-	-	-	-
Total	468,478	(1,385)	(1,385)	1,385	1,385	-	(84,107)	-	84,107



(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
	2017 \$	2017 \$	2016 \$	2016 \$
Financial Assets				
Cash and Cash Equivalents	147,884	147,884	41,892	41,892
Receivables	214,795	214,795	137,437	137,437
<i>Available for Sale Investments:</i>				
Interest Bearing Investments	133,975	133,975	96,645	96,645
Managed Share Portfolio	510,702	510,702	560,710	560,710
Total Financial Assets	1,007,356	1,007,356	836,684	836,684
Financial Liabilities				
Payables	(267,589)	(267,589)	(368,207)	(368,207)
Total Financial Liabilities	(267,589)	(267,589)	(368,207)	(368,207)

Financial assets measured at fair value

	Carrying Amount as at 30 June \$	Fair value measurement at end of financial year using:		
		Level 1 ⁽ⁱ⁾ \$	Level 2 ⁽ⁱⁱ⁾ \$	Level 3 ⁽ⁱⁱ⁾ \$
2017				
<i>Available for sale financial assets:</i>				
Interest Bearing Investments	133,975	133,975	-	-
Managed Share Portfolio ⁽ⁱⁱ⁾	510,702	510,702	-	-
Total Financial Assets	644,676	644,676	-	-
2016				
<i>Available for sale financial assets:</i>				
Interest Bearing Investments	96,645	96,645	-	-
Managed Share Portfolio ⁽ⁱⁱ⁾	560,710	560,710	-	-
Total Financial Assets	657,355	657,355	-	-

(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



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

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

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

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

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

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

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. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 7.1.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include are the Trust's contractual payables, deposits held and advances received, and borrowing arrangements other than those designated at fair value through profit and loss.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

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.



7.2 Contingent Assets and Contingent Liabilities

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

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

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

Over the past four 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 its perpetual maintenance obligations, which is disclosed as a Perpetual Maintenance Reserve in Note 8.1(d).



7.3 Fair value determination

Comparison Between Carrying Amount and Fair Value:

Asset Class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	In areas where there is an active market: - vacant land - land not subject to restrictions as to use or sale	Level 2	Market approach	N/A
Specialised land	Land subject to restrictions as to use and/or sale Land in areas where there is not an active market	Level 3	Market approach	CSO adjustments
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Infrastructure	Any type	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Road, infrastructure and earthworks	Any type	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life



Note 8: Other Disclosures

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



8.1. Equity

	2017	2016
	\$	\$
Composition of Equity		
Contributed Capital	604,962	604,962
Accumulated Funds	(652,014)	(539,333)
Property, Plant and Equipment Revaluation Reserve	2,722,206	2,652,212
Available for Sale Investment Revaluation Reserve	(14,397)	(32,157)
Perpetual Maintenance Reserve	654,086	504,849
Other Reserves	686,880	370,731
Total Equity	4,001,723	3,561,264
(a) Movement in Accumulated Deficit		
Balance at the Beginning of the Year	(539,333)	(757,838)
Net Result for the Year	352,705	319,056
Transfer to Reserves	(465,386)	(100,551)
Balance at the End of the Year	(652,014)	(539,333)
(b) Property, Plant and Equipment Revaluation Reserve		
Buildings, Infrastructure & Improvements	2,428,285	2,421,607
Plant & Equipment	82,772	82,772
Infrastructure Land	211,148	147,833
	2,722,206	2,652,212
Buildings, Infrastructure & Improvements		
Balance at the Beginning of the Year	2,421,607	2,219,657
Revaluation Increment	6,678	201,950
Balance at the End of the Year	2,428,285	2,421,607
Plant & Equipment		
Balance at the Beginning of the Year	82,772	82,772
Balance at the End of the Year	82,772	82,772
Infrastructure Land		
Balance at the Beginning of the Year	147,833	147,833
Revaluation Increment	63,315	-
Balance at the End of the Year	211,148	147,833
Total Property, Plant & Equipment Revaluation Surplus	2,722,206	2,652,212
(c) Available for Sale Investment Revaluation Reserve		
Balance at the Beginning of the Year	(32,157)	15,885
Revaluation Increment/(Decrement)	17,760	(48,042)
Balance at the end of the Year	(14,397)	(32,157)



	2017	2016
	\$	\$
(d) Perpetual Maintenance Reserve		
Opening Balance	504,849	408,713
Transfers to Accumulated Funds	149,237	96,136
Perpetual Maintenance Reserve Closing Balance	654,086	504,849
(e) Other Reserves		
Cremator Reserve		
Opening Balance	27,077	164,128
Transfers (to) Accumulated Funds	(27,077)	(137,051)
Closing Balance	-	27,077
Prepaid Interment Reserve		
Opening Balance	328,654	231,672
Transfers from Accumulated Funds	275,726	96,982
Closing Balance	604,380	328,654
Defined Benefit Superannuation Reserve		
Opening Balance	15,000	(29,484)
Transfers from Accumulated Funds	67,500	44,484
Closing Balance	82,500	15,000
Other Reserves Closing Balance	686,880	370,731

Contributed Capital

Consistent with Australian Accounting Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* and FRD 119A *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 for renewal and replacement. The cremator unit is an essential part of the successful ongoing operations of the Bendigo Cemeteries Trust.



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. The trust re-contributed the remaining amount in 2015/16 and is continuing to build up the reserve to cover any future calls that may arise.

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 Asset:

Refer to Note 4.3 Property, plant and equipment

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 7.1); and
- Disposals of financial assets and derecognition of financial liabilities.

Revaluations of Financial Instrument at Fair Value

Refer to Note 7.1 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 rate movements, inflation rate movements and the impact of changes in probability factors; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.



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

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
Result for the Year	352,705	319,056
Non-Cash Flows in Operating Surplus		
Depreciation & Amortisation	255,233	169,193
Net (Gain)/Loss from Sale of Property, Plant and Equipment	(1,831)	3,727
Gain / (loss) on disposal of available for sale financial assets	7,645	-
Changes in Assets and Liabilities		
(Increase) / Decrease in Receivables	(74,860)	37,435
Decrease in Prepayments	2,785	27,562
Increase / (Decrease) in Inventories	38,157	(42,307)
(Decrease) in Payables	(92,693)	(100,980)
(Decrease) in Provisions	(19,180)	(57,964)
Increase in Unearned Income	201,262	168,042
Net Cash Inflows from Operating Activities	<u>669,223</u>	<u>523,765</u>



8.3(a) Responsible Persons Disclosure

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

	Period
Responsible Minister:	
The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services	1/07/2016 - 30/06/2017
Trust Members	
Mrs. L. Bean	1/07/2016 - 30/06/2017
Mr. K. Belfrage	1/07/2016 - 30/06/2017
Mr. B. Ead	1/07/2016 - 30/06/2017
Mr. R. Fyffe	1/07/2016 - 30/06/2017
Mr. M. Gibson	1/07/2016 - 30/06/2017
Mr. I Grenfell	1/07/2016 - 30/06/2017
Ms P. Macdonald	1/07/2016 - 30/06/2017
Mrs. L. Ruffell	1/07/2016 - 30/06/2017
Mr. D. Tangey	1/07/2016 - 30/06/2017
Accountable Officer	
Mr. G. Fountain	1/07/2016 - 30/06/2017

Remuneration of Responsible Persons

The Responsible persons received remuneration for the financial year ended 30 June 2017. The number of Responsible persons, excluding Ministers, whose total remuneration in connection with the affairs of the Trust as shown in the following bands, were:

Income Band	Total Remuneration		Base Remuneration	
	2017 No.	2016 No.	2017 No.	2016 No.
\$0 - \$9,999	8	8	8	8
\$10,000 - \$19,999	1	1	1	1
\$160,000 - \$169,999	-	-	-	-
\$180,000 - \$189,999	-	1	-	1
\$190,000 - \$199,999	1	-	1	-
Total Numbers	10	10	10	10
Total remuneration received or due and receivable by Responsible Persons for the financial year from the Trust amounted to:	\$281,831	\$260,266	\$245,906	\$230,397

Remuneration received or receivable by responsible persons was in the range: \$6,000 - \$200,000



8.3(b) Remuneration of Executive Officers

Other than the accountable officer as disclosed in Note 8.3(a), there were no other executive officers or contractors with key management responsibilities in the 2016/17 financial year (2015/16: nil).



8.3(c) Related Parties

The Trust is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Trust include:

- All key management personnel and their close family member and personal business interests (controlled entities, joint ventures and entities they have a significant influence over);
- All cabinet members and their close family members; and
- All departments and public sector entities that are controlled and consolidated in the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

During the financial year, the following aggregate transactions were undertaken and balances held with other Victorian Government controlled entities. These transactions were undertaken in the ordinary course of operations.

	2017	2016
	\$	\$
Grant Funding	129,773	121,242
Cemetery Levy	76,345	69,953
Total Significant transactions	206,118	191,195

Key management personnel of the Trust includes Trust Members and the Accountable Officer as follows:

Mrs. L. Bean
 Mr. K. Belfrage
 Mr. B. Ead
 Mr. R. Fyffe
 Mr. M. Gibson
 Mr. I. Grenfell
 Ms P. Macdonald
 Mrs. L. Ruffell
 Mr. D. Tangey
 Mr. G. Fountain

Remuneration of Key Management Personnel

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

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

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

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

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

Share-based payments are cash or other assets paid or payable as agreed between the Trust and the employee, provided specific vesting conditions, if any, are met.



The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2017
Short-term employee benefits (a)	245,906
Post-employment benefits	21,478
Other long-term benefits	14,447
Termination benefits	-
Share-based payments	-
Total compensation (b)	281,831

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short term employee benefits.

(b) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.3a)

Transactions and balances with key management personnel and other related parties

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

Related party transactions with the Trust Members and their related parties, which occurred during the normal course of business, apart from remuneration of Board directors which is disclosed in Note 8.3(a) are listed below:

	2017 \$	2016 \$
Member B Ead is a partner in AFS & Associates, a public accounting and auditing firm which provides the Trust with ad-hoc accounting services throughout the year.	1,721	-
Member R Fyffe is a councillor 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.	3,127	1,748

The Trust has prepared related party disclosures for the year based on reasonable enquiries made by management in relation to the Trust Members and their related parties and the information available to the organisation, with the transition to full implementation of AASB 124 and any applicable financial reporting directions.



8.4. Audit Fees

Victorian Auditor-General's office

Audit of financial statements

2017

2016

11,500

11,200

Other Providers

Internal audit

10,600

15,500

TOTAL AUDIT FEES

22,100

26,700

8.5. Ex-Gratia Payments

There were no Ex-Gratia Payments made during the reporting period. (2016: Nil)



Disclosure Index

The Annual Report of the Bendigo Cemeteries Trust is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Trust's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
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FRD 22H	Initiatives and key achievements	5
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Management and structure		
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FRD 22H	Details of consultancies over \$10,000	20
FRD 22H	Details of consultancies under \$10,000	20
FRD 22H	Employment and conduct principles	30
FRD 22H	Major changes or factors affecting performance	14-17
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FRD 24C	Reporting of office-based environmental impacts	25
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FRD 22H	Statement of availability of other information	19
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FRD 25C	Local Jobs First - Victorian Industry Participation Policy disclosures	19
FRD 29B	Workforce Data Disclosures including a statement on the application of employment and conduct principles	30-31
SD 5.2.2	Declaration in financial statements	5, 8-13, 33
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Other requirements under Standing Directions 5.2

SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	47
SD 5.2.1(a)	Compliance with Ministerial Directions	47

Legislation

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<i>Protected Disclosure Act 2001</i>	19
<i>Victorian Industry Participation Act 2003</i>	19
<i>Building Act 1993</i>	18
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REMEMBRANCE PARKS
CENTRAL VICTORIA




Bendigo Cemeteries Trust
t/a Remembrance Parks Central Victoria
'Nurturing Enduring Remembrance'

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