



REMEMBRANCE PARKS
CENTRAL VICTORIA

Annual Report

2019-2020

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Contents

From the Chair	5
From the CEO.....	6
2019-2020 Highlights.....	8
Organisational Background	9
Locations	10
Governance	11
Board Members	11
Management	12
Executive Management Team.....	13
Business Performance	14
Occupational Health & Safety	15
COVID-19 Pandemic response	17
Strategic Objectives	18
Building for the Future	18
Community Connections	28
Responsive to Customer Needs	31
Customer Service	31
Park Improvements.....	32
Class B Trust Assistance	33
Strategic Regional Partnerships	34
Inspired People & Culture	35
Attract and retain an engaged workforce.....	36
Volunteers	37
Business Environment.....	38
Social Procurement Strategy.....	41
Future Focus	42
Attestations	44
Disclosure Index.....	46
Financial Statements	47



REMEMBRANCE PARKS
CENTRAL VICTORIA

Our vision

Nurturing enduring remembrance

Our mission

Working with our community we will:

- **Deliver quality and caring service with compassion and;**
- **Create and maintain enduring and accessible remembrance into perpetuity**

Our values

Board members, staff and volunteers of Remembrance Parks Central Victoria uphold the values of:

- **Compassion**
- **Community**
- **Integrity**

From the Chair

Welcome to the Annual Report for 2019-2020 where we feature information and data that showcases the activities undertaken over the past twelve months to provide services and support to our communities.

This year began with a renewed strategic plan to take us through the next three years. This plan features strong priorities focused around:

- maintaining and nurturing community connections
- managing our financial resources and assets to deliver the best possible outcomes for the community
- providing support to the Class B cemeteries within our region
- championing a culture that supports and empowers our staff
- improving our governance practices through enhanced reporting and policy development

The management and maintenance of Pine Lodge and Kialla West cemeteries in the Shepparton area has been a significant project for this year. As we await the approval of the acquisition request, we have established an office in Shepparton for face to face appointments for funeral arrangements, implemented site improvements and continued to provide information updates to interested community members.

Our emphasis on improving the landscape of our sites through our tree renewal program, rose garden replanting and the wonderful contribution of young students from local secondary colleges who spend many hours planting native shrubs in our gardens is wonderful to see. Visitors to our cemeteries are reaping the benefits of the partnerships we have established to support the rejuvenation of our outdoor settings.

The challenge of financial performance continues year on year, but this year this has been impacted even more with the onset of the COVID-19 pandemic. The subsequent loss of income due to the restrictions that rightly needed to be imposed has had a significant impact, and no doubt has reduced the amount of work we have been able to achieve. This is reflected in the financial reports contained within this Annual Report. However, I believe we can look forward to the coming year with a sense of optimism and the impetus to further improve our organisation through steady financial management and pursuing sustainable opportunities as they arise.

As I approach the end of my time as the Chair of RPCV, I have reflected on how fortunate I have been to work with such committed and talented Trust Members. I thank them for their support and for the dedication they give to this organisation.

Similarly, I admire the ability of our CEO, Management Team and Staff who continually strive to provide the best possible service within the confines of a constrained financial environment. I thank every one of you for the support you have provided to the Trust Board.



Pam Macdonald
Chairperson



From the CEO

The 2019-20 year has been a year that started out with promise; with great plans for improvement and innovation in the way we present our cemeteries. However, it then ended up being very different from any year we have experienced in our history.

With the onset of the COVID-19 pandemic early in 2020 we had to find new ways of working - of interacting with our customers, and the way we supported our staff. This challenge has been hard at times, difficult to keep up with changing restrictions, but overall has proven that RPCV can adapt and continue to provide an excellent service under trying circumstances. Unfortunately we had to suspend all volunteer services from March 2020 for the health and safety of our volunteers. We look forward to welcoming back our volunteers and services when safe to do so.

The implementation of a revitalised Strategic Plan commenced in July 2019. This plan will guide our direction over the next three years and centres our priorities around four pillars:

- Building for the Future
- Community Connections
- Responsive to Community Needs
- Inspired People & Culture

From a 'business as usual' perspective, work continued on improving and maintaining the heritage aspects of our business. The restoration of our heritage-listed fence and gates at the White Hills Cemetery proved a great example of the partnership between RPCV and Heritage Victoria's Living Heritage Grants Program. This important example of architecture has now been restored to its former glory and looks magnificent - I encourage you all to go and take a look.

Investment has continued with upgrades to infrastructure, irrigation, and lawn and garden rejuvenation to provide pleasant and respectful spaces for those visiting places of remembrance for their loved ones.

The improvements to our live-streaming of services was an essential upgrade to assist families during the pandemic restrictions on funeral attendance. I also congratulate our operations staff on work they have done over the past twelve months to present our grounds in the best possible way within our limited financial means.

Policy development has continued to ensure appropriate guidance for our staff. We have introduced a new policy framework which sets out requirements for developing and approving policies and procedures. New policies have been introduced and current policies reviewed as part of the suite of initiatives designed to increase support for staff, volunteers, contractors and visitors.

OH&S and work systems have continually been updated and improved as part of our commitment to ensure the wellbeing and protection of our staff. This has been never more important than this year, during a pandemic crisis that has gripped the world.

RPCV has continued to engage with Class B Trusts as per our mandated requirement under the Act. During the year, support has been provided in many areas of operation, including financial management, advice on policy and procedure development, grounds maintenance guidance and grave digging safety recommendations.

This past twelve months has seen the re-introduction of an in-house after-hours service, after several years of this being outsourced. This provides a much-improved service to Funeral Directors

At this time, I am always reminded about the support I have received from the Board, management, staff and volunteers of RPCV. With such a talented group of people providing services and support, I know that Remembrance Parks Central Victoria is well placed to meet and overcome future challenges and continue to provide the best possible service to our community.



Dean McElroy
Chief Executive Officer



2019-2020 Highlights



1,135
Cremations



425
Burials



381
Memorials
conversions

4
Community
engagement
events



145
Trees
planted



\$305,000
In Government
grants received



\$53,000
In other
grants



46
Roses
replaced

Organisational Background

Remembrance Parks Central Victoria (Bendigo Cemeteries Trust) is a government-owned enterprise established as one of five Class A Cemetery Trusts under the provisions of the Cemeteries and Crematoria Act 2003 (the Act).

The organisation is accountable to the Minister for Health through the Department of Health and Human Services and is responsible for the direct management of eight sites. The trust also has a broader responsibility to provide leadership, support and assistance to 100+ Class B cemetery trusts across Central Victoria.

In addition to this, we also continue to manage the Axedale Catholic Cemetery on behalf of the Catholic Diocese of Sandhurst.

In 2019, RPCV took over the management of Pine Lodge Cemetery and Kialla West Cemetery on behalf of the Greater Shepparton City Council.

Remembrance Parks Central Victoria (RPCV) provides services to the community, including:

- A range of cemetery, crematoria, reception and memorialisation services available to the community
- Provision of a range of products that meet community needs for plaques, jewellery urns and perpetual emblems
- A suite of community support and development services which include:
 - Events and educational opportunities
 - Genealogy research and advice
 - Community advice
 - Cemetery tours
 - Volunteerism opportunities
 - Student inclusion in garden and site beautification projects
- Maintenance, preservation and restoration of significant community, cultural and heritage assets
- Enhancing sites as community parklands that are available for broader community use
- Ongoing leadership and support to key stakeholders including Class B Cemetery Trusts across Central Victoria. This includes the provision of cemetery management services, including completing risk assessments, consulting activities through to project management of key activities

Locations

Axedale Remembrance Park, including
Axedale Catholic & Axedale Public Cemetery
Cemetery Road, Axedale

Bendigo Remembrance Park
70 Carpenter Street, Bendigo

Eaglehawk Remembrance Park
5 Victoria Street, Eaglehawk

Emu Creek Remembrance Park
Emu Creek Road, Emu Creek

Kangaroo Flat Remembrance Park
33-49 Helm Street, Kangaroo Flat

Kialla West Cemetery
7374 Goulburn Valley Highway, Kialla West

Pine Lodge Cemetery
1600 Midland Highway, Shepparton

White Hills Remembrance Park
Corner of Holdsworth Road and Plumridge Street, White
Hills

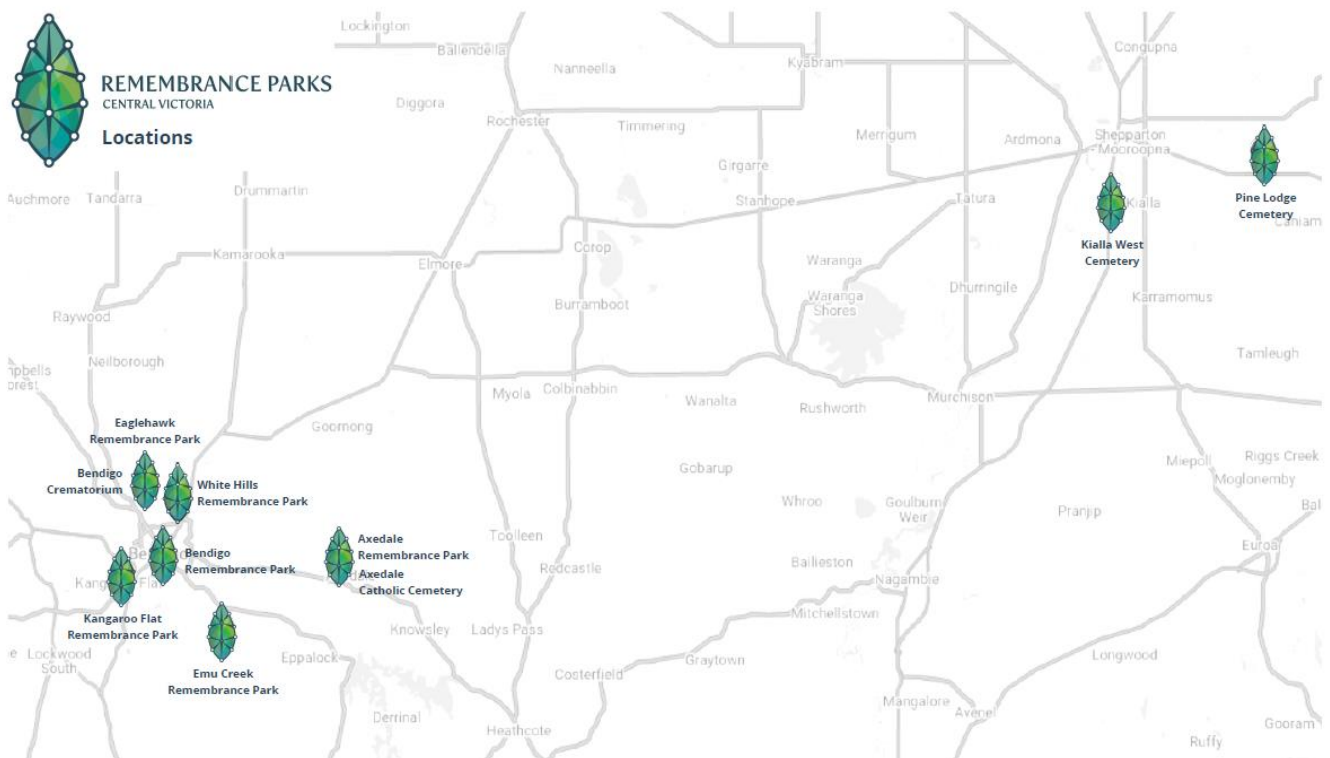


Figure 1: RPCV Remembrance Park locations

Governance

Remembrance Parks Central Victoria is governed by a Board appointed by the Governor-in-Council upon the recommendation of the Minister of Health (s.6A of the Act).

Board Members

Pam Macdonald	<i>Chairperson</i>
Ken Belfrage	<i>Deputy Chair</i>
Damien Tangey	
Lauren Bean	
Mark Gibson	
Craig Lloyd	
Margaret Lewis	

Audit & Risk Committee

Ken Belfrage	<i>Committee Chair</i>	Damien Tangey
Craig Lloyd		Lauren Bean
Kate Scarce	<i>Independent Member</i>	

Finance Committee

Damien Tangey	<i>Committee Chair</i>	Kate Scarce	Observer only
Ken Belfrage			

Community Advisory Committee

Lauren Bean	<i>Committee Chair</i>
Mark Gibson	

Remuneration Committee

Pam Macdonald	<i>Committee Chair</i>
Ken Belfrage	
Damien Tangey	
Mark Gibson	



Figure 2: RPCV Board Structure

Management

Appointed by and responsible to the Board (s. 18L of the Act), the Chief Executive Officer (CEO) 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 some of its powers according to s. 15 of the Act to the CEO.

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

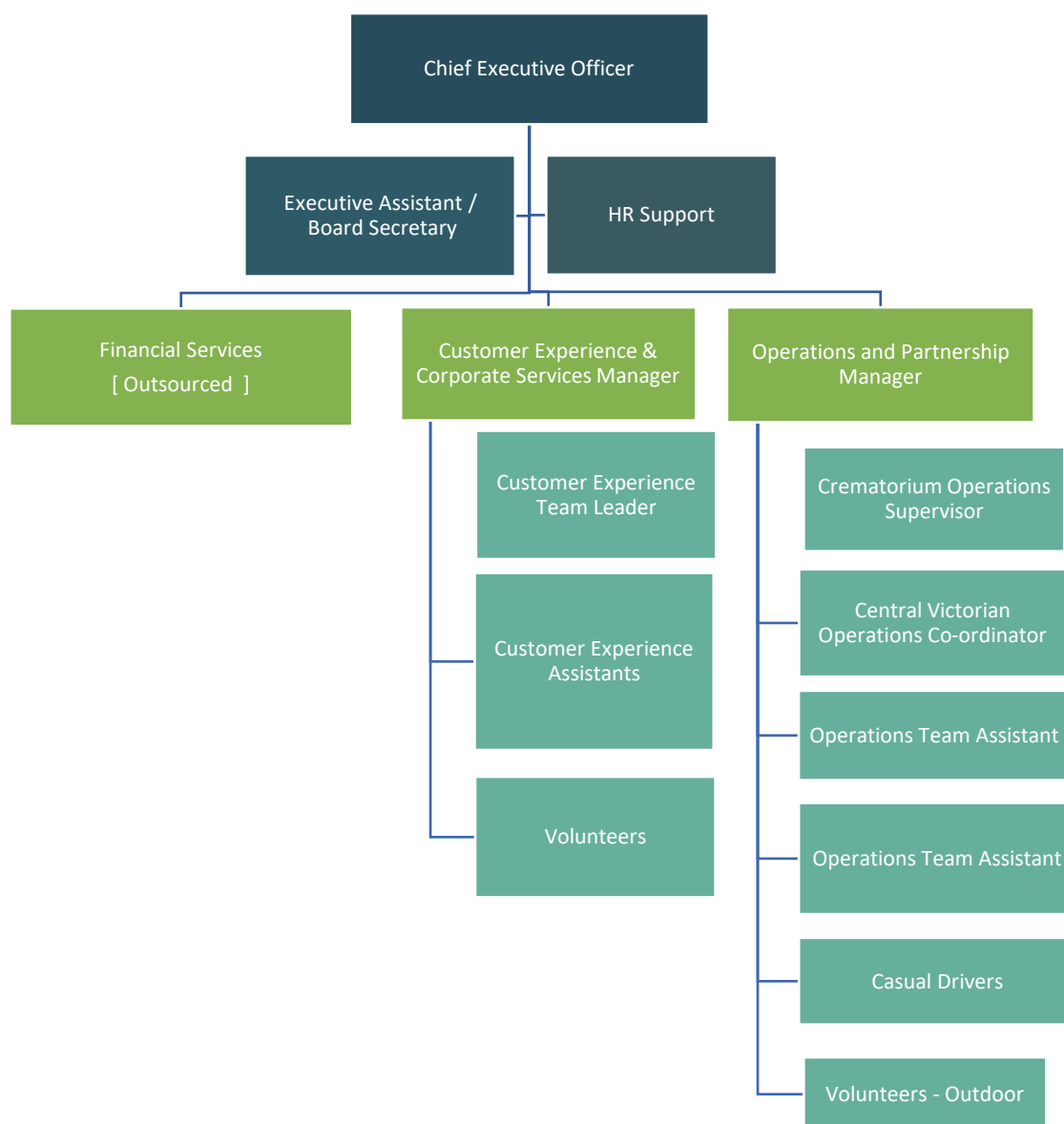


Figure 3: RPCV Governance Structure

Executive Management Team

Occupants of senior offices during this reporting period were:

Chief Executive Officer	1 July 2019 – current	Dean McElroy
Chief Financial Officer	1 July 2019 – 6 October 2019	Sheree Yates
Manager Partnerships & Operations	1 July 2019 – current	Wayne Evans

The aim of the executive management group is to ensure that activities occurring within RPCV are in line with the RPCV Strategic Plan, Cemeteries and Crematoria Act 2013 and RPCV policies and procedures.

Chief Executive Officer

The chief executive officer (CEO) delivers on the strategic direction and vision with input from the board. The CEO is responsible for advising the board on operational, financial and other matters and delegates responsibility for management of the day to day operations to the executive team.

Chief Financial Officer

The chief finance officer (CFO) role is responsible for delivering a corporate and financial framework that facilitates the achievements of RPCV's vision as well as the business and strategic objectives. After the resignation of our CFO in August 2019, the decision was to outsource the CFO function in September 2019 to provide a more comprehensive service by an external accounting firm.

Manager Partnerships & Operations

The manager partnerships and operations is responsible for the strategic and operational functions relating to our Central Victorian operations. These include management of day to day operations for all RPCV locations, including burials, crematorium and all associated grounds management activities, along with contractor and stakeholder management.

Table 1: Executive officer data: gender split

Executive Position	June 2019		June 2020		Variance
	Male	Female	Male	Female	
Chief Executive Officer	1	-	1	-	0
Chief Financial Officer	0	1	0	0	-1
Operations Manager	1	0	1	0	0

Table 2: Annual Total Salary Range

Income band (salary)	Executives
\$90,000 - \$109,999	1
\$110,000 - \$129,999	0
\$130,000 - \$149,999	1
Total	2

Business Performance

During the reporting period, Remembrance Parks Central Victoria performed a total of 1803 services for the community, in the form of Interments (bodily remains and cremated remains), cremations and providing both chapel & function services.

Table 3: Services performed during the reporting period of 1 July 2019 – 30 June 2020

Services	Total
Number of Cremations	1135
Interments (Bodily Remains)	425
Interments (Cremated Remains)	131
Chapel Usage	81
Receptions	31
Operating revenue	\$2,317,393
Community Activities	4

Product Offerings

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

Table 4: Interment Product Offerings (by site)

	Lawn Plaque	Lawn Headstone	Monumental	Vault
Bendigo	•		•	•
Eaglehawk	•		•	•
White Hills	•		•	•
Kangaroo Flat		•	•	•
Axedale			•	•
Pine Lodge			•	•
*Emu Creek				

Table 5: 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									•
Pine Lodge									•
*Emu Creek									

* not active cemetery

Occupational Health & Safety

RPCV and its officers recognise, especially in the current environment that the health and safety of all staff, volunteers and visitors is of the utmost importance. This is seen as vital to our business and as such we aim to continually improve on addressing health and safety risks in the workplace.

RPCV is committed to:

- Provide a safe environment for all in our workplace
- Managing risks in the workplace, ensuring staff receive information, instruction and supervision
- Maintaining buildings, plant and equipment in safe working condition
- Continue with ongoing training and education of staff and volunteers
- Develop, implement and monitor safe work practices
- Assist in improving the health of our staff
- Ongoing consultation with workers through regular staff meetings

RPCV also meets with the appointed OH&S representative to discuss issues and act on suggestions, in line with RPCV's OH&S obligations under the Occupational Health & Safety Act 2004.

Table 6: Occupational Health & Safety statistics

	2019/20	2018/19
Hazards	3	5
Incidents	0	0
Lost time due to injury	0	0
Average cost per claim	0	0

RPCV continued to progress and review its prevention-led approach to OH&S and People Management.

This approach has three key pillars:

- OH&S and work systems
- Promotion of a healthy workplace culture
- Good People Management Practices

Particular focus for the past 12 months has been:

- Reviewing public safety and implementation of action plans for unsafe monumental graves at all cemeteries
- Consultation and training with stonemasons regarding the permit process and safety requirements
- Staff wellbeing policies such as Driver Safety, Drug and Alcohol Policy, Air Quality and Bushfire Smoke Procedures, Working from Home.
- Developing and monitoring pandemic plan response and COVID19 Safe procedures for all workers and the general public
- Implementing recommended ergonomic improvements for office-based workers

For RPCV staff, the organisation continues to provide:

- confidential Employee Assistance Program (EAP) for staff, volunteers and their families
- Influenza vaccination program to all employees
- Refresher training in workplace safety for staff and OH&S Representatives
- Update briefings on OH&S legislative changes to Trust members and all workers

In addition, RPCV has also provided access to the following internal and external training programs:

- Grave safe training
- QGIS Mapping
- Outlook Task Management
- Payroll
- Management and Executive Coaching



COVID-19 Pandemic response

In response to the COVID-19 pandemic and State of emergency declared by the government, RPCV was quick to respond to the changing environment and meet the requirements of mandated restrictions throughout all our operations.

Our main priority was community and staff safety, at the same time ensuring we continued to provide a high level of service, even through the challenging restrictions.

Our Actions

Classified as an essential service during restrictions, RPCV continued to deliver our cremation and burial services, as well as grounds maintenance operations within the restriction guidelines.

RPCV developed a pandemic plan to ensure correct risk management and consideration for all aspects of staff, stakeholder and community safety; at the same time ensuring we could maintain business continuity for essential core business as usual for our cemetery services.

Our administration office was initially closed to the general public from 23 March 2020 and re-opened on 22 June 2020. During this period, we continued to provide and service requirements via phone or email.

All volunteer services were suspended during this time, which extended to our research activities and volunteer services currently remain on hold until it is safe to return to service.

We have also cancelled all planned events for the remainder of the calendar year.

Financial Position

During the first couple of months of restrictions, we re-assessed our financial performance expectations and adjusted to reflect a considerable drop in some of our key areas. A lower than expected death rate within Victoria could be attributed to the restrictions keeping the community at home, combined with a significant drop in revenue associated with sales of both pre-need and memorialisation sales.

Financial forecasting continued to be a challenge during this period, as it was unclear the duration and actual impact that operating within a pandemic would have. All financial results can be found within the financial statements.

We received government stimulus funding for the period ending 30 June 2020, which enabled us to complete a range of activities within the cemetery and our operations, while engaging and supporting some of our local contractors, as a fundamental intent of the stimulus funding

We also qualified for JobKeeper funding which allowed us to ensure staffing levels were maintained and supported, as well as provide staff with the assurance that their employment was secure.

General

Whilst the pandemic did provide many challenges and continues to do so, we are thankful and proud of all our staff, management and board that remained committed to serving the community, but also adapted to meet the changing requirements like never before.

We continued with major works during this period, undertaking some key business objectives and capital works as well as taking the opportunity to enhance or review our online services, and develop staff skills using technology interfaces.

Strategic Objectives

Strategic Priority One

Building for the Future

Strong, viable business with capacity to grow

During a year of consolidation, Remembrance Parks Central Victoria has been successful in implementing strong financial controls which has been reflected by the positive operating result. As we continue to invest in the development of new grave infrastructure within our cemeteries, and increased our focus on beautification works, we have maintained our financial viability to ensure the organisation is sustainable into the future.

During the 2019-20 year, RPCV achieved an operating surplus of \$89,379, compared to an operating surplus of \$154,903 in the 2018-19 financial year. This decrease of \$65,524 can be attributed to a decrease in the fair value of investments, downturn as a result of COVID-19 and an increase in maintenance.

Operating Statement

Total revenue across all aspects of the organisation has increased from \$2.63 million in 2018-19 to \$3.18 million in this reporting period.

The income from cemetery operations for the year was \$2.32 million compared to \$2.54 million (excluding government grants) for 2018-19 period. Investment income of \$35,444 has decreased from 2018-19 and together with the fair value loss on our investments of \$42,963, has impacted our overall result.

Our main revenue stream continues to be our cremation services, representing 35% of our operations income. Our service delivery model has increased by 55% since it was implemented in 2015. This can be attributed to the availability of the second cremator that provides additional capacity and caters for oversized cremations. Investment in a new transit vehicle during the year and more streamlined booking processes has contributed to growth in this valued service for more geographically dispersed communities.

Right of Interment and Interment income have continued to remain steady throughout the reporting period at a combined 47% of operations income. Whilst Bendigo Remembrance Park remains the most popular cemetery for burials, data towards the latter part of the financial year indicates an increased interest for burials at the Eaglehawk and White Hills sites, which we believe is attributable to the infrastructure and beautification investments made at these sites.

Memorialisation income has also reported consistently from 2016-17. As our fourth highest revenue stream at 16%, this service continues to be an important and integral part of the organisation.

An approved CPI increase of 2% was applied to all fees and charges, effective 1 July 2019.

Total expenditure amounted to \$3.09 million (including cost of goods sold) during this financial year compared to \$2.48 million in the 2018-19 period. This is an increase of \$604,759 or 24%.

Personnel expenses have increased from \$855,048 in the 2018-19 year to \$1.08 million. This can be attributed to positions being filled in administration in particular to cover the Shepparton bookings. Whilst this has resulted in a saving of 16%, our commitment to staff and to the delivery of services at a high standard continues to be a strong focus of the organisation.

The emphasis on strengthening our core activities this year has enabled us to concentrate on controlling our spending within all areas of the organisation. RPCV has contributed \$68,561 to the State Government via the cemetery levy this year.

Improved internal processes have resulted in a saving of administrative costs this year of \$60,000.

Together, these savings have been reinvested into our capital works program and contributed to our investment in property, plant and equipment.

Figure 4: Revenue for 2019-202

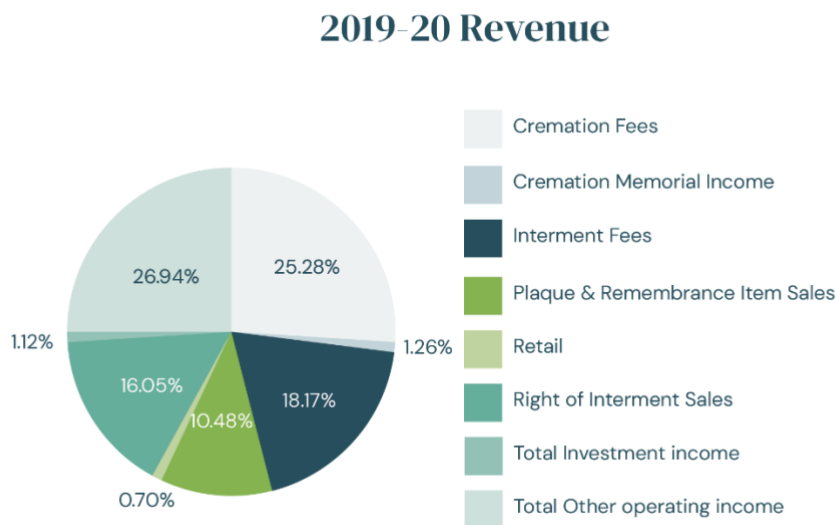
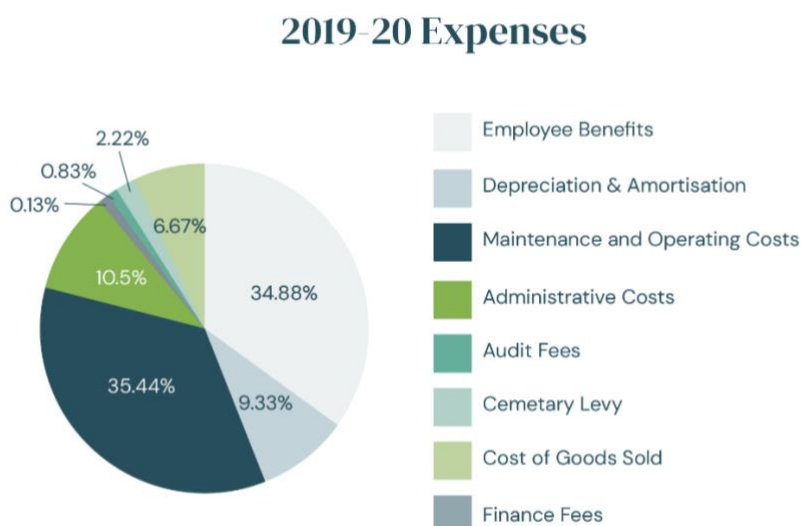


Figure 5: Expenditure for 2019-2020



Balance Sheet

Net Assets have increased from \$4.10 million in 2018-19 to \$4.19 million as at 30 June 2020 and is representative of our ability to self-fund improvements to our cemeteries.

The balance sheet recorded total assets of \$6.69 million this financial year, growth of 8.5% from 2018-19.

A downturn in market conditions as a result of the COVID-19 pandemic resulted in a reduction in our portfolio investment this year with a 3.63% decrease from 2018-19. RPCV continues to invest in sustainable and strong equities and remains confident this investment strategy will service the longer-term needs of the organisation.

Investment of \$413,291 into infrastructure, property, plant and equipment was achieved this year, with government grants and stimulus packages used to fund these capital improvements. This will continue to sustain revenue generation across all cemeteries whilst ensuring continued efficiencies within our organisation.

Total liabilities had an overall increase of \$432,785 this financial year or 20.93%.

Proceeds received from prepayments continued to rise with an increase of \$204,317 since 2018-19. This represents growth of 13.74% and is reflective of a combination of change in community and social preferences; families planning end-of-life matters and pre-purchasing memorials. RPCV has been able to reduce the liability attributable to the cost of providing the services in relation to these prepayments and this is reflected as a reduction of \$70,000 or 31% in the balance sheet.

Receipt of government grants not yet expended of \$17,742 has contributed to the total value of liabilities. These monies will be used in the 2020-21 financial year to contribute to the White Hills fence and pergola restoration projects.

RPCV is committed to maintaining a sustainable business and ensuring adequate funds are available to meet our perpetual maintenance obligations. This year we have increased the cash backing of our perpetual maintenance, cremator, operating, employee entitlements and pre-purchases reserves by \$298,958.

In order to cater for this obligation into the future, RPCV is moving towards 100% cash backing in line with the organisation's Treasury Management Policy.

Table 7: Five-year summary of financial results

	2019/20	2018/19	2017/18	2016/17	2015/16
Total Revenue	3,176,548	2,637,313	2,765,160	2,763,029	2,554,166
Total Expenses	-3,087,169	-2,482,410	-2,805,583	-2,410,323	-2,235,109
Operating Surplus/ (deficit)	89,379	154,903	-40,423	352,706	319,056
Accumulated Funds/ (deficit)	816,943	769,533	648,528	688,952	336,247
Total Assets	6,686,850	6,164,686	5,945,904	5,863,478	5,333,629
Total Liabilities	-2,500,770	-2,067,985	-2,004,106	-1,861,755	-1,772,366
Net Assets	4,186,080	4,096,701	3,941,798	4,001,723	3,561,264
Total Equity	4,186,080	4,096,701	3,941,798	4,001,723	3,561,264

Decision-making processes

Governed by our Strategic Plan to ensure that we remain on track to achieve our strategic objectives, we realign and refocus our operations annually through the development and implementation of an annual plan. This annual plan is reviewed and approved by the Department of Health and Human Services.

During this reporting period we increased the frequency of both board and committee meetings to ensure a suite of changes and policies were approved and implemented for greater alignment to our strategic priorities.

The new cemetery management implementation project was undertaken during this reporting period. The implementation of this system will allow more efficient management of our cemeteries. A common system across all Class A Cemeteries, it provides RPCV with a 'one stop shop' and the ability for greater engagement with both community and stakeholders through a range of services that will be rolled out over coming periods. Modules include grounds maintenance management, cemetery mapping and a suite of other online services.

Sector-wide leadership

It has been a very active year working with our Class B community. We Implemented and transitioned into the management of both Pine Lodge and Kialla West cemeteries, working with Greater Shepparton City Council.

RPCV provided a range of cemetery services for a number of local Class B cemeteries, including: risk assessment, consulting services to provide recommendations for ongoing works, and contracted project management. There was also opportunity to provide governance assistance and guidance on a range of subjects as required. As an organisation, we are keen to provide ongoing support to our regional Class B cemeteries to ensure their viability.

RPCV continue as an active member of the Strategic Working Group established by the Department of Health and Human Services, who coordinate meetings with Class A cemeteries, government officials and sector associations. These sessions provide valuable insight and the opportunity to contribute, share knowledge and highlight the challenges and achievements of Cemetery Trusts. This working group also provides the opportunity to communicate the level of engagement and support provided to the Class B cemeteries on an ongoing and regular basis, ranging from regular phone calls, assisting with a range of operational requirements to onsite support

More recently, RPCV became an active member of the Pandemic Planning Group, led by the Department of Health and Human Services. During these weekly meetings, members engage with other Class A cemeteries, associations and the Minister's Office to ensure the sector is engaged, supported and prepared during the COVIC-19 pandemic.

Remembrance Parks Central Victoria Board

The RPCV board is responsible for the overall governance, management and strategic direction of the organisation and for delivering accountable corporate performance in accordance with RPCV's goals and objectives.



Pam Macdonald – Chair

Our Chair, Pam Macdonald has served on Boards for almost two decades and 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 Board.

Pam is also the Chair of the RPCV Remuneration Committee.



Ken Belfrage – Deputy Chair

Ken is an experienced director and company secretary with extensive corporate governance and corporate regulatory skills. Ken holds appointments as chairman of audit and finance committees as part of his board roles and also for local government and a regional hospital where his strong audit, risk and finance skills are applied. Ken has 34 years of experience in public accounting roles where he serviced a broad client base across a range of industries.

Ken is the Chair of the RPCV Audit & Risk Committee, a member of the Finance Committee and the Remuneration Committee.



Lauren Bean – Member

Lauren holds a Master's degree in Communications and is a Graduate of the Australian Institute of Company Directors and Columbia Business School executive education program.

Lauren is currently the General Manager of Bendigo Bank's Community Bank® National Council, has previously held various senior leadership positions in the community and financial services sectors and is a past director of Bendigo TAFE, Community 21 and Community Sector Banking.

Lauren is the Chair of the RPCV Community Advisory Committee and a member of the Audit & Risk Committee.



Craig Lloyd – Member

Craig holds a Masters of Business Administration, Master of Project Management and a Post Graduate Certificate in Community Development. He has extensive senior executive experience in the public sector, including roles with state and local government, emergency services and not-for-profit organisations. Craig is currently the Chief Executive Officer, Murrindindi Shire Council, and was formerly a Director with the City of Greater Bendigo. Craig has expertise in asset management, project management, community engagement and strategic planning.

Craig is a member of the Finance Committee and the Audit & Risk Committee.



Mark Gibson - Member

Mark has worked in a large variety of roles for various organisations in the health and community services sector over the past 35 years. Roles have included senior and middle management HR management positions and a range of community development positions for agencies such as Anglicare Victoria, the Department of Justice, Latrobe Community Health Service, Relationships Australia Vic and the Family Mediation Centre.

Mark has served as a Director on a variety of Boards and committees within the Victorian health sector; with sporting clubs, the RSPCA and on a Ministerial Advisory Committee. In 2019 Mark became a Member of the Community Advisory Committee of Bendigo Health.

Mark is an active Justice of the Peace, has a strong interest in heritage matters and a number of his ancestors are buried in the Bendigo Remembrance Park.

Mark is a member of the Community Advisory Committee and the Remuneration Committee.



Damien Tangey – Member

Damien is the Managing Director of Birchgrove Property, a Bendigo-based business specialising in residential development. Damien also serves as the Board Chair of Haven Home Safe and is the Immediate Past President and a Board Member of the Urban Development Institute of Australia (Vic), and Be.Bendigo. Other appointments include Damien's roles as a member of the Loddon Mallee Regional Development Australia Committee and as President of the Bendigo Senior Secondary College Council. Damien resides in Bendigo and is passionate about the region.

Damien is the Chair of the RPCV Finance Committee and a member of the Audit & Risk Committee.



Margaret Lewis – Member

Marg's professional career was as a teacher and Principal in Central Victoria. She has been the Chair of Joyce's Creek Cemetery Trust for many years and has an interest in the historical aspects of cemeteries, particularly our local goldfields cemeteries. Marg enjoys travel and has visited cemeteries in Europe and the UK exploring family history and the diverse management systems and maintenance problems of historic cemeteries.

Marg is the Deputy Chair of the Goldfields Local Learning & Employment Network and a member of the Castlemaine Health Board. She is also a government appointed community representative on the Planning for Sustainable Animal Industries Reference Group.

Table 8: Board participation at scheduled meetings during the reporting period (1 July 2019 – 30 June 2020)

	Board		Audit & Risk		Finance		Community Advisory	
	Meetings	Attend	Meetings	Attend	Meetings	Attend	Meetings	Attend
Pam Macdonald	10	9	2	2	2	1		
Lauren Bean	10	9	3	1			4	3
Ken Belfrage	10	10	4	3	6	6		
Damien Tangey	10	10	4	4	6	6		
Craig Lloyd	10	9	3	2	6	5		
Mark Gibson	10	8					4	2
Margaret Lewis	10	9			6	6		
Independent Member of Audit & Risk Committee & Observer at Finance Committee								
Kate Scarce			4	4	6	4		

Annual Meeting

The Board convened an Annual Meeting on Monday 25 November 2019 in accordance with its legislative obligation (s. 18H) and consistent with its strategic direction 'A more actively engaged community'.

The agenda for this meeting included the 2018-19 year in review, an overview of the 2018-19 Annual Plan and updates on the various projects underway or planned. The meeting enjoyed representation from the local historical society, members of Class A and Class B cemetery trusts, along with RPCV trust members, local contractors, volunteers and staff.

Governance structures and processes

RPCV's Strategic Plan and Annual Plan informed the direction of business for the 2019-20 year.

The new 2019-2022 Strategic Plan was rolled out to provide greater clarity and alignment to key strategic principles for the organisation. A governance calendar was also developed to capture key legislative and governance reporting requirements that is monitored monthly to ensure all requirements are achieved.

Risk Management

RPCV have a strong focus on risk management which is monitored and reviewed by the RPCV Board's Audit & Risk Committee. The risk management framework is underpinned by compliance reporting and the internal audit program, and the risk register is regularly updated and supported by the internal audit program.

Organisational capability

The structure of the organisation is constantly reviewed to maintain maximum output. Processes and guidelines have been implemented and updated to new and existing support staff. During this reporting period, we outsourced our financial services to provide greater opportunity to utilise a range of financial experts to improve our financial reporting, as well as some processes to develop policy to support greater focus on overall performance.

These changes have enhanced the RPCV's fiscal management and reporting systems, and at the same time supported the ability to achieve the objectives contained in the strategic plan and the annual plan.

Compliance

Consistent with its legislative 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

The governance framework requires that at the commencement of each Board meeting, a specific agenda item calling for all Directors to make declarations of actual or perceived pecuniary interest and/or conflicts of interest is required. RPCV also actively ensure continued compliance with the Victorian Public Sector guidelines.

Building Act 1993

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

National Competition Policy

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

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

RPCV continues to review its practices and maintains privacy awareness education to staff in accordance with the Information Privacy Act 2000. Initiatives continued during this reporting period to enhance compliance with information privacy expectations included new records management practices, cemetery record digitisation and a staff privacy awareness education program.

During this period we joined together with several other Class A cemeteries and engaged a contractor to assist in the development of a Protective Data Security Plan (PDSP). This PDSP will detail our requirements in moving towards the compliance requirements to comply with a range of Victorian Protective Data Security Standards. This is also a requirement under the Privacy and Data Protection Act 2014

Freedom of Information Act 1982

For the period ending 30 June 2020, RPCV received no formal requests from the general public for information under the Freedom of Information Act 1982

A request can be submitted using the FOI website online at www.foi.vic.gov.au or via email to enquiries@rpcv.com.au or by sending an application to:

FOI Officer
Remembrance Parks Central Victoria
PO Box 268
Eaglehawk VIC 3556



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 of the Protected 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.

Procurement

The RPCV tendering and procurement policy and procedures are aligned with the Victorian Government Purchasing Board (VGPB) policies and guidelines.

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 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

Details of consultancies (under \$10,000)

During the 12 months ending 30 June 2020, RPCV engaged two consultants where the total fee payable was less than \$10,000. The total expenditure was \$12,727 (excluding GST).

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

In the period ending 30 June 2020, one consultant was appointed where the total fees payable were \$10,000 or greater. The total expenditure incurred during this period was \$13,600 (excluding GST).

Table 9: Details of consultancies valued \$10,000 or greater

Consultant	Purpose of Consultancy	Start date	End date	Total Approved project fee (excl. GST)	Expenditure 2019-20 (excl. GST)	Future Expenditure (excl. GST)
Crowe Australia	Protective Data Security Plan	Apr-20	Jun-20	\$13,600	\$13,600	Nil

Strategic Priority Two

Community Connections

Maintain and nurture community connections through collaborative and trusted relationships

RPCV continues to advocate for sector-wide delivery of an integrated, effective and efficient statewide service to the Victorian community. There are several stakeholder engagement activities that RPCV encourages active community participation that include:

Unfortunately we had to suspend all volunteer services during from March 2019 for the health and safety of our volunteers, under advice from the Department of Health and Human Services. This included all research, tours and grounds-keeping activities undertaken by volunteers. We look forward to welcoming back our volunteers and services when safe to do so.

There are a number of committees and council that RPCV have either instigated or are a part of, including:

Community Advisory Committee

The RPCV Community Advisory Committee (CAC) meet on a quarterly basis and provide advice and guidance to RPCV to assist in carrying out community engagement responsibilities, as well as statutory requirements as stipulated in the Cemeteries and Crematoria Act 2003 (the Act).

During this reporting period we moved to engage the CAC via an online meeting portal to keep the CAC engaged and informed during COVID-19 lockdown.

Objectives of the CAC ensure that community and consumer views are considered in the planning and delivery of cemetery trust services and to provide advice in relation to the integration of consumer and community views at all levels of cemetery trust operations, planning and policy development.

Interfaith Council

RPCV are a member of the Bendigo Interfaith Council to engage with representatives from myriad religious denominations represented in Central Victoria. The Bendigo Interfaith Council fosters and promotes mutual understanding, social inclusion and respect. This is achieved through dialogue and exchanges within the interfaith council, respective networks and the public, and by providing a united public voice to advocate on issues such as human rights and other social justice issues.

During the COVID-19 shutdown, Interfaith Council meetings were held online.

Funeral Directors Roundtable

Funeral directors from the region are invited to meet twice yearly to discuss important and timely issues. The meetings provide RPCV with a valuable opportunity to listen to our stakeholders as well as to engage their contribution to planning major works and activities. The meetings also provide an opportunity to inform funeral directors about ongoing or upcoming projects as well as operational issues of relevance.

During this reporting period we moved to engage funeral directors online, to continue engagement and information-sharing during COVID-19 lockdown.

Our after-hours booking service has been brought back in-house and staffed by RPCV employees. This was based on feedback from the funeral directors, and ensures we can provide a level of service outside of normal business hours

Support from RPCV has continued to the committee working on the restoration of the St Aiden's grave at Bendigo Remembrance Park. RPCV have provided operational support and guidance as the project commenced. Work is expected to be completed in 2020.

Community Educational Opportunities

RPCV aims to provide educational opportunities to inform and discuss with the community about end of life matters in a supportive environment. By hosting a variety of events, RPCV engage with various sectors of the community in innovative ways that encourage conversation, support and engagement.

This year has not been as busy as usual with events, due to social distancing and as we closed our offices for a number of months.

During the reporting period the following community events took place:

Dying to Know Day Expo

3 August 2019

A community, expo style event, aimed at activating conversations and curiosity surrounding death, dying and bereavement. By encouraging death literacy and providing a space to talk about end of life plans, this can help people, families and communities to do death better. This expo provides a welcoming environment for members of the public to speak to a range of organisations relevant to this area of education and assistance.

Pregnancy & Infant Loss Remembrance Day

15 October 2019

On this day, parents and families across Australia honour babies who passed away from miscarriage, stillbirth or newborn death. This memorial service was conducted in conjunction with St John of God Hospital (SJOG), The Gianna Centre and Bendigo Health. The Bendigo City Homing Pigeon Club supported the event by releasing a flock of birds at the end of the service. SJOG provided live music throughout the service which included poems, prayers and time for reflection. Each participant given a keepsake heart and candle to take home.

Open House Bendigo

26 & 27 October 2019

The Bendigo Chapel was again featured in Bendigo's second annual Open House event.

On Sunday 27 October, talks were given by heritage architect David Wixted and historian Michelle Summerton on the restoration works of the chapel. Inside the chapel, historic images were displayed showing the chapel changes over time, as well as prior to, during, and after the recent renovation.

We thank our dedicated volunteers for their assistance on this day.

Christmas Memorial Service

5 December 2019

A formal remembrance service was conducted by celebrant John Bond. The service included poems, prayers and time for reflection. During the ceremony attendees were invited to write a message and attach it with a decoration to a Christmas tree set up at the front of the chapel. After the formal service, guests were invited to stay for light refreshments provided by RPCV.

Unfortunately, due to COVID-19 health and safety risks, we had to cancel our Easter remembrance events and Mothers' Day service, as well as our cemetery tours that are usually held on a regular basis.



Strategic Priority Three

Responsive to Customer Needs

Provide responsive and outstanding customer service across all aspects of our business

Customer Service

Our emphasis on providing an exceptional customer service experience continues, with staff striving to enhance our levels of customer service for those requiring assistance in all aspects of our business. The customer experience team is constantly faced with challenging and difficult situations when dealing with bereaved families, and the compliments that RPCV receives is recognition of the job they do.

As a result of recent world events, we are currently reviewing a range of improved customer service practices such as online services, to provide flexibility for our community to choose how they interact with our sales and administration team.

RPCV believes memorialisation is an important part of the grieving process and we will innovate and work with current research and partnerships in an attempt to better understand and provide relevant and modern insights to improve choices for our ever-changing customer requirements. Our customer experience staff are highly experienced in assisting families to choose a modern and appropriate perpetual remembrance item from our wide collection.

Figure 6: Overview of Products and Services



Park Improvements

Key projects were undertaken during the reporting period with funds allocated for general maintenance as well as grant funding through a variety of sources.

Recycled Water Project

During the reporting period RPCV were successful in receiving grants from the Department of Health and Human Services to commence both Stage 1 and Stage 2 Recycled Water Project. This project involves locating access to recycled water to both Bendigo and Eaglehawk Remembrance Parks. We look to completing Stage 3 in the 2020-2021 period that will allow for recycled water to be used for irrigation purposes and provide increased sustainability of water reserves. Not only do these essential projects have a positive impact on the environment but also provide significant savings to RPCV with the reduction of associated utility bills.

White Hills Gates & Fences project

RPCV received grant funding from the Living Heritage Grants Program for \$200,000 that has allowed for the repair and restoration of the heritage listed gate and fence at White Hills Remembrance Park. Works included installation of retaining walls, straightening of wing fences and leveling, repairing gates and curved fence and painting. The project also allowed for some maintenance on the peppercorn trees that align the fence line. The new gates are featured on the front cover of this report.

White Hills Rotunda Project

The heritage listed rotunda at White Hills Remembrance Park is being returned to its original state with the replacement of damaged timber work, updated painting and maintenance to the original infrastructure. We give thanks to WDEA for sourcing funding and for the organisation of willing workers as part of the Work for the Dole program.

White Hills Remembrance Park landscaping work

Significant landscaping was undertaken at White Hills Remembrance Park to create new pathways and edging, including liaison with Heritage Victoria to ensure the colours and materials were compliant and within guidelines.

Landscape improvements with school children

During the reporting period RPCV continued to see several school groups attend our cemeteries to assist grounds staff in a range of general landscaping activities. During their visits they were able to plant several thousand plants of various local native varieties. We thank both Marist College Bendigo and Catherine McCauley College for their ongoing support. This program provides an opportunity for us to increase planting and create new gardens, but also allow the students to contribute to the wider community. The program was put on hold during the COVID-19 pandemic, but we look forward to its return when safe to do so.

Function room upgrade, Eaglehawk

Considerable works were undertaken to upgrade the function room at the Eaglehawk Remembrance Park for customers to hold functions on site. The function space was given a fresh coat of paint, re-carpeted and art installed.

New Office Area, Eaglehawk

A new office area was created within the crematorium building to safely accommodate our operations staff as an appropriate workspace was required to socially distance during the COVID-19 pandemic.

Childrens Section Upgrade, Bendigo

RPCV commenced an upgrade to the children's section at Bendigo Remembrance Park. When completed the area will have new plantings, upgraded curbing and seating. The intention is to have a more pleasant place for grieving families to visit and reflect. This work is due for completion within the 2020- 2021 period.

Class B Trust Assistance

Our partnership with the Greater Shepparton City Council continues. A smooth and seamless transition of the management and operations for both Pine Lodge Cemetery and Kialla West Cemetery was achieved at the start of this reporting period.

RPCV acknowledges the work done by and commitment of, Class B trust members across central and northern Victoria. We continue to provide communication and support, with increasing levels of leadership and assistance. RPCV support has included key areas of business, governance, policy, administrative and on operational matters. RPCV will continue to be proactive in providing support and education and pursuing opportunities to build and continue relationships across numerous trusts and stakeholders.



Strategic Regional Partnerships

We continue to provide a cremation service delivery that is of significant value to RPCV, providing an important service to the smaller places throughout Central and Northern Victoria.

Our cremation pick-up service is currently 39% of the total cremations performed at RPCV's crematorium in Eaglehawk and continues to provide remote and smaller funeral directors access to cremation services.

During this reporting period, we partnered with local employment agency WDEA to restore the rotunda at White Hills cemetery and support long term unemployed. We aim to continue to encourage this partnership with further projects in future.

Figure 7: Cremations Performance over five-year period

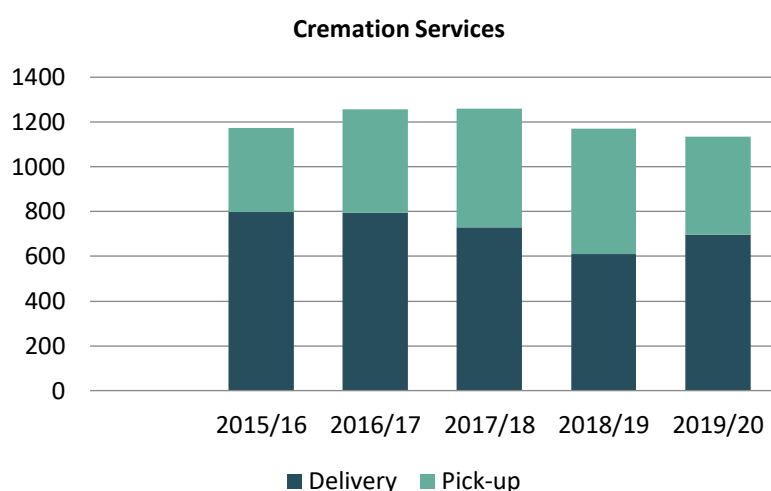
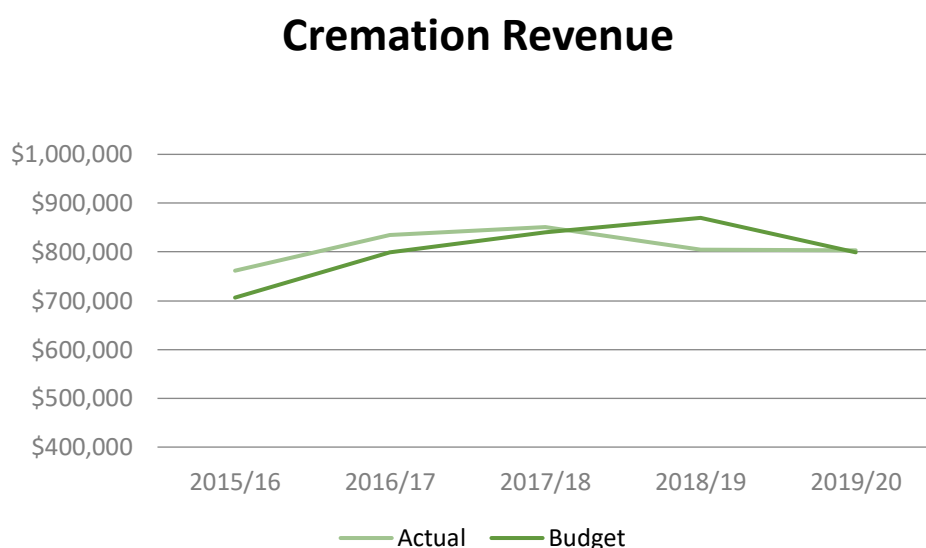


Figure 8: Cremations Revenue over five-year period



Strategic Priority Four

Inspired People & Culture

Champion a culture that engages, inspires and empowers our people

RPCV continue to engage, upskill and train staff, particularly in preparation and implementation of RPCV Pandemic Management, which involves preparation to maintain business operations within a pandemic environment. During this period RPCV also transitioned to our new cemetery management system that required considerable training and commitment from all staff to ensure successful implementation.

We continue a focus on providing quality and accessible service to community and stakeholders during the pandemic and associated lock-down period, including the implementation and updating of various policies and agreements:

- Implementation of RPCV Enterprise Agreement
- New OH&S policies
- Masons guidelines and permit requirements introduced. These guidelines ensure all monuments or stonework complies to Australian standards ensuring quality and safety.
- Safety checks on headstones. An internal risk assessment was conducted on all monumental headstones within a nominated category. Appropriate corrective action measures were implemented on any that were identified as posing a risk to the community
- Code Red/Total Fire Ban policies were reviewed and updated during bushfire outbreaks. Our code red procedures were activated in November 2019, that saw all cemetery services halted that day
- COVID-19 pandemic precautions implemented to ensure we could provide a safe environment for staff but also ensure that our services remained available to the community and stakeholders

RPCV recognises, values and respects the commitment and contribution of its volunteers and creates a culture to support volunteerism that is reflected in all of its activities. A morning tea to recognise and celebrate the work of our volunteers is held on an annual basis.

Our volunteers undertake a variety of activities across the organisation including, but not limited to, outdoor grounds work including arts and photography, updating maps, genealogy research, assisting visitors with grave locations, assisting at special events and special projects assisting customer service staff. Specific volunteer projects undertaken during this reporting period include:

- Student volunteers from local colleges; Marist College and Catherine Macauley College students replanted garden areas.
- RPCV commenced a partnership with WDEA Works to offer project-based volunteering to support community members to develop work-ready skills through structured programs. Restoration of the historic White Hills Rotunda provided opportunity for a range of unemployed community members to be actively engaged.

Unfortunately, COVID-19 has meant a halt of our volunteer programs due to health and safety considerations. Once current restrictions are lifted, we will be considering new opportunities to engage volunteers in outdoor or remote activities.

Attract and retain an engaged workforce

RPCV are pleased to report stability in our workforce for the past year, but have also recruited personnel for new roles, including a Work for Dole Project Supervisor, and an additional staff member to travel to assist clients and community at Kialla West and Pine Lodge cemeteries; additional casual support to ensure consistent quality service and response times for funeral directors.

RPCV provide a safe, secure and comfortable working environment, and more recently, flexible working conditions – allowing a majority of our workforce to work from home during the COVID-19 work restrictions. Our focus during this time has also been on mental health, and the provision of the Employee Assistance Program as well as training sessions on self-care during the pandemic.

We continue to develop policies to ensure staff safety is considered.

RPCV staff and contractors have been very willing and cooperative in adapting to an ever-changing environment in 2020 to maintain an essential service. We thank everyone for their commitment to our community and stakeholders, which also included the following policies and procedures to be introduced and updated:

- induction framework developed and implemented
- safe driving checklist
- hazard and incident reporting procedures
- ergonomic assessments conducted to ensure safe working conditions for employees

Employee Demographic

The staff demographic employed across the organisation at the end of the reporting period compared to the previous period is referenced in the tables below. We are proud to demonstrate the values of gender diversity and employment of people of all ages.

Table 10: Employee demographics

Employee Category	Fulltime Equivalent (30 June 2020)	Fulltime Equivalent (30 June 2019)	Variance
Indoor Staff	7.72	6.42	1.30
Outdoor Staff	5.96	5.27	0.69
Executive	1	1	-
Total	14.68	12.69	1.99

Table 11: Employee gender demographics

Employee Gender	Fulltime Equivalent (30 June 2020)	Fulltime Equivalent (30 June 2019)	Variance
Female	9.06	7.69	1.37
Male	5.62	5	0.62
Self-described	0	0	0
Total	14.68	12.69	1.99

Table 12: Employee age demographics

Employee Age	Fulltime Equivalent (30 June 2020)	Fulltime Equivalent (30 June 2019)
Under 25	1	1
25 – 34	3	3
35 – 44	1	1
45 – 54	3	4
55 – 64	5	2.56
65 and over	1.68	1.13
Total	14.68	12.69

Volunteers

RPCV volunteers undertake a variety of activities across the organisation including but not limited to outdoor grounds work including arts and photography, updating maps, genealogy research, assisting visitors with grave locations, assisting at special events and special projects assisting customer service staff.

The organisation recognises, values and respects the commitment and contribution of its volunteers and creates a culture to support volunteerism that is reflected in all of its activities.

RPCV continued with school partnerships until December 2019. Students from several local schools provided weekly support to our operations team through a range of grounds maintenance activities. During their visits we were able to complete construction of new garden beds and the planting of a large volume of plants

During the reporting period, RPCV commenced a partnership with WDEA Works to offer project-based volunteering to support community members to develop work-ready skills through structured programs. The restoration of the historic rotunda at White hills cemetery was undertaken through this program, and was fully funded and staffed by qualifying work for the dole participants.

Unfortunately, COVID-19 has meant our volunteer programs halted and community events cancelled due to health and safety considerations. As we move forward, we will be considering new opportunities to engage volunteers in outdoor or remote activities.



Business Environment

RPCV continues to work on and improve the physical work environment for employees, as well as providing a more sustainable organisation for future generations.

ICT Enhancements

During the reporting period, we purchased and commissioned a new server to meet increased IT capacity - but also to meet the capability to cater for our new cemetery management system. We commenced implementation of our new current cemetery management system, completing all testing and data migration this year. The new cemetery management system will go live on 1 July 2020.

The total ICT expenditure incurred during 2019/20 was \$125,951 (excluding GST), with the details shown in the table below:

Table 13: Total ICT expenditure for the reporting period

ICT expenditure Business as usual (BAU)	ICT expenditure Non-Business as usual (Non-BAU)	Operational expenditure Non-BAU	Capital expenditure Non-BAU
\$80,431	\$ 45,520.03	-	\$ 45,520.03

Environmental Management

Remembrance Parks Central Victoria has the health of the environment central to future planning decisions.

Our association with the Cemetery and Crematorium Association of Victoria (CCAV) continues our ongoing participation in the recycling of metals after cremation program, which reduces the demand of non- renewable resources.

We continue to recycle materials such as cardboard, plastics and paper through the local council fortnightly collection, and private contractors who manage our shredding and security bin waste paper.

Office-based environmental impacts

Our reporting capacity at this stage is combined. We have included in this report for 2019-20 usage based on our total operations. RPCV is currently unable to provide office-based environmental impact figures only.

Our COVID-19 management plan included establishing a second office location to ensure staff could operate in a safe environment, while meeting social distancing requirements, this meant additional use of electricity and paper.

We continue to investigate tracking to address this reporting requirement over the coming period. We are investigating requirements and upgrades to our current metering to better meet required reporting processes.

Paper Useage

There has been a slight increase in the printing of documents during the reporting period, due to establishing a second office during COVID19 working restrictions.

It is worth noting though, that RPCV only use recycled paper to print any documentation.

Table 14: Paper printing for the reporting period

Year	Printed Paper
2017-2018	86,848 pages
2018-2019	65,139 pages
2019-2020	81,630 pages

Water Useage

Remembrance Parks Central Victoria has received a \$45,000 grant from the Department of Health and Human Services. This grant has been allocated to carry out Stage 2 works necessary to access recycled water for its Bendigo sites in order to maintain our extensive lawn areas.

Indications are that we would see a reduction of 25% in total water expense following successfully completing all stages of the project. A third grant application will be made in 2020-21 to complete the works required to change from mains water to recycled water.

Table 15: Water usage for the reporting period

Year	KL
2017-2018	34,100
2018-2019	38,650
2019-2020	31,867

Gas Useage

RPCV have two cremators in operation and our crematorium staff manage the utilisation of the cremators based on demand. Gas consumption is relative to our Eaglehawk site only; where our Crematorium is located.

Table 16: Gas usage for the reporting period

Year	MJ	Greenhouse Gas Emissions (Tonnes CO ₂ – e)
2017-2018	2,749,666	Data not available
2018-2019	2,682,098	Data not available
2019-2020	2,977,662	Data not available

Electricity Usage

Upgrades to office lighting to LED energy efficient lighting has been completed during the reporting period that will provide energy saving benefits over future years.

Table 17: Electricity usage for the reporting period

Year	KW	Greenhouse Gas Emissions (Tonnes CO2 – e)
2017-2018	78,840	Data not available
2018-2019	82,803	Data not available
2019-2020	114,610	Data not available

Fuel Usage

As you will note in the table below, there has been a similar distance travelled but fuel prices decreased significantly during latter part of the reporting period.

Table 18: Fuel usage for the reporting period

Year	Fuel costs	Litres
2017-2018	\$ 14,393	11,697
2018-2019	\$ 16,227	11,693
2019-2020	\$15,483	12,796

Waste & Recycling

RPCV manages waste on site, utilising recycling programs and hard waste through local Council services. RPCV continue to develop processes for disposal of office-based products through private contractors of paper and cardboard waste, as well as toner cartridge recycling.

During the reporting period, RPCV commenced and completed Stages 1 and 2 Recycled Water Project. This grant-funded project encompassed bringing the supply of recycled water into our larger cemeteries, including Bendigo, Eaglehawk and White Hills Remembrance Parks. Once completed, recycled water will be used for general irrigation and provide significant saving in both water useage and utility costs. RPCV intend to complete the final stage of the project during the 2020–2021 reporting period. Once completed, the organisation will benefit from a 25% reduction in water useage and associated utility savings.

Sustainable Development

RPCV are constantly investigating more ways to improve our environmental footprint and how we can be more sustainable as an organisation. Currently, have completed Stage 2 of our grant-funded recycled water project that will provide irrigation for our remembrance parks. The organisation is also seeking opportunities to fund solar panels to provide energy at our main offices.

Social Procurement Strategy

RPCV is committed to advancing social and sustainable objectives through procurement practices as outlined in the Victorian Government's *Social Procurement Framework*.

As this policy has only recently been introduced, RPCV are looking at increasing procurement to further comply with the framework. As part of the local business community, a majority of RPCV purchasing is made from local businesses, to achieve the best possible social procurements outcomes.

The *Social Procurement Framework* (SPF) aims to ensure that value-for-money considerations are not solely focused on price but encompass opportunities to deliver social and sustainable outcomes that benefit the Victorian community.

The SPF has 10 social and sustainable objectives, including the provision of:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with disability
- women's equality and safety
- opportunities for disadvantaged Victorians
- supporting safe and fair workplaces
- sustainable Victorian social enterprise and Aboriginal business sectors
- sustainable Victorian regions

Sustainable procurement objectives:

- environmentally sustainable outputs
- environmentally sustainable business practices
- implementation of climate change policy objectives

Future Focus

The RPCV Board and staff have approved and implemented a revised Strategic Plan that will guide the organisation through the next three years.

The pillars that underpin the refreshed 2019-2022 Strategic Plan remain business and growth focused, but with an increased concentration on service delivery, communities and staff with strategies to ensure we maintain and nurture connections with our stakeholders.

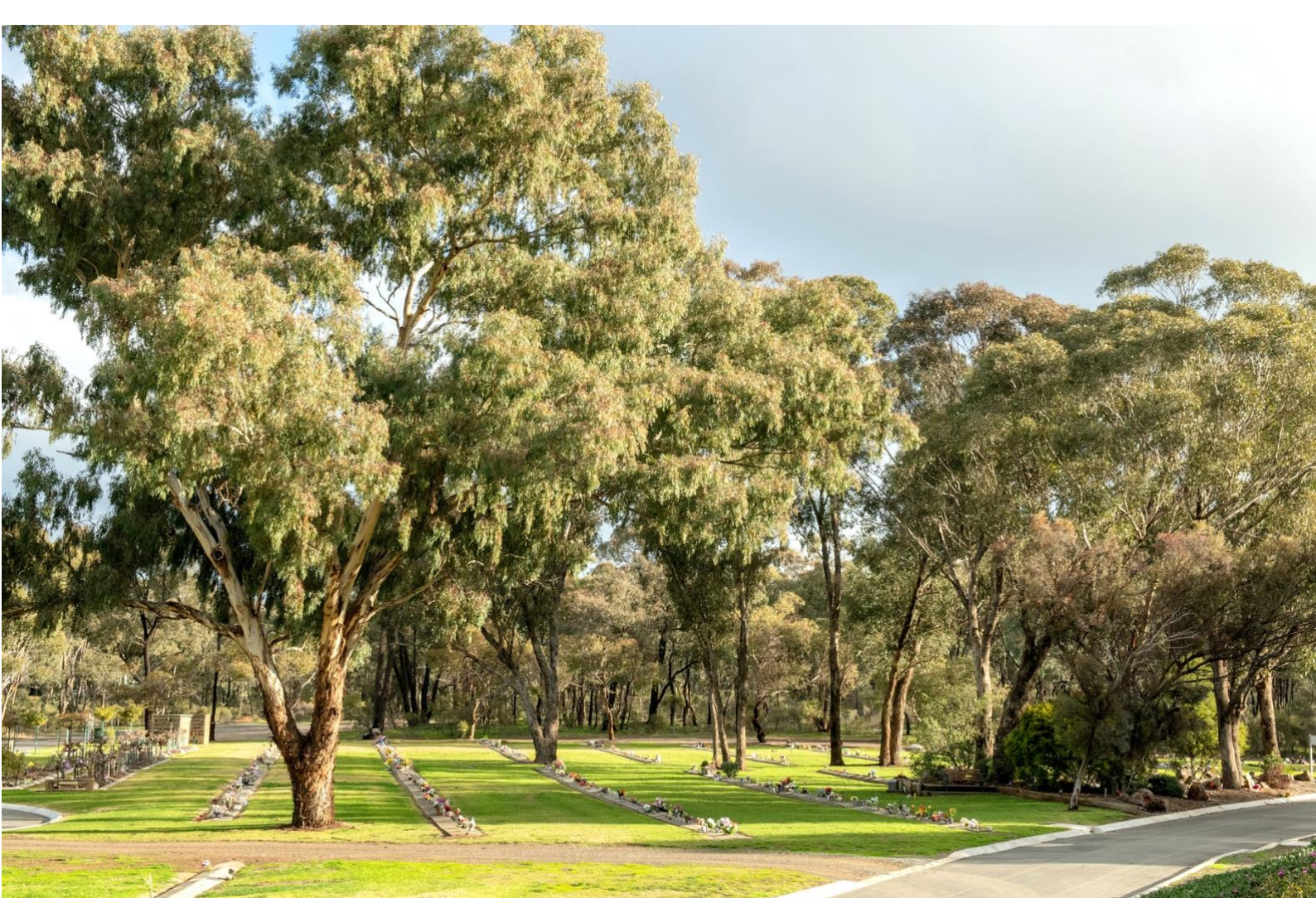
In 2020-21 our aim is to ensure our business practices are flexible and safe for both our staff and the community we serve and ensure we can operate in the new environment that could be here to stay.

We will also review recently cancelled services and welcome the return of volunteering with new health and safety practices to ensure this valuable resource can continue to be part of RPCV in the future.

We expect to have utilised a number of modules of our new cemetery management system, including ground services, improved financial reporting, community engagement and Occupational Health & Safety practices.

RPCV will continue to align with core business practices and work to our strategic plan.

We look forward to welcoming a new chairperson and board members to continue the work of previous incumbents, but also welcome the potential opportunity for new thinking and ideas from board members new to the sector.



THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Attestations

Responsible Bodies Declaration as at 30 June 2020 – 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 (trading as Remembrance Parks Central Victoria) for the year ending 30 June 2020.



Pam Macdonald
Chair

Bendigo
24 August 2020

Financial Management Compliance

I, Dean McElroy, on behalf of the Responsible Body, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Dean McElroy
Accountable Officer

Bendigo
24 August 2020

Risk Management Attestation

I, Dean McElroy, on behalf of the Responsible Body, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has complied with the Ministerial Standing Direction 3.7.1 Victorian Risk Management Framework and Processes. The Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) Audit & Risk Committee verifies this.



Dean McElroy
Accountable Officer

Bendigo
24 August 2020

Attestation on Conflict of Interest

I, Dean McElroy, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of the Manual for Victorian Class A Cemetery Trusts. Declaration of Private Interest forms have been completed by executive staff within the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) and members of the Trust Board. Conflict of Interest is a standard agenda item for declaration and documentation at each executive Board meeting and Committee Meeting.



Dean McElroy
Accountable Officer

Bendigo
24 August 2020

Attestation on Data Integrity

I, Dean McElroy, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance. Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has critically reviewed these controls and processes during the year.



Dean McElroy
Accountable Officer

Bendigo
24 August 2020

Integrity, Fraud and Corruption

I, Dean McElroy, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) during the year.

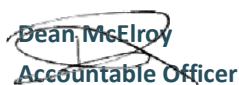


Dean McElroy
Accountable Officer

Bendigo
24 August 2020

Compliance with Victorian Government Purchasing Board (VGPB) Policies

I, Dean McElroy, certify that the Bendigo Cemeteries Trust (trading as Remembrance Parks Central Victoria) has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the VGPB Victorian Government Purchasing Board policies and have critically reviewed these controls and processes during the year.



Dean McElroy
Accountable Officer

Bendigo
24 August 2020

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
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	9
FRD 22H	Purpose, functions, powers and duties	9
FRD 22H	Initiatives and key achievements	8
FRD 22H	Nature and range of services provided	14-16
Management and structure		
FRD 22H	Organisational structure	12-13
Financial and other information		
FRD 10A	Disclosure index	46
FRD 11A	Disclosure of ex-gratia expenses	98
FRD 15E	Executive Officer disclosures in the Report of Operations	6-7
FRD 21C	Responsible person and executive officer disclosures	48
FRD 22H	Application and operation of Protected Disclosure 2012	27
FRD 22H	Application and operation of Freedom of information Act 1982	26
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	25
FRD 22H	Details of consultancies over \$10,000	27
FRD 22H	Details of consultancies under \$10,000	27
FRD 22H	Employment and conduct principles	35-37
FRD 22H	Information and Communication Technology Expenditure	38
FRD 22H	Major changes or factors affecting performance	18-19
FRD 22H	Operational and budgetary objectives and performance against objectives	20
FRD 22H	Significant changes in financial position during the year	20
FRD 22H	Statement on National Competition Policy	25
FRD 22H	Additional information available upon request	27
FRD 22H	Summary of the financial results for the year	20
FRD 22H	Workforce Data Disclosures including a statement on the application of employment and conduct principles	36-37
FRD 24C	Reporting of office-based environmental impacts	39-40



REMEMBRANCE PARKS
CENTRAL VICTORIA

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 2020**

Bendigo Cemeteries Trust

TRUST MEMBER'S AND ACCOUNTABLE OFFICER'S DECLARATION

The attached financial statements for the Bendigo Cemeteries Trust have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of the Bendigo Cemeteries Trust at 30 June 2020.

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.

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

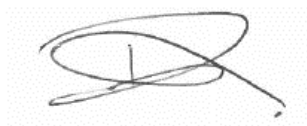


PAM MACDONALD

Chairman

Bendigo

12 August 2020



DEAN McELROY

Chief Executive Officer

Bendigo

12 August 2020



LAURA COATSWORTH

Chief Finance & Accounting Officer

Bendigo

12 August 2020

Auditor-General's Independence Declaration

To the Trust Members, 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 2020, 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
17 August 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Trust Members 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 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cashflow statement for the year then ended • notes to the financial statements, including significant accounting policies • trust member's and the accountable 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 2020 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the cemetery in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's 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 Members' responsibilities for the financial report	<p>The Trust Members of the cemetery are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trust Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trust Members are responsible for assessing the cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Other Information	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cemetery's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Members
- conclude on the appropriateness of the Trust Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the cemetery's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the cemetery to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trust Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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



MELBOURNE
17 August 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Bendigo Cemeteries Trust

Comprehensive Operating Statement for the Financial Year Ended 30 June 2020

	Note	2020 \$000	2019 \$000
Income from transactions			
Cemetery operating income	2.1	3,038	2,528
Cemetery investment income	2.1	35	41
Other income	2.1	147	-
Total income from transactions		3,220	2,568
Expenses from transactions			
Cost of sales	3.1	(206)	(166)
Employee expenses	3.1	(1,077)	(855)
Administrative costs	3.1	(324)	(332)
Maintenance and operating costs	3.1	(1,094)	(761)
Finance costs	3.1	(4)	(1)
Audit Fees	8.5	(26)	(25)
Depreciation and amortisation	4.4	(288)	(269)
Cemetery levy	3.1	(69)	(74)
Total expenses from transactions		(3,088)	(2,482)
Net result from transactions		132	86
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3.2	-	18
Net gain/(loss) on financial instruments	3.2	(43)	51
Total other economic flows included in net result		(43)	69
Net result for the year		89	155
Comprehensive result for the year		89	155

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

Bendigo Cemeteries Trust

Balance Sheet as at 30 June 2020

	Note	2020 \$ 000	2019 \$ 000
Current assets			
Cash and cash equivalents	6.2	414	369
Receivables	5.1	284	183
Inventories	4.5	50	100
Investments and other financial assets	4.1	1,024	746
Total current assets		1,772	1,398
Non-current assets			
Inventories	4.5	258	286
Intangible assets	4.3	23	40
Property, plant and equipment	4.2	4,634	4,441
Total non-current assets		4,915	4,767
TOTAL ASSETS		6,687	6,165
Current liabilities			
Contract Liabilities	5.3	1,691	1,487
Finance Lease	6.1	20	6
Payables	5.2	449	239
Provisions for employee benefits	3.3 (a)	99	82
Provisions	5.4	162	155
Prepaid Income	5.2 (a)	18	63
Total current liabilities		2,439	2,032
Non-current liabilities			
Finance lease	6.1	49	31
Provisions for employee benefits	3.3	13	5
Total non-current liabilities		62	36
TOTAL LIABILITIES		2,501	2,068
Net assets		4,186	4,097
EQUITY			
Contributed capital		605	605
Accumulated surplus/(deficit)		(817)	(1,389)
Physical asset revaluation surplus		2,722	2,722
Perpetual maintenance surplus		1,000	952
Other Reserves		676	1,207
TOTAL EQUITY		4,186	4,097

This statement should be read in conjunction with the accompanying notes

Bendigo Cemeteries Trust

Statement of Changes in Equity for the Financial Year Ended 30 June 2020

	Note	Physical asset revaluation \$'000	Available for sale investment revaluation \$'000	Perpetual maintenance \$'000	Contributed capital \$'000	Accumulated surplus/ (deficit) \$'000	Other reserves \$'000	Total \$'000
Balance at 1 July 2018	4.2 (f)	2,722	(34)	804	605	(1,140)	985	3,942
Net result for the year	OS	-	-	-	-	155	-	155
Transfer to/(from) accumulated surplus		-	-	148	-	(370)	222	-
Opening Balance adjustment on adoption of AASB 9		-	34	-	-	(34)	-	-
Balance at 30 June 2019		2,722	-	952	605	(1,389)	1,207	4,097
Effect of adoption of AASB 15 and 1058	8.8	-	-	-	-	-	-	-
Restated balance at 30 June 2019		2,722	-	952	605	(1,389)	1,207	4,097
Net result for the year	OS	-	-	-	-	89	-	89
Transfer to/(from) accumulated surplus		-	-	48	-	483	(531)	-
Balance at 30 June 2020		2,722	-	1,000	605	(817)	676	4,186

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

Cashflow Statement for the Financial Year Ended 30 June 2020

	Note	2020 \$ 000	2019 \$ 000
Cash flows from operating activities			
Receipts			
Receipts from customers		3,659	2,712
Government grants		225	63
Goods and services tax received from the ATO		173	-
Investment income receipts		12	41
Total receipts		4,069	2,816
Payments			
Payments to suppliers and employees		(3,153)	(2,295)
Goods and services tax paid to the ATO		(239)	(47)
Cash outflow for leases		(24)	(27)
Total payments		(3,416)	(2,369)
Net cash flows from / (used in) operating activities	8.1	653	447
Cash flows from investing activities			
Payments for property, plant and equipment		(306)	(195)
Proceeds from sale of assets		-	51
Payments for investments		(296)	(29)
Net cash flows from / (used in) investing activities		(602)	(173)
Cash flows from financing activities			
Repayments of finance leases		(6)	(16)
Net cash flows from / (used in) financing activities		(6)	(16)
Net increase/(decrease) in cash and cash equivalents		45	258
Cash and cash equivalents at the beginning of the financial year		369	110
Cash and cash equivalents at the end of the financial year	6.2	414	369

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

Notes to the financial statements for the Financial Year Ended 30 June 2020

Table of Contents	Note
Statement of Significant Accounting Policies	1
Fundings Delivery of Our Services	2
Income from Transactions	2.1(a)
Other income	2.1(b)
The Cost of Delivering Services	3
Expenses from Transactions	3.1
Other economic flows included in net result	3.2
Employee benefits in the balance sheet	3.3
Superannuation	3.4
Key Assets to Support Service Delivery	4
Investments and other financial assets	4.1
Property, plant and equipment	4.2
Intangible assets	4.3
Depreciation and Amortisation	4.4
Inventories	4.5
Other Assets and Liabilities	5
Receivables and contract assets	5.1
Payables	5.2
Contract liabilities	5.3
Other Provisions	5.4
How we Finance our Operations	6
Borrowings	6.1
Cash and Cash Equivalents	6.2
Risks, Contingencies & Valuation Uncertainties	7
Financial instruments	7.1
Other Disclosures	8
Reconciliation of net cash inflow/(outflow) from operating activities to result for the year	8.1
Responsible persons disclosures	8.2
Remuneration of Executives	8.3
Related Parties	8.4
Audit fees	8.5
Ex gratia payments	8.6
Subsequent Events	8.7
Correction of a prior period error and changes in accounting policy and revision of estimates	8.8
AASBs Issued that are not yet effective	8.9

Basis of preparation

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

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

Note 1 – Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Bendigo Cemeteries Trust for the year ended 30 June 2020. The report provides users with information about Bendigo Cemeteries Trust's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions authorised by the Assistant Treasurer.

Bendigo Cemeteries Trust is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" entities under the AASBs.

(b) Reporting Entity

The financial statements include all the controlled activities of Bendigo Cemeteries Trust.

Its principal address is:

Bendigo Cemeteries Trust
5 Victoria Street
Eaglehawk, Victoria 3556

A description of the nature of 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.

(c) Basis of Accounting Preparation and Measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis.

These financial statements are presented in Australian dollars, the functional and presentation currency of Bendigo Cemeteries Trust.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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

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 underlying assumptions are reviewed on an ongoing basis. 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AABSs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.3 Property, Plant and Equipment), and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

Goods and Services Tax (GST)

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 (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented separately in the operating cash flow.

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

(d) Equity

Contributed Capital

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

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

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

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Bendigo Cemeteries Trust has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Perpetual Maintenance Reserve Policy

Under Section 12 of the *Cemeteries and Crematoria Act 2003*, Bendigo Cemeteries Trust must have regard to the perpetual maintenance obligations in respect of the cemeteries for which it is responsible. Consequently, Bendigo Cemeteries Trust makes an annual transfer from its accumulated surplus to a perpetual maintenance reserve. The amount of the transfer is based on a percentage of the total revenue generated from each right of interment in the most recent financial year, amortised on a straight-line basis over the period for which the maintenance obligation may accrue. The reserve has been capped at \$1,000,000 based on the lead time for which the reserve will need to be accessed and the investment income to compound during that time. The transfer rate is determined by Bendigo Cemeteries Trust annually, taking into account current demand forecasts and Bendigo Cemeteries Trust's inventory development plans. The following percentage rates and amortisation periods applied for the years ended 30 June 2020 and 30 June 2019:

Right of Interment	Transfer Rate Year ended 30 June 2020	Transfer Rate Year ended 30 June 2019	Amortisation Period
Grave	25%	25%	Over shorter period of tenure and 100 years

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Trust based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Trust operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Trust unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note: 2 Funding delivery of our services

Bendigo Cemeteries Trust receives income from the supply of services to enable it to fulfil its objectives. The Cemetery Trust may also receive grants from Government.

Note 2.1 (a): Income from Transactions

	Note	2020 \$ 000	2019 \$ 000
Grave		510	594
Interment		577	626
Cremation		803	805
Cremation memorial		40	47
Government grants		336	-
Memorialisation		333	358
Management Fees - Pine Lodge & Kialla West		384	-
Other operating income		55	115
Cemetery operations income		3,038	2,545
Interest income		2	3
Dividends		33	38
Cemetery investment income		35	41
Government Stimulus		147	-
Total Other Income		147	-
Total Income from Transactions		3,220	2,586

Revenue Recognition

Income is recognised in accordance with either:

- contributions by owners, in accordance with AASB 1004;
- income for not-for-profit entities, in accordance with AASB 1058;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Cemetery operations income

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Bendigo Cemeteries Trust recognises revenue when it transfers control of a good or service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Fees

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

Fees received for interment, cremation and certain memorialisation products such as granite and plaques are recognised as revenue in the period that the goods or services are provided. Fees received in advance of service provision are recorded as unearned income.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 5.3) and the right to recover returned goods is included in inventory (Note 4.6). Bendigo Cemeteries Trust reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has not been a change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

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.

Dividend Revenue

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

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.

Government Grants

Income from grants to restore the White Hills fence and White Hills pergola, tree planting and recycled water engineering are recognised progressively as the assets are constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Bendigo Cemeteries Trust gains control of the asset. On initial recognition of the asset, the Bendigo Cemeteries Trust recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred in deferred grant revenue liability (see note 5.2). If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Bendigo Cemeteries Trust without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Bendigo Cemeteries Trust recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Bendigo Cemeteries Trust recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

2.1 (b) Other income

Dividends received from investments
Other interest
Total other income

2020	2019
\$'000	\$'000
33	38
2	3
35	41

Interest revenue

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

Dividend and distribution revenue

Dividends and distribution revenue is recognised when the right to receive payment is established.

Dividends and distributions represent the income arising from the Cemetery Trust's investment in financial assets.

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.

Fair value of assets and services received free of charge or for nominal consideration

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Cemetery Trust or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

Entity as lessor

The Cemetery Trust does not hold any lease arrangements with other parties.

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by the hospital 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.

Note 3.1: Expenses from transactions

	Note	2020 \$ 000	2019 \$ 000
Employee expenses		954	760
On-costs		94	77
Workcover premiums		29	19
Total Employee Expenses		1,077	855
Rights of interment		60	36
Memorialisation		143	126
Retail		3	5
Total cost of sales		206	166
Finance Costs		4	1
Total Finance Costs		4	1
Cemetery levy		69	74
Administrative costs		324	332
Maintenance operating costs		1,083	741
Audit fees	8.5	26	25
Expenses related to leases of low value assets		10	20
Total Other Operating Expenses		1,512	1,192
Total Operating expenses		2,799	2,214
Depreciation and amortisation	4.4	288	269
Total depreciation and amortisation		288	269
Total Non-Operating expenses		288	269
Total Expenses from Transactions		3,087	2,482

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

Employee Expenses

Employee expenses include:

- wages and salaries;
- fringe benefits tax;
- leave entitlements;
- termination payments;
- workcover premiums; and
- superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

Cost of sales

Costs of sales are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

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 (cemetery levy), as defined by the Department of Health and Human Services, to the Consolidated Fund held by the State of Victoria. 'Gross Earnings' is currently defined as cemetery operations income and investment income, excluding: donations, government grants, profit or loss on sale of investments and other assets and assets received free of charge. The levy rate for this reporting period is 3% (2019: 3%)

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Maintenance and Operating Costs

Maintenance and operating costs 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. They 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.

Operating lease payments

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised 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.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	2020 \$'000	2019 \$'000
<u>Net gain/(loss) on sale of non-financial assets</u>		
Net gain on disposal of property plant and equipment	-	18
Total net gain/(loss) on non-financial assets	-	18
<u>Net gain/(loss) on financial instruments at fair value</u>		
Other Gains/(Losses) from Other Economic Flows	(43)	51
Total net gain/(loss) on financial instruments at fair value	(43)	51
Total other gains/(losses) from economic flows	(43)	69

Other gains/ (losses) from other economic flows

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

- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/ (loss) on non-financial assets

Any gain or loss on the disposal 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.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities.

Impairment of non-physical non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.2 Investments and other financial assets.

Note 3.3: Employee benefits in the balance sheet

	2020 \$'000	2019 \$'000
Current provisions		
<u>Accrued Days off</u>		
unconditional and expected to be settled within 12 months	-	-
<u>Annual leave</u>		
unconditional and expected to be settled within 12 months	28	23
unconditional and expected to be settled after 12 months	15	12
<u>Long service leave</u>		
unconditional and expected to be settled within 12 months	5	4
unconditional and expected to be settled after 12 months	41	34
Total Employee benefits	89	73
<u>Provisions related to Employee Benefit On-Costs</u>		
Annual Leave - Unconditional and expected to be settled within 12 months	3	3
Annual Leave - Unconditional and expected to be settled after 12 months	2	2
Long Service Leave - Unconditional and expected to be settled within 12 months	-	-
Long Service Leave - Unconditional and expected to be settled after 12 months	5	4
Total Provisions related to Employee Benefit On-Costs	10	8
TOTAL CURRENT PROVISIONS	99	82
Non-current provisions		
Long service leave - Conditional and expected to be settled after 12 months	12	5
On-costs on non-current employee provisions	1	1
TOTAL NON-CURRENT PROVISIONS	13	5
TOTAL PROVISION FOR EMPLOYEE BENEFITS	112	87

ⁱ Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

ⁱⁱ The amounts disclosed are nominal amounts.

ⁱⁱⁱ The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

	2020 \$'000	2019 \$'000
Current employee benefits and related on-costs		
Annual leave entitlements	49	39
Unconditional long service leave entitlements	50	43
Total Current Employee Benefits and Related On-Costs	99	82
Non-current employee benefits and related on-costs		
Conditional long service leave	13	5
Total Non-Current Employee Benefits and Related On-Costs	13	5
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	112	88

(i) 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 recognised as a separate provision.

(b) Movement in On-Costs Provision

	2020 \$'000	2019 \$'000
Balance at start of year	9	18
Additional provisions recognised	1	-
Reduction due to transfer out	-	(9)
Balance at end of year	10	9

Employee Benefit Recognition

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

Provisions

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

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

Annual Leave

Liabilities for annual leave are recognised in the provision for employee benefits as 'current liabilities' because Bendigo Cemeteries Trust does not have an unconditional right to defer settlements of these liabilities.

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

Nominal value – if Bendigo Cemeteries Trust expects to wholly settle within 12 months; or

Present value – if Bendigo Cemeteries Trust does not expect to wholly settle within 12 months.

Long Service Leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Bendigo Cemeteries 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.

The components of this current LSL liability are measured at:

- Nominal value – if Bendigo Cemeteries Trust expects to wholly settle within 12 months; or
- Present value – if Bendigo Cemeteries Trust does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

On-Costs Related to Employee Benefits

Provision for on-costs such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

Note 3.4: Superannuation

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Defined benefit plans ⁽ⁱ⁾				
LASB/Vision superannuation fund	8	9	-	-
Defined contribution plans:				
Vision Super	20	17	3	-
Other	53	53	16	-
Total	81	78	19	-

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

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

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Bendigo Cemeteries Trust to the superannuation plans in respect of the services of current Bendigo Cemeteries Trust's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

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

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Bendigo Cemeteries Trust.

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

Defined Contribution Superannuation Plans

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

Unfunded Defined Benefit Superannuation Liability

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, is a not-for-profit industry fund for cemeteries and certain other agencies. Vision Super is the Trustee of both the defined benefit plan (closed since 1993) and the Super Save (accumulation) fund.

In accordance with regulations, the Fund's Trustees are required to complete an actuarial review of superannuation funds at least every three years to ensure the current assets are adequate to meet the benefits that have previously been promised to members.

In early 2018, Vision Super wrote to all participating cemeteries and other agencies regarding the results of their actuarial investigation into the LASB defined benefit plan.

Bendigo Cemeteries Trust advises there is no shortfall in the fund and therefore no contribution required from the Trust.

Superannuation liabilities

The Bendigo Cemeteries Trust does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Cemetery Trust has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

Note 4: Key Assets to support service delivery

Bendigo Cemeteries 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 Bendigo Cemeteries Trust to be utilised for delivery of those outputs.

Note 4.1: Investments and other financial assets

	2020 \$'000	2019 \$'000
CURRENT		
Loans and Receivables		
Interest Bearing Investments	457	158
Available-for-Sale		
Managed Shares Portfolio	567	588
Total Current	1,024	746
TOTAL INVESTMENTS AND OTHER FINANCIAL ASSETS	1,024	746

Note: For Investments using the equity method please see Note 8.10

Investment Recognition

Investments 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 Board's intention at balance date with respect to the timing of disposal of each asset. Bendigo Cemeteries Trust assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derecognition of Financial Assets

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

- The rights to receive cash flows from the asset have expired; or
- Bendigo Cemeteries Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- Bendigo Cemeteries Trust has transferred its rights to receive cash flows from the asset and either:
 - Has transferred substantially all the risks and rewards of the asset; or
 - Has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of Financial Assets

At the end of each reporting period, Bendigo Cemeteries Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired.

In order to determine an appropriate fair value as at 30 June 2020 for its portfolio of financial assets, Bendigo Cemeteries Trust used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Note 4.2: Property, plant and equipment

Initial Recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a merger/machinery of government change are transferred at their carrying amounts.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

The initial cost for non-financial physical assets under a lease (refer to Note 6.1) 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.

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

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

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

Bendigo Cemeteries Trust recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Right-of-use asset – Subsequent measurement

Bendigo Cemeteries Trust depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103I [pending] however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-financial Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the 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 are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

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 is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

In accordance with FRD 103H *Non-financial physical assets*, Bendigo Cemeteries Trust's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Fair value measurement

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

For the purpose of fair value disclosures, Bendigo Cemeteries Trust has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

The Valuer-General Victoria (VGV) is Bendigo Cemeteries Trust's independent valuation agency.

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

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

Specialised Land and Specialised Buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

During the reporting period, Bendigo Cemeteries Trust held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

The market approach is also 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 Bendigo Cemeteries Trust, 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 Bendigo Cemeteries Trust's specialised land and specialised buildings was performed by 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.

Vehicles

The Bendigo Cemeteries 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 amount (depreciated cost).

Plant and Equipment

Plant and equipment (including computers, communication equipment and furniture and fittings) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that depreciated replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2020.

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

Note 4.2 (a): Property, plant and equipment – Gross carrying amount and accumulated depreciation

	2020	2019
	\$000	\$000
Cemetery land at fair value	201	201
Total land	201	201
Buildings, infrastructure and improvements at fair value	6,205	6,138
<i>Less accumulated depreciation</i>	<i>(2,791)</i>	<i>(2,699)</i>
Total buildings, infrastructure and improvements	3,414	3,439
Plant and equipment at fair value	895	1,032
<i>Less accumulated depreciation</i>	<i>(455)</i>	<i>(504)</i>
Total plant and equipment	440	527
Office equipment, furniture and fittings at fair value	479	405
<i>Less accumulated depreciation</i>	<i>(340)</i>	<i>(272)</i>
Total office equipment, furniture and fittings	139	133
Right of Use - plant, equipment furniture and fittings and motor vehicles	51	-
<i>Less accumulated depreciation</i>	<i>(14)</i>	-
Total office equipment, furniture and fittings	37	-
Motor vehicles at fair value	134	134
<i>Less accumulated depreciation</i>	<i>(52)</i>	<i>(41)</i>
Total motor vehicles	82	93
Capital works in progress at cost	321	48
Total capital works in progress	321	48
Total property, plant and equipment	4,634	4,441

Note 4.2 (b): Property, plant and equipment – Reconciliations of carrying amount by class of asset

		Cemetery Land	Buildings, Infrastructure and Improvements	Plant and Equipment	Office Equipment, Furniture and Fittings	Motor Vehicles	Right of use plant equipment furniture and fittings and motor vehicles	Capital Works in Progress	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018		201	3,382	620	193	56	-	42	4,494
Additions		-	-	6	7	77	-	-	89
Expenditure on capital works		-	-	-	-	-	-	143	143
Transfers to completed assets		-	138	-	-	-	-	(138)	-
Disposals		-	-	(9)	-	(24)	-	-	(33)
Depreciation expense	4.4	-	(81)	(89)	(67)	(15)	-	-	(252)
Balance at 1 July 2019	4.2 (a)	201	3,439	527	133	93	-	48	4,441
Recognition of right of use assets on initial application of AASB 16	8.8						51		51
Adjusted balance at 1 July 2019	4.2 (a)	201	3,439	527	133	93	51	48	4,492
Additions		-	1	-	3	-	-	-	4
Expenditure on capital works		-	-	-	-	-	-	409	409
Transfers to completed assets		-	65	-	71	-	-	(136)	-
Depreciation expense	4.4	-	(91)	(87)	(68)	(11)	(14)	-	(271)
Balance at 30 June 2020	4.2 (a)	201	3,414	440	139	82	37	321	4,634

Land and Buildings and Leased Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Bendigo Cemeteries Trust's owned and leased land and buildings to determine their fair value. The valuation, which conforms 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. The effective date of the valuation was 30 June 2017.

In compliance with FRD 103H, in the year ended 30 June 2020, Bendigo Cemeteries Trust's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.

The latest indices do not require a further managerial revaluation in 2020.

Note 4.2 (c); Property, plant and equipment – fair value measurement hierarchy for assets

		Fair value measurement at end of reporting period using:			
Note	Carrying amount as at 30 June 2020	Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾	
	\$000	\$000	\$000	\$000	
Balance at 30 June 2020					
Specialised land	201	-	-	201	
Total of land at fair value	201	-	-	201	4.2 (a)
Specialised buildings	3,016	-	-	3,016	
Heritage assets	398	-	-	398	
Total of buildings at fair value	3,414	-	-	3,414	4.2 (a)
Plant and equipment at fair value	440	-	-	440	4.2 (a)
Office equipment, furniture and fittings at fair value	139	-	-	139	4.2 (a)
Right of use PPE, furniture and fittings and vehicles	37	-	-	37	4.2(a)
Motor vehicles at fair value	82	-	-	82	4.2 (a)
Total other plant and equipment at fair value	698	-	-	698	
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,313	-	-	4,313	

ⁱ Classified in accordance with the fair value hierarchy.

There have been no transfers between levels during the period.

		Fair value measurement at end of reporting period using:			
Note	Carrying amount as at 30 June 2019	Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾	
	\$000	\$000	\$000	\$000	
Balance at 30 June 2019					
Specialised land	201	-	-	201	
Total of land at fair value	201	-	-	201	4.2 (a)
Specialised buildings	3,032	-	-	3,032	
Heritage assets	407	-	-	407	
Total of buildings at fair value	3,439	-	-	3,439	4.2 (a)
Plant and equipment at fair value	527	-	-	527	4.2 (a)
Office equipment, furniture and fittings at fair value	133	-	-	133	4.2 (a)
Motor vehicles at fair value	93	-	-	93	4.2 (a)
Total other plant and equipment at fair value	753	-	-	753	
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,394	-	-	4,394	

ⁱ Classified in accordance with the fair value hierarchy.

Note 4.2 (d): Property, plant and equipment – Reconciliation of level 3 Fair Value measurement

	Note	Cemetery land at fair value \$000	Buildings, infrastructure and improvements at fair value \$000	Plant and equipment at fair value \$000	Office equipment, furniture and fittings at fair value \$000	Motor vehicles at fair value \$000
Balance at 1 July 2018		201	3,382	620	193	56
Purchases (sales)	4.2 (b)	-	138	(3)	7	52
Gains or losses recognised in net result						
- Depreciation	4.4	-	(81)	(89)	(67)	(15)
Subtotal	4.2 (c)	201	3,439	527	133	93
Items recognised in other comprehensive income						
		201	3,439	527	133	93
Balance at 30 June 2019	4.2 (c)	201	3,439	527	133	93
Purchases (sales)	4.2 (b)	-	66	-	74	-
Gains or losses recognised in net result						
- Depreciation	4.4	-	(91)	(87)	(68)	(11)
Subtotal		201	3,414	440	139	82
Items recognised in other comprehensive income						
	4.2 (c)	201	3,414	440	139	82
Balance at 30 June 2020	4.2 (c)	201	3,414	440	139	82

Note 4.2 (e): Property, plant and equipment – fair value determination

Asset class	Likely valuation approach	Significant inputs (Level 3 only) ^(c)
Non-specialised land	Market approach	n.a.
Specialised land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments ^(a)
Non-specialised buildings	Market approach	n.a.
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Heritage assets	Depreciated replacement cost	- Cost per square metre - Useful life
Dwellings	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Market approach	n.a.
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Infrastructure	Depreciated replacement cost approach	- Cost per unit - Useful life
Road, infrastructure and earthworks	Depreciated replacement cost approach	- Cost per square metre - Useful life
Cultural assets	Market approach	n.a.

There were no changes in valuation techniques throughout the period to 30 June 2020.

^a A Community Service Obligation (CSO) of 95% was applied to the Cemetery Trust specialised land Classified in accordance with the fair value hierarchy.

Note 4.2 (f): Property, Plant and Equipment Revaluation Surplus

		2020	2019
		\$'000	\$'000
Property, Plant and Equipment Revaluation Surplus	Note		
Balance at the beginning of the reporting period		2,722	2,722
<u>Revaluation Increment</u>			
Land	4.2 (b)	-	-
Buildings	4.2 (b)	-	-
Plant and infrastructure	4.2 (b)	-	-
Sub-total		-	-
Balance at the end of the reporting period*		2,722	2,722
* Represented by:			
Land		211	211
Buildings		2,428	2,428
Plant and infrastructure		83	83
		2,722	2,722

Note 4.3: Intangible assets

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

	Note	2020 \$000	2019 \$000
Capitalised computer software		24	24
Capitalised trademarks		60	61
Less Accumulated amortisation		(61)	(45)
Total intangible assets		23	40

Note 4.3 (b): Intangible assets - Reconciliation of the carrying amount by class of asset

	Note	Capitalised computer software \$'000	Capitalised trademark \$'000	Total \$'000
Balance at 1 July 2018		10	48	57
Amortisation ⁽ⁱ⁾	4.4	(5)	(12)	(17)
Balance at 1 July 2019	4.3 (a)	5	35	40
Amortisation ⁽ⁱ⁾	4.4	(5)	(12)	(17)
Balance at 30 June 2020	4.3 (a)	-	23	23

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and 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. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to Bendigo Cemeteries Trust.

The Trust does not have any assets with indefinite useful lives.

Note 4.4: Depreciation and amortisation

	2020 \$ 000	2019 \$ 000
Depreciation		
Buildings, infrastructure and improvements	91	81
Plant and equipment	98	104
Office equipment, furniture and fittings	68	67
Right of use assets		
- Right of use plant, equipment ,furniture and vehicles	14	-
Total depreciation	271	252
Amortisation		
Computer software	5	5
Trademark	12	12
Total amortisation	17	17
Total depreciation and amortisation	288	269

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life.

Right-of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where Bendigo Cemeteries Trust obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

The following table indicates the expected useful lives of non-current assets on which the depreciation and amortisation charges are based.

	2020	2019
Buildings	20 - 80 years	20 - 80 years
Plant and equipment	5 - 10 years	5 - 10 years
Computers and Communication	3 - 10 years	3 - 10 years
Furniture and Fitting	3 - 15 years	3 - 15 years
Infrastructure and Improvements	40 - 100 years	40 - 100 years
Right Of Use Assets	5 years	-
Intangible Assets	3 - 10 years	3 - 10 years

Note 4.5: Inventories

	2020 \$000	2019 \$000
Current		
Finished goods		
Consumables	26	50
ROI/Graves	24	50
Sub-total	50	100
Total current inventories	50	100
Non-current		
Work in progress/undeveloped land		
Land: interment purposes	80	80
Sub-total	80	80
Finished goods		
ROI/Graves	178	205
Sub-total	178	205
Total non-current inventories	258	286
Total inventories	308	386
Represented by:		
Consumables	26	50
Land: interment purposes	80	80
ROI/Graves	202	256
Total inventories	308	386

Inventory

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

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

Inventories are classified as either works in progress or finished goods. Works in progress includes undeveloped land designated for interment purposes and expenditure on inventories partially constructed, but not available for sale. Finished goods represent inventories for sale to customers including developed land to be used for interment purposes.

Inventories also include stock held in maintenance stores, stocks of pre-cast concrete lined graves, pre-poured foundations for graves, memorial wall niches, mausoleum crypts 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 also include right of interment (ROI) which are the costs of development and construction averaged over the number of graves or memorial positions in the construction.

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

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Bendigo Cemeteries Trust's operations.

Note 5.1 (a): Receivables and contract assets

	Note	2020 \$'000	2019 \$'000
CURRENT			
Contractual			
Trade debtors		214	167
Other receivables		5	5
		219	171
Statutory			
Other receivables		65	11
TOTAL CURRENT RECEIVABLES		284	183
TOTAL RECEIVABLES		284	183

Receivables recognition

Receivables consist of:

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

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

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

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

Note 5.2: Payables

	Notes	2020 \$000	2019 \$000
CURRENT			
Contractual			
Trade creditors		139	101
Accrued Salaries and Wages		28	34
Accrued Expenses		187	12
Accrued cemetery levy		69	74
Other creditors and accruals		26	17
Sub total contractual (current)		449	238
Statutory			
Department of Health and Human Services		-	-
GST payable		-	1
Sub total statutory (current)		-	-
Total current payables		449	239
Total payables		449	239

Payables Recognition

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Bendigo Cemeteries Trust prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a) Deferred capital grant revenue

	Notes	2020 \$000	2019 \$000
CURRENT			
Deferred capital government revenue		18	63
Total deferred capital government revenue		18	63

	2020 \$'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance at the beginning of the year	63
Grant consideration for capital works received during the year	291
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(336)
Closing balance of deferred grant consideration received for capital works	18

Grant consideration was received for the following projects:

- Tree planting
- Recycled Water Engineering Grant
- White Hills Fence Restoration
- White Hills Pergola Restoration
- Pine Lodge Recycled Water

Grant revenue is recognised progressively as the asset is constructed, since this is the time when Bendigo Cemeteries Trust satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.1). As a result, Bendigo Cemeteries Trust has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.3: Contract Liabilities

	2020 \$'000	2019 \$'000
CURRENT		
Deposits taken in advance		
Amount expected to be settled within 12 months	152	134
Amount expected to be settled after 12 months	1,539	1,353
Total contract liabilities	1,691	1,487

Most contract liabilities relates to unearned income for deposits received in advance where the performance obligation is yet to be satisfied (see note 2.1). These are classified as a current liability as Bendigo Cemeteries Trust does not have an unconditional right to defer settlement.

Note 5.3 (a) Reconciliation of contract liabilities

	2020 \$'000
Opening balance brought forward from 30 June 2019	1,487
Add: amounts received in the current year for performance obligations yet to be completed during the period	278
Less: revenue recognised from performance obligations satisfied in the current year that was included in the opening contract liability balance	(74)
Total contract liabilities	1,691
Represented by	
Current contract liabilities	1,691

Note 5.4: Other provisions

	2020 \$'000	2019 \$'000
Current other provisions		
Onerous contracts	162	155
Total current other provisions	162	155
Amount expected to be settled within 12 months	14	14
Amount expected to be settled after 12 months	148	141
Total current other provisions	162	155

	2020 \$'000	2019 \$'000
Balance at beginning of period	155	155
Amount taken to operating statement	7	-
Total provision for loss on onerous contracts	162	155

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the amount of the obligation can be reliably estimated, and the future sacrifice of economic benefits is probable.

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

Note 6: How we finance our operations

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

Note 6.1: Borrowings

	2020 \$'000	2019 \$'000
Current borrowings		
Finance lease liabilities	6	6
Lease liabilities	14	-
Total current borrowings	20	6
Non-current borrowings		
Finance lease liabilities	24	31
Lease liabilities	25	-
Total non-current borrowings	49	31
Total borrowings	69	37

Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Maturity analysis of borrowings

Please refer to Note 7.1(b) for the maturity analysis of borrowings.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Not later than one year	20	6	-	-
Later than 1 year and not later than 5 years	49	31	-	-
Later than 5 years	-	-	-	-
Minimum lease payments	69	37	-	-
Less future finance charges	-	-	-	-
TOTAL	69	37	-	-
Included in the financial statements as:				
Current borrowings lease liability	20	6	-	-
Non-current borrowings lease liability	49	31	-	-
TOTAL	69	37	-	-

The weighted average interest rate implicit in the lease is 5.99% (2019: 5.99%).

Borrowings Recognition

Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months.

Bendigo Cemeteries Trust's leasing activities

Bendigo Cemeteries Trust has entered into lease related to a motor vehicle, telephone system and smart whiteboard and computers.

For any new contracts entered into on or after 1 July 2019, Bendigo Cemeteries Trust considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Bendigo Cemeteries Trust assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Bendigo Cemeteries Trust and for which the supplier does not have substantive substitution rights;
- Bendigo Cemeteries Trust has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Bendigo Cemeteries Trust has the right to direct the use of the identified asset throughout the period of use; and
- Bendigo Cemeteries Trust has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Bendigo Cemeteries Trusts incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

Bendigo Cemeteries Trust has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

Bendigo Cemeteries Trust presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Bendigo Cemeteries Trust determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Bendigo Cemeteries Trust as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the 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 consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Bendigo Cemeteries Trusts balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

The impact of initialising applying AASB15 *Revenue from Contracts with Customers* and AASB 1058 *Income of not-for-profit entities* to Bendigo Cemeteries Trust's grant revenue is described in Note 8.8. Under application of the modified retrospective transition method chosen in applying AASB 15 and AASB 1058 for the first time, comparative information has not been restated to reflect the new requirements. The adoption of AASB and AASB 1058 did not have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised 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.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Entity as lessee

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 assets under the PPP arrangement are accounted for as a non-financial physical asset and is depreciated over the term of the lease plus five years. 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 leases are recognised as an expense in the period in which they are incurred.

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Bendigo Cemeteries Trust has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Note 6.2: Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash on Hand	7	2
Cash at Bank	407	367
TOTAL CASH AND CASH EQUIVALENTS	414	369

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet. The cash flow statement includes monies held in trust.

Note 7: Risks, contingencies and valuation uncertainties

Bendigo Cemeteries 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 Cemetery Trust is related mainly to fair value determination.

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Bendigo Cemeteries Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1(a) Financial instruments: categorisation

i The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

Consolidated 2020	Note	Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Net Result	Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	414	-	-	414
Receivables - Trade Debtors	5.1	284	-	-	284
Investments and Other Financial Assets - Interest bearing investments	4.1	-	457	-	457
Investments and Other Financial Assets - Managed shares portfolio	4.1	-	567	-	567
Total Financial Assetsⁱ		698	1,024	-	1,721
Financial Liabilities					
Payables	5.2	-	-	449	449
Borrowings	6.1	-	-	69	69
Total Financial Liabilitiesⁱ		-	-	518	518

Consolidated 2019	Note	Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Net Result	Financial Assets at Fair Value Through Other Comprehensiv e Income \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets						
Cash and Cash Equivalents	6.2	369	-	-	-	369
Receivables - Trade Debtors	5.1	171	-	-	-	171
Investments and Other Financial Assets - Term Deposits	4.1	-	158	-	-	158
Investments and Other Financial Assets - Managed Investment Schemes	4.1	-	588	-	-	588
Total Financial Assetsⁱ		540	746	-	-	1,286
Financial Liabilities						
Payables	5.2	-	-	-	238	238
Borrowings	6.1	-	-	-	37	37
Total Financial Liabilitiesⁱ		-	-	-	275	275

Categories of financial assets under AASB 9 *Financial Instruments*

Financial assets at amortised cost

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

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

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

Bendigo Cemeteries Trust recognises the following assets in this category:

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

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Bendigo Cemeteries Trust to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Bendigo Cemeteries Trust has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

Bendigo Cemeteries Trust recognises certain unlisted equity instruments within this category.

Financial assets at fair value through net result

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

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

Bendigo Cemeteries Trust recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as well as certain 5-year government bonds as fair value through net result.

Categories of financial liabilities

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the Bendigo Cemetery Trust's own credit risk. In this case, the portion of the change attributable to changes in Bendigo Cemeteries Trust's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. Bendigo Cemeteries Trust recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result in this category.

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

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Derivative financial instruments are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

Offsetting financial instruments: Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Bendigo Cemeteries Trust has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Bendigo Cemeteries Trust does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

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

the rights to receive cash flows from the asset have expired; or

Bendigo Cemeteries Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

Bendigo Cemeteries Trust has transferred its rights to receive cash flows from the asset and either:

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

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

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Bendigo Cemeteries Trust's business model for managing its financial assets has changes such that its previous model would no longer apply.

Note 7.1 (b): Maturity analysis of Financial Liabilities as at 30 June

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

Maturity analysis of Financial Liabilities as at 30 June

Maturity analysis of Financial Liabilities as at 30 June								
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates				
				Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000
2020								
Financial Liabilities at amortised cost								
Payables	5.2	449	449	449				
Borrowings	6.1	69	69	1	1	5	63	
Other Financial Liabilities - Deposits received in advance	5.3	1,691	1,691	13	25	114	609	930
Total Financial Liabilities		2,209	2,209	462	26	119	672	930
2019								
Financial Liabilities at amortised cost								
Payables	5.2	238	238	237	1			
Borrowings	6.1	37	37			6	31	
Other Financial Liabilities - Deposits received in advance	5.3	1,487	1,487	11	22	100	535	818
Total Financial Liabilities		1,761	1,761	248	23	106	566	818

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e GST payable)

Note 8: Other disclosures

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

Note 8.1: Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Net Result for the Year	89	155
Non-Cash Movements:		
Depreciation and amortisation	288	269
Net (Gain)/Loss from Sale of Property, Plant and Equipment	-	(18)
Gain / (Loss) on fair value of financial assets	43	(51)
Movements in Assets and Liabilities:		
<i>Change in Operating Assets and Liabilities</i>		
(Increase)/Decrease in Receivables	(100)	44
(Increase)/Decrease in Prepaid Income	(45)	63
Increase/(Decrease) in Payables	82	(55)
Increase/(Decrease) in Provisions	7	(139)
Increase/(Decrease) in Other Liabilities	32	-
Increase/(Decrease) in Unearned Income	204	173
(Increase)/Decrease in Inventories	78	6
(Increase)/Decrease in employee benefits	(24)	-
NET CASH INFLOW FROM OPERATING ACTIVITIES	654	447

Note 8.2: Responsible persons disclosures

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

	Period
Responsible Ministers:	
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 - 30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019 - 30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 - 30/06/2020
Governing Boards	
Mrs. L. Bean	01/07/2019 - 30/06/2020
Mr. K. Belfrage	01/07/2019 - 30/06/2020
Mr. M Gibson	01/07/2019 - 30/06/2020
Ms. P. Macdonald (Chair of the Board)	01/07/2019 - 30/06/2020
Mr. D. Tangey	01/07/2019 - 30/06/2020
Mr. C. Lloyd	01/07/2019 - 30/06/2020
Ms. M. Lewis	01/07/2019 - 30/06/2020
Accountable Officers	
Mr. D. McElroy (Chief Executive Officer)	01/07/2019 - 30/06/2020

Remuneration of Responsible Persons

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

Income Band	Consolidated 2020 No.	Consolidated 2019 No.
\$0 - \$9,999	7	7
\$10,000 - \$19,999	1	1
\$130,000 - \$139,999	1	1
Total Numbers	9	9

	2020 \$'000	2019 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	212	194

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of executives

There were no executive officers in the 2019/20 financial year (2018/19: nil).

Note 8.4: Related parties

The Bendigo Cemeteries Trust is a wholly owned and controlled entity of the State of Victoria. Related parties of the Cemetery Trust include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Controlled Entities (where applicable)
- Jointly Controlled Operations (where applicable); and
- All cemetery trusts and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Bendigo Cemeteries Trust and its controlled entities, directly or indirectly.

The Board of Directors and the Executive Directors of the Bendigo Cemeteries Trust and its controlled entities are deemed to be KMPs.

Key management personnel of Bendigo Cemeteries Trust

KMPs

Mrs. L. Bean
Mr. K. Belfrage
Mr. M Gibson
Ms. P. Macdonald
Mr. D. Tangey
Mr. C. Lloyd
Ms. M. Lewis
Mr. D. McElroy

Position Title

Trust Member
Trust Member
Trust Member
Chair of the Board
Trust Member
Trust Member
Trust Member
Chief Executive Officer

The compensation detailed below is reported in \$'000 and excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968*, and is reported within the Department of Parliamentary Services' Financial Report.

Compensation - KMPs

Short-term Employee Benefits ⁱ
Post-employment Benefits
Other Long-term Benefits
Termination Benefits

Total ⁱⁱ

2020 \$'000	2019 \$'000
187	174
18	16
7	3
-	-
212	194

ⁱ Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ⁱⁱ KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Significant Transactions with Government Related Entities

During the year Bendigo Cemeteries Trust received funding from the Department of Health and Human Services of \$45,000 (2019: \$63,000).

Related party balances payable to the Department of Health and Human Services for the Cemetery Levy as at 30 June 2020 are \$68,561 (2019: \$73,711)

Transactions with KMPs 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.

Outside of normal citizen type transactions with the Bendigo Cemeteries Trust, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2020.

There were no related party transactions required to be disclosed for the Bendigo Cemeteries Trust Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Except for the transaction listed below, there were no other related party transactions required to be disclosed for the Bendigo Cemeteries Trust Foundation Board of Directors in 2020.

Note 8.5: Remuneration of auditors

	2020 \$'000	2019 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	13	12
	13	12
Other providers		
Internal audit	13	13
	13	13
Total Audit fees	26	25

Note 8.6: Ex-gratia expenses

The Bendigo Cemeteries Trust has not made any ex-gratia payments during the current reporting period or previous reporting period. The Trust also has not written off any amounts during the current reporting period or previous reporting period.

Note 8.7: Events occurring after the balance sheet date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has relatively minimal impact financially for the Trust up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstances has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Trust's operations, the results of those operations, or the Trust's state of affairs in future financial years.

Note 8.8: Correction of a prior period error and changes in accounting policy and revision of estimates

Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 *Leases* on Bendigo Cemeteries Trust's financial statements.

Bendigo Cemeteries Trust has applied AASB 16 with a date of initial application of 1 July 2019. Bendigo Cemeteries Trust has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Bendigo Cemeteries Trust determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – *'Determining whether an arrangement contains a Lease'*. Under AASB 16, Bendigo Cemeteries Trust assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

On transition to AASB 16, Bendigo Cemeteries Trust has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, Bendigo Cemeteries Trust previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Bendigo Cemeteries Trust. Under AASB 16, Bendigo Cemeteries Trust recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Bendigo Cemeteries Trust recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using Bendigo Cemeteries Trust's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Bendigo Cemeteries Trust has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, Bendigo Cemeteries Trust recognised \$50,667 of right-of-use assets and \$50,677 of lease liabilities.

When measuring lease liabilities, Bendigo Cemeteries Trust discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 4.95%.

	1-Jul-19
Total Operating lease commitments disclosed at 30 June 2019	57
Additional lease commitment not reported	6
Discounted using the incremental borrowing rate at 1 July 2019	(4)
Recognition exemption for:	
Leases of low-value assets	(8)
Lease liabilities recognised at 1 July 2019	51

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Bendigo Cemeteries Trust has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Bendigo Cemeteries Trust applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

The adoption of AASB 15 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, Bendigo Cemeteries Trust has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Bendigo Cemeteries Trust applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

<i>Balance sheet</i>	<i>Notes</i>	<i>Before new accounting standards Opening 1 July 2019</i>	<i>Impact of new accounting standards - AASB 16, 15 & 1058</i>	<i>After new accounting standards Opening 1 July 2019</i>
Property, Plant and Equipment		4,441	51	4,492
Total non-financial assets	4.2	4,441	51	4,492
Total Assets		4,441	51	4,492
Borrowings	6.1	37	51	88
Total Liabilities		2,068	51	2,119

Note 8.9: AASBs Issued that are not yet Effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2020 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises Bendigo Cemeteries Trust of their applicability and early adoption where applicable.

As at 30 June 2020, 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. Bendigo Cemeteries Trust has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Trust's Financial Statements
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The Standard is not expected to have a significant impact on the public sector
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current liability if any entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022 However ED 301 has been issued with the intention to defer application to 1 January 2023.	This standard is not expected to have significant impact on the public sector.

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 2019-20 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.