



METROPOLITAN
CEMETERIES BOARD

Annual Report 2004-2005



Compassion, Respect & Understanding

Locations and Contact Details

Head Office

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Railway Road
Karrakatta WA

Postal Address:
PO Box 53
Claremont 6910, WA
Telephone: (08) 9383 5200
Facsimile: (08) 9384 9273
Email: mcb@mcb.wa.gov.au

Other Locations

Fremantle Cemetery
Cnr Carrington Road and Leach Highway
Palmyra
Postal Address:
PO Box 222
Palmyra 6957
Telephone: (08) 9319 0400
Facsimile: (08) 9339 8992

Pinnaroo Valley Memorial Park
Whitfords Avenue
Padbury WA
Postal Address:
PO Box 362
Hillarys 6923 WA
Telephone: (08) 9307 0300
Facsimile: (08) 9401 3144

Midland Cemetery
Myles Road
Swanview, WA
(Telephone, facsimile as per Pinnaroo)

Guildford Cemetery
Kalamunda Road
South Guildford WA
(Telephone, facsimile as per Pinnaroo)

Rockingham Regional Memorial Park
Millar Road
Baldivis WA
(Opening 2007)

Hon. J. Bowler MLA
Minister for Local Government and Regional Development; the
Goldfields - Esperance & Great Southern
11th Floor, Dumas House
2 Havelock Street
WEST PERTH WA 6005

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of the Metropolitan Cemeteries Board for the financial year ended 30 June 2005.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

We wish to advise that the Financial Statements contained in the attached report have been audited by the Office of the Auditor General and contain the relevant audit opinions.



R G BOWE
CHAIR



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN PSM
CHIEF EXECUTIVE OFFICER

8 August 2005

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Organisational Values and Goals

Our Vision

Compassion, Respect and Understanding.

Our Mission

To provide Quality Services and Facilities for Burials, Cremations and Commemoration.

Our Values

We are committed to:

Striving for customer service EXCELLENCE through continuous assessment, innovation and improvement

Acting ethically, with INTEGRITY, professionalism and courtesy

A safe and caring workplace where people can achieve with
PRIDE,
TRUSTING, SUPPORTING and CO-OPERATING with each other
and the community

Caring for our ENVIRONMENT, past, present and future

Our Goals

To be a customer focused organisation

To be a leader in cemetery management

Highlights of 2004-2005

Cemetery Records System

The Board completed development and installation of a new Cemetery Records System incorporating all of the historical records and facilitating user-friendly community access via web based technology.

ACCA Conference

The annual conference of the Australasian Cemeteries & Crematoria Association was held in Perth in October 2004 and the program included visits to Karrakatta, Pinnaroo and Fremantle cemeteries.

Cemetery Renewal

The redevelopment of the Anglican DA section was completed providing for future lawn burials and the Roman Catholic DB section was landscaped to provide new memorial gardens.

Heritage Award

The Board was presented with a certificate for the Founders and Felons Historical Walk Trail at Fremantle Cemetery from the City of Fremantle.

WA On Show

The Board participated in the WA On Show exhibition at the Perth Convention Centre in August 2004.

Homicide Victims Memorial

The Homicide Victims Memorial at Pinnaroo Valley Memorial Park was officially opened by Hon Jim McGinty MLA on Saturday 31st July 2004.

Cemeteries Act Review

The Board provided a comprehensive discussion paper to the Department of Local Government for consideration in reviewing the Cemeteries Act 1986.

Fremantle Mausoleum

The 1032 crypt mausoleum at Fremantle Cemetery was nearing completion at 30th June 2005.



George Stock Walk

On 31st May 2005 Chairman Ross Bowe officially dedicated George Stock Walk, named in honour of Mr George Stock, a talented and long serving monumental mason.

Cemeteries & Crematoria Association of WA Inc.

The Board hosted the annual general meeting and workshop for the CCAWA with representatives from around the State in attendance.

Sainsbury Gardens, Fremantle

An attractive new extension of memorial rose gardens was completed in the Fremantle Cemetery.

Organisational Structure

The implementation of a new organisational structure continued during the year under review.

Land for Cemeteries

The State Government authorised the WA Planning Commission to acquire land at Guildford and south of Byford for future cemetery use.

Rockingham Regional Memorial Park

Burial areas, memorial gardens, water supply and reticulation facilities were developed at Rockingham Regional Memorial Park in preparation for the Park commencing operations in 2007.



Chairman's Report

During the 2004/2005 financial year the Metropolitan Cemeteries Board (MCB) received 8992 funerals at the cemeteries under management comprising 6851 cremations and 2075 burials. In addition, nearly 3000 memorial placements after cremation were arranged by families.

The facilities provided by the board across our six cemeteries attract favourable comment and the dedicated staff provide compassionate and efficient service to the bereaved.

In October 2004 the annual conference of the Australasian Cemeteries & Crematoria Association was held in Perth and delegates visited Karrakatta, Fremantle and Pinnaroo cemeteries.

The board appreciated positive feedback from interstate and overseas visitors, who ranked the cemeteries visited highly in terms of facilities provided and standards achieved.

During the year the board completed the development, installation and launch of a new Cemetery Records System (CRS). The system uses web based technology and incorporates records of all funerals at board cemeteries since the first burials in Karrakatta and Fremantle cemeteries in 1899.

The records are linked to our website, www.mcb.wa.gov.au and, amongst other features, the public can conduct searches for their family tree or check for funeral times and locations.

Further enhancements to be developed include the creation of 'kiosks' to enable families to obtain burial and memorial locations out of office hours.

The major capital work undertaken during the year under review is the mausoleum being constructed at Fremantle Cemetery. This "state of the art" structure will provide 1032 crypt spaces for above ground entombment, which is becoming increasingly popular.

Families will be able to choose crypts in two uniquely designed chapels or in colonnade, family room or garden crypt locations.

This major structure will be officially opened in October 2005. However, the facility's popularity is such that families have been purchasing crypt positions pre-need.

During the year the State Government approved the acquisition of land for future cemetery purposes. The WA Planning Commission is negotiating to secure land adjacent to Guildford Cemetery and a site south of Byford.



Ross Bowe

These acquisitions and their ultimate development for cemetery use will alleviate the shortage of cemetery land. There will remain a need though to plan for the future and set aside additional land to meet the needs of the increasing population of the metropolitan area.

The Cemetery Renewal program at Karrakatta has ensured the continuing use of this central, historical and well serviced site. In summary, renewal involves the development of land previously used for burials so that the land may be further used for one or more of the purposes of a cemetery.

Redevelopment is facilitated by the provisions of Division 4 of the Cemeteries Act 1986. Beyond the requirements of the Act the board is proactive in seeking input from interested families and has a specialist committee to monitor and recommend on all aspects of the redevelopment process.

To date approximately ten (10) hectares, or 10%, of the Karrakatta Cemetery reserve has been renewed under this process. The redevelopment sections are amongst the most attractive areas in the cemetery. Importantly, the process ensures that Karrakatta will continue as an operating cemetery and the records of all burials and memorials will be preserved for posterity.

The year under review was the first full year operating a new organisational structure. The structure was reviewed after the MCB assumed responsibility for Fremantle Cemetery at 1st July 2003.

I am pleased to report that the staff at all of our operating cemeteries have responded well to the new arrangements and improved operating efficiencies have resulted. Four Directors report to the Chief Executive Officer and have whole of organisation responsibilities across all cemeteries. Co-ordinators have day to day responsibilities at specific sites and are responsive to client needs.

In conclusion, I take this opportunity to thank fellow Board members for their contributions during a busy year. I also acknowledge the professional and dedicated service provided by our staff across all of our cemetery sites.

We look forward to the year ahead and the opportunity to continue serving the community in the sensitive field of cemetery management.



Ross G. Bowe, Chairman

Review of Operations

The Metropolitan Cemeteries Board's goals are:

To be a customer focused organisation

To be a leader in cemetery management

This Annual Report has been structured to comply with the current Western Australian Public Sector Annual Report Framework. In accordance with this Framework, the Board's agency-specific and obligatory reporting sections that follow are arranged to respond to the five goals within the State Government's "Better Planning, Better Services: A Strategic Planning Framework."

The Board considers that in pursuing its own stated goals, it is also contributing to the achievement of all of the whole-of-Government goals, and a number of the Strategic Outcomes contained within the Government's Strategic Planning Framework.

The reporting that follows will demonstrate the synergies that exist between the Board's long-standing agency goals, and the Government's more recently stated strategic goals relating to:

- *People and Communities*
- *The Economy*
- *The Environment*
- *The Regions*
- *Governance*

Goal 1: People and Communities

“To enhance the quality of life and wellbeing of all people throughout Western Australia”

Strategic Outcome:

“A society that recognises the varying contribution of its diverse population, and is able to respond effectively to the needs of its diverse population.”

Fremantle Mausoleum

As at 30 June 2005, construction of the first mausoleum provided at the Fremantle Cemetery is well advanced.

A major infrastructure project for the Metropolitan Cemeteries Board, the commanding new facility will comprise 1032 crypt spaces. The classically designed mausoleum complex will consist of two main chapels and a range of crypts in colonnades, garden settings and family rooms.

The east side chapel is to be named The Chapel of the Holy Apostles and the west chapel, Our Lady of the Angels Chapel.

There is a growing demand for above ground entombment facilities and the Board is confident there will be support for the new Fremantle Mausoleum, particularly from the strong Italian community throughout the south-west metropolitan region for whom mausoleum entombment is an age-old tradition.

Fremantle Heritage Festival

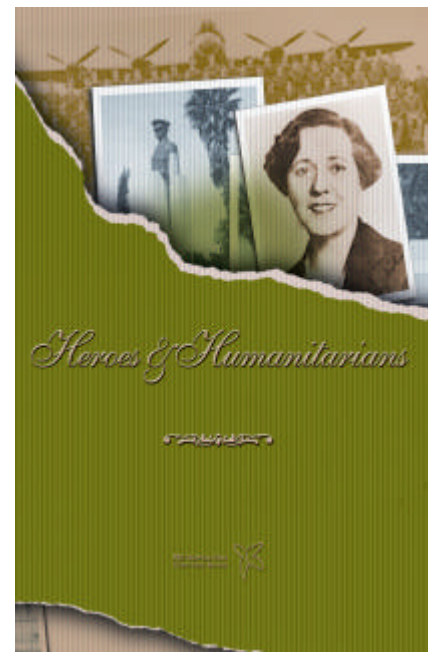
The Metropolitan Cemeteries Board has continued its involvement with the Fremantle Council's annual Heritage Festival and staged free tours of the Fremantle Cemetery for the 2005 event. Building on the foundations built by the 2004 festival, the Board, with the assistance of the University of Western Australia's Centre for History, acquired the services of two tour guides to facilitate the tours.

Those who attended the free community events were asked to complete a feedback questionnaire. Information garnered through this market testing exercise will assist the Board in determining whether or not to stage the tours on an ongoing basis throughout the year.

The Board was also acknowledged for its involvement in the 2004 Festival and subsequent contribution to the social and cultural



*Fremantle Mausoleum –
Artists Impression*



heritage of the region with a Certificate signed by the Mayors of the City of Fremantle and the Town of East Fremantle.

WA on Show

The Board was proud to take part in the WA on Show exhibition staged at the Perth Conference and Exhibition Centre between August 27 -31 2004.

Participation in this unique celebration of the State provided an excellent opportunity for the MCB to enhance general awareness regarding its roles and wide ranging responsibilities to the community and other agencies.

Information presented during the event was multi-facetted and designed to communicate several key messages. These included the MCB's:

- Careful management of WA's history and heritage
- Commitment to sustainable development and environmentally sensitive land management
- Responsibility in ensuring access for personalised memorialisation options
- Responsibility for the provision of funeral services within a diverse community
- Innovative use of technology in both the provision of services and infrastructure.

Over the 5 days, approximately 800 people sought information directly from the Board's exhibit. Areas of particular interest to passers by included pre-need funerals, historical walk trails, grave location queries, burials and the Cemetery Renewal program.

Homicide Victims Memorial

In liaison with the Homicide Victims' Support Group of Western Australia, the Board developed a special memorial garden for homicide victims at Pinnaroo Valley Memorial Park.

The garden, with a central memorial plinth and places for numerous individual plaques, provides unique memorialisations for the victims of homicide. The Attorney General, Hon Jim McGinty MLA, officially opened the memorial on July 31 2004.

The opening program included a traditional smoking ceremony performed by Noongyar Elder and Board Member, Mr. Ken Colbung.

“Over the 5 days, approximately 800 people sought information directly from the Board's exhibit. Areas of particular interest to passers by included pre-need funerals, historical walk trails, grave location queries, burials and the Cemetery Renewal program”

Religious Ceremonies

Celebration of Mass at the Karrakatta Mausoleum has become increasingly popular with the community.

The Board arranges services on Easter Sunday and All Souls Day each year. Regularly attracting between 600-700 people, these special spiritual occasions have come to be revered amongst families and provide an opportunity for families to be near loved ones on these important dates.

Another event which is fast gathering tradition-like status at Karrakatta is the gathering of many folk from the Chinese community for a memorial service in the Chinese section on Good Friday each year.

On Mothers Day, Memorial Services were held in the Crematorium Chapels at Fremantle Cemetery and at Pinnaroo Valley Memorial Park. The Mothers Day services are well attended as are all MCB Cemeteries on this, one of our busiest days for visits, each and every year.

Community Market Research Project

To ensure that the Board can more closely understand community needs and to assist with future planning processes, the Client Services division commissioned Research Solutions, a leading WA based market research consultancy, to undertake what will become the Board's most intensive market research project to date.

The Goals of the research are related to the MCB's strategic directions and are as follows:

- 1) To create a meaningful understanding of:
 - Community wants and needs as they relate to memorials and other funeral services
 - Attitudes/outlook towards death and dying and the funeral process
 - Level of awareness of the function and role of MCB
 - Trends relating to funeral services.
- 2) To recognise the best communication methods to advise the community about the MCB's role and services it offers.

The results of the research will assist Client Services in developing a marketing plan that will encompass the following areas:

- Community awareness
- Relationship building
- Customer Service
- Products



*Easter Sunday Mass –
Karrakatta Mausoleum*

- Services
- Promotion

The marketing plan will be aligned with information and data gathered in the strategic planning process.

The project will commence in July 2005.

George Stock Walk

The passing of George Stock in October 2004 saw the staff at the Metropolitan Cemeteries Board bid farewell to a familiar smiling face that had been a regular fixture at Karrakatta Cemetery for over 40 years.

The evidence of George's work and passion as a monumental masonry artist is literally carved in stone throughout Karrakatta. Monumental masonry, stonework and craft were George's great passions. His interest in the monuments at Karrakatta, many of which he had painstakingly crafted, never wavered.

The decision of the Board to officially honour George as a true monumental craftsman through the official naming and opening of the 'George Stock Walk', has provided an ongoing and eternal memorial to a man who had truly become part of the character of Karrakatta Cemetery.

On 31st May 2005, Board Chairman, Ross Bowe, officially dedicated George Stock Walk and, with Mrs. Doreen Stock, unveiled a commemorative plaque.

Strategic Outcome:

"Planning in partnership for a sustainable future."

Proposed Jewish Burial Section at Guildford Cemetery

Continuing the long-standing tradition the Board has established of endeavouring to accommodate different groups within society, planning for a new Jewish burial area at Guildford cemetery began during the period being reviewed.

The supply of Jewish graves at Karrakatta is limited to approximately 179 monumental graves (12 year supply), 128 lawn graves (4 year supply), and for the progressive Jewish lawn 120 graves (16 years supply). The new Jewish burial section at Guildford Cemetery will provide up to 4,480 graves in a 3 hectare parcel of land. It is estimated that this will provide over 100 years of burial land for the Jewish community and incorporates the need for pathways, a Jewish Prayer Hall, lawn and monumental graves. The land in question is subject to the State Government's Bush Forever initiative however the bush is mostly regrowth and of a poor quality. The retention of the damp land and surrounding



The late George Stock

bush is a priority and is not affected in any way by the proposed Jewish burial section.

Karrakatta Mausoleum

The enduring popularity of Karrakatta Mausoleum continued during the review period.

The sale of crypts in Stage 3 opened in April 2004 and attracted an eager response. The subsequent high level of sales have far exceeded the Board's expectations and resulted in planning for Stage 4 being brought forward.

Tenders were invited for a lead architect and the project was subsequently awarded to Walter Hunter and Penny Watson, Architects.

By June 30 2005, plans for Stage 4 are well advanced. It is anticipated that construction will commence in 2006.

Publications

A detailed Cemetery Renewal booklet was prepared during the financial year period and was designed to develop an understanding and appreciation of the renewal process and the rationale behind it.

The booklet communicates the options available to those affected by the various renewal programs in a concise manner. A thorough process was undertaken in the developmental stage of the booklet and included interviews with families affected by the process, MCB staff and Board members.

Brochures detailing unique aspects of all sites were also developed. These were prepared to assist families and funeral directors in selecting the most appropriate site for a funeral service/commemoration location and provide a broad overview of the features and unique personalities of the different MCB cemeteries.

Goal 1: Obligatory Reporting

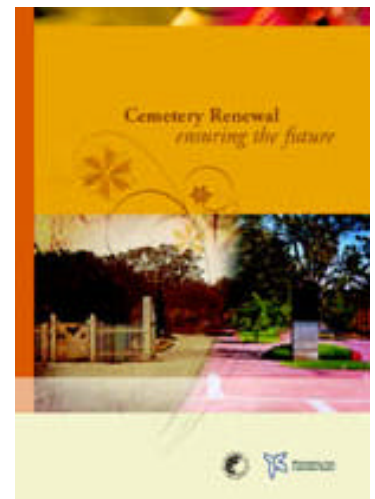
Disability Service Plan

The Board continued the implementation of its Disability Services Plan during the review period.

In recognition of its efforts to ensure access for all, the Board received awards from the City of Nedlands as part of their 2004 Access Action Awards.

The MCB was the joint winner of an Award of Excellence in recognition of an outstanding commitment to the development of inclusive communities and also received a Certificate of

“The eager response and subsequent high level of sales have far exceeded the Board’s expectations and resulted in planning for Stage 4 being brought forward”.



Recognition for the demonstration of initiatives aimed at addressing the need for an accessible community.

STRATEGIC OUTCOME:

“A culturally rich, artistically inspired and intellectually stimulated society.”

Cultural Diversity and Language Service Outcomes

Throughout the 2004/2005 period, the Board continued to market mausoleum crypts primarily to the Italian community. To assist with this task, all Mausoleum brochures were published in English and Italian. Support for this group is also reinforced by the availability of staff conversant in the Italian language at the Karrakatta and Fremantle locations.

The Board also brought to the notice of the Department of Indigenous Affairs a scarred tree at the Fremantle Cemetery. There are three scars on the tree that, according to Indigenous history, is indicative of the probability that the area surrounding the tree was a camping ground and burial area. Plans are in place for the tree in question to be assessed by the Aboriginal Cultural Heritage Committee.

Preliminary meetings were also held with the Islamic Council of WA, Perth Muslim Burial Society, Darul Iman Association Inc and the Bosnian Islamic Society to discuss the availability of land for future Muslim burials.

Youth Outcomes

Members of staff regularly conducted tours and information sessions for school and other youth groups during the year under review.



Goal 2: The Economy

“To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.”

Strategic Outcome:

“Social infrastructure built and maintained to a high standard”.

Rockingham Regional Memorial Park

In the southern corridor, the Board continued with the creation of new burial and memorial areas at the Rockingham Regional Memorial Park in Baldivis. With plans for the site to become a major cemetery for the region, the implementation of required infrastructure is an ongoing project for the Board.

A licensed contractor is currently extracting sand from the site on a regular basis to assist in establishing the landform and contours suitable for cemetery operations. This task has the added benefit of providing the Board with revenue to develop the site as an operating cemetery.

The development of a lake and irrigation system will be complete by the end of July 2005. The system was developed primarily as a treatment for removing iron from the water prior to irrigation. The lake system has the added advantage of memorialisation potential and the subsequent availability to generate a financial return for the Board. The lake will become a key feature when the Park officially opens to the public.

It is planned to commence full cemetery operations in 2007.

Mausoleums

The first mausoleum in Western Australia was built at Karrakatta in 1995. Since this time the Board has witnessed a steady growth in popularity for this concept of above ground entombment.

Stage 3 of the Karrakatta Mausoleum was opened in April 2004 and the 2003/2004 financial year also saw the completion of new mausoleum facilities at Midland and Guildford cemeteries.

For much of the 2004/2005 financial year construction works were taking place on the first mausoleum at Fremantle Cemetery. This 1032 crypt facility is being built along classic lines with a design inspired by ancient mausoleums, with distinctive dome and pyramid roof forms. The completion date has been extended and will most likely be late September or early October 2005.

“The lake system has the added advantage of memorialisation potential and the subsequent availability to generate a financial return for the Board. The lake will become a key feature when the Park officially opens to the public”.



Plans to develop stage 4 of the Karrakatta Mausoleum have been approved by the Board. Stage 4 will incorporate approximately 600 new crypts, a chapel similar to stage 3, and an enclosed area similar to a chapel with more of an open garden design. The extensive gardens in stage 3 have been accepted well by the public and a similar design element will be included in stage 4. In the garden chapel, Westminster crypts, below ground level crypts, have been designed which is a new form of crypt for the Board. Tendering will commence October 2005 for the commencement of forward works. Crypt construction will commence early in 2006 and it is expected that the construction period will be complete early in 2007.

Land Acquisition

To ensure Western Australians can access suitable cemetery facilities into the future, the Board developed a business case supporting the acquisition of new land for cemetery use at two sites serving the south-eastern corridor of the metropolitan population.

The business case has been endorsed by both the Minister for Local Government and the Minister for Planning and Infrastructure. Negotiations were well advanced at June 30 2005 for the proposed acquisitions to go ahead.

Guildford Cemetery was boosted during the year by the prospect that approximately 9.6 hectares of land immediately adjacent to the facility will be incorporated. This land will significantly expand the capacity of Guildford to act as an important regional cemetery but also in view of its central location, will take some pressure off the limited burial land now available at Karrakatta Cemetery.

A further site the Board proposes for cemetery purposes is situated near Whitby Falls in Mundijong. This area comprises 38.18 hectares and when developed will satisfy the cemetery needs of the growing population in the south east corridor.

The WA Planning Commission is negotiating for the Guildford and Whitby Falls acquisitions with a view to ultimately vesting them in the Metropolitan Cemeteries Board.

Capital Works Projects

In addition to the Fremantle Mausoleum construction, the Board embarked on a range of significant capital works during the year to further develop and maintain our facilities to a high standard.

At Fremantle Cemetery the Café was upgraded to better meet client needs, a new lawn burial area was developed and Stage 2 of the Sainsbury Road Memorial Gardens was completed (referred to as Sainsbury Gardens).



The popular Lakes area, one of Fremantle Cemetery's centrepieces was in receipt of several upgrades throughout the year. These included establishment of standard rose memorials at Rose Court Gardens, construction of new limestone walls to increase privacy levels, refurbishment of the bridges across the waterways and new capping for the wall on the lake itself.

Development of new lawn burial areas at Fremantle Cemetery has continued during the financial year with the opening of the premium 'Lawn S' burial section due in the near future. A boat and sail feature is currently under construction and was chosen to fit the Fremantle maritime theme. This development closely follows the development of the 'Lawn Q' burial section which has been extremely popular. Additional sections are marked for development in the coming year.

At Karrakatta Cemetery the furniture, carpet and fittings were upgraded in each of the three condolence lounge areas, memorial gardens in the Roman Catholic DB section were expanded to incorporate a gazebo and the administration buildings were recarpeted.

At Pinnaroo Valley Memorial Park a new burial area was developed, and the first preliminary steps taken to redevelop and create memorial locations in and around the splendid Sir Thomas Meagher Lake.

The historical Guildford Cemetery received a new major car park for public convenience and safety. Located next to the Swan Region Mausoleum, the new car park also offers ease of access to the nearby Macedonian and general burial areas.

Cemetery Records System

During the year the Board developed a new Cemetery Records System (CRS) using web based technology. It replaced the Board's long serving existing system within which the parameters of operation had simply become limiting for a modern organisation.

Installed in June 2005, the project is a significant achievement for the Board and the result of over 18 months of expended effort of dedicated MCB staff and key project partners.

The new CRS takes up all historical records of burials, cremations and memorials in each cemetery managed by the MCB and forms an industry leading technological basis for our daily operations. Keeping in mind the need to ensure maximum value for money and system longevity, the new CRS is programmed to allow maximum flexibility for enhancements and modifications.



"The new CRS takes up all historical records of burials, cremations and memorials in each cemetery managed by the MCB and forms an industry leading technological basis for our daily operations".

Already proving itself particularly popular with those individuals undertaking genealogical research, future enhancements will include the provision of self-serve kiosks, an online booking service for funeral directors and enhanced geographic information systems abilities.

Goal 2: Obligatory Reporting

The Board's obligatory reporting for this goal is found in the Financial Statements in the latter section of this report.

Goal 3: The Environment

“To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.”

Strategic Outcome:

“Effective waste avoidance, resource recovery and waste management”

Cemetery Renewal

Since the first funeral at Karrakatta Cemetery in April 1899 there have been nearly 200,000 burials and, since 1937 with the opening of the crematorium, over 160,000 cremations

Burials still make up a significant number of the total annual services at Karrakatta with an average of 1000 burials taking place each year. This continued demand has ensured that the demand for burial land is ongoing and the reality of land shortage at Karrakatta being a serious issue for the Board to consider.

To ensure that Karrakatta could continue to keep its gates open for traditional burials, the MCB commenced the process of ‘Cemetery Renewal’ in the 1970s. Cemetery Renewal is best defined as the redevelopment of existing cemetery burial areas to accommodate new gravesites and memorial locations.

Legislation governing renewal programs is covered under Division 4 of the Cemeteries Act 1986.

In subsequent years over ten hectares, or 10% of Karrakatta, has been transformed under renewal programs to provide attractive landscapes and facilities for new burials and memorial placements.

During the year under review the former Anglican DA section of the cemetery was reopened for lawn area style burials and the Roman Catholic DB section, now featuring memorial gardens, was reopened to the public in its new form. The Board also approved the Monumental Assessment and Advisory Committee (MAAC) recommendations for the renewal of 8 more sections at Karrakatta Cemetery in order to meet future community needs. These sections are Anglican GA, LA, KA, HA, OC, NC, WA and XC.

As required by the Cemeteries Act, the Board has begun the process of preparing plans for the sections, contacting the holders of rights of burial in the sections, placing signs in the sections, and

“In subsequent years over ten hectares, or 10% of Karrakatta, has been transformed under renewal programs to provide attractive landscapes and facilities for new burials and memorial placements”.

advertising in relevant newspapers. After the 12 month consultation period, the MAAC will reconvene to assess public submissions and review the plans. Recommendations will then be presented to the Board for approval and subsequently forwarded to the Minister for endorsement in the second half of 2005. The redevelopments will include a monumental burial area, lawn burial areas and memorial garden areas.

Strategic Outcome:

“State’s water needs met through equitable water management”

Leach Highway Landscaping

As a joint project with the City of Melville, the northern boundary road verge of the Fremantle Cemetery has been landscaped during the year under review.

This has transformed a previously untidy verge into an attractive flora screen and has assisted in alleviating sound and erosion along the road verge. Below ground trickle irrigation was installed to conserve for future water use.

The project is one example of the Boards willingness to form community partnerships and play a positive role within the communities in which our cemeteries are located.

Strategic Outcome:

“Ensure the effective and timely development, use, maintenance and renewal of physical resources”

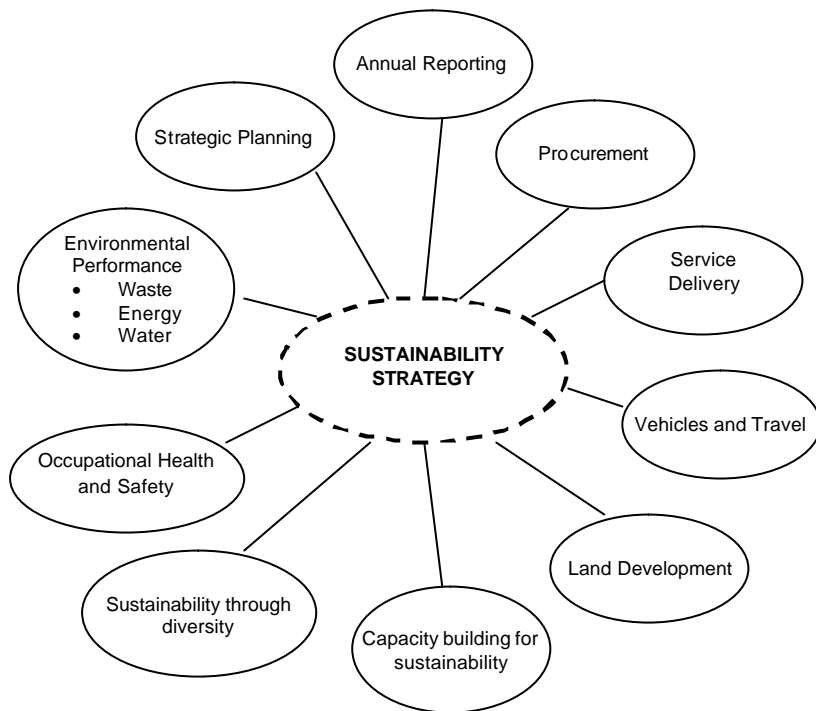
Sustainability Action Plan

In December 2004 the Board submitted a comprehensive Sustainability Action Plan to the Department of Premier and Cabinet. The basis of the Plan was to develop indicative actions to meet commitments within the Sustainability Code of Practice. The objectives of the Plan are to:

- Conduct planning, reporting and decision-making in accordance with sustainability principles
- Conduct agency operations in a way that they support sustainability
- Empower and encourage employees to embrace sustainability.

The Board also developed a model to assist with visualising all aspects of the Sustainability Action Plan. The model is presented in Figure aaa.

“The project is one example of the Boards willingness to form community partnerships and play a positive role within the communities in which our cemeteries are located”.



Strategic Outcome:

“Biological diversity understood and protected”

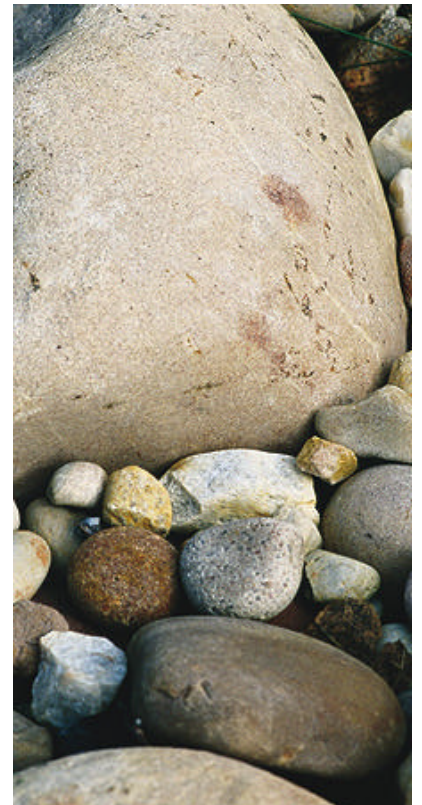
Weed Committee Submission

During the financial year being reviewed the Board reported to the State Weed Committee regarding weed management strategies.

The reported provided a detailed analysis of the \$80,000 the Board provided within its annual budget for the contractual management of weeds at all cemetery sites. Additional budgeted items related to weed management activities (e.g. tree pruning), fire breaks, herbicides and specialist horticultural information.

Open areas of MCB cemeteries are sprayed annually and on an “at need” basis to ensure problematic growth is controlled. Individual weed problems are hand sprayed and the known out break areas are managed by the Landscaping Teams as required. Problem species are removed and are not used as a landscape plants during development and maintenance of garden areas.

The Board also manages land affected by the State Government’s Bush Forever initiative and actively implements the required responsibilities to maintain these pockets of affected land in pristine condition.



Cemetery Working Group

Having a particularly strong impact on our Guildford, Midland and Pinnaroo facilities, the State Government's Bush Forever initiative was the source of ongoing liaison between the Board and State Government throughout the period under review.

In pursuance of preferred outcomes, the MCB has reached a decision of mutual satisfaction with both the Department for Planning and Infrastructure and the Department of Environment with regards to Pinnaroo Valley Memorial Park.

The revised Bush Forever plan for Pinnaroo means that the Board will relinquish 29.10 hectares; a positive outcome given that that the entire site was initially proposed to be sacrificed to the initiative. The Board has insisted that the Bush Forever land at Pinnaroo continues to be vested in and managed by the MCB.

Suitable Bush Forever outcomes for the Midland and Guildford facilities were still to be concluded as at June 30 2005.

Vehicles and Travel

Replacement of the Board's fleet of petrol engine vehicles with LPG fuelled vehicles continued throughout the 2004-2005 financial year period.

Well in excess of the State Government's guidelines, the Board's vehicle fleet is now 90% LPG fuelled. The Board is building upon this strength and is currently investigating options with respect to minimising the number of vehicles, reducing vehicle use, maximising fuel efficiency, promoting alternative fuels and different modes of travel in order to offset greenhouse gas emissions.

Strategic Outcome:

"High level of urban air quality."

Mulching and Chipping

During the 2004/05 review period the Board continued to collect and store garden cuttings at all of its cemeteries.

Collected waste is processed to provide many tonnes of mulch for established and newly developed gardens. The more substantial prunings are chipped to provide ground cover that helps to preserve moisture in the soil.

This efficient use of our own resources has ensured that the Board is self-sufficient in the provision of garden mulch.

"The revised Bush Forever plan for Pinnaroo means that the Board will relinquish 29.10 hectares; a positive outcome given that that the entire site was initially proposed to be sacrificed to the initiative".



Goal 3: Obligatory Reporting

Waste Paper Recycling

The Board recycles waste paper generated at its Karrakatta and Pinnaroo locations, using the whole-of-government Collection, Removal and Purchase of Waste Paper Contract 109A1996. Staff are encouraged to place waste paper into the 240 litre bins supplied by the Department of the Environment

Energy Consumption

An annual energy saving of 20.8%, compared to the baseline target consumption for the previous financial year, enables the Board to report that it is well above the target figure of 6% and has met the requirements set by the Sustainable Energy Development Office (SEDO).

A small energy consumption increase of 1.8% is reported in comparison to consumption in the previous year. The same increase on the previous year is a result of an increase in activity resulting from the organisational restructure. Contributing to the increase has been the construction of the Fremantle Mausoleum.

It is worth noting that the Board is also able to report a significant reduction in the amount of gas being used for cremation at Fremantle Cemetery.

It is anticipated that a small increase in energy consumption at Karrakatta Cemetery may occur in the forthcoming period as a consequence of the scheduled construction of stage 4 of the Karrakatta Mausoleum. Energy consumption figures are shown in the following table.

Year	Target Consumption (MJ)	Consumption (MJ)	Target Reduction Compared with Baseline	Actual Reduction Compared with Baseline	Actual Annual Energy Reduction	Cost
[*] Revised Baseline	10,262,000					\$252,014
2002/03	9,748,900	7,041,765	5%	31.4%	4.6%	\$258,149
2003/04	9,646,280	7,981,419	6%	22.2%	17.3%	\$205,425
2004/05	9,441,040	8,127,741	8%	20.8%	13.9%	\$317,526
2005/06	9,235,800		10%			
2006/07	9,030,560		12%			

Goal 4: The Regions

“Planning in partnership for a sustainable future.”

The Board is widely regarded as an example of excellence in cemetery management in Western Australia and is always willing to share information on a range of matters including technical, environmental, heritage and customer service topics.

This sharing of knowledge continued throughout 2004/2005 with the MCB providing an advisory service to regional cemetery operators within the State. Beyond general administrative enquiries, the Board has willingly assisted regional operators with advice on human resource management, occupational health and safety matters, the construction of niche walls and general cemetery design.

The Board also continued to be consulted by national and international cemetery operators for advice, and conversely remains abreast of trends and innovations within the industry. This ensures continuous improvement and best practice within the MCB.

Provision of secretariat services for the Cemeteries and Crematoria Association of WA continued during 2004/2005. The Association provides a forum for information-sharing, in order to improve the level of services and amenity in cemeteries around the State, and achieve greater consistencies in service delivery.

Strategic Outcome:

“Enhanced Government decision-making based on a thorough understanding of regional issues.”

Cemeteries & Crematoria Association of WA Inc. (CCAWA)

The annual general meeting and professional development day for CCAWA was held in the Brown Chapel condolence lounge at Karrakatta Cemetery on Friday 20 May 2005.

The MCB was well represented and pleased to host an important event attended by cemetery representatives from around the State.

The Board's Landscape Planner, Helen Grimes and Planning Officer, Rob Thomson both delivered topical presentations and took part in a subsequent discussion forum in which a number of attendees took the opportunity to participate. The national President of the Australasian Cemeteries & Crematoria Association, James McKay, also attended the event.

“The Board also continued to be consulted by national and international cemetery operators for advice, and conversely remains abreast of trends and innovations in other places to ensure continuous improvement and best practice within the MCB”.

Strategic Outcome:

"Effective government service delivery to regions that is responsive to the needs of diverse communities"

Online Services

The Metropolitan Cemeteries Board's primary service delivery is in the Perth area; however, through online technology the Board continues to make some of its services available to regional Western Australians and, indeed, people around the globe.

Funeral Webcasting, first introduced in 2002, allows bereaved families to arrange for funeral services to be webcast over the Internet for viewing in "real time" or on demand for a month after the service.

The online "Search by Name" facility, also available on the Board's website, allows people anywhere in the State and the world to find grave and memorial locations in the five cemeteries managed by the Board since 1899.

Other online services include "Today's Funerals", the Book of Remembrance Online, and a service allowing people to order photos of graves or memorials, to complement their family tree research.

Strategic Outcome:

"Planning in partnerships for a sustainable future"

AFDA (Australian Funeral Directors Association)/MCB Liaison Committee

The AFDA/MCB committee, chaired by the Director, Client Services, meets every two months to discuss a range of operational and administrative and legislative matters. It provides an effective forum for the MCB to liaise with one of its key stakeholders in a structured environment.

The group has formed an operational subcommittee to discuss, review and recommend on a range of operational and occupational, health and safety issues. This subcommittee will discuss a range of matters, including, but not necessarily limited to, those matters raised in the ACCA (Australian Cemeteries and Crematoria Association) /AFDA joint project "From Bookings to Backfill". A Terms of Reference has been agreed upon.



The training committee of the AFDA and the MCB are progressing training workshops to be held in the latter part of 2005. These workshops will encompass operational, administrative and legislative components. The aim is to:

- provide administrative information to Funeral Directors to enhance work practices and to encourage a smooth flow of information between the MCB and funeral directors
- ensure that , by the provision of information, customer service levels will be of a high standard
- improve efficiency and effectiveness within the MCB/Funeral Director relationship by ensuring information is clear and consistent.

Bunbury Pioneer Park

Accomplished Board member, Dr Leonie Liveris, was approached by the City of Bunbury to act as a consultant to advise on historical, heritage and other issues relating to the Bunbury Pioneer Park, a former cemetery ground.

Foresight Tools in Cemetery Planning for Urban and Rural Communities

In June 2005 the Director Planning and Operations, Peter Deague, traveled to Helsinki Finland, to present a paper at the International Conference on Foresight Management in Corporations and Public Organisations, New Visions for Sustainability.

The paper discussed the futures and foresight methodologies used and involved assessing a number of different outcomes required by the State Government of Western Australia in developing a sustainable cemetery system.

The exercise is a prime example of the Boards desire to have open knowledge exchange dialogues with the management of Cemeteries from both Australia and the broader global community. Information garnered through such exercises is often invaluable to assist with the improvement of service delivery and the discovery of new industry innovations.

The Metropolitan Cemeteries Board has historically provided advisory and consultancy services to regional cemetery operators. In most instances regional cemeteries are managed by the local shire councils.

The MCB is often consulted by national and international cemetery operators for advice, and conversely remains abreast of trends and innovations in other places to ensure continuous improvement and best practice.



“The exercise is a prime example of the Boards desire to have open knowledge exchange dialogues with the management of Cemeteries from both Australia and the broader global community. Information garnered through such exercises is often invaluable to assist with the improvement of service delivery and the discovery of new industry innovations”

The Board also provides secretariat services for the Cemeteries and Crematoria Association of WA, a body formed in 2002. This entity provides a forum for information-sharing, in order to improve the level of services and amenity in cemeteries around the State, and achieve greater consistencies in service delivery.

Goal 5: Governance

“To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.”

Strategic Outcome:

“Coordinated, integrated, high-quality service delivery to the community”

Organisational Review

During 2004 the Board continued to implement the new organisational structure that was designed following the integration of Fremantle Cemetery with the Metropolitan Cemeteries Board.

In particular, the new organisational structure within the Board's newly created Planning and Operations Division has been integral in achieving the desired successes of greater strategic management focus, improved cohesive links across operational areas and a higher level multi-skilled workforce.

In addition to these objectives being achieved, to ensure that the MCB continues to meet community needs and deliver an appropriate level of customer service, other key changes in the organisational structure were reinforced through the year.

A position of Marketing Coordinator was established in the Client Services division in January 2005. The position was created to assist the Director in development of the strategic marketing plan as well as the coordination of the memorial and marketing teams. The position outcomes will assist in providing a more systematic and strategic approach to understanding customer needs and will provide support in the areas of communication, community awareness and marketing.

Senior Client Service Officer positions were also temporarily created within the Client Services division. These positions were developed primarily for the purpose of:

- Training new and experienced client service staff
- Supporting staff with more complex enquiries
- Initiating improved procedures and processes.



To ensure that the MCB continues to enhance its service provision to the community and to take advantage of the Government's decision to consolidate cemeteries management, the Board has begun the development of a comprehensive and flexible recruitment and selection strategy that will deliver a talented workforce that achieves a balance between "right fit" for the organisation as well as the individual.

Strategic Outcomes:

"Appropriate and competitive pricing regimes for land, infrastructure, services and utilities"

"Sustainability considerations inform planning and decision-making."

Cemeteries Act Review

The Department of Local Government and Regional Development referred further matters pertaining to the review of the Cemeteries Act 1986 to the Board for consideration.

The Board submitted comments on the various matters raised and also had meetings with departmental officers to further consider appropriate amendments to the Act.

Strategic Outcomes:

"Whole-of-government approaches to planning decision-making and resource allocation."

Shared Corporate Services

As part of the overall Machinery of Government changes across the WA public sector the MCB continues to participate in a range of forums and working groups that have been established to design and implement the Shared Corporate Services program. This has included involvement in the design of systems and processes and the development of a whole of sector Chart of Accounts.

Employee Learning and Development

The Metropolitan Cemeteries Board has a commitment to train and develop its employees. The Board aims to build a highly skilled, professional and ethical workforce with the ability to adapt to changing business, technology and environmental needs.

In addition to "off-the-job" training of employees initiated within individual work teams, the Metropolitan Cemeteries Board supports employee development through a range of whole of organisation initiatives.

"...the Board has begun the development of a comprehensive and flexible recruitment and selection strategy that will deliver a talented workforce that achieves a balance between 'right fit' for the organisation as well as the individual".



To assist employees in maintaining and developing their skills base the MCB provided opportunities for professional and personal development through appropriately targeted training. Membership to professional associations is also encouraged. In addition, employees attended a range of conferences, courses, seminars and workshops during the year.

Areas of training undertaken in 2003/2004 include:

- Computer skills
- Communication skills
- Leadership skills for women
- Project management
- Procurement
- Time management skills
- Risk Management
- Report Writing
- Marketing and Promotion
- Additional training needs identified through performance discussions.

Work experience opportunities and structured undergraduate student placements are also part of the Board's development program and are designed to assist individuals considering a career in the public sector or within specialised functional areas.

Procurement

The Board has continued to ensure procurement complies with the sustainability approach outlined by the State Supply Commission and has also complied with the Commission's policies and guidelines.

Safe Working Environment

The Metropolitan Cemeteries Board maintained its commitment to the promotion of a safe and healthy work environment in the last year.

As part of the development of an overall Occupational Safety and Health Management Plan and the Board's focus on a safe and healthy workplace a range of initiatives were undertaken during the year, including:

- Emergency Evacuation training
- What to do in the event of a fire or a bomb threat
- Provision of individual ergonomic assessments as required including a number of return to work programs
- Provision of first aid and senior first aid training including CPR and Resuscitation
- Training for new Occupational Safety and Health representatives



- Continued workplace inspections
- Upgrade of ergonomic furniture and aids for staff as required.

The Board's Wellness Program has continued to bring many benefits to staff. The program aims to raise the profile of health issues as they apply to personal and work contexts to assist employees in gaining self-awareness and achieving a healthy and balanced lifestyle. As part of the Program the following opportunities were provided on a voluntary basis to employees:

- Influenza vaccinations
- Cholesterol and Blood Pressure Checks
- On-site therapeutic head, neck and shoulder massages
- Lunch and Learns on topics such as healthy eating, weight management, exercise and stress management
- Yoga Classes
- Subsidisation of gym membership and external fitness classes.

The Board also continued to provide a confidential employee assistance program (EAP) which provides access to independent professional counselling for staff and their families. Through heightened awareness there has been a marked increase in staff and their families accessing these services, which provide for debriefing, critical incident counselling, stress management and a range of counselling services. The use of counselling services for staff has been extended to include work support programs for employees re-entering the workplace after an extended absence. The program provides the employee with a program tailored to their individual needs and encompasses greater communication between counsellor, medical practitioner (if applicable) and the MCB to enhance the overall support systems designed to assist the employee back into the workplace

Goal 5: Obligatory Reporting

The Metropolitan Cemeteries Board

Reporting to the Minister for Local Government, the Hon John Bowler MLA, the Board comprises a Chairman and six members. Board membership remained constant during the year.

“The program aims to raise the profile of health issues as they apply to personal and work contexts to assist employees in gaining self-awareness and achieving a healthy and balanced lifestyle”.

The following Board members served during 2004/2005:

Chairman

Mr. Ross Bowe

Mr. Bowe was born in 1943 in Fremantle and commenced his career with the Australian Bureau of Statistics in Canberra in 1964. He returned to WA in 1972 and served with the State Treasury Department, culminating in his appointment as Under Treasurer in 1988. He has served as chairman of Bankwest Holdings and the Western Australian Treasury Corporation and was a board member of Gold Corporation, the WA Coastal Shipping Commission, the State Government Insurance Commission and the Urban Lands Council. He is currently Chairman of Racing and Wagering Western Australia and a board member of Landcorp.



Ross Bowe

Deputy Chair

Mrs. Jean Hobson

Jean Hobson served on Fremantle City Council from 1983 to 1992. Between 1989 and 1990 she was Deputy Mayor of the City. She has been a member of many Fremantle-based organisations, including the Fremantle Hospital Management Board, the Fremantle Library Advisory Committee and the Fremantle Education Centre Board.



Jean Hobson

Mr. Joe O'Dea Jnr

Joe O'Dea Jnr has a long association with the funeral industry in WA. He has been managing director of the Bowra and O'Dea group of companies since 1985. He was President of the Australian Funeral Directors Association, WA division from 1984-1990 and served as National Councillor for much of that time. Mr. O'Dea is also a member of the board's Finance Committee and has represented the MCB on many delegations.



Joe O'Dea Jr

Mr. Ken Colbung AM, MBE

Ken Colbung is a community and spiritual leader of the Nyoongah Aboriginal people. He grew up at Moore River and later at Sister Kate's Home in Queens Park. He served in the Army for 15 years, seeing active service in Korea. Mr. Colbung has extensive experience in Aboriginal cultural matters and has held appointments on a number of bodies serving these, as well as general community interests. As a board member of MCB, he presented papers at the International Cremation Federation Conference in Adelaide in 1996 and at the inaugural New Zealand Conference of the Australasian Cemeteries and Crematoria Association in 2000.



Ken Colbung

Dr Leonie Beth Liveris

Dr Liveris has previously served on the Board and is Chairperson and consultant historian for the Monument Assessment and Advisory Committee. She serves on the committee for the Professional Historians Association (WA) and is an Adjunct Research Fellow at Curtin University. Dr Liveris holds a Master of Philosophy degree from Murdoch University and Doctor of Philosophy degree from Edith Cowan University. She is the author of *The Dismal Trader* (1991) and *Memories Eternal; the history of Karrakatta Cemetery* (1999) commissioned for the Karrakatta centenary celebrations in 1999.



Leonie Liveris

Mrs. Jeanette Berinson

Jeanette Berinson is a prominent member of the Perth Jewish community. She has been a member of the Board of Carmel School for 15 years, including a period as Vice President. She is currently an executive member and vice-president of the Board of Dianella Synagogue



Jeanette Berinson

Mr. Donald Whittington

Donald Whittington was the founder and Managing Director of Whittingtons Herbs and Spices and has been actively developing a herbs and spices industry in WA since 1975. He was a Councillor of the City of Fremantle for nine years, including three years as Deputy Mayor. As a Councillor, Mr. Whittington was Chairperson of Planning and Development for six years and a deputy member of the Metropolitan Regional Planning Authority for three years.



Donald Whittington

Meetings

A total of six ordinary meetings were held during 2004/2005. Attendances by Board members at these meetings were as follows:

	<i>Max No. of Meetings</i>	<i>No. Attended</i>
Ross Bowe	6	6
Jean Hobson	6	6
Don Whittington	6	4
Joe O'Dea Jnr	6	6
Ken Colbung AM MBE	6	4
Jeanette Berinson	6	5
Leonie Liveris	6	6

Members also attended committee meetings, site inspections and other functions throughout the year under review.

Board Remuneration

Board members receive an annual fee of \$4,000 while the Chairman, in recognition of the additional time required to fulfill Board business requirements, receives a payment of \$10,000 annually.

Declarations of Interest

Board members have disclosed pecuniary interests as required.

Legislative Framework

The Metropolitan Cemeteries Board was created on 1 October 1988 to manage cemeteries in the metropolitan area, excluding the Fremantle Cemetery. The Board is a body corporate with perpetual succession and its responsibilities are described in the Cemeteries Act 1986. By-laws gazetted in 1992 set out administrative and general provisions for operating cemeteries under its control and the Board also has powers under the Cremations Act 1929.

Equal Employment and Valuing Diversity

The Metropolitan Cemeteries Board remains cognizant of its responsibility as an equal opportunity employer and continues to apply just and equitable treatment of employees and maintained its commitment to the promotion and improvement of equal employment opportunity and diversity in the last year.

Progress continues to be made toward achieving priorities and performance objectives in the Equity and Diversity Plan for 2003 and 2005 with the majority of objectives currently at target levels.

A review of the Equity and Diversity Management Plan was undertaken and commitment given to the following initiatives:

- Surveying new and existing employees to increase the Metropolitan Cemeteries Board diversity information.
- Initiating a regular (quarterly) standing agenda item on Equity and Diversity for discussion by the Corporate Executive Team.
- Target mid level female employees provided with increased access to career and management development opportunities.
- Provision of a range of family friendly practices.

A key focus in implementing the Board's Equity and Diversity Management Plan has been developing the skills of staff through communication and team building training to promote a positive, inclusive and harassment-free workplace culture. The Board's Code of Conduct was reviewed and staff briefed on workplace conduct and appropriate behaviour.



Continuing strategies to improve the diversity of the MCB's workforce included partnering with external agencies to improve access to a more diversified pool of candidates and the provision of application writing and interview skills training for a wide range of permanent and contract staff.

Employment of people with a disability and Indigenous Australians remained a constant strategy and will again be a focus in the coming year. The Board continues to look for opportunities to improve the level of indigenous representation.

Information Statement

During the year there were no requests for access to documents under the Freedom of Information Act 1992.

Reporting on Record-Keeping Plans

A record-keeping plan was developed in 2003/2004 and submitted to the State Records Commission. The plan was approved by the Commission on 9 March 2004 and the Board has continued implementation during the period being reviewed.

Public Sector Standards and Ethical Codes

In accordance with section 31 (1) of the Public Sector Management Act 1994, the Metropolitan Cemeteries Board is required to comment on the extent to which public sector standards, codes of ethics and any relevant code of conduct have been complied with.

The Metropolitan Cemeteries Board ensures the principles in the code form part of, and are reflected in, everyday business activity in recognition of the value of ethical behaviour to the future of its business.

The Metropolitan Cemeteries Board has continued to refine its human resources policies and practices and ensures compliance with the HRM Public Sector Standards by:

- Monitoring and analysis (if applicable) of any breach of standard claims
- Review by external auditors
- Continuous improvement monitoring of the HR Division
- Independent review of each transaction relating to one or more of the HRM Public Sector Standards.

These policies are accessible to employees through the Board's Intranet. In addition, to ensure employee awareness of the standards and the claim process, information was included in the induction program, internal reviews, audits by human resources staff and analysis of any matters relating to informal claims of breach of standards.



The number of applications for breach of Public Sector Standards and corresponding outcomes for 2004-2005 were:

Number lodged	Nil
Number of material breaches found	N/A

The Metropolitan Cemeteries Board's Code of Conduct is widely publicised and communicated internally through a variety of means including through the induction program, staff feedback at team meetings, briefing sessions and as hand outs and on the Board's Intranet.

The MCB's Code is reviewed and updated regularly and at the time of preparing this report the Metropolitan Cemeteries Board's Code of Conduct is being reviewed to ensure consistency with the Public Sector Code of Ethics and best practice.

Methods used to assess compliance included a review of customer satisfaction feedback forms and analysis by human resources staff of matters raised that related to Codes of Conduct and workplace behaviour.

Public Interest Disclosure

The Metropolitan Cemeteries Board is committed to the aims and objectives of the Public Interest Disclosure Act 2003 which came into effect in July 2003. To meet its obligations under the Public Interest Disclosure Act 2003 the MCB has:

- Trained and appointed the Director, People & Corporate Strategy as the person responsible for disclosures of public interest information
- Reviewed and produced procedures and information for public disclosures
- Updated its Intranet to provide for employee access to information and is developing an Internet page to provide relevant information to our external clients.

There were no public interest disclosures received in the reporting year.

Advertising and Sponsorships

Media Decisions*	\$130.00
Market Force	\$ 296.00

*This expenditure through Media Decisions, which manages the State Government's Master Media (campaign) advertising buying contract, represents advertising purchased during 2004/2005.



STATEMENT OF COMPLIANCE WITH WRITTEN LAW

The functions of the Metropolitan Cemeteries Board are set out in Section 24 of the Cemeteries Act 1986. The Board administers in accordance with provisions of the Cemeteries Act 1986 and, in the performance of its functions, complied with the following laws:

- Corporations (Western Australia) Act, 1990 ('Corporations Law')
- Cremation Act, 1929
- Disability Services Act 1993
- Equal Opportunity Act, 1984
- Financial Administration and Audit Act, 1992
- Industrial Relations Act 1988 (Federal)
- Industrial Relations Act, 1979 (Employment Acts, State)
- Library Board of Western Australia Act
- Metropolitan Cemeteries Board Bylaw
- Minimum Conditions of Employment Act, 1993
- Occupational Safety and Health Act, 1984
- Official Corruption Commission Act, 1988-94
- Public and Bank Holidays Act, 1972
- Public Sector Management Act, 1994
- State Supply Commission Act, 1991
- Workers' Compensation and Assistance Act, 1981
- Workplace Agreements Act 1993
- Workplace Relations Act 1996 (Federal)

METROPOLITAN CEMETERIES BOARD

CERTIFICATION OF PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Metropolitan Cemeteries Board's performance, and fairly represent the performance of the Metropolitan Cemeteries Board for the financial year ended 30 June 2005.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



P D MACLEAN PSM
CHIEF EXECUTIVE OFFICER

8th August 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Metropolitan Cemeteries Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
24 August 2005

KEY PERFORMANCE INDICATORS

A key component of MCB's focus on improving its service to the community is to ensure its performance is measured in a way that adds value to the overall planning and delivery of those services.

Outcome

Funerals and memorial services that meet the needs and expectations of the community.

Notes.

1. Funerals means burials, cremations and entombments.

Effectiveness Indicator (audited by Office of the Auditor General)

Extent of customer satisfaction with funeral and memorial services.

	Target	2004/2005	2003/2004	2002/2003	2001/2002
Industry Score	85%	86%	98%	99%	91%
Public Score	85%	88%	90%	91%	90%

Notes.

1. The figures shown in 2002/2003 differ from those provided in the Annual Report 2002/2003. Figures in Table 1 represent percentage ratings, whilst figures provided in 2002/2003 Annual Report indicated index scores.
2. A total of 470 surveys were conducted. The following table summarises the survey response rates and the resultant theoretical sample error for each of the groups surveyed. The industry section was completed by telephone interview. The public section was by mailed self completion.

Groups	Pop	Sample	ES	RR%	Error
Industry	165	165	121	73	±4.9%
Public	8,991	2,000	349	18	±4.8%

Groups = Customer Groups; Pop = Population; Sample = Sample Frame; ES = Effective Sample; RR% = Response Rate %; Error = Survey Error at 95% confidence level.

- The Industry group includes funeral directors and clergy. Community groups and suppliers were not surveyed.
- Family members of the deceased were surveyed for the Public group. Visitors and mourners were not included in the Public group as the survey was targeted at users of the services.

Efficiency Indicator (audited by Office of the Auditor General)

The average cost per funeral and memorial service includes all operating expenses.

Over the past 5 years the average cost per funeral was:

2004/2005	\$1,299.29
2003/2004	\$1,317.35
2002/2003	\$1,413.72
2001/2002	\$1,372.08
2000/2001	\$1,351.58

Over the past 5 years the average cost per funeral and memorial service was:

2004/2005	\$1,003.60
2003/2004	\$1,006.97
2002/2003	\$1,013.87
2001/2002	\$1,002.35
2000/2001	\$1,007.78

Notes.

1. Burials includes interments in gravesites and the mausoleums.
2. Services include the provision and maintenance of grounds, chapels, crematorium, administration costs of the cemeteries, burial services, memorial products and the supply of information to customers.
3. A decrease in the cost per funeral in 2004/2005 has been achieved mainly as a result of a reduction in operating costs due mainly to lower depreciation charges for the year. In particular, the recalculation of the depreciation rates applicable to the Board's Infrastructure assets, based on revised estimates of the remaining useful lives of the assets, as determined by the Department of Land Information (Valuation Services), resulted in a significantly reduced depreciation charge for the year.

METROPOLITAN CEMETERIES BOARD

Financial Statements

for the year ended 30 June 2005

Board Objective

Ensure that the Board's resources are effectively and efficiently managed in accordance with sound business principles to optimise performance.

In support of this, the Board is committed to:

- * Ensuring that professional and statutory principles, standards, policies and procedures are properly met;
- * Ensuring that realistic and useful budgets are developed and refined and that sound financial management principles are applied;
- * Ensuring that accurate financial information relating to the Board's activities is available on a timely basis;
- * Ensuring that Board investments are managed in a prudent manner.

Highlights

- The Board achieved a net surplus of \$2,903,661 for the year ended 30 June 2005.
- Construction of the Mausoleum at the Fremantle cemetery, which was commenced in the 2003/2004 financial year, has been on-going during the year. The project is due for completion in September 2005 at a total estimated cost of \$7.5m.
- The Board did not receive any Government Grants or Consolidated Revenue funding during the financial year.
- The exercise to value all of the Board's land, building, infrastructure and land and motor vehicle assets at Fair Value, which was commenced in the 2003/2004 financial year, was completed at 1 July 2004. The valuations were established by the Department of Land Information (Valuation Services) and all the necessary adjustments to reflect the new Fair Values were incorporated in to the Board's accounts at 1st July 2005 as part of the exercise to prepare an opening Balance Sheet in the required AIFRS format.

Financial Management

The Board operates along commercial lines and uses financial policies based on widely accepted business principles. As an agency of the Government of Western Australia, the Board must also apply social, environmental and economic principles to all facets of its operations.

The Board's Mission is to "To provide quality services and facilities for Burial, Cremation and Commemoration". In fulfilling this Mission, the Board must balance the triple bottom line factors, ensuring that the needs of current and future generations are met without compromising any of the three sustainability principles.

The economic factor presents many complexities. Cost recovery is essential if the environmental and social values of the Board's cemeteries – five existing and one under development - are to be maintained. The Board must fund not only the day-to-day management of its cemeteries, but also all future infrastructure replacement, maintenance and development costs.

As part of its annual exercise to establish fees for services and charges for its products the Board takes into account a wide range of factors including:

- costs of the provision of services and products for resale;
- costs of maintenance of burial and memorial plots for a minimum of 25 and 50 years;
- costs of provision of new facilities and the replacement of existing assets;
- fees and charges of other cemeteries in other States of Australia and other countries.
- the cultural, ethnic and religious needs and sensitivities of the diverse community; and
- the need to build up reserves during the life of each cemetery in order to meet the costs of continued maintenance once full capacity has been reached.

The annual fee-setting exercise has not taken into account any allowance for the purchase of new land or the development of new cemetery sites; nor do its existing fees include any component for the economic cost of existing land. In the past the Board has not been required to fund land acquisition, but in 2003/2005 Treasury has indicated that the Board will be required to fund the purchase and development of new cemeteries in the future.

The Board is now developing costing models to establish the true costs of its individual Core Business services. These new models will enhance the current fee-setting processes and enable the Board to gauge the levels of cost recovery for its wide range of services and products.

Historically, the Board has applied common costs across all cemeteries and service types. For example, earth, vault and mausoleum interment costs are the same for all cemeteries, although some cemeteries are less economically viable than others.

In addition, this costing model exercise may be used to develop a new fee structure which will address such issues as full cost recovery across all services, *de facto* perpetuity of tenure, economic costs of land and the purchase of land and development of new cemeteries.

The Board is not alone in facing these issues; cemetery trusts and boards around Australia operate under similar circumstances.

Fees and Charges 2004/2005

Fees and charges are set by the Board and published in the *Government Gazette* in accordance with Section 53 of the *Cemeteries Act 1986*. A new fee schedule was adopted with effect from 1 July 2004.

Summary of Operating Results

Total revenue received by the Board during the year, prior to adjustment for costs of sales, was \$14,585,563 compared with \$14,178,871 in the previous financial year. The main reason for the increase in revenue can be attributed to the sales of crypts in the new Mausoleum at Karrakatta (Stage 3).

Income from sales of Mausoleum crypts increased by \$660,000.

Numbers of Funerals:

	2004/2005	2003/2004
Burials	2,140	2,158
Cremations	6,851	6,845

Total Fees for Service, prior to adjustment for cost of sales, amounted to \$13.6m compared to \$13m in the previous year.

Summary of Operating Results (continued)

Summary of income net of refunds from the five operating cemeteries for the year:-

Note: The Board carried out one interment at its new cemetery development site at Baldivis, near Rockingham. This cemetery is not scheduled to start full operations until 2007.

	BURIALS	CREMATIONS	MAUSOLEUM	MEMORIALS	OTHER CLIENT SERVICES	TOTAL
Karrakatta	1,513,954	2,179,161	2,901,948	889,000	155,416	7,639,479
Fremantle	728,923	1,584,619	-	497,388	56,725	2,867,655
Pinnaroo	567,320	929,654	-	844,433	20,429	2,361,836
Midland	116,526	-	189,290	17,709	10,721	334,246
Guildford	196,710	-	130,990	15,917	17,372	360,989
Rockingham	3,512	-	-	-	-	3,512
	<u>3,126,945</u>	<u>4,693,434</u>	<u>3,222,228</u>	<u>2,264,447</u>	<u>260,663</u>	<u>13,567,717</u>
Percentage of total	23.0%	34.6%	23.8%	16.7%	1.9%	100.0%

Total expenses of \$11,860,144 (inclusive of Costs of Sales) for the year comprised:-

Expenditure by location was as follows:-

Karrakatta	8,384,526
Fremantle	1,567,130
Pinnaroo	1,254,073
Midland	243,836
Guildford	202,429
Rockingham	<u>29,908</u>
	<u>11,681,902</u>

The main items of operating expenditure were:-

Salaries and Wages	3,860,985
Salaries on-cost	631,051
Provision for Employee Entitlements	596,547
Casual Labour – Agencies	481,280
Depreciation	1,152,610
Repairs and Maintenance	1,086,888
Memorialisation	556,044
Mausoleum costs of Sales	1,226,580
Gardens and Grounds	436,414
Corporate Expenses	175,606
Consultancies and Projects	166,108
Light, Power & Gas	287,522
Personnel	156,293
Information Services	217,384
Office Expenses	157,304
Insurances	219,485
Other Expenses	273,801

Summary of Operating Results (continued)

Total salaries expenditure (including on-costs, leave expenditure and casual employment) represented 47.68% of total expenditure compared with 45.52% last year.

Operating Surplus

A surplus of \$2,903,661 (2003/2004 \$2,318,727) was achieved during the financial year after allowing for depreciation of \$1,152,610 (2003/2004 \$1,635,770).

Non-operating income from interest and dividends, profit on sale of investments and assets, commissions on sand extracted from the Rockingham Regional Memorial Park new cemetery development site, cafés and condolence lounges, leased land and other sundry receipts, contributed \$1,017,846 (2003/2004 \$1,222,733) to the net surplus for the year.

Capital Expenditure

During the year, the Board invested \$6,540,321 in capital expenditure on physical assets for cemetery development and upgrading of facilities. This figure includes items taken up into Work in Progress in the previous year. The main items of capital expenditure were:-

Mausoleum – Fremantle – Work in progress	4,602,674
Motor Vehicle Replacements	375,008
Computer facilities – Client Records System software	156,509
Rockingham Regional Memorial Park - Infrastructure	435,172
Construction of new Burial & Memorial areas - Fremantle	314,202
Infrastructure - Pinnaroo	163,495
Construction of a carpark - Guildford	149,891

Qualitative Indicators of Performance

In addition to the Key Performance Indicators detailed earlier in the Annual Report, the Board had undertaken to assess its performance by the following qualitative measures. These performance measures have, in previous years, been included in the section in the Annual Report on Key Performance Indicators.

Output

Funerals and memorial services.

Output Quality

Proportion of funeral and memorial services provided by licensed funeral directors and monumental masons.

2004/2005	Target	Outcome
Funeral Services	95%	99.13%
Memorials *	95%	99.85%

Qualitative Indicators of Performance (continued)

Notes: 1. Licences to conduct funerals are issued to funeral directors. Single funeral permits are available to individuals other than funeral directors to conduct a funeral.

2. Approved monumental work can only be carried out by licensed monumental masons. Single monumental work permits are available to individuals other than monumental masons to carry out monumental work on a grave. * Memorials refer to headstones and inscription work.

Output Quantity

Number of funeral and memorial services.

2004/2005	Number
Funeral Services	8,991
Memorial Services	2,649

Compared to the previous financial year, there has been a very small reduction in the number of both Funeral and Memorial Services carried out by the Board.

Output Timeliness

Extent to which allocated times for funeral and memorial services meet customer needs.

2004/2005	Target	Outcome
Industry Score	80%	65%
Public Score	80%	80%

Output Cost (see section in the Annual Report entitled Key Performance Indicators)

Metropolitan Cemeteries Board
Certification of Financial Statements
For the year ended 30th June 2005

The accompanying financial statements of the Metropolitan Cemeteries Board have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 and from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

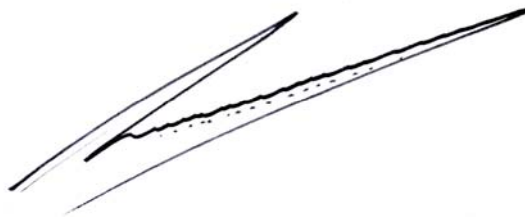
At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



R G BOWE
CHAIRMAN



JEAN HOBSON
DEPUTY CHAIRPERSON



M KIDD
PRINCIPAL ACCOUNTING OFFICER

8th August 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

METROPOLITAN CEMETERIES BOARD FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the Metropolitan Cemeteries Board provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Board at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
24 August 2005

METROPOLITAN CEMETERIES BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2005

REVENUE	Note	2005	2004
		\$	\$
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Sales	2.	3,222,228	2,590,987
Goods and services	3.	10,345,489	10,365,155
<i>Revenue from non-operating activities</i>			
Proceeds on disposal of non-current assets	4.	257,193	200,749
Net Profit on sale of shares		-	185,439
Interest revenue		503,941	579,198
Dividend revenue		170,186	118,103
Commission on sand extractions from Rockingham Regional Memorial Park		264,862	74,411
Other revenues from ordinary activities	5.	167,506	202,040
Total revenues from ordinary activities		14,931,405	14,316,082
EXPENSES			
Expenses from ordinary activities			
Cost of Sales	2.	1,224,745	962,619
Employees expenses	6.	5,612,672	5,399,155
Supplies and services (a)	7.	3,028,828	3,354,596
Depreciation charges	8.	1,152,610	1,635,773
Carrying amount of non-current assets disposed of	4.	325,204	102,846
Net loss on sale of shares		19,280	-
Borrowing cost expense	9.	-	141,661
Other expenses from ordinary activities	10.	664,405	400,697
Total expenses from ordinary activities		12,027,744	11,997,347
NET PROFIT		2,903,661	2,318,735
Net increase in asset revaluation reserve		3,598,465	6,355,083
Total changes in equity other than those resulting from transactions with WA State Government as owners		6,502,126	8,673,818

(a) Administration expenses are indicated in supplies and services.

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

METROPOLITAN CEMETERIES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2005

	Note	2005 \$	2004 \$
Current Assets			
Cash assets	24 (a)	41,469	37,422
Inventories	11.	2,850,762	4,023,663
Receivables	12.	932,233	799,446
Other financial assets	13.	8,963,981	8,302,668
Other assets	14.	137,299	188,425
Total Current Assets		12,925,744	13,351,624
Non Current Assets			
Other financial assets	13.	3,916,492	3,130,161
Property, plant, equipment and vehicles	15.	38,600,694	30,597,137
Infrastructure	16.	10,156,269	10,346,745
Total Non-Current Assets		52,673,455	44,074,043
Total Assets		65,599,199	57,425,667
Current Liabilities			
Payables	17.	1,712,083	915,730
Interest bearing liabilities	18.	-	-
Provisions	19.	567,210	495,635
Other liabilities	20.	832,189	508,476
Pre-need agreements	21.	438,859	583,404
Total Current Liabilities		3,550,341	2,503,245
Non-Current Liabilities			
Provisions	19.	561,698	537,875
Interest bearing liabilities	18.	-	-
Pre-need agreements	21.	4,781,837	4,284,706
Grant extensions	22.	735,146	631,789
Total Non-Current Liabilities		6,078,681	5,454,370
Total Liabilities		9,629,022	7,957,615
NET ASSETS		55,970,177	49,468,052
Equity	23.		
Contributed equity		13,640,938	13,640,938
Reserves		16,420,230	12,821,766
Retained profits		25,909,009	23,005,348
TOTAL EQUITY		55,970,177	49,468,052

The Statement of Financial Position should be read in conjunction with the accompanying notes.

METROPOLITAN CEMETERIES BOARD
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 June 2005

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES: -			
Receipts			
Sale of goods and services		10,972,369	10,850,104
Goods and services – Mausoleum		3,222,228	2,590,987
Receipts from commissions on sand sales		264,862	74,411
Interest received		478,941	583,625
Dividends received		170,186	118,102
GST receipts on sales		1,487,260	1,402,741
Other receipts		167,506	202,040
Payments			
Supplies and services		(3,619,829)	(3,361,219)
Employees costs		(5,990,358)	(5,468,127)
GST payments on purchases		(1,026,444)	(985,277)
GST payments to taxation authority		(488,547)	(434,821)
Borrowing costs		-	(141,661)
Net cash provided by operating activities	24 (b)	<u>5,638,174</u>	<u>5,430,905</u>
CASH FLOWS FROM INVESTING ACTIVITIES: -			
Proceeds from sale on non-current physical assets		257,193	200,749
Net drawdown / (purchase) of investments		(623,003)	1,197,979
Purchase of non-current physical assets		(5,268,318)	(6,299,567)
Net cash used in investing activities		<u>(5,634,128)</u>	<u>(4,900,839)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:-			
Repayment of WATC loan taken over from Fremantle		-	(2,050,724)
Net cash used in financing activities		<u>-</u>	<u>(2,050,724)</u>
Net increase/(decrease) in cash held		4,046	(1,520,658)
Cash assets at the beginning of the financial year		37,423	28,754
Cash transferred from other sources	24 (a)	-	1,529,327
Cash assets at the end of the financial year	24 (a)	<u>41,469</u>	<u>37,423</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2005

1. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception of certain non-current assets which, as noted, are measured at fair value.

(b) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are within the ranges set out below:

Buildings	40 – 63 years
Plant and equipment	3 to 10 years except for Cremators which are depreciated over 15 years
Office equipment	3 to 5 years
Motor vehicles	3 to 7 years
Infrastructure	7 to 57 years

The estimated remaining useful lives of the infrastructure and building assets taken over from the former Fremantle Cemetery Board have been extended as a result of the exercise carried out by the Department of Land Information (Valuation Services) at 1 July 2004 to establish the Fair Values of the Board's assets.

(c) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers Actuaries in 2004 determined that the liability measured by the shorthand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with requirements of Accounting Standard 1028 "Employee Benefits."

Superannuation

The Metropolitan Cemeteries Board contributes to an accumulation fund superannuation plan in respect of its employees. The superannuation expense for the reporting period is the amount of the statutory and non-statutory contribution obligation under the Local Government Superannuation Plan. Contributions for all employees are expensed for the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

(c) Employee benefits (Continued)

Employee benefit on costs

Employee benefit on costs, are recognized and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognized as liabilities and expenses. (See Notes 6 & 19)

(d) Cremation Agreements

This represents fees paid in advance for cremations.

(e) Grant Extensions

This represents the renewal fee for the second 25 years on a grant of right of burial.

(f) Mausoleum Grant Extensions

This represents the renewal fee for the second 25 years on a grant of right of burial.

(g) Burial Agreements

This represents fees paid in advance for burials.

(h) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

(i) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Metropolitan Cemeteries Board considers the carrying amount approximates net fair value.

(j) Payables

Payables, including accruals not yet billed, are recognised when the Metropolitan Cemeteries Board becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

(l) Investments

Investments are included at market value at balance date. The interest is brought to account on an accrual basis and dividends are brought to account when they are received. Any revaluation increments or decrements are reflected through the asset revaluation reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

(m) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(n) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Metropolitan Cemeteries Board has passed control of the goods or other assets or delivery of the service to the customer.

(o) Revaluation of Land, Buildings, Infrastructure, Plant & Equipment, Motor Vehicles and Office Equipment

The Metropolitan Cemeteries Board has a policy of valuing land, buildings, infrastructure and plant, equipment and vehicles at fair value. The annual revaluations of the Board's land undertaken by the Department of Land Information (Valuation Services) have been recognised in the financial statements.

At 1 July 2004, the Board completed the exercise under the transitional provisions of AASB 1041 (8.12) (b) for the revaluation of all remaining assets to fair value, in the classes of buildings, infrastructure and plant, equipment and vehicles which were being carried at cost at 30 June 2004. The Board engaged the services of the Department of Land Information (Valuation Services) to ascertain the fair values of all of these assets.

(p) Cemetery Renewal Areas

The Board had established a new class of assets entitled "Cemetery Renewal Areas." This class of assets relates to areas of the cemetery which have previously been used for burials and which, under the Board's "Renewal" policy, have been redeveloped to enable further burials or memorialisation to take place. It is the policy of the Board that the costs associated with the redevelopment of these areas be carried at cost and depreciated over the estimated useful life of the development.

(q) Acquisition of Assets

The cost method of accounting is used for all acquisition of assets. Cost is measured as the fair value given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets costing less than \$1,000 are expensed in the year of acquisition.

(r) Intangible assets and expenditure carried forward

(i) Computer Software

Significant costs associated with the development of the Board's Client Records computer software have been included in capital works in progress and will be capitalised on completion of the project.

(ii) Web site costs

Costs in relation to the web site controlled by the Metropolitan Cemeteries Board are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an asset, in which case they are capitalised and amortised over the period of expected benefit. Generally, costs in relation to feasibility studies during the planning phase of the web site and ongoing costs of maintenance during the operating phase are considered to be expenses. Costs incurred in the building or enhancing of the web site, to the extent that they represent probable future economic benefits controlled by the Metropolitan Cemeteries Board that can be measured, are capitalised as an asset and amortised over the period of the expected benefits which is estimated as three years.

(s) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(t) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005

	2005	2004
	\$	\$
2. Trading profit		
Sales of mausoleum crypts	3,222,228	2,590,987
Cost of sales:		
Opening inventory	(3,889,461)	(226,425)
Transfer from works in progress on completion of new mausoleums	-	(4,577,349)
Adjustment to costs of sales	(48,500)	(48,306)
	<u>(3,937,961)</u>	<u>(4,852,080)</u>
Closing inventory	2,713,216	3,889,461
Cost of goods sold	<u>(1,224,745)</u>	<u>(962,619)</u>
Trading profit	<u>1,997,483</u>	<u>1,628,368</u>
3. Goods and services		
Burials	3,355,788	3,349,177
Cremations	4,759,586	4,701,141
Memorials	2,230,115	2,314,837
	<u>10,345,489</u>	<u>10,365,155</u>
4. Net profit / (loss) on disposal of non-current assets		
<i>Profit on disposal of non-current assets</i>		
Plant and equipment	29,724	102,904
Motor vehicles	6,344	14,664
Computers	192	1,730
<i>Loss on disposal of non-current assets</i>		
Plant and equipment	(26,986)	(17,584)
Motor Vehicles	(10,054)	-
Computers	(1,255)	(3,810)
Land	(65,975)	-
Net profit	<u>(68,010)</u>	<u>97,904</u>
5. Other revenues from ordinary activities		
Rentals from Kiosks	59,957	96,641
Rental of leased land	96,000	96,000
Insurance recoveries	310	-
Miscellaneous income	11,239	9,399
	<u>167,506</u>	<u>202,040</u>
6. Employee expenses		
Wages and salaries	3,860,985	4,085,998
Superannuation	631,051	625,069
Long service leave (1)	254,495	23,681
Annual leave (1)	342,053	378,532
Other related expenses	524,088	285,875
	<u>5,612,672</u>	<u>5,399,155</u>

- (1) These employee expenses include superannuation, workers compensation premiums and other employment costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 19 – Provisions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

	2005	2004
7. Supplies and services		
Communications	109,694	116,934
Consultants and contractors	552,286	638,864
Consumables	52,288	55,037
Materials	1,205,718	1,122,435
Repairs and maintenance	301,771	271,544
Travel	35,063	24,300
Integration costs associated with the takeover of the Fremantle operations	1,020	297,817
Other	770,989	827,665
	<u>3,028,828</u>	<u>3,354,596</u>
8. Depreciation expense		
Plant, equipment and vehicles	567,209	637,617
Buildings	320,694	453,791
Infrastructure	223,166	544,365
Cemetery renewal areas	41,541	-
	<u>1,152,610</u>	<u>1,635,773</u>
9. Borrowing costs expense		
Interest paid on WA Treasury Corporation debenture loan	-	141,661
	<u>-</u>	<u>141,661</u>
10. Other expenses from ordinary activities		
Building and infrastructure maintenance	594,023	297,488
Board expenses	58,792	66,774
Kiosk operation expenses	11,590	36,435
	<u>664,405</u>	<u>400,697</u>
11. Inventories		
Current		
Inventories held for resale:		
Mausoleum crypt stock - Stage 1 - at cost	-	-
Mausoleum crypt stock - Stage 2 - at cost	14,356	14,356
Mausoleum crypt stock - Stage 3 - at cost	1,421,186	2,424,038
Mausoleum crypt stock - Midland	385,559	501,407
Mausoleum crypt stock - Guildford	848,751	905,343
Vault stock - Midland - at cost	-	-
Ossuary Stock	43,363	44,317
	<u>2,713,215</u>	<u>3,889,461</u>
Inventories not held for resale:		
- Stores	<u>137,547</u>	<u>134,202</u>
Total Inventory - Current	<u>2,850,762</u>	<u>4,023,663</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)

	2005	2004
12. Receivables		
Current		
Trade debtors	932,233	799,446
	<u>932,233</u>	<u>799,446</u>
13. Other financial assets		
Current		
At cost:		
Term deposits	8,617,941	7,956,151
	<u>8,617,941</u>	<u>7,956,151</u>
At market valuation 30 June:		
Income securities	346,040	346,517
	<u>346,040</u>	<u>346,517</u>
	<u>8,963,981</u>	<u>8,302,668</u>
Non-current		
At market valuation 30 June:		
Shares in ASX Top 100 shares	3,916,492	3,130,161
	<u>3,916,492</u>	<u>3,130,161</u>
14. Other assets		
Current		
Prepayments	88,162	164,289
Accrued income	49,137	24,136
	<u>137,299</u>	<u>188,425</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

	2005	2004
15. Property, plant, equipment and vehicles		
Plant, equipment and vehicles		
At cost	-	594,017
Accumulated depreciation	-	(278,556)
At fair value (ii)	3,320,618	2,867,600
Accumulated depreciation	(449,180)	(109,927)
	<u>2,871,438</u>	<u>3,073,134</u>
Office equipment		
At cost	1,476,608	1,273,238
Accumulated depreciation	(1,079,014)	(845,253)
	<u>397,594</u>	<u>391,985</u>
Cemetery renewal areas		
At capitalised cost	216,947	-
Accumulated depreciation	(67,797)	-
	<u>149,150</u>	<u>-</u>
Freehold land		
At cost	-	65,975
At fair value (ii)	11,357,000	8,665,000
	<u>11,357,000</u>	<u>8,730,975</u>
Buildings		
At cost	-	-
Accumulated depreciation	-	-
At fair value (ii)	16,871,252	16,632,000
Accumulated depreciation	(396,687)	(71,707)
	<u>16,474,565</u>	<u>16,560,293</u>
Buildings and projects under construction		
Construction costs	7,350,947	1,840,750
	<u>7,350,947</u>	<u>1,840,750</u>
	<u>38,600,694</u>	<u>30,597,137</u>

- (i) The revaluation of freehold land was performed during the year ended 30 June 2005 in accordance with an independent valuation by the Department of Land Information (Valuation Services). The valuation was made in accordance with a regular policy of annual revaluation.
- (ii) Under the transition provisions of AASB 1041 (8.12) (b), the remaining assets in the classes of buildings, plant, equipment & vehicles, which were being carried by the Board at cost at 30 June 2004, were valued at fair value by the Department of Land Information (Valuation Services) at 1 July 2004. Increments and decrements resulting from this exercise have been taken to the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)

15. Property, plant, equipment and motor vehicles (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below:

Year ended 30 June 2005	Plant equipment and vehicles	Office equipment	Cemetery renewal areas	Freehold land	Buildings	Buildings and projects under construction	Total
Carrying amount at start of year	3,073,134	391,984	-	8,730,975	16,560,293	1,840,750	30,597,137
Transfers between asset classes	(243,437)	168,437	180,611	-	221,214	-	326,825
Additions	595,517	33,323	-	-	13,752	6,321,887	6,964,479
Transfers from / (out of) Work in Progress	119,776	-	10,080	-	-	(387,534)	(257,678)
Transfers to prepayments	-	-	-	-	-	(46,990)	(46,990)
Disposals	(256,543)	(2,686)	-	(65,975)	-	-	(325,204)
Transfers to operating expenditure	-	-	-	-	-	(377,166)	(377,166)
Revaluation increments / (decrements)	(43,264)	-	-	2,692,000	-	-	2,648,736
Depreciation	(373,745)	(193,464)	(41,541)	-	(320,694)	-	(929,444)
Carrying amount at end of year	2,871,438	397,594	149,150	11,357,000	16,474,565	7,350,947	38,600,694
Year ended 30 June 2004							
Carrying amount at start of year	1,732,348	171,944	-	2,426,227	10,754,442	1,729,066	16,814,027
Taken over at fair value from Fremantle Cemetery Board at 1 July 2004	893,988	8,400	-	6,905,000	4,415,000	73,724	12,296,112
Additions	556,319	133,520	-	-	-	5,609,728	6,299,567
Transfers from / (out of) Work in Progress	208,505	200,260	-	-	93,067	(927,735)	(425,903)
Transfers to Mausoleum stock	-	-	-	-	-	(4,577,349)	(4,577,349)
Disposals	(99,434)	(3,411)	-	-	-	-	(102,845)
Transfers to operating expenditure	-	-	-	-	-	(66,684)	(66,684)
Revaluation increments / (decrements)	274,162	26,623	-	(600,252)	1,729,808	-	1,430,341
Depreciation	(492,753)	(145,352)	-	-	(432,024)	-	(1,070,129)
Carrying amount at end of year	3,073,134	391,984	-	8,730,975	16,560,293	1,840,750	30,597,137

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)

16. Infrastructure

	2005	2004
At cost	-	610,599
Accumulated depreciation	-	(41,825)
At fair value (i)	10,430,178	9,833,000
Accumulated depreciation	(273,909)	(55,029)
	<u>10,156,269</u>	<u>10,346,745</u>

- (iii) Under the transition provisions of AASB 1041 (8.12) (b), the remaining infrastructure assets which were being carried by the Board at cost at 30 June 2004, were valued at fair value by the Department of Land Information (Valuation Services) at 1 July 2004. Increments and decrements resulting from this exercise have been taken to the revaluation reserve

	2005	2004
Carrying amount at start of year	10,346,745	3,335,828
Taken over from Fremantle Cemetery Board at fair value at 1 July 2003	-	2,485,000
Transfers from work in progress	257,678	425,903
Transfer between asset classes	(326,825)	-
Revaluation increments	101,837	4,665,658
Depreciation expense	(223,166)	(565,644)
Carrying amount at end of year	<u>10,156,269</u>	<u>10,346,745</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

17. Payables	2005	2004
Current		
Trade payables	1,443,827	777,411
GST payable	59,465	87,197
Retention monies held on capital projects	208,791	51,122
	<u>1,712,083</u>	<u>915,730</u>

18. Interest-bearing liabilities

Current		
WA Treasury Corporation loan taken over from Fremantle Cemetery Board	-	193,394
Repayment of WATC loan	-	(193,394)
	<u>-</u>	<u>-</u>
Non-current		
WA Treasury Corporation loan taken over from Fremantle Cemetery Board	-	1,857,330
Repayment of WATC loan	-	(1,857,330)
	<u>-</u>	<u>-</u>

19. Provisions

Current		
Annual leave	355,789	373,682
Long service leave	130,660	156,406
Superannuation	-	20,523
Other employee benefits (1)	78,475	76,332
Non employee related benefits	2,286	19,965
	<u>567,210</u>	<u>646,908</u>
Non-current		
Long service leave	484,797	337,939
Other employee benefits (1)	74,623	48,663
Non employee related benefits	2,278	-
	<u>561,698</u>	<u>386,602</u>

Employee Benefit Liabilities

The aggregate employee entitlements liability recognised and included in the financial statements is as follows:

Provision for employee benefits:

Current	567,210	646,908
Non-current	<u>561,698</u>	<u>386,602</u>
	<u>1,128,908</u>	<u>1,033,510</u>

- (1) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under annual leave and long service leave expense (under Employee expenses) at Note 6.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

	2005	2004
20. Other liabilities		
Current		
Accrued expenses	290,547	86,747
Accrued salaries	1,816	190,324
Income received in advance	539,826	231,405
	<u>832,189</u>	<u>508,476</u>
21. Pre-need agreements		
Current		
Cremation	357,498	502,483
Burial	81,361	80,921
	<u>438,859</u>	<u>583,404</u>
Non-current		
Cremation	3,966,098	3,566,809
Burial	815,739	717,897
	<u>4,781,837</u>	<u>4,284,706</u>
22. Extensions of grants of right of burial		
Non-current		
Mausoleum grant extensions	364,432	328,890
Other grant extensions	370,714	302,899
	<u>735,146</u>	<u>631,789</u>
23. Equity		
(a) Contributed equity		
Opening balance		
Capital contributions (i) & (ii)	13,640,938	13,640,938
	<u>13,640,938</u>	<u>13,640,938</u>
(i) Capital contributions have been designated as contributions by owners and have been credited directly to equity in the Statement of Financial Position.		
(ii) The activities formerly reported under the Fremantle Cemetery Board were transferred to the Metropolitan Cemeteries Board effective from 1 July 2003.		
Assets transferred to Metropolitan Cemeteries Board		
Cash		1,529,327
Receivables		219,241
Accrued Interest		15,676
Inventory (not for resale)		10,713
Land (at fair value)		6,905,000
Buildings (at fair value)		4,415,000
Infrastructure (at fair value)		2,485,000
Property, plant and equipment and motor vehicles		967,712
Office equipment		8,400
Investments		1,000,000
Liabilities transferred to the Metropolitan Cemeteries Board		
Payables		69,319
Pre-need agreements		1,515,088
Provisions		179,878
Borrowings (WATC debenture loan)		2,050,724
Other current liabilities		100,120
	<u>-</u>	<u>13,640,938</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)

23 Equity (continued)

	2005	2004
(b) Reserves		
Asset revaluation reserve (i)		
Opening balance	12,821,766	6,466,683
Net revaluation increments / (decrements)		
Land	2,692,000	(600,252)
Buildings	-	1,729,808
Infrastructure	101,837	4,665,658
Plant & Equipment	(38,859)	216,874
Motor Vehicles	(440)	57,683
Office equipment	-	26,228
Net revaluation of share portfolio at market prices on 30 June	843,926	259,084
Closing balance	<u>16,420,230</u>	<u>12,821,766</u>
(c) Retained profits		
Opening balance	23,005,348	20,686,613
Net profit	<u>2,903,661</u>	<u>2,318,735</u>
Closing balance	<u>25,909,009</u>	<u>23,005,348</u>

- (i) The revaluation reserve is used to record increments and decrements on the revaluation of shares in the Board's portfolio and also in non-current assets as described in policy note 1 (o)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

24. Notes to Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2005	2004
Cash Assets	41,468	37,422
Bank Overdraft	-	-
Cash transferred from other sources (i)	-	-
	41,468	37,422

(i) Net assets taken over from the Fremantle Cemetery Board on 1 July 2003 on the takeover of the Fremantle cemetery operations included a cash balance of \$1,529,327.

(b) Reconciliation of profit from ordinary activities to net cash flows provided by operating activities

Profit from ordinary activities	2,903,661	2,318,735
Non-cash items:		
(Profit)/loss on sale of property, plant and equipment	68,010	(97,904)
Depreciation of non-current assets	1,152,610	1,635,773
(Profit)/loss from sale of investments	19,280	(185,439)
(Increase) / decrease in assets:		
Other current assets	(128,651)	(386,029)
Current inventories	1,224,746	921,771
Increase / (decrease) in liabilities		
Current accounts payable	(240,308)	207,400
Pre-need agreements	455,943	505,840
Current provisions	115,216	363,565
Employee provisions	95,399	164,551
Net GST receipts / (payments)		
Change in GST receivables / (payables)	(27,732)	(17,358)
Net cash provided by operating activities	5,638,174	5,430,905

25. Resources provided free of charge

During the year the Board did not receive any resources free of charge.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

2005 **2004**

26. Commitments for Expenditure

(a) Capital expenditure commitments
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	1,400,000	5,700,000
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27. Explanatory Statement

- (i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.

Details and reasons for the significant variations between actual results with the corresponding items in the preceding year are detailed below. Significant variations are considered to be those greater than \$50,000.

	2005 Actual	2004 Actual	Variance
Sales	3,222,228	2,590,987	631,241
Proceed on disposal of non-current assets	257,193	200,749	56,444
Net profit / (loss) on sale of shares	(19,280)	185,439	(204,719)
Interest revenue	503,941	579,198	(75,257)
Dividend revenue	170,186	118,103	52,083
Commission on sand extractions from Rockingham Regional Memorial Park	264,862	74,411	190,451
Costs of sales	1,224,745	962,619	(262,126)
Employees expenses	5,612,672	5,399,155	(213,517)
Supplies and services	3,028,828	3,354,596	325,768
Depreciation charges	1,152,610	1,635,773	483,163
Carrying amount on non-current assets disposed of	325,204	102,846	(222,358)
Borrowing cost expense	-	141,661	141,661
Other expenses from ordinary activities	664,405	400,697	(263,708)

Sales

The current financial year includes a full year's sales of crypts from the Board's three new projects at Karrakatta Stage 3, Midland and Guildford. Income in the 2003/2004 financial year included sales for only part of the year as the projects were only completed in the last quarter of that year.

Proceeds on disposal of non-current assets

The majority of the proceeds relate to the trade-in of motor vehicles. Since the take over of the Fremantle operations in 2003, the number of vehicles in the Board's fleet has increased.

Net profit / (loss) on sale of shares

During the year the Board sold part or all of its holdings in some of the shares in its portfolio which were perceived to be underperforming. These sales resulted in some losses. The Board also decided to take profits on some other shares. The net of all of the shares traded resulted in a small loss for the year.

Interest Revenue

The Board is in the process of constructing a new Mausoleum complex at Fremantle at a total cost of \$7.5million. Significant funds have been required during the year to meet the progress payments on this construction. Due to the timing of these payments, it has been necessary to hold substantial amounts in 'at call' bank deposits which do not attract as high an interest rate as the longer dated Term Deposits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

27. Explanatory Statement (continued)

Dividend revenue

Dividend payments have in general been made by companies in the Board's share portfolio at higher rates than in the previous year. This reflects the general improvement which has taken place in the Australian Stock Exchange Top 100 index during the past twelve months.

Commission on sand extractions from Rockingham Regional Memorial Park

The Board is developing a new cemetery site at Baldivis. As part of the development and landscaping of the cemetery, the Board is removing a very significant quantity of sand overburden. The Board has entered into an agreement with an earth-moving company to pay a commission on the volume of sand removed. The volumes of sand extracted from the site depend on the contractors requirements for projects in the area. The current financial year has seen considerably more sand extracted from the site than in the previous year.

Costs of sales

This cost has increased in the current year due to an increase in the numbers of crypt spaces sold compared to the number sold in the 2003/2004 financial year.

Employees expenses

Employee expenses have increased by 4.0% over the previous financial year. The increase can be attributed mainly to a combination of annual approved increases under the Government's wages policy, annual progressive step increases under the various awards and a number of position reclassifications.

Supplies and services

In the 2003/2004 financial year, the Board incurred considerable additional one-off costs associated with the takeover of the Fremantle Cemetery operations. The integration was completed by the end of the 2003/2004 financial year and no additional costs associated with the integration exercise have been incurred in the current financial year.

Depreciation charges

During the 2003/2004 financial year, the Board commenced an exercise in conjunction with the Department of Land Information (Valuation Services) to value all of its land, buildings, infrastructure, plant and equipment and motor vehicles at Fair Value. At 30th June 2004, the exercise had not been completed. The Board completed the exercise at 1st July 2004. As part of the work undertaken by the Department of Land Information (Valuation Services), an estimate of the remaining useful life of each asset was determined which was used to calculate the revised depreciation rates for each asset. In the case of a number of the Board's assets the assessment of the remaining life of individual assets significantly exceeded the life assumed in the previous depreciation rates. The effect of implementing the new depreciation rates was to reduce the depreciation charges for the current and future financial years. The most significant effect of these reduced depreciation rates was the reduction in the depreciation charges on the Board's Infrastructure assets.

Carrying amount on non-current assets disposed of

This reflects the increase in the size of the Board's fleet of vehicles and the consequent increase in the turnover of those vehicles through trade-in and sale.

During the year the Board also wrote off the original cost of the purchase of a small portion of land at the East Rockingham Cemetery. As the whole of the cemetery has been vested in the City of Rockingham, with the title in their name, it was necessary for the Board to write the cost of this land out of its books.

Borrowing cost expense

No costs were incurred in the current financial year as the Board repaid the balance of the loan at the end of the 2003/2004 financial year.

Other expenses from ordinary activities

These costs relate mainly to on-going and recurring maintenance of the Board's buildings and infrastructure. The increase is expected given that the Board has more buildings and infrastructure to maintain including the Fremantle structures and the new mausoleums at Karrakatta Stage 3, Guildford and Midland.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

27. Explanatory Statement (continued)

- (ii) Significant variations between estimated revenues and expenditures for the financial year and actual revenues and expenditures for the current financial year.

Details and reasons for the significant variations between estimated and actual results are detailed below. Significant variations are considered to be those greater than \$50,000.

	2005 Estimates	2005 Actual	Variance
Sales	3,317,364	3,222,228	(95,136)
Interest revenue	434,743	503,941	69,198
Commission on sand extractions from Rockingham Regional Memorial Park	200,000	264,862	64,862
Cost of sales	1,131,150	1,224,745	(93,595)
Employee expenses	5,370,570	5,612,672	(242,102)
Supplies and services	3,505,109	3,028,828	476,281
Depreciation	1,841,741	1,152,610	689,131
Other expenses from ordinary activities	526,206	664,405	(138,199)

Sales

Sales of crypts at the Karrakatta Stage 3 Mausoleum exceeded budget but this excess was reduced by shortfalls in the actual numbers of crypts sold at both of the Midland and Guildford Mausoleums.

Interest revenue

The budget for interest receivable during the year was based on an assumption that the construction of the new Mausoleum at Fremantle would be completed in the year. As this project was not able to be completed by 30th June, it was not necessary to make same level of withdrawals from the Board's investments to fund the construction that had been contemplated in the budget. This enabled the Board to retain more of its investments in interest bearing deposits throughout the year.

Commission on sand extractions from Rockingham Regional Memorial Park

The Board is developing a new cemetery site at Baldivis. As part of the development and landscaping of the cemetery, the Board is removing a very significant quantity of sand overburden. The Board has entered into an agreement with an earth-moving company to pay a commission on the volume of sand removed. The volumes of sand extracted from the site depend on the contractors requirements for projects in the area. Actual extractions of sand exceeded budget in the current financial year.

Costs of sales

During the year it was necessary to take up the costs of sales of some crypts that had been sold under a part payment arrangement in the previous financial year. These costs of sales had not been anticipated in the budget estimates.

Employee expenses

The increase in expenditure over budget is due to additional costs incurred by the Board on the employment of casual staff to fill temporary vacancies. It was deemed necessary to fill vacant positions with temporary staff prior to appointing permanent staff to the new positions that had been identified under the Board's re-structure plan. As a result of this policy there was a reduction in the costs of salaries and wages which to some extent offset the increase in the additional costs of casual employees.

Supplies and services

This under expenditure has occurred mainly as a result of a number of significant projects and consultancies which were budgeted for the 2004/2005 financial being either cancelled or deferred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

27. Explanatory Statement (continued)

Depreciation

During the 2003/2004 financial year, the Board commenced an exercise in conjunction with the Department of Land Information (Valuation Services) to value all of its land, buildings, infrastructure, plant and equipment and motor vehicles at Fair Value. At 30th June 2004, the exercise had not been completed. The Board completed the exercise at 1st July 2004. As part of the work undertaken by the Department of Land Information (Valuation Services), an estimate of the remaining useful life of each asset was determined which was used to calculate the revised depreciation rates for each asset. In the case of a number of the Board's assets the assessment of the remaining life of individual assets significantly exceeded the life assumed in the previous depreciation rates. The effect of implementing the new depreciation rates was to reduce the depreciation charges for the current and future financial years. The most significant effect of these reduced depreciation rates was the reduction in the depreciation charges on the Board's Infrastructure assets. The budgeted costs for depreciation were based on the old percentages that were operating prior to the completion of the revaluation exercise.

Other expenses from ordinary activities

These costs relate mainly to maintenance of the Board's buildings and infrastructure. The increase is expected given that the Board has more buildings and infrastructure to maintain including the Fremantle structures and the new mausoleums at Karrakatta Stage 3, Guildford and Midland.

28. Financial Instruments

(a) Interest rate risk exposure

The following table details the Board's exposure to interest rate risk as at the reporting date:

Year ended 30 June 2005

	Weighted Average Effective Return	Variable interest rate	Fixed Interest Rate Maturities			Non interest bearing	Total
	%	\$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000	\$'000	\$'000
Financial Assets							
Cash Assets	5.00%	41					41
Receivables			932				932
Investments	(c)	346	8,618			3,916	12,880
Other						137	137
Total Financial Assets		387	9,550			4,053	13,990

Financial Liabilities

Payables						1,712	1,712
Total Financial Liabilities						1,712	1,712

Net Financial Assets		387	9,550			2,341	12,278
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Year ended 30 June 2004

Financial Assets	4.75%	384	8,755			3,318	12,457
Financial Liabilities						916	916

(b) Net fair values

The carrying amount of the financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

(c) Weighted average effective return

The percentage returns on the investments held by the Board during the years were as follows:

2004/2005	Term Deposits	5.6%	Shares in ASX Top 100 companies	4.5%	Income Securities	7.0%
2003/2004	Term Deposits	5.3%	Shares in ASX Top 100 companies	4.3%	Income Securities	6.7%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

29. Remuneration and retirement benefits of members of the Board and Senior Officers

The number of members of the Board whose total fees, salaries, superannuation and other benefits received or due and receivable for the financial year fall within the following bands are: -

	2005	2004
	#	#
\$0 - \$10,000	7	7
The total remuneration of the members of the Metropolitan Cemeteries Board is:	\$34,000	\$34,000

Retirement Benefits of Members of the Board

The following amounts in respect of retirements benefits were paid or became payable for the financial year:

	2005	2004
	\$	\$
Contributions to Government Employees Superannuation Act Scheme		
Contributions to other superannuation funds	3,060	3,060
	<u>3,060</u>	<u>3,060</u>

The superannuation included here represents the superannuation expense incurred by the Metropolitan Cemeteries Board in respect of the members of the Board.

No members of the Board are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers other than members of the Board, whose total fees, salaries, superannuation and other benefits due and receivable, for the financial year, fell within the following bands are:-

	2005	2004
	#	#
\$290,001 - \$300,000	-	1
\$160,001 - \$170,000	1	-
\$150,001 - \$160,000	-	1
\$130,001 - \$140,000	-	1
\$100,001 - \$110,000	3	-
\$90,001 - \$100,000	1	2
\$80,001 - \$90,000	-	2
\$70,001 - \$80,000	-	1
\$60,001 - \$70,000	-	-
\$50,001 - \$60,000	-	-
\$40,001 - \$50,000	-	1

The total remuneration of senior officers is: \$576,520 \$1,079,735

30. Remuneration of Auditor

The total fees paid or due and payable to the Auditor General is as follows:

Auditing the accounts, financial statements and performance indicators	24,000	22,000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2005 (continued)**

31. The Impact of Adopting International Accounting Standards (cont)

(a) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS:

	30 June 2005 \$	1 July 2004 \$
Total equity under previous AGAAP	55,970,177	49,468,052
Costs written back on take up of Fair Values (i)	-	(665,406)
Depreciation written back on take up of new Fair Values (i)	-	58,966
New Fair Values taken up (i)	-	712,450
Assets written off against retained profits (ii)	-	(113,412)
Total equity under AIFRS	<u>55,970,177</u>	<u>49,460,650</u>

- (i) At 30 June 2004, the Board adopted the transition provisions of AASB 1041 (8.13) (a) to progressively revalue its property, plant and equipment to Fair Value. The adjustments shown above represent the accounting entries which were carried out to bring the remaining assets in the classes of Plant, Equipment and Vehicles, and Infrastructure to Fair Value at 1 July 2004 in accordance with AASB 116 Property, Plant & Equipment.
- (ii) At 30 June 2004, the Board adopted the transition provisions of AASB 1041 (8.13) (a) to progressively revalue its property, plant and equipment to Fair Value. The adjustment shown above represents the write off of individual assets which were deemed by the Department of Land Information (Valuation Services) to have no Fair Value and in accordance with AASB 116 Property, Plant & Equipment.

(b) Reconciliation of net profit for the period as presented under the previous AGAAP to that under AIFRS

	30 June 2005
Net profit for the period under the previous AGAAP	2,903,661
Net profit for the period under AIFRS	2,903,661

METROPOLITAN CEMETERIES BOARD
BUDGETED FINANCIAL STATEMENTS (UNAUDITED)

For the Year Ending 30 June 2006

Index of Budget Statements:

Budgeted Statement of Financial Performance for Metropolitan Cemeteries Board
Budgeted Statement of Financial Position for Metropolitan Cemeteries Board
Budgeted Statement of Cash Flow for Metropolitan Cemeteries Board

Note: The budget Statements of Financial Performance, Financial Position and Cash Flows are unaudited and are not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING 30 JUNE 2006

REVENUE

	2006	2005
	\$	\$
Revenues from ordinary activities		
<i>Revenues from operating activities</i>		
Mausoleum Sales	4,923,952	3,222,228
Goods and Services	10,455,161	10,345,489
<i>Revenue form non-operating activities</i>		
Proceeds on disposal of non-current assets	251,550	257,193
Net Profit on sale of shares	-	-
Interest revenue	501,863	503,941
Dividend revenue	108,000	170,186
Commission on Sand Extractions from Rockingham Regional Memorial Park	350,000	264,862
Other revenues from ordinary activities	126,951	167,506
Total Revenues from Ordinary Activities	16,717,477	14,931,405

EXPENSES

Expenses from Ordinary Activities		
Costs of Sales	1,777,665	1,224,745
Employees expenses	5,674,105	5,488,032
Supplies and Services	3,394,721	3,028,828
Depreciation Charges	1,263,981	1,152,610
Carrying amount of non-current assets disposed of	262,837	325,204
Net loss on sale of shares	-	19,280
Other expenses from ordinary activities	457,415	664,405
TOTAL EXPENSES	12,830,724	11,903,104

NET PROFIT	3,886,753	3,028,301
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Net increase in asset revaluation reserve		3,598,465
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TOTAL CHANGES IN EQUITY	3,886,753	6,626,766
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Note: The budgeted Statement of Financial Performance is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2006

	2006	2005
	\$	\$
Current Assets		
Cash Assets	39,822	41,469
Inventories	8,595,439	2,850,762
Receivables	602,382	932,233
Other Financial Assets	8,218,661	8,963,981
Other Assets	126,706	137,299
Total Current Assets	<u>17,583,010</u>	<u>12,925,744</u>
Non Current Assets		
Other Financial Assets	3,179,331	3,916,492
Property, plant, equipment and vehicles	32,984,848	38,392,197
Infrastructure	11,916,900	10,3415,270
Total Non-current Assets	<u>48,081,079</u>	<u>52,464,959</u>
Total Assets	<u>65,664,089</u>	<u>63,390,703</u>
Current Liabilities		
Payables	767,768	1,712,086
Provisions	593,009	502,988
Other liabilities	424,097	623,692
Pre-need Agreements	1,184,171	438,859
Grant Extensions		
Total Current Liabilities	<u>2,969,045</u>	<u>3,277,625</u>
Non-Current Liabilities		
Provisions	458,780	501,281
Pre-need Agreements	4,736,685	4,781,837
Grant Extensions	698,237	735,146
Total Non-Current Liabilities	<u>5,893,702</u>	<u>6,018,264</u>
Total Liabilities	<u>8,862,747</u>	<u>9,295,889</u>
NET ASSETS	<u>56,801,342</u>	<u>56,094,814</u>
Equity		
Contributed equity	13,640,938	13,640,938
Reserves	13,052,687	16,420,230
Retained profits / (accumulated losses)	30,107,717	26,033,646
TOTAL EQUITY	<u>56,801,342</u>	<u>56,094,814</u>

Note: The budgeted Statement of Financial Position is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.

METROPOLITAN CEMETERIES BOARD
BUDGETED STATEMENT OF CASH FLOW
FOR THE YEAR ENDING 30 JUNE 2006

	2006	2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES: -		
Receipts		
Sale of Goods and Services	11,155,871	10,972,369
Goods and Services – Mausoleum	4,203,908	3,222,228
Receipts from Commissions on Sand Sales	350,000	264,862
Interest Received	539,132	478,941
Dividends Received	179,711	170,186
GST receipts on sales	989,810	1,487,260
Other Receipts	24,950	167,506
Payments		
Supplies and Services	(3,597,677)	(3,619,829)
Employees Costs	(6,008,523)	(5,990,358)
GST payments on purchases	(825,923)	(1,026,444)
GST payments to taxation authority	(163,887)	(488,547)
Net cash from operating activities	<u>6,847,372</u>	<u>5,638,174</u>
CASH FLOWS FROM INVESTING ACTIVITIES: -		
Proceeds from sale of non-current physical assets	251,550	257,193
Net drawdown of investments	(824,569)	(622,998)
Purchase of non-current physical assets	(6,274,353)	(5,268,318)
Net cash used in investing activities	<u>(6,847,372)</u>	<u>(5,634,123)</u>
Net increase/(decrease) in cash held	<u>-</u>	<u>4,051</u>
Cash assets at the beginning of the financial year	39,822	37,422
Cash assets at the end of the financial year	<u>39,822</u>	<u>41,473</u>

Note: The budgeted Statement of Cash Flows is un-audited and is not covered by the Audit Opinion expressed by the Auditor General.