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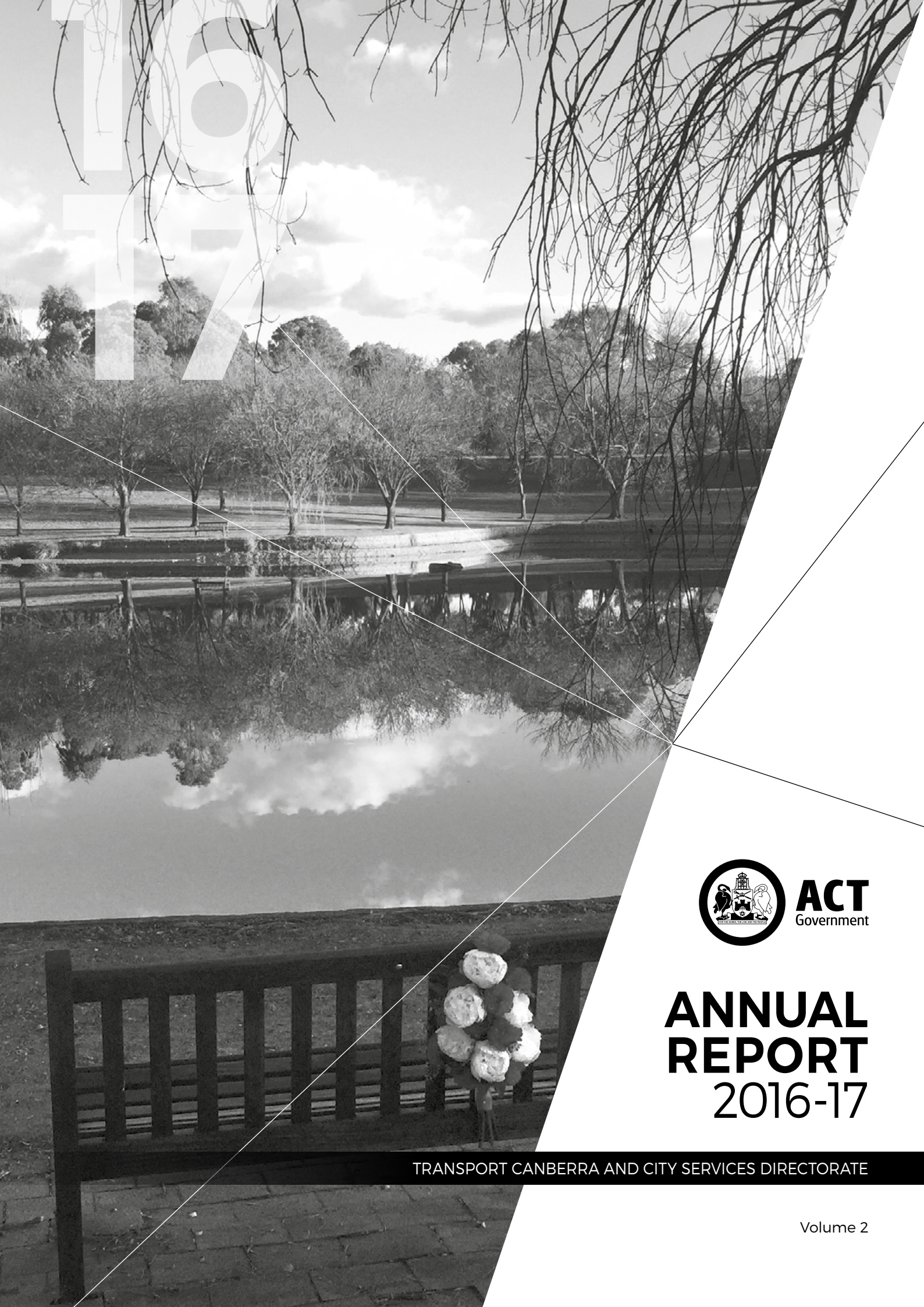


ACT
Government

ANNUAL REPORT 2016-17

TRANSPORT CANBERRA AND CITY SERVICES

Volume 2: ACT Public Cemeteries Authority



16
17



ACT
Government

ANNUAL REPORT 2016-17

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

Volume 2

Acknowledgement of country

The Australian Capital Territory (ACT) is Ngunnawal Country. The ACT Government acknowledges the Ngunnawal people as the Traditional Custodians of the Canberra region.

The region is a significant meeting place to the Ngunnawal and surrounding Aboriginal Nations who have gathered here for thousands of years.

Transport Canberra and City Services acknowledges and respects the Aboriginal and Torres Strait Islander people, their continuing culture and the contribution they make to the life of this city and this region.

For further information please contact:

Hamish Horne, Chief Executive Officer
ACT Public Cemeteries Authority
PO Box 37
Mitchell ACT 2911

Telephone +61 2 62040200
Email hamish.horne@act.gov.au
Email cemeteries@act.gov.au
www.canberracemeteries.com.au

OR

Deputy Director-General
City Services
Transport Canberra and City Services Directorate
GPO Box 158
CANBERRA ACT 2601
Telephone +61 2 62075819
www.tccs.act.gov.au

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Accessibility

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Canberra Blind Society: **T** (02) 62474580

National Relay Service: **T** 133677

Translating and Interpreting Service: **T** 131450

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SECTION A

**SECTION A -
TRANSMITTAL
CERTIFICATE**

ABOUT THIS REPORT

The Transport Canberra and City Services (TCCS) Annual Report 2016-7 is published in two volumes:

- > Volume 1 contains the report of TCCS and the annexed reports of the ACT Veterinary Surgeons Board and the Animal Welfare Authority; and
- > Volume 2 contains the annexed report of the ACT Public Cemeteries Authority.

The contents pages and alphabetical index of this document will help you navigate to specific information in the report, while the compliance statement on page 4 lists the annual reporting requirements for 2016-17 and the page numbers where the information appears

Meegan Fitzharris MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
Canberra City
ACT 2601

Dear Minister

We are pleased to present the 2016-17 annual management report and financial statements of the ACT Public Cemeteries Authority including statements for Perpetual Care Trust funds for The Mausoleum and Woden, Gungahlin and Hall cemeteries.

This report has been prepared under section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements referred to in the Chief Minister's Annual Report Directions. It has been prepared in conformity with other requirements under Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report for the Authority.

We hereby certify that the attached Annual Report is an honest and accurate account and that all material information on the operations of the Authority during the period 1 July 2016 to 30 June 2017 has been included.

We also hereby certify that fraud prevention has been managed in accordance with Public Sector Management Standards, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you cause a copy of the Report to be laid before the Legislative Assembly within 15 weeks of the end of the financial year.



Stephen Bartos
Chair

13 September 2017



Hamish Horne
Chief Executive Officer

13 September 2017

COMPLIANCE STATEMENT

The ACT Public Cemeteries Authority (the Authority) Annual Report must comply with the 2017 Annual Report Directions (the Directions). The Directions are found at the ACT Legislation Register: www.legislation.act.gov.au.

The Compliance Statement indicates the subsections, under the five parts of the Directions, which are applicable to the Authority and the location of information that satisfies these requirements.

Part 1 - Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The Authority's Annual Report complies with all subsections of Part 1 under the Directions.

In compliance with Section 13 Feedback, contact details for the Authority are provided on page ii of this Annual Report to provide readers with the opportunity to provide feedback.

Part 2 - Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all directorates and Public Sector bodies to comply with all subsections. The information that satisfies the requirements of Part 2 is found in the Authority's Annual Report as follows:

- > A. Transmittal Certificate, see page 3;
- > B. Organisation Overview and Performance, inclusive of all subsections, see pages 6-21;
- > C. Financial Management, inclusive of all subsections, see pages 24-116.

Part 3 - Reporting by Exception

The Authority had nil information to report by exception under Part 3 of the Directions for the 2016-17 reporting period.

Part 4 - Directorate and Public Sector Body Specific Annual Report Requirements

The Authority had nil information to report by exception under Part 4 of the Directions for the 2016-17 reporting period.

Part 5 - Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to the Authority and all information in relation to whole of government reporting is included in the Transport Canberra and City Services Annual Report 2016-17, Volume 1.

ACTPS Directorate Annual Reports are found at the following web address:

http://www.cmd.act.gov.au/open_government/report/annual_reports.

SECTION B

**SECTION B -
ORGANISATION
OVERVIEW AND
PERFORMANCE**

B1 - ORGANISATION OVERVIEW

OUR RESPONSIBILITIES

The Authority is an independent statutory authority established under the *Cemeteries and Crematoria Act 2003* (the Act) to effectively and efficiently manage public cemeteries and crematoria. The Authority currently manages and operates three public cemeteries at Gungahlin, Woden and Hall.

The key purpose of the Authority is to ensure the equitable availability of interment options, and maintain burial capacity in the medium to long term for the ACT community. The Authority strives to operate as an efficient Government business with a strong customer service focus. Underpinning the services offered, the Authority has adopted operating practices that safeguard the environment and the health and safety of staff and visitors.

OUR VISION

To provide choice and be a leader in interment and memorialisation services.

OUR MISSION

To continue to provide caring and sensitive services that caters for the needs of the community.

OUR CUSTOMERS AND STAKEHOLDERS

- > the community;
- > funeral directors and stonemasons;
- > suppliers of goods and services;
- > our employees; and
- > the ACT Government.

INTERNAL ACCOUNTABILITY

The Authority's Board (the Board) is ultimately responsible to the Minister for the good governance and successful operations of the Authority. The Board takes governance of its operations seriously. In addition to the Act and the *Financial Management Act 1996* which together, in principle, serve as its constitution, the Board operates under a Charter developed by the Board. The Charter sets out the role, responsibilities and authority of the Board, the Chair, individual directors and the Chief Executive Officer (CEO) within the governance framework of the ACT Government. From this flows all policies and practices of the Board and the Authority and its relationships, lines of communication, management and probity frameworks with its stakeholders which include the Minister, TCCS, Authority staff, business partners and the community. Board directors and staff are all familiar with the underpinning concepts of transparency, accountability, responsiveness and fair play.

The principles of the ACT Public Service Respect, Equity and Diversity Framework are observed in the Authority's daily work and are considered especially important given the nature of the service provided to the community.

The Board oversees risk management through its Audit and Risk Committee and a program of internal audits carried out by external specialists. Underpinning risk management is a Risk Register that is monitored by the Audit and Risk Committee and informs the development of the internal audit program.

In addition to the Board, TCCS provides additional oversight and advice to the Authority in all aspects of its operations. TCCS and the Authority operate under a memorandum of understanding which sets out the reporting and authority responsibilities of each party. TCCS also provides the Authority with employee and human resources support.

Our Structure

The Authority's functions are to effectively and efficiently manage public cemeteries and crematoria for which the Minister has appointed the Authority as the operator.

The Act also requires the Authority to:

- > operate on a sound financial basis;
- > be managed by a governing Board that consists of at least four, and not more than 12 members;
- > ensure the Board include at least four members who, in the Minister's opinion, represent the general community and religious denominations;
- > appoint Directors for three year terms and may be re-appointed at the discretion of the Minister;
- > oversee that Directors may receive remuneration, which is set by a determination of the Remuneration Tribunal; and
- > include the CEO is a member of the Board.

Charter of the Act Public Cemeteries Board

The Charter of the Board sets out the role, responsibilities and authority of the Board, the Chair, individual Directors and the CEO within the governance framework of the ACT Government.

TABLE 1: SUB-COMMITTEES OF THE BOARD

Committee	Role
Audit and Risk	to provide recommendations and advice to the Board on risk management activities, including internal audit undertaken by the Authority
Finance	to provide recommendations and advice to the Board on financial management and activities undertaken by the Authority
Legislative Review Taskforce	undertake a legislative review of the Act and regulations to be able to provide input into the Government review
Strategy Taskforce	to develop Board principles in line with discussion at the planning day and draft the Strategy 2020 for consideration and approval by the Board

TABLE 2: BOARD AND SUB-COMMITTEE MEMBERSHIP

Name	Roles	Eligible	Attendance
Stephen Bartos	Board Chair	15	13
	Member all committees		
Pamela Burton	Deputy Chair	11	9
	Chair Legislative Review Taskforce		
	Member of Finance Committee		
Hamish Horne	Chief Executive Officer	15	15
	Member of all committees		
Kanti Lal Jinna	Board Member	12	9
	Member of the Finance Committee		
Linda Addison	Board Member	12	12
	Chair of the Audit and Risk Committee		
	Member of the Strategy Taskforce		
Ken Crofts	Board Member	11	11
	Chair of the Finance Committee		
Georgina McKenzie	Board Member	10	10
	Member of the Audit and Risk Committee		
Sarah Richardson	Board Member	13	13
	Member of the Finance Committee		
	Chair of the Strategy Taskforce		
Nigel Phair	Board Member	10	7
	Member of the Audit and Risk Committee		
Neale Guthrie	Board Member	12	10
	Member of the Audit and Risk Committee		
	Member of the Strategy Taskforce		
Diane Kargas	Former Board Chair	2	2
John Kalokerinos	Former Board Member	1	1
Jayanti Gupta	Former Board Member	1	1
Caroline LeCouteur	Former Board Member	1	1

Planning

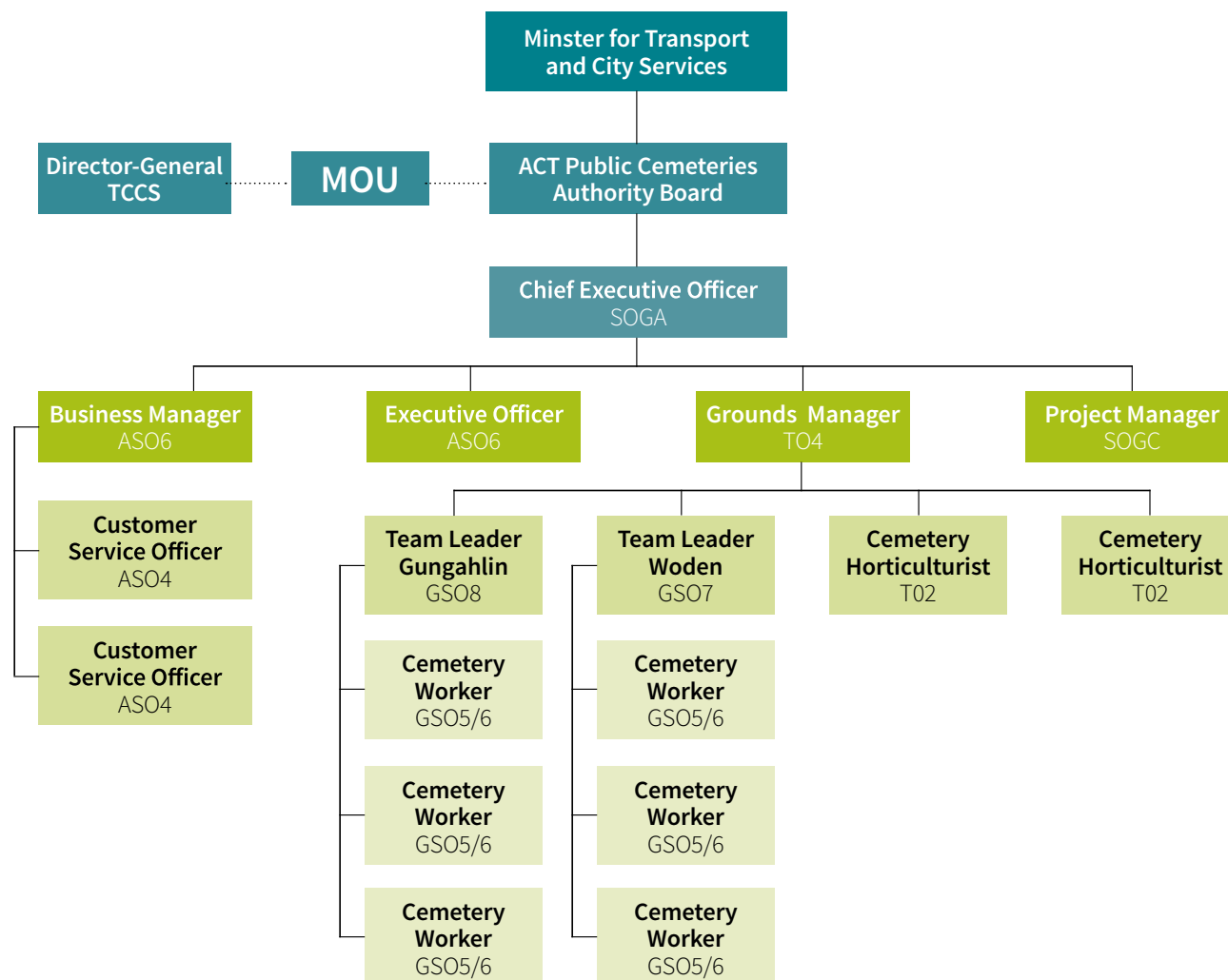
For 2016-17, the following plans were used to manage the business of the Authority. Business plans and employee performance agreements are reviewed annually, with other generally reviewed biannually. The Board receives regular updates on the status of the plans.

TABLE 3: CORPORATE PLANS

Plan Title	Purpose of Plan
Strategic Business Plan 2016–2019	<ul style="list-style-type: none"> > sets out what the Authority expects to achieve each year and how it will be achieved; > includes annual action plans and timeframes for completion that are monitored by the Board at each meeting; and > is reviewed annually and updated as required.
Master Plans	<ul style="list-style-type: none"> > are being developed for each precinct to ensure a strategic, structured and consistent approach to development and maintenance.
Performance Plans	<ul style="list-style-type: none"> > are maintained for all staff and align with the strategic business plan.
Policies and Guidelines	<ul style="list-style-type: none"> > include a full suite of policies and subordinate procedures that have been developed to facilitate a consistent, safe approach to Authority operations; and > are both periodically reviewed to ensure they are current, relevant and consistent with ACT Government policy.
Strategic Asset Management Plan	<ul style="list-style-type: none"> > details major assets; > sets out criteria for acquisition, maintenance and disposal; and > informs budget process including long term.
Disaster Recovery and Business Continuity Plan	<ul style="list-style-type: none"> > sets out criteria for levels of disaster and procedures for dealing with them; and > includes a series of attachments including contact lists and ACT Government structures for contextual purposes.
Fraud and Corruption Prevention Plan	<ul style="list-style-type: none"> > includes an Authority fraud policy.
Risk Management Framework and Risk Register	<ul style="list-style-type: none"> > guides all aspects of risk management; and > details risk assessments carried out by the Authority and how these are being addressed.

ORGANISATION CHART

FIGURE 1: ACT PUBLIC CEMETERIES ORGANISATIONAL CHART



ABORIGINAL AND TORRES STRAIT ISLANDER REPORTING

A portion of the Gungahlin Cemetery has been set aside for Aboriginal and Torres Strait Islander burial. This space was developed with full involvement of local aboriginal elders. During the recent planning for the extension of Woden Cemetery, local elders were consulted regarding their requirements for a space to be set aside for Aboriginal burial.

The Authority's Aboriginal and Torres Strait Islander staff, senior staff, and the CEO attended the launch of the TCCS Reconciliation Action Plan (RAP) at Corroboree Park in September 2016. Following that, discussion has begun with the Aboriginal and Torres Strait Islander community to add some aboriginal art work at Gungahlin Cemetery.

The TCCS Annual Report provides further detail on the RAP and whole of government diversity employment strategies to which the Authority adheres.

2016-17 PRIORITIES

Each year the Board conducts reviews into the Authority's progress and how it aligns with the existing plans and the current and future needs of its customers. This exercise informs the update of the Authority's strategic objectives and plan for the following year. In 2016-17, the Authority undertook to:

- > develop strategic Master plans for Gungahlin and Woden Cemeteries;
- > extend the Woden Cemetery;
- > expand and innovate Authority service offerings in accordance with contemporary community needs, including scoping a new memorial hall facility to allow for indoor funerals and memorial events at Gungahlin Cemetery;
- > progress technology enabled innovation in services and operations;
- > continue to foster stakeholder relations and build strong partnerships;
- > employ innovative solutions to reduce the cost of maintenance, and improve the long term financial viability of the Authority;
- > continue to develop staff skills, with an emphasis on improving the efficiency of the Authority and maintaining excellence in customer service;
- > review the existing business and strategic plans to ensure the Authority remains sustainable; and
- > continue working with the government toward the establishment of a framework for the development of the proposed Southern Memorial Park to maintain burial capacity in the medium to long term in the ACT.

THE YEAR IN REVIEW

In 2016-17, the principal activity of the Authority was the provision of body and ashes interments and associated services at an acceptable cost to the community in a commercial and professional manner. Cemetery services continued to be delivered to a high standard. The 2016-17 year resulted in the highest number of interments in Canberra Cemeteries' history. Other achievements include:

- > work commenced to extend Woden Cemetery to ensure that burial space would continue for south Canberra;
- > efficiency and effectiveness of front office operations continue to accrue with improvements to digital mapping and databases;
- > high levels of engagement continued with business partners as evidenced by the very supportive responses to the annual performance survey completed by funeral directors;
- > conversion of turf to species with lower water use and maintenance requirements continues at both Gungahlin and Woden cemeteries. Use of potable water at Gungahlin Cemetery was reduced to five per cent;
- > staff attended a wide range of training activities to improve and reinforce skills and safety; and
- > the Board began a major review of the strategic business plan which will continue into 2017-18.

Responses from the annual TCCS Community Survey 2017 are most encouraging. This survey tests importance and satisfaction. In response to the question on the "maintenance of grounds at cemeteries" importance was rated at 4.61 on the scale of 1-not important to 5-very important and satisfaction achieved a score of 94 per cent. This demonstrates that cemeteries are very important to the public and we are meeting their expectations, results for which all staff can be very proud.

Results from Funeral Directors surveys also produced results of over 90 per cent satisfaction levels.

The percentage of families choosing either a burial option or interment of ashes in a Canberra Cemeteries' precinct remains steady at 33 per cent. The long-term trends indicate a steady decline in the choice of a burial option in favour of cremation.

The Authority continues to recycle materials both on and off-site, resulting in lower operational costs and environmental impacts.

OUTLOOK FOR 2017-18

Strategic and operational priorities to be pursued in 2017-18 include to:

- > ensure the financial viability of the Authority by adapting practices and services to meet the needs of the market;
- > maintain a high level of services and burial grounds maintenance that meet the expectations of the ACT community;
- > continue the development of strategic Master plans for Gungahlin and Woden Cemeteries;
- > expand and innovate Authority service offerings in accordance with contemporary community needs including the continuation of planning work for future cemetery facilities;
- > progress technology enabled innovation in services and operations to increase the efficiency and effectiveness of front office operations including improved access to information online and the introduction of online memorialisation services;
- > foster stakeholder relations and partnerships;
- > employ innovative solutions to reduce the cost of maintenance, with a view to enhance perpetual care arrangements and the long term financial viability of the Authority;
- > develop staff skills, with an emphasis on improving the efficiency of the Authority and maintain excellence in customer service;
- > review the existing business and strategic plans to ensure the Authority remains a sustainable business; and
- > promote natural burial options.

B2 - PERFORMANCE ANALYSIS

Discussion of the Authority's performance is based on objectives set out in the Act, ACT Government policies and legislation, the Statement of Intent, and the Authority Strategic Business Plan 2015-17.

OBJECTIVE: ENSURE THE EQUITABLE AVAILABILITY OF INTERMENT OPTIONS, AND MAINTAIN BURIAL CAPACITY IN THE MEDIUM TO LONG TERM FOR THE ACT COMMUNITY

The Authority has continued to work with TCCS and the ACT Government towards the establishment of a new burial ground, the Southern Memorial Park (SMP). While not in the current ACT budget cycle, it will eventually provide principally the south, but ultimately the entire ACT, with a complimentary range of interment options including a crematorium. In the interim, planning to Final Sketch Plan stage has been completed for an extension to Woden Cemetery, to ensure that until the SMP is ready, there will be sufficient options for southern locals.

The Natural Burial Ground that opened in late 2015 at Gungahlin Cemetery has proved to be successful with Stage 2 to be constructed by July 2017.

A new headstone area for full monument graves has been opened at Woden Cemetery. Headstone areas require a monument that fully covers the allotment.

The Authority carries out benchmarking against the fees and services of similar cemeteries and across similarly sized jurisdictions every two years. This data is referenced when setting the fee structure and establishing new options for burial and associated cemetery services. In the comparisons carried out in 2016-17, the Authority is charging fees in the 78th percentile for similarly sized jurisdictions and similar funding models (principally capital city or regional centres).

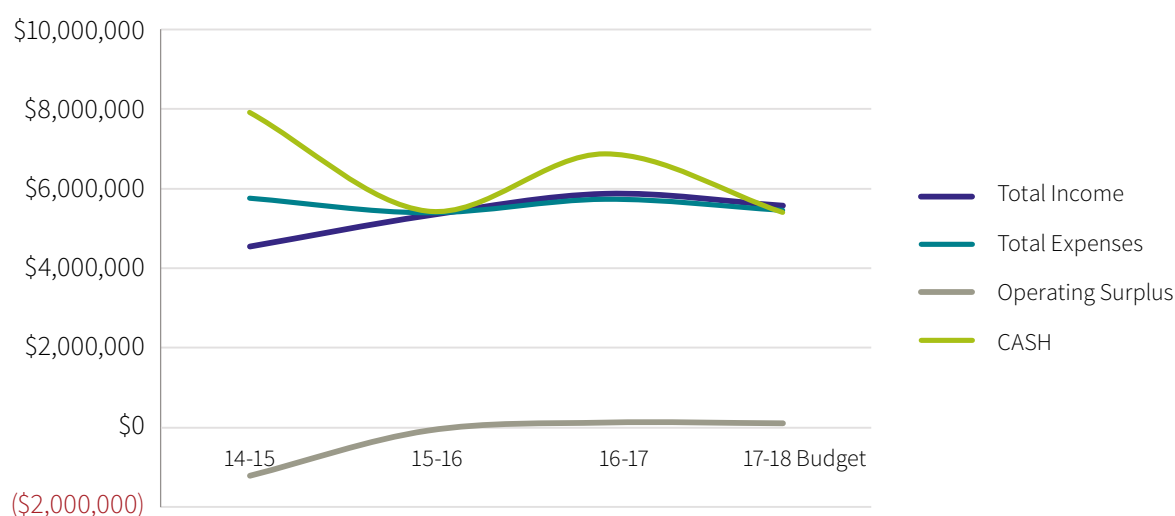
OBJECTIVE: OPERATING AS AN EFFICIENT GOVERNMENT BUSINESS WITH A STRONG CUSTOMER SERVICE FOCUS.

The last few years have been financially challenging due to a new interpretation of the Perpetual Care Trust (PCT) arrangements that require the Authority to make significant contributions to the PCT funds. The financial result for 2016-17, although ahead of budget, reflects this situation. A review completed in 2017 has recommended reductions to the level of contribution which should see small surpluses in future years.

Benchmarking carried out as part of the above review confirms that the Authority's costs for maintenance are also at a similar level to cemetery operations in other jurisdictions.

Operating Outcomes (Figure 2) reflects the operating outcomes and cash levels compared to the recent past. The significant improvement in cash levels in 2016-17 reflects high levels of reservation sales (revenue received in advance). This will contribute to higher than budget estimates for cash in 2017-18 and beyond.

FIGURE 2: OPERATING OUTCOMES



Earning rates (Table 4) reflects a significant change in accounting practice in 2012-13, which saw the final step of the change to managing graves as inventory and a restructuring of PCT accounts. Policy changes in 2014-15 required significant movement of funds in the operating statement which produced a below budget result and less than optimal earning rates for 2015-16. A return to more normal rates in 2016-17 was due to higher than normal sales. The PCT review conducted by TCCS in 2017 is expected to have favourable results in future as reflected in the 2017-18 budget. For a more detailed explanation, please refer to the Financial Statements section on page 23 of this report.

TABLE 4: EARNING RATES

	2012-13	2013-14	2014-15	2015-16	2016-17
Return on Assets	(0.2%)	(1.0%)	(6.5%)	(0.005%)	0.08%
Return on Equity	(0.4%)	2.0%	(16.6%)	(1.1%)	1.8%

The legislative arrangements for the management of PCT funds still leave the future outcomes for the Authority in some doubt. Without changes to these arrangements this will continue to be the case.

The Authority strives to provide a high quality service to its customers, business partners and other stakeholders. The low level of complaint and the high level of expressed satisfaction from customers, business partners and other stakeholders reflect the high level of service delivered by the Authority. This result has been consistently high for many years.

The Authority maintained the cemeteries and performed its services at levels that consistently satisfied its customers. The annual customer service question in the TCCS survey on maintenance of grounds at cemeteries achieved a satisfaction level of 94 per cent following 93 per cent in 2015-16.

Results from in-house surveys of customers post-burial and from funeral directors achieved satisfaction ratings of 84 per cent and 96 per cent respectively.

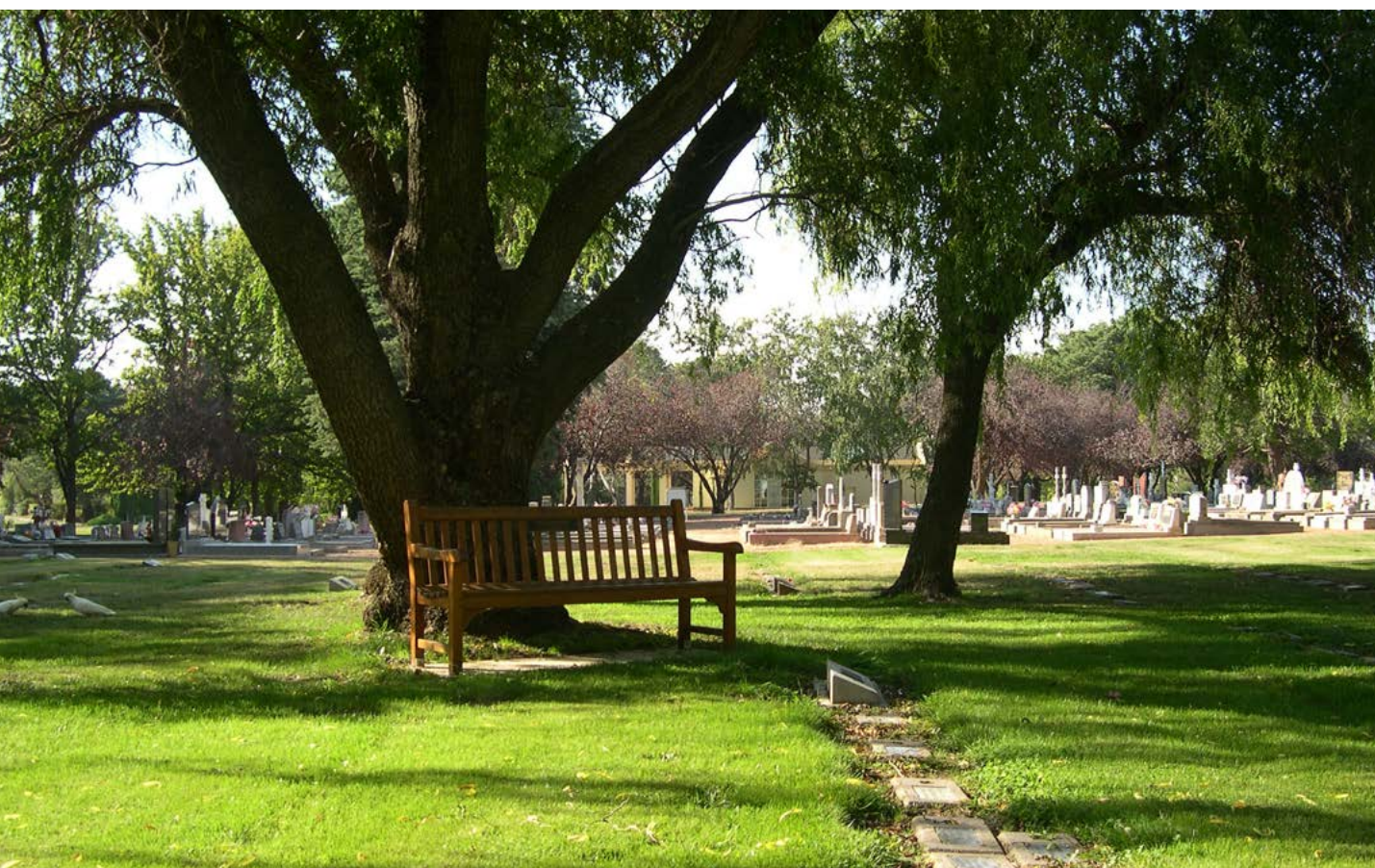
OBJECTIVE: ADOPTING OPERATING PRACTICES THAT SAFEGUARD THE ENVIRONMENT AND THE HEALTH AND SAFETY OF STAFF AND VISITORS.

The Authority continues to employ a number of strategies to reduce its environmental impact, including recycling all organic material waste onsite, water use reduction and minimising runoff, and a range of other practices, including those mandated by the ACT Government. In 2017 the Authority commissioned an Environmental Audit to determine progress against its own and wider strategic environmental objectives. The Environmental Audit will be delivered to the Board in 2017. The audit report has not been viewed by the Board before drafting of this report. Please see Section B9 Ecologically Sustainable Development on page 20 of this Annual Report for more details.

The Authority continues to operate a Workplace Health and Safety Committee. The role of this Committee is to oversee Workplace Health and Safety (WHS), in particular, workplace safety audits, and to make recommendations to management regarding issues and changes to work practices that may improve health and safety of staff and visitors. In addition, the Authority works within the TCCS WHS framework to ensure that ACT Government WHS requirements are met. Staff health and safety will continue to be an area of focus. At a higher level WHS is reviewed by the Board and its Audit and Risk Management Committee.

Training also continues to be a high priority in WHS management. Specific areas of training conducted in 2016-17 included: RED, exhumation techniques, confined spaces, first aid, chemical handling certification, maintenance of certificates for machinery operation and statutory requirements. Most staff maintained an Apply First Aid qualification.

All staff were offered inoculations against influenza and hepatitis B with the majority taking advantage of the offer.



B3 - SCRUTINY

The following is a report on progress against recommendations made by the Auditor-General.

TABLE 5: AUDITOR-GENERAL'S FINAL REPORT 2016: ACT PUBLIC CEMETERIES AUTHORITY AND PERPETUAL CARE TRUSTS FINAL AUDIT MANAGEMENT REPORTS FOR THE YEAR ENDED 30 JUNE 2016

Recommendation and summary	Action and status
<p>The Authority should ensure that:</p> <p>(i) clear evidence of the satisfactory receipt of goods and services is documented on payment documentation (such as invoices or delivery documents) before payments are approved for payment and recorded in the accounting system; and</p> <p>(ii) evidence of satisfactory receipt of goods and services clearly indicates the name and position of the officer attesting to the satisfactory receipt of goods and services.</p>	<p>The Authority Purchasing Procedure clearly indicates that documentary evidence of delivery is required for all invoices. This shortcoming principally resulted from a change of staff who were not fully aware of the requirement. This has been addressed and required documentation will be included in future.</p> <p>Completed</p>
<p>The Authority should ensure that:</p> <p>(i) review and update its 'Fraud and Corruption Prevention Plan' and have the updated plan approved; and</p> <p>(ii) ensure that staff are made aware of any major changes to the 'Fraud and Corruption Prevention Plan'.</p>	<p>Fraud and Corruption Prevention Plan' will be reviewed and updated.</p> <p>Completed</p>
<p>The Authority should ensure that:</p> <p>(i) it provide clear, concise explanations. Review financial statements to ensure that explanations are informative.</p>	<p>New financial services contract with TCCS should provide higher level of clarity. A complete review of procedures underpinning all reporting will be complete by the end of 2016.</p> <p>Completed</p>
<p>The Authority should ensure that:</p> <p>(i) it improve its financial statement preparation procedures to ensure that they provide reasonable assurance that the submitted statements are free from errors and omissions.</p> <p>Audit further comments</p> <p>The Audit Office agrees that the uncorrected errors in the financial statements of the Perpetual Care Trusts were not material to the financial statements. While these errors were not material, the Audit Office considers that they were significant enough to bring to the attention of the Governing Board of the Authority.</p>	<p>The errors noted in the Authority Financial Statements were corrected in the final version.</p> <p>The errors noted in the PCT statements were due to timing of supporting reports and as these were not material, in accordance with accepted accounting practices these were not corrected in the statements</p> <p>Amounts have been corrected.</p> <p>As noted this was principally a timing matter and will not necessarily occur in future.</p> <p>New accounting systems are being developed to ensure that this does not recur in future.</p> <p>Completed</p>
<p>The Authority should ensure that:</p> <p>(i) it document its assessment of assets for possible impairment and demonstrate consideration of accounting standard.</p>	<p>The Authority will review the impairment for the 2016-17 financial statements and provide documentation to support any action taken.</p> <p>We are working with TCCS to establish a clear position and explanation from accepted accounting practice to justify continued classification as "Work in Progress". Failing this it would be regarded as impaired and will need to be written off which will have negative \$600k impact on the Operating Statement.</p> <p>Ongoing</p>

B4 - RISK MANAGEMENT

Risk management is managed under the Authority's Risk Management Framework.

The aim of this Framework is to identify and reduce risks within the Authority by implementing strategies to reduce the impact of identified risks occurring, thus avoiding cost to people and property and allowing for the ongoing continuity of business.

This Framework applies to all aspects of our business including the purchase of fixed and portable assets and consumables as well as staffing and workplace health and safety, information technology and project planning.

It is the responsibility of all staff to report risks as they are identified to allow senior staff to implement analysis of potential risks and implement strategies to mitigate these risks where possible. The overall responsibility for the Risk Management Framework lies with the Board and CEO of the Authority.

The Authority's Disaster Recovery and Business Continuity Plan was reviewed and updated in April 2017.

The Authority's Risk Register is considered a live document in the current risk management standard format.

B5 - INTERNAL AUDIT

For 2016-17 the Audit and Risk Committee continued to administer the internal audit program with audits conducted by Synergy, an independent audit provider.

The purpose of the Audit and Risk Committee is to provide independent assurance to the Board that the Authority has in place adequate processes to manage risk. The main role of this Committee is to provide recommendations and advice to the Board on risk management activities, including internal audits that have been carried out.

In particular, the Audit and Risk Committee is responsible for:

- > reviewing whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of financial and business risks, including fraud;
- > reviewing whether a sound and effective approach has been followed in developing strategic risk management plans;
- > acting as a forum for communication between the Board and internal and external auditors;
- > reviewing the internal audit coverage and annual work plan;
- > reviewing all audit reports and providing advice to the Board on significant issues;
- > monitoring the implementation of internal audit recommendations;
- > recommending the selection of an internal auditor (excluding audit work directed by TCCS); and
- > periodically reviewing the performance of internal audit.

The Committee comprises five Board members and the CEO and meets quarterly with extra meetings convened as required. Minutes of all Committee meetings are agreed out of session, so that they can be submitted to the next Board meeting.

TABLE 6: MEMBERSHIP OF THE AUDIT AND RISK COMMITTEE FOR 2016-17

Member	Position	Meetings held	Meetings attended
Linda Addison	Chair	3	3
Neale Guthrie	Member	3	3
Stephen Bartos	Member	3	3
Hamish Horne	Member	3	3
Nigel Phair	Member	3	3
Georgina McKenzie	Member	3	3

TABLE 7: INTERNAL AUDIT ACTIVITY COMPLETED - WORK HEALTH SAFETY REVIEW

Recommendation and summary	Action and status
Capture and document the details and dates of policy revisions for each policy including approval date and sign-off to the currency of each document.	In progress
Publish the current WH&S Policy on the Canberra Cemeteries website.	Completed
(Develop and implement a comprehensive WHS Plan, which includes: > The WHS Policy; > Flowcharts of procedures; > The process for updating the WHS Risk Register; and > A periodic review schedule.	The current Integrated Safety Management Plan has been updated to meet the recommendations. Completed
Establish a register for issue of Staff Booklets and issue all staff with the latest version of the booklet.	Completed

B6 - FRAUD PREVENTION

Plans for the management of fraud and corruption have been developed based on the TCCS model which includes business continuity and risk management plans.

The Authority's fraud policy and fraud control plans were reviewed in 2016-17.

Operating and business procedures are reviewed as required, strengthening outputs, reducing the potential for fraudulent activity and streamlining office productivity.

The Authority received no reports or allegations of fraud or corruption during the year.

B7 - WORK HEALTH AND SAFETY

By agreement, Authority employees were managed by TCCS Human Resources and, with their support and that of Shared Services, the Authority continues to be proactive in maintaining and improving WHS.

The Authority has a WHS Committee that oversees the processes of health and safety inspections. WHS representatives (two) are elected by staff and are members of the WHS Committee. The Committee meets quarterly.

The Authority has developed policy and procedure manuals to cover all aspects of cemetery work including the higher risk areas of grave digging and grounds maintenance. The policy manual sets out the rights and responsibilities of all staff and provides guidelines on the required approach to all aspects of work. The procedural manual identifies associated hazards and risks and documents the minimum steps required to complete each cemetery specific task. Policies and procedures are modified and updated as required to meet new conditions.

Staff have received training to meet statutory requirements and, where possible, enhanced and advanced training will also be offered. See Table 8: Training undertaken by cemetery staff in 2016-17 for details. All outdoor staff members have attended training in hazard identification tailored for cemetery conditions. For the majority of the year, most staff held current first aid certification.

The Authority has developed a WHS Risk Register that is updated as required. Quarterly safety inspections, using checklists based on the risk register, are carried out by appropriate teams of management and WHS staff. Remedial action plans are formulated to address shortcomings and new requirements. WHS is a permanent agenda item at staff meetings.

All staff were provided with the opportunity to have influenza immunisation and hepatitis B inoculations.

Promotion of the Employee Assistance Program has continued via workplace posters, brochures and wallet inserts for all staff.

Staff are encouraged to return to work as soon as practicable after time off from work due to injury and allowance is made for those who have limited capacity after injury. This process is supported by the Shared Services team who provide individual case managers as required.

There were eight accident/incident reports in 2016-17. Two incidents resulted in a total loss of one month and two days. These two incidents also resulted in workers compensation claims. One prior year compensation claim remains open.

An internal audit - Work Health and Safety Review - was completed in December 2016. Issues that were identified related principally to documentation. The majority of the recommendations have been carried out. For more details see Section B5- Internal Audit on page 16 of this Annual Report.

B8 – HUMAN RESOURCES MANAGEMENT

The day-to-day management of our staff is the responsibility of the Authority CEO.

Shared Services and the TCCS Human Resources teams provide support and oversight in all workforce related matters.

The Authority is a small agency and the workforce has, by necessity, a wide range of skills and some staff are multi-skilled. In order to maintain a continuous service for the community, contractors are used to ensure staff are available when necessary. Cemetery employees are deployed flexibly and move between cemeteries to maintain operations. Over the last decade, 100 per cent of graves were prepared on time, a record that the Authority is proud of.

Whilst we operate in a conservative and traditional space, burial practices and customer needs are changing at an ever increasing pace and our planning and ability to manage change is important in order to meet community expectations.

Duties and skills include:

- > general administration, bookkeeping and operational support including the ability to be flexible and adapt to the needs of over 30 denominations and 14 burial and interment practices;
- > customer service that is both efficient and empathetic to cemetery customers, funeral directors and the public;
- > secretariat and logistical support for the Board;
- > planning of policy formulation, much of which is specific and tailored to the cemetery industry;
- > horticultural maintenance including large areas of manicured turf and gardens;
- > arboriculture for our significant areas of forest and heritage listed exotic trees;
- > grave digging operations across a wide variety of options and denomination requirements including the preparation and installation of new burial areas and features; and
- > operation and maintenance of a wide range of horticulture specific plant and equipment for both grounds maintenance and cemetery specific activities.

Staff are required to maintain minimum levels of training, which for out-of-doors staff includes certification for various types of plant and equipment, industry specific safety procedures and chemical handling. Staff are encouraged to enhance their skills where possible.

All staff have performance agreements in place which set out performance measures, areas for improvement and a tailored training program for the year. Agreements are reviewed twice per year.

In recent years, structural staffing changes have been made to better reflect the levels of responsibility and difficulty of work. These changes provide greater flexibility and a career path in the Authority and, ultimately, the ACT Government.

During 2016-17 the following training was completed by cemetery staff:

TABLE 8: TRAINING UNDERTAKEN BY CEMETERY STAFF IN 2016-17

Training course	Convener	Number attending
TCCS Induction	In house	2
Managing Psychological Illness in the Workplace	TCCS Strategic HR	1
RED Framework Training	In house	2
Managing Difficult Conversations	Fresh Consulting/TCCS Strategic HR	1
Confined Spaces	ActewAGL	2
First Aid	Parasol EMT	4
Chemical Certification AQF3	Chemcert	2
Sun protection training	Sun Smart	3
Trim and Cross Cut Felled Trees	Lemke Timber Training	1
Industry Conferences	Cemeteries and Crematoria Association NSW	3

B9 - ECOLOGICALLY SUSTAINABLE DEVELOPMENT

The Authority recycles the majority of organic waste products generated onsite. Materials such as leaves and clippings are composted at both Woden and Gungahlin cemeteries for reuse onsite. Log waste is chipped and used as mulch and use is also made of organic street sweepings from the surrounding suburbs.

Waste paper and cardboard are recycled, as are toner cartridges. Serviceable but excess or superseded equipment is sold or traded in on replacements whenever possible. Non-saleable computer equipment is donated or disposed of through approved drop-off centres.

Clean fill generated from grave digging at both Woden and Gungahlin cemeteries is reused in the development of new burial areas at Gungahlin.

Canberra's main public cemeteries are principally lawn cemeteries with underturf irrigation. Ongoing water restrictions have necessitated a reduction in water use. A program to replace cool season grasses with warm season grasses to reduce water use, mowing frequency and other maintenance costs is about 60 per cent complete and will continue over the next few years as resources are available.

Woden Cemetery is watered entirely using potable water. Hall Cemetery has no irrigation. At present, in a normal rainfall year, about half the water used at Gungahlin Cemetery is from a dam and bore system; the remainder is supplemented from potable water as required. In 2016-17 more than 90 per cent of water used came from bore and surface water collected onsite. Stage one of a two stage project to improve the efficacy and efficiency of water capture and recycling at Gungahlin Cemetery was completed in 2014-15. At present the final stage cannot be completed due to financial constraints but, once implemented, will significantly enhance storage capacity and, for practical purposes, remove any reliance on potable water in normal rainfall/temperature years.

In association with the Environment, Planning and Sustainable Development Directorate a non-potable water supply has been plumbed into the Gungahlin Cemetery irrigation system. This came into use in 2016 and all but removed the need for any potable water.

Portions of both Gungahlin and Woden cemeteries that do not contain burials or memorials are not irrigated now, nor will be in the foreseeable future. Dry grassland species have been over sown where appropriate.

In November 2015 a natural burial option was introduced at Gungahlin Cemetery. The ethos of natural burial requires that only natural biodegradable material be permitted in a grave. Additionally, this option makes use of forest areas that would not otherwise be used and allows for the potential reuse of land in future.

ENERGY REDUCTION STRATEGIES

Strategies to achieve energy reduction include:

In the office

- > timers and thermostats utilising fixed heating and cooling equipment;
- > insulated curtains and some double glazing;
- > regularly reminding staff to be conscious of and to adopt energy saving strategies; and
- > ensuring all light fittings in new office are LED or compact fluorescent.

On the grounds

- > conversion of turf to varieties that required lower maintenance and water;
- > irrigation system upgrades;
- > evaluating vehicle purchases for fuel efficiency as part of procurement procedures; and
- > replacing small petrol powered machines with equivalent battery powered devices.

AUDIT

As part of the Authority's internal audit program for 2016-17, an audit of the Authority's environmental credentials was carried out. The final report for this audit is due in July 2017.



SECTION C

**SECTION C -
FINANCIAL
MANAGEMENT**

C1 – FINANCIAL MANAGEMENT ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS: ACT PUBLIC CEMETERIES AUTHORITY FOR THE YEAR ENDED 30 JUNE 2017

GENERAL OVERVIEW

Objectives

The Authority is responsible for all earth burials in the ACT. It maintains three cemeteries in the Canberra region, located at Gungahlin, Hall and Woden. The Authority was established under the *Financial Management Act 1996* and *Cemeteries and Crematoria Act 2003 (the Act)* and is self-funded. The main source of revenue is income from burials, reservations and returns earned on invested funds.

The *Cemeteries and Crematoria Act 2003* came into force in September 2003. The Act allows for private cemeteries to operate within the ACT and requires a PCT to be established for each cemetery. Each PCT comprises two parts, one for current maintenance and one for future maintenance (the Reserve), which is intended to provide for maintenance for each site in perpetuity. The Minister has set a percentage of income that must be paid into each fund. Following a review of the PCT fund arrangements, the *Reserve Percentages* were updated in 2015. The arrangements for all percentages were reviewed in 2016-17 and new percentages will take effect on 1 July 2017.

Risk Management

The Authority's approach to risk management provides clients with assurance that the Authority can deliver low risk/high value services. The Authority has developed a Strategic Business Plan, Risk Register, Business Continuity Plan and Fraud and Corruption Prevention Plan. These are considered live documents and are subject to continual change.

FINANCIAL PERFORMANCE

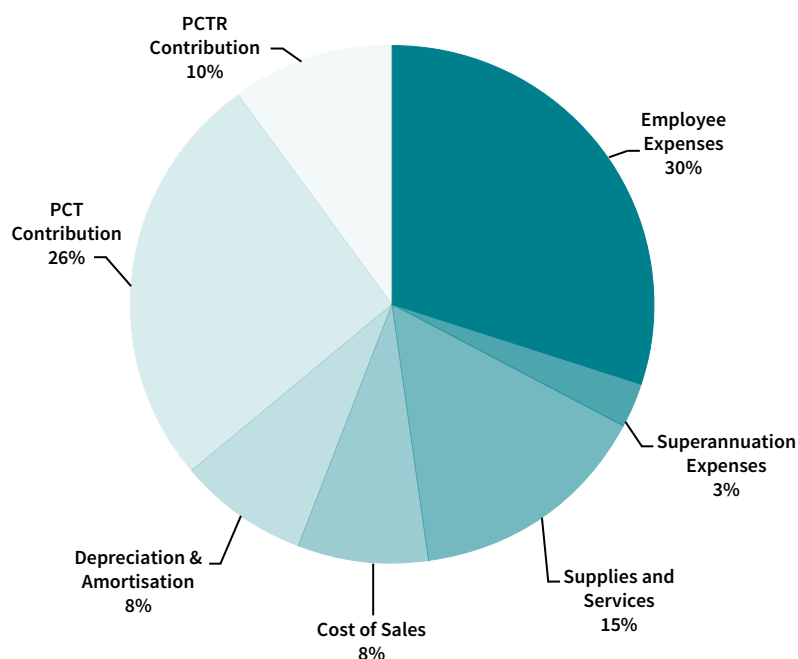
The following financial information is based on the forward estimates contained in the 2016-17 Statement of Intent and Financial Statements for 2016-17.

Expenditure

1. Components of Expenditure

Figure 3 indicates the components of the Authority's expenditure to June 2017 with the largest component of expenditure being employee expenses which represents 33 per cent (\$1.880 million) of ordinary activities. PCT Contributions at 36 per cent (\$2.090 million) are mostly offset against PCT Drawdowns (see *Income* below). PCT Contributions are calculated as a percentage of burial related income (as described in *Objectives* above).

FIGURE 3 - COMPONENTS OF EXPENDITURE 2016-17



2. Comparison to Budget

Total expenditure of \$5.737 million was \$0.581 million, or 11 per cent above the 2016-17 Budget. This principally reflects higher than budgeted PCT Contributions (due to higher than budgeted income), higher than budgeted supplies and services (principally due to expensing of prior year consultancies which could not be capitalised) and higher than budgeted staff expenses (principally due to backfilling with temporary staff to maintain staff levels).

3. Comparison to 2015-16 Actual Expenditure

Total expenditure was \$0.339 million, or 6 per cent higher than the 2015-16 actual result. This is principally related to higher PCT Contributions, Supplies and Services and Employee Expenses as described above.

4. Future Trends

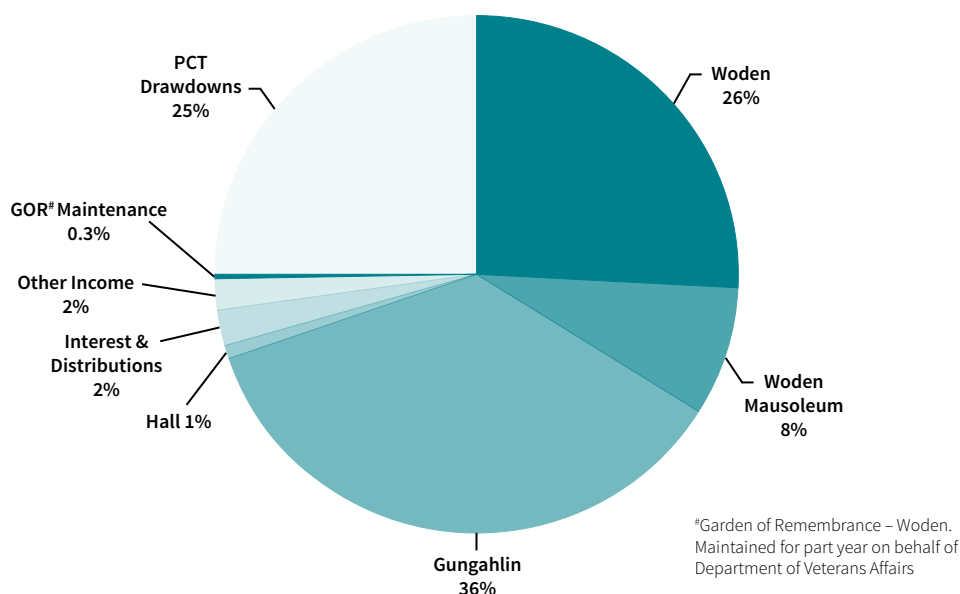
While this year saw increases in expenditure, the most significant were contributions to PCT funds. Reduced PCT percentages which come into force on 1 July 2017 for the next five years will see this burden significantly reduced allowing for expected surplus results during this period. As noted elsewhere in the Annual Report current legislation relating to the PCT framework creates a significant risk of future deficits should the percentages be increased in future.

Income

1. Components of Income

Figure 4 below indicates that in 2016-17 the Authority received 96 per cent of its total income of \$5.864 million from user charges – Non-ACT Government. This comprises income from the direct sale of allotments and burial services to the ACT community in 2016-17 (71 per cent) and drawdowns from PCT funds (25 per cent). These drawdowns are calculated using the model provided by the ACT Government for this purpose. Most of the remainder of the Authority's income is derived from interest from investments which has been reduced in recent years due to falling interest rates and a reduction in funds invested due to capital investments.

FIGURE 4: COMPONENTS OF INCOME TO 2016-17



2. Comparison to Budget

Total income for 2016-17 was \$5.864 million, which included PCT Drawdowns, was \$1.0 million (20 per cent) higher than the 2016-17 Budget of \$4.868 million. Revenue from User Charges non-ACT Government was above budget by 21 per cent principally due to higher than normal sales of reservations (pre-need allotments). The total of other revenue for 2016-17 including earnings from investments and drawdown from PCTs of \$1.701 million was above budget by 21 per cent. This principally related to higher PCT drawdowns due to higher than budgeted expenses as described above (*Components of Expenditure*).

3. Comparison to 2015-16 Actual Income

Total income in 2016-17 was \$0.540 million, or 10 per cent higher than the 2015-16 actual result. This mostly resulted from an increase in reservation sales.

4. Future Trends

Total income for 2017-18 is budgeted to increase in line with annual fee increases when compared to 2016-17. This will be assessed annually as it is assumed for this calculation that there will be little growth in sales with similar numbers of burials and a similar mix of allotment types sold in future.

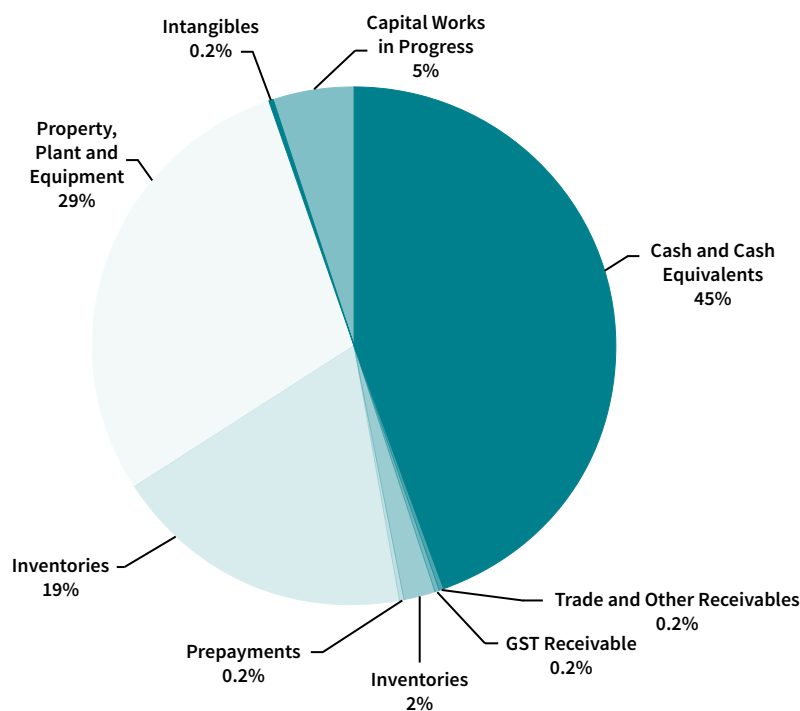
FINANCIAL POSITION

Total Assets

1. Components of Total Assets

Figure 5 below indicates that at 30 June 2017, the Authority held 45 per cent of its assets in Cash and Cash Equivalents and 29 per cent in Property, Plant and Equipment. A further 19 per cent of assets represent non-current inventories which comprise inventories which are ready for sale but not expected to be sold in the next 12 months.

FIGURE 5 – TOTAL ASSETS BREAKDOWN AT 30 JUNE 2017



2. Comparison to Budget

The total asset position at 30 June 2017 is \$15.229 million which is 8.0 per cent above the Budgeted position of \$14.083 million. This reflects an upwards asset re-valuation at 30 June 2017.

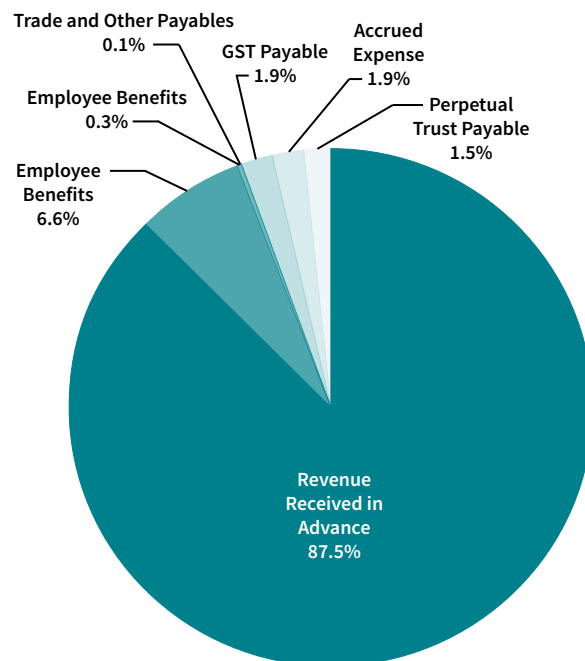
3. Comparison to 2015-16 Actuals

The Authority's total assets are \$1.432 million higher than the 2015-16 actual result of \$13.797 million. This resulted principally from an increase in cash from high numbers of reservation sales and an increased value for Plant, Property and Equipment following triennial valuation but was offset by falls in receivables due to the recovery of overpayments to PCTs made in 2015-16 and falls in inventory levels due to fewer graves being developed than sold.

Total Liabilities

Figure 6 below indicates that the majority of the Authority's liabilities relate to Fees Received in advance (87.5 per cent). This percentage varies very little from year to year.

FIGURE 6 – TOTAL LIABILITIES BREAKDOWN AT 30 JUNE 2017



1. Comparison to Budget

The Authority's liabilities at 30 June 2017 of \$8.049 million is slightly below budget by 1.4 per cent, with reductions in Payables (principally to PCT funds due to previous years' underpayments resulting in a higher estimated liability) and Employee Benefits (due to lower than expected full time equivalent staff levels) being offset by a significant increase in Revenue Received in Advance.

2. Comparison to 30 June 2016 Actuals

Total liabilities are \$0.619 million higher than the 2016 actual result of \$7,429 million which reflects the high number of recent reservation sales recorded as revenue received in advance.

Liquidity

'Liquidity' is the ability of the Authority to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term liabilities from short-term assets. A ratio of less than 1-to-1 may indicate a reliance on the next financial year's user charges – non-ACT Government to meet short-term debts. Table 9 indicates the liquidity position of the Authority.

TABLE 9: CURRENT RATIO

Description	Prior Year Actual \$'000	Current Year Budget \$'000	Current Year Actual \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000
At 30 June	2016	2017	2017	2018	2019	2020
Current Assets	5,968	5,563	7,238	5,799	6,046	6,422
Current Liabilities	7,413	8,045	8,024	7,740	7,945	8,150
Current Ratio	0.81	0.69	0.90	0.75	0.76	0.79

The Authority's current ratio for the financial year to 30 June 2017 is 0.90 which is above budget but at face value, below optimal. This is an improvement over last year with assets increasing more than liabilities. This shortfall largely results from liabilities being classified as current in the financial statements because they cannot be deferred. Despite this, most are not expected to be paid (employee benefits) or recognised as revenue (received in advance) within 12 months of the reporting date.


Therefore, a better indication of the Authority's short term financial position is provided by excluding those benefits not expected to be paid and those revenues in advance not expected to be recognised within 12 months of the reporting date. As per Table 10 below, the adjusted ratio is 5.91 at 30 June 2017 which indicates that the Authority can pay its debts in the short term.

TABLE 10: ADJUSTED CURRENT RATIO

Description	Prior Year Actual \$'000	Current Year Budget \$'000	Current Year Actual \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000
At 30 June	2016	2017	2017	2018	2019	2020
Current Assets	5,968	5,563	7,238	5,799	6,046	6,422
Current Liabilities	1,086	1,676	1,224	928	956	984
Current Ratio	5.49	3.32	5.91	6.25	6.32	6.53

C2 - FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDIT REPORT

ACT PUBLIC CEMETERIES AUTHORITY

To the Members of the ACT Legislative Assembly

Audit opinion

I am providing an **unqualified audit opinion** on the financial statements of the ACT Public Cemeteries Authority (the Authority) for the year ended 30 June 2017. The financial statements comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes.

In my opinion, the financial statements:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Authority and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

Under the *Financial Management Act 1996*, I am responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Authority.

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Governing Board; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Authority;
- adequacy of controls implemented by the Authority; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Ajay Sharma
Acting Director, Financial Audits
21 August 2017

ACT PUBLIC CEMETERIES AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 30 JUNE 2017

ACT PUBLIC CEMETERIES AUTHORITY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2017 and the financial position of the Authority on that date.



Stephen Bartos
Chairperson
ACT Public Cemeteries Authority
18 August 2017

ACT PUBLIC CEMETERIES AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Statement by the Chief Executive Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, are in agreement with the Authority's accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2017 and the financial position of the Authority on that date.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
17 August 2017

ACT PUBLIC CEMETERIES AUTHORITY

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Income				
<i>Revenue</i>				
User Charges - Non-ACT Government	3	4,162,977	3,456,000	3,860,251
Interest and Distributions from Investments	4	147,282	160,000	157,793
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	5	1,448,563	1,252,000	1,230,620
Other Revenue	6	105,555	-	75,561
Total Revenue		5,864,377	4,868,000	5,324,225
<i>Gains</i>				
Other Gains	7	3,282	-	-
Total Gains		3,282	-	-
Total Income		5,867,659	4,868,000	5,324,225
<i>Expenses</i>				
Employee Expenses	8	1,715,706	1,615,000	1,666,104
Superannuation Expenses	9	163,820	206,000	152,656
Supplies and Services	10	855,388	715,000	697,454
Depreciation and Amortisation	11	479,010	422,000	483,878
Cost of Sales	12	433,208	430,000	457,998
Transfers to the Perpetual Care Trusts	13	2,090,115	1,768,000	1,938,445
Other Expenses		-	-	1,220
Total Expenses		5,737,247	5,156,000	5,397,754
Operating Surplus/(Deficit)		130,412	(288,000)	(73,529)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus		681,770	0	0
Total Comprehensive Income/(Deficit)		812,182	(288,000)	(73,529)

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

ACT PUBLIC CEMETERIES AUTHORITY

BALANCE SHEET AT 30 JUNE 2017

	Note No.	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Current Assets				
Cash and Cash Equivalents	15	6,869,371	4,446,000	5,428,461
Receivables	16	62,850	1,076,000	242,572
Inventories	17	280,111	18,000	267,381
Prepayments		25,299	23,000	29,808
Total Current Assets		7,237,631	5,563,000	5,968,222
Non Current Assets				
Inventories	17	2,926,214	3,500,000	3,029,257
Property, Plant and Equipment	18	4,381,029	4,020,000	4,099,337
Intangible Assets	19	33,247	46,000	18,315
Capital Works in Progress	20	650,636	954,000	681,974
Total Non-Current Assets		7,991,126	8,520,000	7,828,883
Total Assets		15,228,757	14,083,000	13,797,105
Current Liabilities				
Payables	21	455,407	955,000	373,860
Employee Benefits	22	527,775	683,000	505,474
Revenue Received in Advance	23	7,040,414	6,407,000	6,533,449
Total Current Liabilities		8,023,596	8,045,000	7,412,783
Non-Current Liabilities				
Employee Benefits	22	25,272	115,000	16,615
Total Non-Current Liabilities		25,272	115,000	16,615
Total Liabilities		8,048,868	8,160,000	7,429,398
Net Assets		7,179,889	5,923,000	6,367,707
Equity				
Accumulated Funds		4,965,307	4,390,000	4,834,895
Asset Revaluation Surplus		2,214,582	1,533,000	1,532,812
Total Equity		7,179,889	5,923,000	6,367,707

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

ACT PUBLIC CEMETERIES AUTHORITY

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

	Accumulated Surplus Actual \$	Asset Revaluation Surplus Actual \$	Total Equity Surplus Actual \$	Original Budget \$
Balance at 1 July 2016	4,834,895	1,532,812	6,367,707	6,211,000
Comprehensive Income				
Operating Surplus/(Deficit)	130,412	-	130,412	(288,000)
Increase in the Asset Revaluation Surplus		681,770	681,770	-
Total Comprehensive Surplus/(Deficit)	130,412	681,770	812,182	(288,000)
Balance at 30 June 2017	4,965,307	2,214,582	7,179,889	5,923,000

	Accumulated Surplus Actual \$	Asset Revaluation Surplus Actual \$	Total Equity Surplus Actual \$
Balance at 1 July 2015	4,908,424	1,532,812	6,441,236
Comprehensive Income			
Operating (Deficit)	(73,529)	-	(73,529)
Total Comprehensive (Deficit)	(73,529)	-	(73,529)
Balance at 30 June 2016	4,834,895	1,532,812	6,367,707

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

ACT PUBLIC CEMETERIES AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note No.	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Cash Flows from Operating Activities				
Receipts				
User Charges - Non-ACT Government		4,650,150	4,554,000	4,220,784
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts				
Gungahlin Cemetery Perpetual Care Trust		896,168	-	741,211
Hall Cemetery Perpetual Care Trust		6,558	-	6,449
Woden Cemetery Perpetual Care Trust		497,926	-	362,840
Woden Mausoleum Perpetual Care Trust		30,795	-	512,663
Total Reimbursements from Perpetual Care Trusts		1,431,447	-	1,623,163
Interest and Distributions Received		151,844	141,000	161,772
Goods and Services Tax Input Tax Credit from the Australian Taxation Office		152,428	-	375,934
Goods and Services Tax Collected from Customers		491,992	-	448,676
Other		105,554	514,000	75,560
Total Receipts from Operating Activities		6,983,415	5,209,000	6,905,889
Payments				
Transfers to the Perpetual Care Trusts				
Gungahlin Cemetery Perpetual Care Trust		896,168	-	965,858
Hall Cemetery Perpetual Care Trust		35,513	-	99,286
Woden Cemetery Perpetual Care Trust		680,831	-	2,648,044
Woden Mausoleum Perpetual Care Trust		157,019	-	327,689
Total Transfers to the Perpetual Care Trusts		1,769,531	1,762,000	4,040,877
Employees		1,504,002	1,479,000	1,468,779
Superannuation		163,243	206,000	147,618
Supplies and Services		1,049,803	708,000	970,046
Cost of Sales		292,981	393,000	1,162,744
Goods and Services Tax Remitted to the Australian Taxation Office		475,767	339,000	437,543
Goods and Services Tax Paid to Suppliers		160,571	126,000	311,207
Total Payments from Operating Activities		5,415,898	5,013,000	8,538,814
Net Cash Inflows/(Outflows) from Operating Activities	25	1,567,517	196,000	(1,632,925)

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

ACT PUBLIC CEMETERIES AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note No.	Actual 2017 \$	Original Budget 2017 \$	Actual 2016 \$
Cash Flows from Investing Activities				
Receipts				
Proceeds from the sales of Property, Plant and Equipment		5,915	-	-
Proceeds from Maturity of Investment		-	49,000	-
Total Receipts from Investing Activities		5,915	49,000	-
Payments				
Payments for Property, Plant and Equipment		96,497	892,000	814,180
Payments for Capital Works In Progress		36,025	-	37,483
Total Payments from Investing Activities		132,522	892,000	851,663
Net Cash (Outflows) from Investing Activities		(126,607)	(843,000)	(851,663)
Net increase/(Decrease) in Cash and Cash Equivalents		1,440,910	(647,000)	(2,484,588)
Cash and Cash Equivalents at the Beginning of the Year		5,428,461	5,093,000	7,913,049
Cash and Cash Equivalents at the End of the Year	25	6,869,371	4,446,000	5,428,461

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

ACT PUBLIC CEMETERIES AUTHORITY

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ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1. OBJECTIVES OF ACT PUBLIC CEMETERIES AUTHORITY

Operations and Principal Activities

The ACT Public Cemeteries Authority (the Authority) is a Territory Authority that was established on 27 September 2003 by the *Cemeteries and Crematoria ACT 2003* (the Act). It manages and operates public cemeteries in the ACT at Gungahlin, Woden, Hall and the Woden Mausoleum. The Authority aims to operate the cemeteries sustainably and on a user pays principle, and to minimise the cost to the ACT Government and community.

The Authority aims to provide a wide range of burial options in Gungahlin and Woden cemeteries to meet the needs of cultural groups that use the cemetery services. This includes encouraging the placement of ashes in specific areas or family graves. The Authority promotes the pre-purchase of cemetery services, which allows for people to arrange their affairs prior to death.

Perpetual Care Trust Arrangements

Perpetual Care Trusts have been established for the Gungahlin Cemetery, Woden Cemetery, Woden Mausoleum and Hall Cemetery in accordance with section 9 of the Act. Each Perpetual Care Trust is established for the maintenance of the cemetery or mausoleum. The Public Trustee and Guardian is the trustee of each Perpetual Care Trust and the Authority is responsible for their management. The Authority is required to provide to each Trust a percentage of the revenue for each burial, interment of ashes or memorialisation (the Perpetual Care Trust percentage) in accordance with the Ministerial Determination. The Authority is also required to spend perpetual care funds of each Trust for maintenance of each cemetery or mausoleum in accordance with the Act.

The Perpetual Care Trust percentages have been determined on a 'full cost' basis – they allow for not only the direct maintenance costs but also the proportion of indirect overhead and other costs reasonably associated with the management of maintenance. The Authority has accounted for each Trust consistently with this full cost basis. In particular, revenue recognised by the Authority in relation to reimbursement of maintenance and related expenditure from each Trust is based on direct maintenance expenditure incurred plus a percentage of indirect expenditure allocated based on revenue of each Trust.

The Perpetual Care Trust arrangement requires each Perpetual Care Trust to have a reserve for future maintenance and related expenditure. The funding of the reserves is also determined by the Minister by way of the Perpetual Care Trust Reserve percentages.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1. OBJECTIVES OF ACT PUBLIC CEMETERIES AUTHORITY (CONTINUED)

Perpetual Care Trust Arrangements (continued)

In accordance with section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the four Trusts for the period 1 July 2015 to 30 September 2015 are:

Trust	Perpetual Care Trust Amount	Perpetual Care Trust Reserve Amount
Gungahlin Cemetery	44.9%	16.9%
Woden Cemetery	33.8%	33.0%
Woden Mausoleum	7.8%	28.4%
Hall Cemetery	11.3%	76.2%

In accordance with section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister for the four Trusts for the period 1 October 2015 to 30 June 2017 are:

Trust	Perpetual Care Trust Amount	Perpetual Care Trust Reserve Amount
Gungahlin Cemetery	44.9%	8.45%
Woden Cemetery	33.8%	16.5%
Woden Mausoleum	7.8%	28.4%
Hall Cemetery	11.3%	38.1%

Note 2. SIGNIFICANT ACCOUNTING POLICIES

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to Be Applied

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 3. USER CHARGES NON-ACT GOVERNMENT

User charges revenue is derived by providing goods and services to the public. User charges revenue is paid by the user of the goods or services and legally retained by the Authority. This revenue is driven by consumer demand.

	Note No.	2017 \$	2016 \$
Allotment and Reservation Fees		1,294,765	1,244,989
Burial Fees		734,685	706,463
Maintenance Fees		1,565,208	1,499,217
Sales of Plaques, Monuments and Vaults	a	426,227	290,028
Memorial Permit Fees	b	142,092	119,554
Total User Charges - Non-ACT Government		4,162,977	3,860,251

a. The number of sales for plaques, monuments and vaults increased compared to 2015-16.

b. Memorial Permit Fees increased due to an increase in the number of permits sold.

Note 4. INTEREST

	2017 \$	2016 \$
Revenue from Non-ACT Government Entities		
Interest Revenue	71,968	89,226
Total Interest Revenue from Non-ACT Government Entities	71,968	89,226
Revenue from ACT Government Entities		
Interest Revenue	75,314	68,567
Total Interest Revenue from ACT Government Entities	75,314	68,567
Total Interest Revenue	147,282	157,793
 Total interest revenue from financial assets not at fair value through profit and loss	 147,282	 157,793

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 5. REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

	Note	2017	2016
	No.	\$	\$
Woden Cemetery Perpetual Care Trust		499,684	433,320
Woden Mausoleum Perpetual Care Trust		35,983	70,608
Gungahlin Cemetery Perpetual Care Trust		908,283	718,486
Hall Cemetery Perpetual Care Trust		4,613	8,206
Total Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	a	1,448,563	1,230,620

- a. The amounts represent the reimbursement received by the Authority from each Perpetual Care Trust for maintenance and related expenditure paid by the Authority on behalf of each Perpetual Care Trust. These amounts are also recorded as expenditure in the financial statements of the relevant Perpetual Care Trust.

Reimbursement from the Perpetual Care Trust funds (PCT) to the Authority for maintenance is calculated as the lower of the actual maintenance and related expenditure (as described in Note 1 *Objectives of ACT Public Cemeteries Authority*) or the contributions transferred to the Perpetual Care Trusts during the year. In 2015-16 the reimbursement was limited to the contributions transferred to the PCT funds and in 2016-17 the reimbursement was for the actual maintenance and related expenditure of the Authority. In 2015-16 maintenance expenditure exceeded contributions to the PCT funds. Therefore all maintenance costs were not reimbursed to the Authority and the balances in the PCT accounts for 2015-16 were zero. In 2016-17 contributions to the PCT fund were significantly higher due to higher burial revenue. Therefore all maintenance costs were reimbursed and the remaining balances in the PCT accounts for 2016-17 totalled \$57,741.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 6. OTHER REVENUE

Other revenue arises from the core activities of the Authority. Other revenue is distinct from Other Gains, as Other Gains are items that are not part of the core activities of the Authority.

	Note No.	2017 \$	2016 \$
Garden of Remembrance Maintenance	a	16,841	53,518
Exhumations		9,105	7,187
Sundries	b	79,609	14,856
Total Other Revenue from Non-ACT Government Entities		105,555	75,561
Total Other Revenue		105,555	75,561

- a. Revenue from the Garden of Remembrance decreased due to the discontinuation of the maintenance contract with the Office of Australian War Graves.
- b. Sundries increased due to the reimbursements received for workers' compensation claims in 2016-17.

Note 7. OTHER GAINS

Other gains arise from the sale of assets including road sweepers and a plant trailer which are no longer required to support maintenance activities of the Authority.

	2017 \$	2016 \$
Gain on Disposal of Assets	3,282	-
Total Other Gains	3,282	-

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 8. EMPLOYEE EXPENSES

	Note	2017	2016
	No.	\$	\$
Wages and Salaries		1,189,056	1,145,196
Annual Leave	a	22,269	(25,333)
Long Service Leave	b	5,494	57,206
Fringe Benefits Tax		38,418	38,411
Workers' Compensation Insurance Premium		180,610	195,684
Temporary Staff		301,847	286,558
Other Employee Benefits and Other On-Costs	c	715	-
Employee Expenses		1,738,409	1,697,722
 (Less) Amounts capitalised as:			
Inventories	d	(22,703)	(31,618)
Total Employee Expenses		1,715,706	1,666,104
 Full-time equivalent employees		14	14

- The annual leave expense increased as a result of higher leave balances and a new employee being transferred from another ACT Government Directorate with large accrued leave entitlements.
- The decrease in long service leave was due to leave being taken or paid out during 2016-17.
- The 2015-16 comparative has been adjusted in accordance with accounting standards to reclassify \$6,115 in staff training costs from employee expenses to supplies and services.
- A portion of wages and salaries are capitalised as inventories reflecting the costs involved in preparing interment land for sale in inventories.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 9. SUPERANNUATION EXPENSES

	Note	2017	2016
	No.	\$	\$
Superannuation Contributions to the Territory Banking Account		68,931	73,932
Superannuation Contributions to External Providers		98,132	83,148
Superannuation Expenses		167,063	157,080
 (Less) Amounts capitalised as: inventories	 a	 (3,243)	 (4,424)
Total Superannuation Expenses		163,820	152,656

- a. Superannuation expenses are capitalised as inventories as part of the costs involved in preparation of interment land for sale of inventories.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 10. SUPPLIES AND SERVICES

	Note No.	2017 \$	2016 \$
Grounds Maintenance		113,012	112,284
Water Rates	a	100,066	32,179
Repairs and Maintenance		84,717	83,181
Handling Fees to Funeral Directors		61,708	59,205
Insurance	b	18,254	12,336
Accounting	c	74,030	124,592
Motor Vehicle Expenses		20,407	16,087
Contractors and Consultants	d	108,470	17,457
Security		33,244	30,660
Electricity		13,019	11,970
Audit Fees	14	74,323	74,323
Telephone		10,613	11,672
Bank Charges		8,573	7,543
Printing and Stationery		1,316	1,220
General Office Expenses		11,296	11,574
Irrigation		13,964	13,904
Tools and Consumables		12,094	6,486
Computer Software / Hardware	e	30,025	13,142
Cleaning		18,582	14,699
Other	f,g	47,675	42,940
Total Supplies and Services		855,388	697,454

- Water rates increased in 2016-17 as a result of higher water usage due to establishing new grass areas, a leaking pipe and a period of hot and dry conditions.
- Insurance increased due to the addition of the Mausoleum and premium increases in 2016-17.
- The decrease in accounting fees was a result of the Authority's accounting functions transitioning from a contracted firm to the Transport Canberra and City Service Directorate in 2016-17.
- Consultant costs increased in 2016-17 as a result of expensing 2015-16 works in progress which were not capitalised and engaging external consultants during the year to provide advice on future projects.
- The increase in computer software and hardware expenses is a result of price increases for software licences, subscriptions and IT services.
- Other expenses include advertising, postage, subscriptions, health and safety clothing and equipment, board expenses, staff training, travelling expenses and purchases of assets under the \$1,000 capitalisation threshold incurred during the reporting period.
- The 2015-16 comparatives have been adjusted in accordance with accounting standards to reclassify \$6,115 staff training costs from employee expenses to supplies and services.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 11. DEPRECIATION AND AMORTISATION

	Note No.	2017 \$	2016 \$
Depreciation			
Buildings	18	107,659	94,228
Property Improvements	18	78,615	78,711
Roadways	18	52,064	52,206
Landscaping	18	119,243	118,876
Plant and Equipment	18	87,206	84,664
Motor Vehicles	18	18,520	24,783
Total Cost of Sales		463,307	453,468
Amortisation			
Intangible Assets	19	15,703	30,410
Total Amortisation		15,703	30,410
Total Depreciation and Amortisation		479,010	483,878

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 12. COST OF SALES

	Note	2017	2016
	No.	\$	\$
Interment Sites	a	113,291	239,746
Plaques	b	97,356	75,219
Memorials	b	47,064	37,608
Vaults	c	79,468	15,435
Burial Costs		96,029	89,990
Total Cost of Sales		433,208	457,998

- a. Interment sites have decreased due to a lower number of mausoleum sales.
- b. Plaques and Memorials both increased during 2016-17 due to increased quantities sold.
- c. Vault costs have increased due to a higher number of vaults being installed during 2016-17.

The above differences reflect changing customer preferences in line with community attitudes to different interment options.

Glossary:

Interment site – direct costs incurred in the creation of a site for interment, e.g.: A mausoleum crypt, a lawn beam, an ashes garden.

Plaques and Memorials – costs to procure and install plaques and stone memorials.

Vault – cost to install a vault in a site.

Burial Cost – cost to prepare a site and inter a deceased person or ashes including future burials.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 13. TRANSFERS TO THE PERPETUAL CARE TRUSTS

	Note	2017	2016
	No.	\$	\$
Woden Cemetery Perpetual Care Trust		773,253	687,438
Woden Mausoleum Perpetual Care Trust		173,654	327,689
Gungahlin Cemetery Perpetual care Trust		1,122,238	878,392
Hall Cemetery Perpetual Care Trust		20,970	44,926
Total Transfers to the Perpetual Care Trusts	a	2,090,115	1,938,445

- a. These amounts represent the percentage of revenue transferred to the Perpetual Care Trusts that the Authority is required to provide in accordance with the Ministerial Determination. The maintenance contribution to the Perpetual Care Trusts has increased in 2016-17 as a result of increased burial revenue.

Note 14. AUDITOR'S REMUNERATION

Auditor's remuneration consists of financial audit services provided to the Authority and Hall Cemetery, Woden Cemetery, Gungahlin Cemetery and Woden Mausoleum Perpetual Care trusts by the ACT Audit Office and any other services provided by a contract auditor engaged by the ACT Audit Office to conduct the financial audit.

	Note	2017	2016
	No.	\$	\$
Audit Services			
Audit fees paid or payable to the ACT Audit Office		74,323	74,323
Total Auditor's Remuneration		74,323	74,323

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 15. CASH AND CASH EQUIVALENTS

The Authority holds a number of banks accounts with the Westpac Bank as part of whole-of-government banking arrangements. The Authority receives interest on these accounts.

In addition, the Authority also has an on demand deposit held directly with St George Bank that earned an average fixed interest rate of 2.35% (2.27% in 2015-16).

The Authority also has funds invested in the Public Trustee and Guardian. These funds earned an average floating interest rate of 2.70% (2.28% in 2015-16).

	Note	2017	2016
	No.	\$	\$
Cash on Hand		200	200
Cash at Bank	a	3,148,720	1,808,531
Short-Term Bank Deposits		889,267	863,861
Public Trustee and Guardian Cash Trust Fund		2,831,184	2,755,869
Total Cash and Cash Equivalents		6,869,371	5,428,461

a. The increase in cash at bank was due to lower payments in 2016-17.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 16. RECEIVABLES

	Note	2017	2016
	No.	\$	\$
Current Receivables			
Trade Receivables	a	31,411	9,092
Goods and Services Tax Receivables	b	31,115	22,166
Accrued Interest	c	324	4,886
Other Debtors		-	2,526
		62,850	38,670
 Perpetual Care Trust Amounts Receivable			
Gungahlin Cemetery Perpetual Care Trust		-	178,143
Woden Cemetery Perpetual Care Trust		-	25,759
Sub-Total Perpetual Care Trust Amount Receivable	d	-	203,902
 Total Current Receivables		62,850	242,572
 Total Receivables		62,850	242,572

- The increase in Trade Receivables relates to additional invoices processed for revenue from funeral directors compared to June 2016.
- As the Authority's expenses were higher in 2016-2017, more GST was paid to suppliers resulting in higher Goods and Services Tax receivable at 30 June 2017 compared to 30 June 2016.
- Accrued interest decreased as the term deposit matured in June 2017 and only required an accrual for a few days compared to seven months at 30 June 2016.
- The Perpetual Care Trust amount receivable at 30 June 2016 relates to an overpayment of revenue to the Perpetual Care Trust Reserves by the Authority in June 2016. This amount was reduced in 2016-17 by correcting revenue contributions.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 16. RECEIVABLES (CONTINUED)

Ageing of Receivables

	Not Overdue	Overdue by Less than 30 days	Overdue by 30 to 60 days	Overdue by Greater than 60 days	Total
	\$	\$	\$	\$	\$
2017					
Not impaired ¹					
Receivables	54,210	8,640	-	-	62,850
Impaired					
Receivables	-	-	-	-	-
2016					
Not impaired ¹					
Receivables	242,572	-	-	-	242,572
Impaired					
Receivables	-	-	-	-	-

1. 'Not Impaired' refers to Net Receivables (that is, gross receivables less impaired receivables).

Classification of ACT Government /Non-ACT Government Receivables

	2017	2016
	\$	\$
Receivables with Non-ACT Government Entities		
Other Receivables	62,850	38,670
Other Receivables - Perpetual Care Trusts		203,902
Total Receivables with Non-ACT Government Entities	62,850	242,572
Total Receivables	62,850	242,572

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 17. INVENTORIES

	Note No.	2017 \$	2016 \$
Current Inventories			
Land: Interment Purposes	a	65,020	43,543
Mausoleum Crypts and Wall Niches		215,091	223,838
<i>Total Finished Goods</i>		<u>280,111</u>	<u>267,381</u>
Non-Current Inventories			
Work in Progress/Undeveloped			
Land: Interment Purposes	b	405,215	622,825
<i>Total Work In Progress/Undeveloped</i>		<u>405,215</u>	<u>622,825</u>
Finished Goods			
Land: Interment Purposes	a,b	585,184	391,894
Mausoleum Crypts and Wall Niches		1,935,815	2,014,538
<i>Total Finished Goods</i>		<u>2,520,999</u>	<u>2,406,432</u>
Total Non-Current Inventories		<u>2,926,214</u>	<u>3,029,257</u>
Total Inventories		<u><u>3,206,325</u></u>	<u><u>3,296,638</u></u>

- a. Land for Interment purposes has been reallocated from non-current to current based on an estimate of sales expected in the next 12 months.
- b. Work in progress inventory has been allocated to finished goods as work has been completed.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include the following classes of assets – land, buildings, property improvements, roadways, landscaping, plant and equipment and motor vehicles. Property, plant and equipment do not include assets held for sale.

- Land includes freehold land and land under roads.
- Buildings include office buildings, workshops and land improvements. Land improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated.
- Infrastructure assets include roadways and landscaping.
- Property Improvements represent capital expenditure incurred in relation to land improvements.
- Plant and equipment includes various gardening and power tools and office equipment.
- Motor Vehicles include motor vehicles held by the Authority.

	Note No.	2017 \$	2016 \$
Land and Buildings			
Land at Fair Value		47,493	47,493
Total Land Assets		47,493	47,493
 Buildings at Fair Value		1,502,580	1,570,671
Less : Accumulated Depreciation		-	168,469
Total Written Down Value of Buildings	a	1,502,580	1,402,202
 Total Land and Written Down Value of Buildings		1,550,073	1,449,695
 Property Improvements			
Property Improvements at Fair Value		650,910	784,657
Less : Accumulated Depreciation		-	133,245
Total Written Down Value of Property Improvements	a	650,910	651,412

- a. Property and Property Improvements were revalued at 30 June 2017. The valuations were conducted by Carolyn Mowbray (Certified Practising Valuer) from Egan National Valuers using the depreciated replacement cost method.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note No.	2017 \$	2016 \$
Infrastructure			
Roadways at Fair Value		1,022,580	779,990
Less : Accumulated Depreciation		-	97,456
Total Written Down Value of Roadways		1,022,580	682,534
 Landscaping at Fair Value		 874,600	 1,188,758
Less : Accumulated Depreciation		-	225,751
Total Written Down Value of Landscaping		874,600	963,007
 Total Written Down Value of Infrastructure	a	 1,897,180	 1,645,541
 Plant and Equipment			
Plant and Equipment at Fair Value		222,866	488,403
Less : Accumulated Depreciation		-	209,794
Total Written Down Value of Plant and Equipment	b	222,866	278,609
 Motor Vehicles			
Motor Vehicle at Fair Value		60,000	129,487
Less : Accumulated Depreciation		-	55,407
Total Written Down Value of Motor Vehicles	b	60,000	74,080
 Total Written Down Value of Property, Plant and Equipment		 4,381,029	 4,099,337

- a. Property and Property Improvements were revalued at 30 June 2017. The valuations were conducted by Carolyn Mowbray (Certified Practicing Valuer) from Egan National Valuers using the depreciated replacement cost method.
- b. Plant and Equipment assets were revalued at 30 June 2017. The valuations were conducted by Carolyn Mowbray (Certified Practicing Valuer) from Egan National Valuers using the market value method.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Property, Plant and Equipment (Continued)

The following table shows the movement of Property, Plant and Equipment during 2016-17.

Year ended 30 June 2017	Land	Buildings	Property Improvements	Roadways	Landscaping	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	47,493	1,402,202	651,412	682,534	963,007	278,609	74,080	4,099,337
Additions	-	1,824	28,095	-	4,120	31,823	-	65,862
Depreciation	-	(107,659)	(78,615)	(52,064)	(119,243)	(87,206)	(18,520)	(463,307)
Disposals	-	-	-	-	-	(2,633)	-	(2,633)
Increase in the Asset Revaluation Surplus	-	206,213	50,018	392,110	26,716	2,273	4,440	681,770
Balance at the End of the Reporting Period	47,493	1,502,580	650,910	1,022,580	874,600	222,866	60,000	4,381,029

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Property, Plant and Equipment (Continued)

The following table shows the movement of Property, Plant and Equipment during 2015-16.

Year ended 30 June 2016		Property		Roadways		Landscaping		Plant and Equipment		Motor Vehicles		Total	
	Land	Buildings	Improvements										
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying Amount at the Beginning of the Reporting Period	47,493	643,142	980,251	734,740	928,676	308,454	98,863	3,741,619					
Additions	-	745,765	-	-	10,602	54,819	-	811,186					
Depreciation	-	(94,228)	(78,711)	(52,206)	(118,876)	(84,664)	(24,783)	(453,468)					
Disposals	-	-	-	-	-	-	-	-					
Other Movements	-	107,523	(250,128)	-	142,605	-	-	-					
Balance at the End of the Reporting Period	47,493	1,402,202	651,412	682,534	963,007	278,609	74,080	4,099,337					

a. The increase in other movements relate to a reclassification of assets from property improvements to landscaping for completed landscaping projects and from property improvements to buildings for costs relating to the Woden shed extension.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

Classification is required for property, plant and equipment into a Fair Value Hierarchy that reflects the significance of the inputs used in determining their fair value. The Fair Value Hierarchy is made up of the following three levels:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs that are unobservable for particular assets or liabilities.

Details of property, plant and equipment at fair value and information about the Fair Value Hierarchy at 30 June 2017 and 30 June 2016 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2017				
Property, Plant and Equipment				
Land	-	-	47,493	47,493
Buildings	-	-	1,502,580	1,502,580
Property Improvements	-	-	650,910	650,910
Infrastructure Assets	-	-	1,897,180	1,897,180
Plant and Equipment	-	222,866	-	222,866
Motor Vehicles	-	60,000	-	60,000
	-	282,866	4,098,163	4,381,029

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2016				
Property, Plant and Equipment				
Land	-	-	47,493	47,493
Buildings	-	-	1,402,202	1,402,202
Property Improvements	-	-	651,412	651,412
Infrastructure Assets	-	-	1,645,541	1,645,541
Plant and Equipment	-	278,609	-	278,609
Motor Vehicles	-	74,080	-	74,080
	-	352,689	3,746,548	4,099,337

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Transfers Between Categories

There have been no transfers between Level 1, 2 and 3 during the current and previous reporting periods.

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and inputs-

Valuation Technique: The valuation technique used to value plant and equipment is the market approach that reflects recent transaction prices for similar plant and equipment.

Level 3 Valuation Techniques and Significant Unobservable Inputs-

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

Significant Unobservable Inputs: Selecting land with similar approximate utility. In determining the value of land with similar approximate utility significant adjustment to market based data was required.

In determining the value of land, sales of vacant land with a similar specialised nature and similar restrictive zonings and crown lease purpose clauses have been used for the square metre rate. Given the specialised nature of the property including that the land would have limited alternate use is impacted by restrictive zoning and heritage listing, a lower nominal value was deemed appropriate. The land fair value has been significantly reduced to incorporate the market based data.

Valuation Technique: The valuation of buildings, property improvements and infrastructure assets were measured using the cost or depreciated replacement costs approach.

Significant Unobservable Inputs: Estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was also used in measuring fair value. For infrastructure assets the historical costs per cubic metre was also used in measuring fair value. The valuation of buildings, property improvements, roadways, and landscaping was performed by comparing prices and other relevant information generated by market transactions involving comparable land and buildings. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. Regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal from the Authority.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$	Buildings \$	Property Improvements \$	Infrastructure Assets \$
2017				
Fair Value at the Beginning of the Reporting Period	47,493	1,402,202	651,412	1,645,541
Addition	-	1,824	28,095	4,120
Revaluation Increments recognised in Other Comprehensive Income	-	206,213	50,018	418,826
Depreciation	-	(107,659)	(78,615)	(171,307)
Fair value at the End of the Reporting Period	47,493	1,502,580	650,910	1,897,180
2016				
Fair Value at the Beginning of the Reporting Period	47,493	643,142	980,251	1,663,416
Addition	-	745,765	-	10,602
Revaluation Increments recognised in Other Comprehensive Income	-	-	-	-
Other Movements	-	107,523	(250,128)	142,605
Depreciation	-	(94,228)	(78,711)	(171,082)
Fair value at the End of the Reporting Period	47,493	1,402,202	651,412	1,645,541

Note 19. INTANGIBLES

	Note No.	2017 \$	2016 \$
Computer Software			
Computer Software at Cost		126,184	124,059
Less : Accumulated Amortisation		121,448	105,744
Water Licences at Cost	a	28,511	-
Total Intangibles		33,247	18,315
Recognition of Intangible Assets		2017 \$	2016 \$
Carrying Amount at the Beginning of the Reporting Period		18,315	45,732
Additions		30,635	2,993
Amortisation		(15,703)	(30,410)
Carrying Amount at the End of the Reporting Period		33,247	18,315

a. Recognition of Water Access Entitlement licences as intangibles.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 20. CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets being constructed over periods of time in excess of the present reporting period. These assets often require extensive installation work or integration with other assets, in contrast with simpler assets that are ready for use when acquired, such as motor vehicles and equipment. Capital Works in Progress are not depreciated as the Authority is not currently deriving any economic benefits from them.

	Note No.	2017 \$	2016 \$
Non-Current			
Capital Works in Progress	a	650,636	681,974
Total Capital Works in Progress		650,636	681,974

- a. Capital works in progress of \$642,741 in 2015-16 and 2016-17 relate to Southern Memorial Park including a master plan, environmental and geotechnical studies and business planning which were completed between 3 and 5 years ago, these remain work in progress and are reviewed periodically. Leasehold improvements totalling \$7,895 relate to irrigation upgrades at the Woden cemetery which will be capitalised in 2017.

Reconciliation of Capital Works in Progress

	2017 \$	2016 \$
Carrying Amount at the Beginning of the Reporting Period	681,974	644,491
Additions	7,895	1,302,197
Transfer to Expenditure	(17,450)	-
Transfer to Inventories	(21,783)	-
Transfer to Property, Plant and Equipment	-	(1,264,714)
Carrying Amount at the End of the Reporting Period	650,636	681,974

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 21. PAYABLES

	Note	2017	2016
	No.	\$	\$
Current Payables			
Unsecured Liabilities			
Trade Payables	a	8,858	38,340
Accrued Payables		165,682	170,445
Goods and Services Tax Payables		154,333	138,107
Total Unsecured Liabilities		328,873	346,892
Perpetual Care Trust Payables			
Woden Cemetery Perpetual Care Trust	b	64,905	-
Woden Mausoleum Cemetery Perpetual Care Trust	b,c	25,634	14,187
Gungahlin Cemetery Perpetual Care Trust	b	35,811	-
Hall Cemetery Perpetual Care Trust	b,c	184	12,781
Total Perpetual Care Trust Payables		126,534	26,968
Total Current Payables		455,407	373,860
Total Payables		455,407	373,860
Payables are aged as follows:			
		2017	2016
		\$	\$
Not Overdue		455,407	372,386
Overdue for Less than 30 Days		-	-
Overdue for 30 to 60 Days		-	204
Overdue for More than 60 Days		-	1,270
		455,407	373,860

- Trade payables have decreased due to a reduction in invoices received prior to 30 June 2017.
- The amounts owing to the Perpetual Care Trust Reserves relate to contributions allocated to the Perpetual Care Trust Reserves based on Minister-determined percentages of the User Charges Non-ACT Government revenue for June 2017 which was paid in July 2017.
- The amount payable to the Woden Mausoleum and Hall Perpetual Care Trust Reserves at 30 June 2016 were repaid in July 2016.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 21. PAYABLES (CONTINUED)

	2017	2016
	\$	\$
Classification of ACT Government/Non-ACT Government Payables		
Payables with ACT Government Entities		
Trade Payables	-	2,172
Other Payables	108,984	81,755
Total Payables with ACT Government Entities	108,984	83,927
Payables with Non-ACT Government Entities		
Trade Payables	8,858	36,168
Other Payables	56,698	88,690
Goods and Services Tax Payables	154,333	138,107
Other Payables - Perpetual Care Trusts	126,534	26,968
Total Payables with Non-ACT Government Entities	346,423	289,933
Total Payables	455,407	373,860

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 22. EMPLOYEE BENEFITS

	Note No.	2017 \$	2016 \$
Current Employee Benefits			
Annual Leave	a	146,937	124,667
Long Service Leave		370,300	373,462
Accrued Salaries	b	9,235	6,619
Other Employee Benefits	b	1,303	726
Total Current Employee Benefits		527,775	505,474
Non-Current Employee Benefits			
Long Service Leave		25,272	16,615
Total Non-Current Employee Benefits		25,272	16,615

At 30 June 2017, there were 14 full time equivalents (FTE) staff. There were 14 FTE staff at 30 June 2016.

- The increase in annual leave accruals related to the transfer of an ACT Government employee and their accrued entitlements during 2016-17.
- The increase in accrued salary and superannuation is due to additional days accrued at the end of the financial year compared to the end of the previous financial year.

	Note No.	2017 \$	2016 \$
Estimate of When Leave is Payable			
Estimated Amount Payable within 12 Months			
Annual Leave	a	14,694	12,466
Long Service Leave	a	39,557	39,007
Accrued Salaries		9,235	6,619
Other Employee Benefits		1,303	726
Total Employee Benefits Payable within 12 Months		64,789	58,818
Estimated Amount Payable after 12 Months			
Annual Leave		132,243	112,201
Long Service Leave		356,015	351,070
Total Employee Benefits Payables after 12 Months	a	488,258	463,271
Total Employee Benefits		553,047	522,089

- Estimated annual leave and long service leave payable within 12 months and after 12 months has been apportioned based on prior year trends.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 23. REVENUE RECEIVED IN ADVANCE

	Note	2017	2016
	No.	\$	\$
Current Revenue Received In Advance			
Burial Fees Received in Advance	a	5,850,875	5,409,103
Plaque Fees Received in Advance	b	1,189,539	1,099,346
Mausoleum Fees Received in Advance		-	25,000
Total Current Revenue Received in Advance		7,040,414	6,533,449

- a. Burial fees received in advance were higher mainly due to increased reservation sales.
- b. Plaque fees received in advance were higher mainly due to increases in the number of Plaque reservations.

Estimate of When Revenue Received in Advance will be Recognised as Revenue

	Note	2017	2016
	No.	\$	\$
Estimated Revenue Received in Advance Recognised as Revenue within 12 Months			
Burial Fees Received in Advance		585,088	540,910
Plaque Fees Received in Advance		118,954	109,935
Mausoleum Fees Received in Advance		-	2,500
Total Estimated Revenue Received in Advance Recognised as Revenue within 12 Months	a	704,042	653,345
Estimated Revenue Received in Advance Recognised as Revenue after 12 Months			
Burial Fees Received in Advance		5,265,787	4,868,193
Plaque Fees Received in Advance		1,070,585	989,411
Mausoleum Fees Received in Advance		-	22,500
Total Estimated Revenue Received in Advance Recognised as Revenue after 12 Months	a	6,336,372	5,880,104
Total Revenue Received in Advance		7,040,414	6,533,449

- a. The timing of when revenue received in advance will be recognised as revenue has been estimated based on past sales experience.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 24. FINANCIAL INSTRUMENTS

Details of significant policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial assets and financial liability are disclosed in Note 2 (see Appendix B) *Significant Accounting Policies*.

Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements and all financial liabilities are non-interest bearing. This means that the Authority is not exposed to movements in interest payables, however, it is exposed to movements in interest receivable. As interest rates decreased during the year ended 30 June 2017, the Authority received lower interest revenue.

Interest rate risk for financial assets is managed by the Authority by only investing in floating interest rate investments that are low risk. Interest rate risk for financial liabilities is not actively managed by the Authority as there are no financial liabilities which are exposed to a floating interest rate. There have been no changes in risk exposure or processes for managing risk since the last reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on income or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's credit risk is limited to the amount of the financial assets it holds not of any allowance for impairment. The Authority expects to collect all financial assets that are not past due or impaired.

The Authority holds its cash and cash equivalents with the Westpac Bank, St George Bank and Public Trustee and Guardian. The only funds held with St George Bank are on demand deposits. There is insignificant credit risk for funds held with the Westpac Bank, St George and the Public Trustee and Guardian. The Authority manages credit risk by investing only with Approved Deposit Funds (funds that are regulated by the Australian Prudential Regulation Authority (APRA)).

The Authority also manages credit risk for the Perpetual Care Trusts and is confident that the actuarial model by which each Perpetual Care Trust receives revenue will enable the Trusts to continue to operate and meet their obligations in the long term.

There have been no changes in credit risk exposure or processes for managing credit risk since the last reporting period.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 24. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulties in meeting obligations associated with its liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk, the Authority ensures that it does not have a large portion of its financial liabilities maturing in any one reporting period and that, at any particular point in time, it has a sufficient amount of current financial assets to meet its current financial liabilities. This ensures that the Authority has enough liquidity to meet its emerging financial liabilities. See the maturity analysis for further details of when financial assets and liabilities mature.

The Authority's exposure to liquidity risk and the management of this risk has not changed since the previous reporting period.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Authority holds no instruments exposed to price risk.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of Financial Assets and Liabilities

The carrying amount and fair values of financial assets and liabilities at the end of the reporting period are:

	Carrying Amount 2017 \$	Fair Value 2017 \$	Carrying Amount 2016 \$	Fair Value 2016 \$
Financial Assets				
Cash and Cash Equivalents	6,869,371	6,869,371	5,428,461	5,428,461
Receivables	31,735	31,735	220,406	220,406
Total Financial Assets	6,901,106	6,901,106	5,648,867	5,648,867
Financial Liabilities				
Payables	301,074	301,074	235,753	235,753
Total Financial Liabilities	301,074	301,074	235,753	235,753

The Authority does not hold any financial instrument measured at fair value at 30 June 2017 (Nil at 30 June 2016). As such, no Fair Value Hierarchy disclosures have been made.

The 2015-16 comparative has been adjusted to reduce the accrued receivables and payables.

Non-Interest Bearing amounts reflected as receivables is calculated by taking the total receivable amounts less Goods and Services Tax Receivable to arrive at an amount of \$31,735 for 2017 and \$220,406 for 2016.

Non-Interest Bearing amounts reflected as payables is calculated by taking the total payable amounts less Goods and Services Tax Payable to arrive at an amount of \$301,074 for 2017 and \$235,753 for 2016.

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of Financial Assets and Liabilities (Continued)

Maturity Analysis

The following table sets out the Authority's maturity analysis for the financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2017. Except for financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Effective Interest Rate %	Floating Interest Rate 2017 \$	Fixed Interest Maturing In:			Non-Interest Bearing \$	Total \$
				1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
Financial Assets								
Cash and Cash Equivalents	15	2.52	5,979,904	889,267	-	-	200	6,869,371
Receivables	16		-	-	-	-	31,735	31,735
Total Financial Assets			5,979,904	889,267	-	-	31,935	6,901,106
Financial Liabilities								
Payables	21		-	-	-	-	301,074	301,074
Total Financial Liabilities			-	-	-	-	301,074	301,074
Net Financial Assets / (Liabilities)			5,979,904	889,267	-	-	(269,139)	6,600,032

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of Financial Assets and Liabilities (Continued)

Maturity Analysis (Continued)

The following table sets out the Authority's maturity analysis for the financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2016. Except for financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Effective Interest Rate %	Floating Interest Rate 2016 \$	Fixed Interest Maturing In:			Non-Interest Bearing \$	Total \$
				1 Year or Less \$	Over 1 Year to 5 Years \$	Over 5 Years \$		
Financial Assets								
Cash and Cash Equivalents	15	2.91	4,564,400	863,861	-	-	200	5,428,461
Receivables	16		-	-	-	-	220,406	220,406
Total Financial Assets			4,564,400	863,861	-	-	220,606	5,648,867
Financial Liabilities								
Payables	21		-	-	-	-	235,753	235,753
Total Financial Liabilities			-	-	-	-	235,753	235,753
Net Financial Assets / (Liabilities)			4,564,400	863,861	-	-	(15,147)	5,413,114

ACT PUBLIC CEMETERIES AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 24. FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value of Financial Assets and Liabilities (Continued)

	2017	2016
	\$	\$
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Loans and Receivables Measured at Amortised Cost	31,735	220,406
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	301,074	235,753

The Authority does not have any financial liabilities in the 'Financial Liabilities at Fair Value through Profit and Loss' category and, as such, this category is not included above.

There are no Gains/Losses on Financial Assets or Financial Liabilities.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 25. CASH FLOW RECONCILIATION

- (a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent items in the Balance Sheet

	2017	2016
	\$	\$
Total Cash and Cash Equivalents Recorded in the Balance Sheet	6,869,371	5,428,461
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	6,869,371	5,428,461

- (b) Reconciliation of Operating Surplus/(Deficit) to Net Cash Inflows/(Outflows) from Operating Activities

	2017	2016
	\$	\$
Operating Surplus/(Deficit)	130,412	(73,529)
Add Non - Cash Items		
Depreciation of Property, Plant and Equipment	463,307	453,468
Amortisation of Intangibles	15,703	30,410
Add/(Less) Items Classified as Investing or Financing		
Work in Progress	67,363	-
Net (Gain) on Disposal of Non-Current Assets	(3,282)	-
Cash Before Changes in Operating Assets and Liabilities	673,503	410,349
Changes in Operating Assets and Liabilities		
Decrease in Receivables	179,722	394,458
Decrease/(Increase) in Inventories	90,313	(704,744)
Decrease/(Increase) in Other Assets	4,509	(8,446)
Increase/(Decrease) in Payables	81,547	(2,093,288)
Increase/(Decrease) in Employee Benefits	30,958	(3,407)
Increase in Revenue Received in Advance	506,965	372,153
Net Changes in Operating Assets and Liabilities	894,014	(2,043,274)
Net Cash Inflows/(Outflows) from Operating Activities	1,567,517	(1,632,925)

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 26. RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

KMP of the Authority are the Portfolio Minister, the Authority Board and Chief Executive Officer.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Authority.

This note does not include typical citizen transactions between the KMP and The Authority that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Authority is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's financial statements for the year ended 30 June 2017.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) financial statements for the year ended 30 June 2017.

Two of the KMP of the Authority are employees of CMTEDD and are compensated by CMTEDD.

Compensation by the Authority to KMP is set out below.

	2017
	\$'000
Short-term employee benefits	146
Post employment benefits	29
Other long term benefits	3
Board member fees	48
Total Compensation by the Authority to KMP	226

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 26. RELATED PARTY DISCLOSURES (CONTINUED)

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Authority.

The Board maintains a register of interest that allows it to monitor potential related party transactions and includes a standing declaration of interest at each board meeting.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Authority.

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

A breakdown of transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial Statements of the Authority.

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 27. BUDGETARY REPORTING

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Operating Statement Line Items	Actual	Budget ¹	Variance		Variance Explanation
	2016-17 \$'000	2016-17 \$'000	Variance \$'000	%	
Operating Statement Line Items					
User Charges - Non-ACT Government	4,163	3,456	707	20.46	User Charges are higher than budgeted as a result of higher than expected number of allotments sold.
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	1,449	1,252	197	15.70	Perpetual Care Trust reimbursements are determined by the Minister as a percentage of burial revenue, the higher than estimated burial revenue resulted in higher than estimated reimbursements.
Supplies and Services	855	715	140	19.63	Supplies and services are higher than estimated as a result of increased watering use and consultant costs for additional advice on future projects.
Transfers to the Perpetual Care Trusts	2,090	1,768	322	18.22	The cost to the Authority for transfers to the Perpetual Care Trusts for each cemetery or mausoleum is determined by the Minister as a percentage of burial revenue. Higher than estimated burial revenue resulted in higher than estimated transfers to the trusts.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements).

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 27. BUDGETARY REPORTING (CONTINUED)

Balance Sheet Line Items	Actual 2016-17 \$'000	Budget ¹ 2016-17 \$'000	Variance \$'000	Variance %	Variance Explanation
Current Assets					
Cash and Cash Equivalents	6,869	4,446	2,423	54.51	Cash and cash equivalents are higher than estimated as a result of higher cash receipts for allotment sales and revenue received in advance. Higher accounts receivable debts and lower cash balances were budgeted however all cash was received resulting in a lower than estimated debts receivable and higher than estimated cash balances.
Non-Current Assets					
Inventories	2,926	3,500	(574)	(16.39)	Inventory levels are lower than estimated as a result of higher than estimated allotment sales. Delays in the Woden Cemetery extension resulted in lower than estimated development of new allotments.
Non-Current Liabilities					
Employee Benefits	25	115	(90)	(78.02)	This reflects lower than anticipated non-current long service leave balances.

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements).

ACT PUBLIC CEMETERIES AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 27. BUDGETARY REPORTING (CONTINUED)

Cash Flow Statement Line Items	Actual 2016-17 \$'000	Budget ¹ 2016-17 \$'000	Variance		Variance Explanation	
			Variance \$'000	%		
Receipts						
User Charges - Non-ACT Government	4,650	4,554	96	2.11	User charge receipts are slightly higher than budgeted, however the budget also includes the estimated cash receipts for Reimbursements from the Perpetual Care Trusts reflected in a separate line item. The overall cash flow variance for the combined receipts is 33.5% or \$1.528m as a result of higher sales and reimbursements from the Perpetual Care Trusts.	
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts	1,431	-	1,431	#	The budget is combined with User Charge receipts in a separate line item and is explained above.	
Payments						
Supplies and Services	1,050	708	342	48.28	The water and consultant costs were higher than estimated in the budget, and the budget did not anticipate payment of expenses from 2015-16 which were paid in 2016-17 for supplies and services.	
Property, Plant and Equipment	96	892	(796)	(89.18)	The payments for Property, Plant and Equipment were lower than estimated as the budget included the Woden Cemetery extension which should have been included as inventory cost of goods sold. The roadworks and purchases of new equipment which were estimated in the budget have been deferred to 2017-18.	
Capital Works in Progress	36	-	36	#	Capital works in progress are higher as the capital works were expected to be completed, the works in progress included upgrades to irrigation at the Woden Cemetery and the consultancy work commenced for the Woden extension which has been delayed.	

1. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Statements).

Note: # in the Line Item Variance % column represents a variance that is greater than 999 per cent or less than -999 per cent.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the *Financial Management Guidelines* issued under the Act, requires an Authority's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) the significant accounting policies adopted for the year; and
- (vi) Other statements as necessary to fairly reflect the financial operations of the Authority during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting, which recognises the effects of transactions and events when they occur. The financial statements are prepared according to historical cost convention, except for assets held for sale, property, plant and equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to the Authority during the reporting period.

CURRENCY

These financial statements are presented in Australian dollars, which is the Authority's functional currency.

INDIVIDUAL REPORTING ENTITY

The Authority is an individual reporting entity.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX A – BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS
(CONTINUED)**

REPORTING PERIOD

These financial statements state the financial performance, changes in equity and cash flows of the Authority for the year ended 30 June 2017 together with the financial position of the Authority at 30 June 2017.

COMPARATIVE FIGURES

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2016-17 has been presented in the financial statements. Budget numbers in the financial statements are the original budget numbers that appear in the Budget Papers.

PRIOR YEAR COMPARATIVES

Comparative information has been disclosed in respect of the previous period for amounts reported in the financial statements, except where an Australian Accounting Standard does not require comparative information to be disclosed.

Where the presentation or classification of items in the financial statements is amended, the comparative amounts have been reclassified where practical. Where a reclassification has occurred, the nature, amount and reason for the reclassification is provided.

ROUNDING

All amounts in the financial statements have been rounded to the nearest dollars. Use of “..” represents zero amounts or amounts rounded down to zero.

GOING CONCERN

As at 30 June 2017, the Authority's current liabilities (\$8.024m) exceeded its current assets (\$7.238m) by \$0.786m. However, this shortfall largely results from liabilities being classified as current in the financial statements because they cannot be deferred; even though most are not expected to be paid (employee benefits) or recognised as revenue (received in advance) within 12 months of the reporting date.

Therefore, a better indication of the Authority's short-term financial position is provided by excluding the estimated amount of employee benefits that are not expected to be paid and revenue in advance that is not expected to be recognised as revenue within 12 months of the reporting date.

When reported current liabilities are adjusted to exclude these amounts, the Authority's current assets (\$7.238m) exceeded its adjusted current liabilities (\$1.224m) by \$6.014m and the adjusted current ratio is 5.91 at 30 June 2017. This indicates the Authority can pay its debts in the short-term.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES

Appendix B – Significant Accounting Policies applies to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES – INCOME

REVENUE RECOGNITION

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement.

NOTE 3 - USER CHARGES – NON-ACT GOVERNMENT

SALE OF GOODS

Revenue from the sale of goods is generally separated into four types: allotment, maintenance, burial and sales of plaques and monuments. Allotment and maintenance income is recognised immediately when an allotment is paid for, burial income is recognised when the burial takes place, the sale of plaques income is recognised when an order is placed and sale of monuments or monumental permits are recognised when construction is commenced.

NOTE 4 - INTEREST

Interest revenue is recognised using the effective interest method.

NOTE 5 - REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

The Authority draws funds from the Perpetual Care Trusts to reimburse for expenditure it incurs in the maintenance of the burial and allotment sites. The Authority is reimbursed on a full cost basis as described in Note 1: *Perpetual Care Trust Arrangements*, limited to the amount of revenue transferred to each Perpetual Care Trust in a given reporting period.

Significant judgements have been applied in estimating the costs relating to maintenance and related expenditure incurred on behalf of the Perpetual Care Trust. The estimate is calculated based on a combination of direct costs and percentage of indirect costs relating to the maintenance of each Perpetual Care Trust. The percentage is calculated by taking the maintenance employee costs divided by the total employee costs incurred.

NOTE 6 - OTHER REVENUE

RENDERING OF SERVICES

Revenue from rendering of services is recognised when at the stage of completion the transaction reporting date and costs of rendering services can be measured reliably.

GARDEN OF REMEMBRANCE

Until December 2016 revenue was received monthly from the Office of Australian War Graves under a contractual agreement to reimburse the cost of maintenance incurred for maintaining the site. This contract has been discontinued.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES

NOTE 8 - EMPLOYEE EXPENSES

Employee benefits include:

- Short-term employee benefits such as wages and salaries, annual leave loading, and applicable on-costs, if expected to be settled wholly before twelve months (see Appendix B - Note 22 *Employee Benefits* if longer than 12 months) after the end of the annual reporting period in which the employees render the related services;
- Other long-term benefits such as long service leave and annual leave; and
- Termination benefits.

On-costs include annual leave, long service leave, superannuation and other costs that are incurred when employees take annual leave and long service leave.

(See Appendix B Note 22 *Employee Benefits* for accrued wages and salaries, and annual and long service leave).

NOTE 9 - SUPERANNUATION EXPENSES

Superannuation payments are made to the Territory Banking Account each year, to cover the Authority's superannuation liability for the Public Sector Superannuation scheme (PSS). This payment does not include the PSS productivity component, which is paid directly to Commonwealth Superannuation Corporation (CSC) by the Authority.

Superannuation payments have also been made directly to superannuation funds for those members of the Public Sector who are part of superannuation accumulation schemes. This includes schemes of employee choice and Public Sector Superannuation Accumulation Plan (PSSAP).

The Authority's accruing superannuation liability obligations are expensed as they are incurred.

SUPERANNUATION LIABILITY RECOGNITION

The superannuation liability for the Territory's relevant share of the employer financed portion of entitlements of all employees participating in the PSS scheme who became Territory employees with effect on or after 1 July 1989 is recognised at a total Territory level in the Chief Minister, Treasury and Economic Development Directorate's Superannuation Provision Account

The ACT Government reimburses the CSC annually for the Territory's share of employer superannuation benefits paid to entitled Territory employees who are, or were, members of the PSS. These reimbursement payments are made from the Superannuation Provision Account.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – EXPENSES (CONTINUED)

NOTE 10 - SUPPLIES AND SERVICES

INSURANCE

Major risks are insured through the ACT Insurance Authority. The excess payable, under this arrangement, varies depending on each class of insurance held.

REPAIRS AND MAINTENANCE

Maintenance expenses, which do not increase the service potential of an asset, are expensed. The Authority undertakes cyclical maintenance on its infrastructure, buildings and plant and equipment. Where the maintenance leads to an upgrade of the asset and an increase in the service potential of the existing asset, the cost is capitalised.

NOTE 11 - DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment.

Land has an unlimited useful life and is therefore not depreciated.

All depreciation is calculated after first deducting any residual values, which remain for each asset.

Depreciation/amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation / Amortisation Method	Useful Life (Years)
Buildings	Straight Line	10-100
Property Improvements	Straight Line	20-40
Roadways	Straight Line	10-20
Landscaping	Straight Line	10-20
Plant and Equipment	Straight Line	2-50
Motor Vehicles	Diminishing Value	8
Computer Software	Straight Line	4

The useful lives of all major assets held are reassessed on an annual basis.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – ASSETS

ASSETS – CURRENT & NON-CURRENT

Assets classified as current or non-current in the Balance Sheet and relevant notes. Assets classified as current where they are expected to be realised within 12 months after the reporting date. Assets, which do not fall within the current classification, are classified as non-current.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – FAIR VALUE OF ASSETS

The Authority has made a significant estimate regarding the fair value of its assets. Land and buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure assets and some community and heritage assets have been recorded at fair value based on depreciated replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

NOTE 15 - CASH AND CASH EQUIVALENTS

Cash includes cash at bank, cash on hand and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 16 - RECEIVABLE

ACCOUNTS RECEIVABLES

Accounts receivable (including trade receivables and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

The Perpetual Care Trust Receivables are amounts reimbursable to the Authority for maintenance and related expenditure.

IMPAIRMENT LOSS – RECEIVABLES

The allowance for impairment losses represents the amount of receivables the Authority estimates will not be repaid. The allowance for impairment losses is based on objective evidence of impairment:

- a) Becoming aware of financial difficulties of debtors; or
- b) Default payments
- c) Debts more than 90 days overdue.

The amount of the allowance is recognised in the Operating Statement. The allowance for impairment losses are written off against the allowance account when the Authority ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 17 - INVENTORIES

Inventories include goods and land allocated for interment purposes held for sale, or for consumption in the ordinary course of business operations. It excludes depreciable assets. Inventories are valued at the lower of cost and net realisable value. The cost of the inventory of land allocated for interment purposes is assigned on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment. Cost also includes ground staff time costs incurred in making the interment land ready for sale.

Inventories are classified as either works in progress or finished goods. Works in progress include undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished goods are inventories available for sale to customers including land to be used for interment purposes. Inventories acquired for no cost or nominal consideration is measured at current replacement cost at the date of acquisition.

Inventories expected to be sold/utilised within 12 months are recorded as current, with the balance as non-current assets. In general, this is a 10% to 90% split between current and non-current finished inventories based on prior year trends.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential and recorded in the Operating Statement.

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at cost.

Where property, plant and equipment are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition.

Property, plant and equipment with a value greater than \$1,000 is capitalised.

MAJOR CYCLICAL MAINTENANCE - INFRASTRUCTURE ASSETS

The Authority undertakes major cyclical maintenance on its infrastructure assets. Where the maintenance leads to an upgrade increasing the service potential of the existing infrastructure asset, the cost is capitalised.

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Property, plant and equipment are measured at fair value.

Fair value for land and non-specialised buildings and plant and equipment is measured using the market approach valuation technique and uses prices and other relevant information generated by market transactions involving identical or similar assets.

Fair value for specialised buildings, property improvements, roadways and landscaping are measured by reference to the cost of replacing the remaining future economic benefits embodied in the asset i.e. depreciated replacement cost.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 18 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment is revalued every 3 years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any accumulated depreciation relating to depreciable property, plant and equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Property, plant and equipment is recorded at the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The Authority uses its understanding of current market conditions, as well as comparisons to the value of property, plant and equipment at similar organisations to estimate fair value. The fair value of assets is subject to management assessment between valuation reports.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT

The Authority has made a estimate in determining the useful lives of its property, plant and equipment. The estimation of useful lives of property, plant and equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by independent valuers. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Land including land under roads: The Authority values land under roads at fair value, which is the market value as estimated by an independent valuer. The Valuation takes into account the physical and legal permissible use in addition to the current use, alternative use and heritage status of the land. The value of the land under roads is recognised in the total value of land recorded in property, plant and equipment.

Disclosures concerning assets useful life (see Appendix B - Note 11 *Depreciation and Amortisation*).

IMPAIRMENT OF ASSETS

The Authority assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. However, intangible assets that are not yet available for use are tested annually for impairment regardless of whether there is an indication of impairment, or more frequently if events or circumstances indicate they might be impaired.

Any resulting impairment losses, for property, plant and equipment are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. The carrying amount of the asset is reduced to its recoverable amount.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – ASSETS (CONTINUED)

NOTE 19 - INTANGIBLE ASSETS

The Authority's intangible assets are comprised of externally acquired software for internal use and water licences (Water Access Entitlements) which are rights to take certain amounts of water in a water catchment area for irrigation, the licences are tradable.

Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits attributable to the software will flow to the Authority;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$1,000

Capitalised software has a finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 4 years.

Water licences are one-off costs to purchase the entitlement, they have an unlimited useful life and are therefore not depreciated.

Intangible Assets are measured at cost.

NOTE 20 - CAPITAL WORKS IN PROGRESS

Capital works in progress is initially recorded at cost. No depreciation/amortisation is recognised on the asset until it is fully installed and ready to use. At such a time the asset is no longer classified as capital works in progress, it is reclassified as property, plant and equipment or intangible assets.

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities classified as current or non-current in the Balance Sheet and in the relevant notes. Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

NOTE 21 - PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables, Accrued Expenses and Other Payables.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 22 - EMPLOYEE BENEFITS

Employee Benefits are listed in Appendix B - Note 8 *Employee Expenses*.

WAGES AND SALARIES

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

ANNUAL AND LONG SERVICE LEAVE

Annual and long service leave including applicable on-costs that are not expected to be wholly settled before twelve months after the end of the reporting period, when the employees render the related service are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2016-17 the rate used to estimate the present value of future:

- annual leave payments is 99.8% (101.4% in 2015-16);
- payments for long service leave is 103.4% (114.7% in 2015-16).

The long service leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of 7 years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

The provision for annual leave and long service leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in-service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual leave and long service leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for annual and long service leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for long service leave and that on-costs will become payable.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

APPENDIX B – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES – LIABILITIES (CONTINUED)

NOTE 22 – EMPLOYEE BENEFITS (CONTINUED)

The significant judgements and assumptions included in the estimation of annual and long service leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in May 2014. The assessment by an actuary is performed every 5 years. However, it may be performed more frequently if there is a significant contextual change in the parameters underlying the 2014 report. The next actuarial review is expected to be undertaken by May 2019.

NOTE 23 – REVENUE RECEIVED IN ADVANCE

REVENUE RECEIVED IN ADVANCE

Revenue received in advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all are recorded as revenue.

SIGNIFICANT ACCOUNTING POLICIES – OTHER NOTES

NOTE 27 – BUDGETARY REPORTING

SIGNIFICANT JUDGEMENTS AND ESTIMATES – NOTE 27: BUDGET REPORTING

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO
BE APPLIED**

Appendix C - impact of accounting standards issued but yet to be applied concerns the financial statements.

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Authority does not intend to adopt these standards and interpretations early. Where applicable, these Australian Accounting Standards will be adopted from their application date.

- **AASB 9 Financial Instruments (December 2014) (application date 1 January 2018)**
This standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*. The main impact of AASB 9 is that it will change the classification, measurement and disclosures of the Authority's financial assets. No material financial impact on the Authority's financial statements is expected.

- **AASB 15 Revenue from Contracts with Customers (application date 1 Jan 2019 for Not-for-Profit Entities);**
AASB 15 is the new standard for revenue recognition. It establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 111 Construction Contracts and AASB 118 Revenue. The Authority is currently assessing the impact of this standard and has identified there could be a potential impact on the timing of the recognition of revenue for user charges. At this stage the Authority is not able to estimate the impact of this new standard on its financial statements. The Authority will make a more detailed assessment of the impact over the next 12 months.

AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB for Not-for-Profit Entities defers the effective date of AASB 15 for not-for-profit entities to 1 January 2019.

- **AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)** [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (application date 1 Jan 2018)

This standard makes consequential amendments to a number of standards and interpretations as a result of the issuing of AASB 9 in December 2010. No material financial impact on the Authority's financial statements is expected.

- **AASB 2014-1 Amendments to Australian Accounting Standards – Part E Financial Instruments** [AASB 1, 3, 4, 5, 7, 9 (December 2009), 9 (December 2010), 101, 102, 108, 112, 118, 120, 121, 132, 136, 137, 139, Interpretation 2, 5, 10, 12, 16, 19, and 107] (application date 1 January 2018)

Part E of this standard defers the application of AASB 9 to 1 January 2018. No material financial impact on the Authority's financial statements is expected.

- **AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107** (application date 1 January 2017)

This standard amends AASB 107 Statement of Cash Flows to require agencies preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This standard relates to disclosure only and there is no material financial impact on the Authority's financial statements.

ACT PUBLIC CEMETERIES AUTHORITY
Forms Part of Note 2 of the Financial Statements
For the Year Ended 30 June 2017

**APPENDIX C – IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO
BE APPLIED (CONTINUED)**

ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED (CONTINUED)

- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 (application date 1 January 2018);

This standard clarifies the existing requirements of AASB 15. The Authority is not able to estimate the impact on its financial statements. The Authority will make a more detailed assessment of the impact over the next 12 months.

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities [AASB 36] (application date 1 January 2017)

Under this standard, not-for-profit public sector entities holding non-cash generating assets at fair value in accordance with AASB 13 *Fair Value Measurement* no longer have to consider AASB 136 *Impairment of Assets*.

The Authority expects no significant impact on current valuation practice as the current replacement cost of such assets under AASB 13 and their depreciated replacement cost under AASB 136 are, in effect, interchangeable.

- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (application date 1 January 2017, which was the original mandatory effective date of AASB 15);

This standard amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by these entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018. At this stage the Authority is not able to estimate the impact of AASB 15 on its financial statements. The Authority will make a more detailed assessment of the impact over the next 12 months.

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities [AASB 9 & 15] (application date 1 January 2019)

This standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those standards to particular transactions and other events. The amendments to AASB 9 address the initial measurement and recognition of non-contractual receivables arising from statutory requirements (including taxes, rates and fines). The amendments to AASB 15 address the following aspects of accounting for contracts with customers: identifying a contract with a customer; identifying performance obligations; and allocating the transaction price to performance obligations.

The Authority will assess the impact of this implementation guidance on its financial statements over the next 12 months.

INDEPENDENT AUDIT REPORT**GUNGAHLIN CEMETERY, HALL CEMETERY, WODEN CEMETERY AND WODEN
MAUSOLEUM PERPETUAL CARE TRUSTS****To the Members of the ACT Legislative Assembly****Audit opinion**

I am providing an unqualified audit opinion on the special purpose financial statements of the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) for the year ended 30 June 2017. The financial statements comprise operating statements, balance sheets, statements of changes in equity, cash flow statements for the Trusts and accompanying notes.

In my opinion, the financial statements:

- (i) are presented in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 of the financial statements; and
- (ii) present fairly the financial position of the Trusts and results of their operations and cash flows.

Emphasis of matter

Without modifying the audit opinion, I draw attention to Note 1 of the financial statements which describes the basis of preparation. The special purpose financial statements for the Trusts have been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, these financial statements may not be suitable for another purpose.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for:

- preparing and fairly presenting the financial statements in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Trusts to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

I am responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Trusts.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Governing Board; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

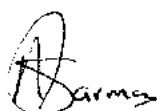
(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- prudence of decisions made by the Governing Board;
- adequacy of controls implemented by the Governing Board; or
- integrity of audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Ajay Sharma
Acting Director, Financial Audits
21 August 2017

**GUNGAHLIN CEMETERY, HALL CEMETERY,
WODEN CEMETERY AND WODEN
MAUSOLEUM**

PERPETUAL CARE TRUSTS

**Special Purpose
Financial Statements**

**FOR THE YEAR
ENDED 30 JUNE 2017**

PERPETUAL CARE TRUSTS
OPERATING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

		Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
Note		2017	2016	2017	2016	2017	2016	2017	2016
No.		\$	\$	\$	\$	\$	\$	\$	\$
	Income								
	Interest	2,598	3,022	320	1,690	6,379	9,536	5,483	7,700
	Dividend Income	60,988	27,145	12,360	3,696	221,767	84,404	26,693	12,464
	Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	1,122,235	878,392	20,970	44,926	773,253	687,438	173,654	327,689
1g)	Gain on Investments	36,391	926	7,329	955	131,601	52,766	15,833	-
	Total Income	1,222,212	909,485	40,979	51,267	1,133,000	834,144	221,663	347,853
	Expenses								
	Reimbursement of Maintenance and Related Expenditure incurred by the ACT Public Cemeteries Authority	908,283	718,485	4,613	8,206	499,684	433,320	35,983	70,608
1g)	Bank Charges	3,544	1,567	725	269	12,633	5,082	1,899	979
	Loss on Investments	-	-	-	-	-	-	-	7,537
	Total Expenses	911,827	720,052	5,338	8,475	512,317	438,402	37,882	79,124
	Operating Surplus	310,385	189,433	35,641	42,792	620,683	395,742	183,781	268,729
	Total Comprehensive Income	310,385	189,433	35,641	42,792	620,683	395,742	183,781	268,729

The above Operating Statements should be read in conjunction with the accompanying notes.

PERPETUAL CARE TRUSTS
BALANCE SHEETS
AT 30 JUNE 2017

	Note No.	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
		2017	2016	2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Cash and Cash Equivalents	2	124,669	299,627	49,034	14,123	537,746	331,328	414,791	274,290
Receivables - ACT Public Cemeteries Authority		35,811	-	184	12,782	64,905	-	25,634	14,187
Total Current Assets		160,480	299,627	49,218	26,905	602,651	331,328	440,425	288,477
Non-Current Assets									
Investments	3	1,325,729	1,054,338	249,388	236,060	4,513,697	4,190,098	540,009	508,176
Total Non-Current Assets		1,325,729	1,054,338	249,388	236,060	4,513,697	4,190,098	540,009	508,176
Total Assets		1,486,209	1,353,965	298,606	262,965	5,116,348	4,521,426	980,434	796,653
LIABILITIES									
Current Liabilities									
Payable - ACT Public Cemeteries Authority		-	178,141	-	-	-	25,761	-	-
Total Current Liabilities		-	178,141	-	-	-	25,761	-	-
Total Liabilities		-	178,141	-	-	-	25,761	-	-
Net Assets		1,486,209	1,175,824	298,606	262,965	5,116,348	4,495,665	980,434	796,653
EQUITY									
Reserves for Maintenance and Related Expenditure		1,486,209	1,175,824	298,606	262,965	5,116,348	4,495,665	980,434	796,653
Total Equity		1,486,209	1,175,824	298,606	262,965	5,116,348	4,495,665	980,434	796,653

The above Balance Sheets should be read in conjunction with the accompanying notes.

PERPETUAL CARE TRUSTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus/ (Deficit)	Maintenance Reserve	Total	Accumulated Surplus/ (Deficit)	Maintenance Reserve	Total	Accumulated Surplus/ (Deficit)	Maintenance Reserve	Total	Accumulated Surplus/ (Deficit)	Maintenance Reserve	Total
2017												
Balance at 1 July 2016	-	1,175,824	1,175,824	-	262,965	262,965	-	4,495,665	4,495,665	-	796,653	796,653
Comprehensive Income												
Operating Surplus	310,385	-	310,385	35,641	-	35,641	620,683	-	620,683	183,781	-	183,781
Total Comprehensive Income	310,385	-	310,385	35,641	-	35,641	620,683	-	620,683	183,781	-	183,781
Transfer to the Maintenance Reserves	(310,385)	310,385	-	(35,641)	35,641	-	(620,683)	620,683	-	(183,781)	183,781	-
Balance at 30 June 2017	-	1,486,209	1,486,209	-	298,606	298,606	-	5,116,348	5,116,348	-	980,434	980,434

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus	Maintenance Reserve	Total	Accumulated Surplus	Maintenance Reserve	Total	Accumulated Surplus	Maintenance Reserve	Total	Accumulated Surplus	Maintenance Reserve	Total
2016												
Balance at 1 July 2015	-	986,391	986,391	-	220,173	220,173	-	4,099,923	4,099,923	-	527,924	527,924
Operating Surplus	189,433	-	189,433	42,792	-	42,792	395,742	-	395,742	268,729	-	268,729
Total Comprehensive Income	189,433	-	189,433	42,792	-	42,792	395,742	-	395,742	268,729	-	268,729
Transfer to the Maintenance Reserves	(189,433)	189,433	-	(42,792)	42,792	-	(395,742)	395,742	-	(268,729)	268,729	-
Balance at 30 June 2016	-	1,175,824	1,175,824	-	262,965	262,965	-	4,495,665	4,495,665	-	796,653	796,653

The Authority is required by Section 11 of the *Cemeteries and Crematoria Act 2003* to transfer percentages of revenue to maintenance for each cemetery and mausoleum Perpetual Care Trust Reserve. These percentages were reviewed and changed from 16.9% to 8.45% in October 2015 for Gungahlin Cemetery, 76.2% to 38.1% in October 2015 for Hall Cemetery, 33.0% to 16.5% in October 2015 for Woden Cemetery and remained the same for both 2015-16 and 2016-17 at 28.40% for Woden Mausoleum with the Minister's approval. The amount in the Maintenance Reserve is set aside for the purpose of funding maintenance requirements of the Cemetery and cannot be accessed without Ministerial approval.

All of the surplus income earned is attributed to the Perpetual Care Trust Maintenance Reserves to sustain the perpetual cost of maintenance of each cemetery and mausoleum.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

PERPETUAL CARE TRUSTS

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	Note No.	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
		2017	2016	2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities									
Receipts									
Interest Received		2,598	3,022	320	1,690	6,379	9,536	5,483	7,700
Funding received from the ACT Public Cemeteries Authority		896,168	965,858	35,513	99,286	721,690	2,648,042	157,019	327,689
Total Receipts from Operating Activities		898,766	968,880	35,833	100,976	728,069	2,657,578	162,502	335,389
Payments									
Bank Charges		3,544	1,567	726	268	12,633	5,082	1,899	979
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure		896,168	741,212	6,557	6,446	538,785	362,840	30,795	512,663
Total Payments from Operating Activities		899,712	742,779	7,283	6,714	551,418	367,922	32,694	513,642
Net Cash (Outflows)/Inflows from Operating Activities	4	(946)	226,101	28,550	94,262	176,651	2,289,656	129,808	(178,253)
Cash Flows from Investing Activities									
Receipts									
Sale Proceeds from Investments		-	60,000	-	-	-	-	-	440,000
Dividends Received		60,988	27,145	12,360	3,696	221,767	84,404	26,694	12,465
Total Receipts from Investing Activities		60,988	87,145	12,360	3,696	221,767	84,404	26,694	452,465
Payments									
Payments for Investments		235,000	141,000	5,999	103,000	192,000	2,220,000	16,001	274,000
Total Payments from Investing Activities		235,000	141,000	5,999	103,000	192,000	2,220,000	16,001	274,000
Net Cash (Outflows)/Inflows from Investing Activities		(174,012)	(53,855)	6,361	(99,304)	29,767	(2,135,596)	10,693	178,465
Net (Decrease)/Increase in Cash and Cash Equivalents		(174,958)	172,246	34,911	(5,042)	206,418	154,060	140,501	212
Cash and Cash Equivalents at the Beginning of the Year		299,627	127,381	14,123	19,165	331,328	177,268	274,290	274,078
Cash and Cash Equivalents at the End of the Year	2	124,669	299,627	49,034	14,123	537,746	331,328	414,791	274,290

The above Cash Flow Statements should be read in conjunction with the accompanying notes

PERPETUAL CARE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies

The note provides a list of all significant accounting policies adopted in preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

These financial statements are special purpose financial statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the PCTs) are not reporting entities. These financial statements are not consolidated financial statements as each PCT reports separately and funds are only used for the applicable PCT.

The financial statements have been prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

b) Cash and Cash Equivalents

Cash includes cash at bank, cash on hand and demand deposits. Perpetual Care Trust money held in the Public Trustee and Guardian Fund are classified as cash equivalents.

Cash equivalents are short-term, high liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Receivables

Receivables are initially recognised at fair value and are subsequently measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are receivable from the Authority under the *Cemeteries and Crematoria Act 2003*.

d) Payables

Payables are a financial liability and initially recognised at fair value based on the transaction cost and subsequent to initial recognition of amortised costs, with any adjustments to the carrying amount being recorded in the Operating Statement. All payables are amounts owing to the ACT Public Cemeteries Authority for the reimbursement of maintenance and related expenditures.

e) Investments

Short-term and long-term investments are held with the Public Trustee and Guardian in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statements. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

PERPETUAL CARE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (Continued)

f) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statements. All revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trusts and the revenue can be reliably measured.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive payment is established.

PERPETUAL CARE TRUSTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (Continued)

g) Perpetual Trust Arrangements

Perpetual Care Trusts have been established for the Gungahlin, Hall, Woden Cemeteries and Woden Mausoleum in accordance with Section 9 of the *Cemeteries and Crematoria Act 2003*. The Perpetual Care Trusts were established for the long-term and short-term maintenance of the Cemeteries and Mausoleum. The Public Trustee and Guardian is the trustee of the Perpetual Care Trusts, however, the Authority is responsible for its management.

The Authority is required to provide to each Trust a percentage of the revenue from each burial, interment of ashes or memorialisation at each cemetery and mausoleum (the Perpetual Care Trust Percentage) in accordance with the Minister's determination. The Authority is also required to provide to each Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage). The percentages are required to be reviewed at least once every five years.

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister are as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
Perpetual Care Trust Percentage	44.9%	44.9%	11.3%	11.3%	33.8%	33.8%	7.8%	7.8%
		16.9% from July 2014 to September 2015 and 8.45% from October 2015 to June 2016		76.2% from July 2014 to September 2015 and 38.1% from October 2015 to June 2016		33.0% from July 2014 to September 2015 and 16.50% from October 2015 to June 2016		
Perpetual Care Trust Reserve Percentage	8.45%	8.45%	38.1%	38.1%	16.5%	16.5%	28.4%	28.4%
	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
Sale of Burial Revenue as per the Cemeteries Authority	\$ 2,103,537	\$ 1,600,189	\$ 42,450	\$ 71,652	\$ 1,537,283	\$ 1,282,008	\$ 479,707	\$ 908,218
Breakdown of funding received by Trust from the Authority								
Perpetual Care Trust Contribution Income	944,487	718,485	4,797	8,206	519,601	433,318	37,417	70,607
Perpetual Care Trust Contribution Reserve Income	177,748	159,907	16,173	36,720	253,652	254,120	136,237	257,082
Total Funding Received	1,122,235	878,392	20,970	44,926	773,253	687,438	173,654	327,689

PERPETUAL CARE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Summary of Significant Accounting Policies (Continued)

g) Perpetual Trust Arrangements (Continued)

The Authority is also required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Perpetual Care Trust percentages are determined, except in general terms. The Perpetual Care Trust percentages determined by the Minister, and used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the cemetery and mausoleum maintenance. The expenditure has been allocated to each Trust on a basis of burial revenue earned by the Authority for the cemeteries or mausoleum. If in any year, the maintenance costs exceed the Perpetual Care Trust (PCT) contribution for each Trust, reimbursements to the Authority are capped to the Perpetual Care Trust contribution amount for each Trust.

The amount of maintenance expenditure for each of the Perpetual Care Trusts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Direct Maintenance Costs ^a	638,720	471,681	3,244	5,386	351,386	284,471	25,304	46,354
Indirect Maintenance Costs ^b	269,563	246,804	1,369	2,820	148,298	148,849	10,679	24,254
Total Maintenance Costs ^c	908,283	718,485	4,613	8,206	499,684	433,320	35,983	70,608

- a. Direct maintenance costs include overheads for maintenance which are paid by the Authority and allocated to each Perpetual Care Trust (PCT).
- b. Indirect maintenance is based on a portion of total indirect administrative costs which are paid by the Authority and allocated to each Perpetual Care Trust (PCT).
- c. The total maintenance costs are capped based on a PCT percentage of burial revenue received by the Authority therefore increases or decreases in the Authorities burial revenue impacts the total Perpetual Care Trust maintenance costs.

PERPETUAL CARE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Cash and Cash Equivalents

Two fund accounts are held with the Public Trustee and Guardian for each Perpetual Care Trust. These accounts are for the Perpetual Care Trust and the Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Perpetual Care Trust	20,949	20,187	39	37	2,614	1,037	245,422	241,550
Perpetual Care Trust Reserve ^a	103,720	279,440	48,995	14,086	535,132	330,291	169,369	32,740
Total Cash and Cash Equivalents	124,669	299,627	49,034	14,123	537,746	331,328	414,791	274,290

- a. The Perpetual Care Trust Reserve is cash reserves to be drawn on by the Cemeteries for maintenance and related expenditure once all funds of the Perpetual Care Trust are depleted and the Authority is no longer able to fund this activity. The Reserves for Hall, Woden and the Woden Mausoleum increased due to contributions received from the Authority and dividends received, offset by purchases of investments and lower interest rates. The decrease in Gungahlin is due to the purchase of investments.

3. Investments

The purpose of the investments in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Funds has been measured at fair value.

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Non-Current Investments								
Growth Investment Fund ^a	1,325,729	1,054,338	249,388	236,060	4,513,697	4,190,098	540,009	508,176
Total Non-Current Investments	1,325,729	1,054,338	249,388	236,060	4,513,697	4,190,098	540,009	508,176

- a. Funds from the Perpetual Care Trust Reserve cash accounts were used to purchase units in the Growth Investment Funds.

PERPETUAL CARE TRUSTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

4. Cash Flow Reconciliation

Reconciliation of the operating surplus to the net cash (outflow)/inflow from operating activities:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Operating Surplus	310,385	189,433	35,641	42,792	620,683	395,742	183,781	268,729
Add/(Less) Items Classified as Investing or Financing								
(Gain)/Loss on Investments	(36,391)	(925)	(7,329)	(955)	(131,601)	(52,766)	(15,833)	7,538
Dividend (Income)	(60,988)	(27,145)	(12,360)	(3,696)	(221,767)	(84,404)	(26,693)	(12,464)
Cash Before Changes in Operating Assets and Liabilities	213,006	161,363	15,952	38,141	267,315	258,572	141,255	263,803
Decrease/(Increase) in Receivables	(35,811)	-	12,598	56,121	(64,904)	2,005,323	(11,447)	(14,187)
(Decrease)/Increase in Payables	(178,141)	64,738	-	-	(25,760)	25,761	-	(427,869)
Net Changes in Operating Assets and Liabilities	(213,952)	64,738	12,598	56,121	(90,664)	2,031,084	(11,447)	(442,056)
Net Cash (Outflows)/Inflows from Operating Activities	(946)	226,101	28,550	94,262	176,651	2,289,656	129,808	(178,253)

PERPETUAL CARE TRUSTS
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. the financial statements and notes are in agreement with accounts and records of each Trust and present fairly the financial position and performance of each Perpetual Care Trust as at 30 June 2017, in accordance with accounting policies described in Note 1 to the financial statements.



Hamish Horne
Chief Executive Officer
ACT Public Cemeteries Authority
18 August 2017

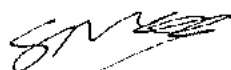
PERPETUAL CARE TRUSTS
SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. the financial statements and notes present fairly the financial position and performance of each Perpetual Care Trust as at 30 June 2017, in accordance with accounting policies described in Note 1 to the financial statements.

On behalf of the Board



Stephen Bartos
Chair
ACT Public Cemeteries Authority
18 August 2017

C3 - CAPITAL WORKS

The Authority is a self-funding statutory body and the majority of capital works are carried out by the Authority and funded in-house. All procurement activity with a value of over \$5,000 is approved by the Board.

During the year, the Authority invested \$0.133 million (including staff costs) in its capital expenditure program and performed significant planning and preparation for works to be carried out in 2017-18. Most of this expenditure went towards the design for the Extension of Woden Cemetery.

The Authority worked closely with Shared Services Procurement and TCCS to deliver its projects.

No major projects were completed during the year. The Site Water Management Improvements Stage 2 project for Gungahlin Cemetery was cancelled due to revised costs being too high to justify the expenditure.

TABLE 11: NEW WORKS STILL IN PROGRESS

Description	Original value \$000	Expenditure at 30 June 2017 \$000	Estimated completion date	Revised completion date
Woden Cemetery extension	500	36	November 17	TBA

C4 - ASSET MANAGEMENT

The Authority manages assets at Gungahlin, Woden and Hall cemeteries. All assets were re-valued in June 2017 against the 'Fair Value' model in accordance with the requirements of the Australian Accounting Standard AASB 116 Plant Property and Equipment and the Australian Accounting Standard AASB 140 Investment Property. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Assets were also valued at replacement cost.

The Authority managed land assets with a total replacement value of \$7.3 million as at 30 June 2017. It also maintains a number of owned and gifted assets including critical assets such as roads.

TABLE 12: MAJOR ASSETS HELD IN THE CEMETERIES ASSETS INVENTORY AS AT 30 JUNE 2016

Asset group	Measure
Buildings	7
Burial grounds/cemeteries	3
Total land	56 ha
Parks and manicured landscapes including burial areas	43 ha
Undeveloped land	13 ha
Fences	7 km
Information technology	\$200,000
Mausoleum (576 crypts and 96 collumbaria)	1
Buildings/Plant/Equipment/Vehicles	\$1.66 million
Roads and paving	4.3 km
Walls of remembrance	2 locations

No major assets were added or removed from the Authority's asset register in 2016-17.

ASSET STRATEGY

The cemeteries managed by the Authority contain significant landscaping, cemetery specific structures, and various buildings including two residential cottages and office accommodation. Other assets include plant and equipment, information technology, and business processes that enable the day-to-day operation of the cemeteries.

It is our policy to maintain the landscape to a standard which meets the expectations of exclusive right holders and visitors and assets will be maintained in a manner that is consistent with their purpose and age.

The Authority uses several strategies to achieve defined targets for asset management, including improving sustainability through energy efficiency measures in landscape management and office buildings.

Management of Canberra Cemeteries' assets is guided by a Strategic Asset Management Plan (SAMP), which was completed in June 2013 and has been updated annually.

The SAMP is a reference document for the financial and operational asset management of all asset groups owned and managed by the Authority. The SAMP includes asset data and its financial aspects at 30 June 2017. The triennial plan is reviewed in accordance with the Directorate's Strategic Asset Management Framework on an annual basis to assess strategic directions and progress against planned activities; however, the data underpinning the plan is only reviewed in detail every three years.

The SAMP details the current and expected levels of service for the delivery of maintenance services and capital works programs. The expected levels of services are determined by careful and thorough analysis of community surveys, public feedback, complaints data and the budget available to the Authority. These are governing factors for defining the targeted level of services Canberra Cemeteries plans to provide to the community for the next five to ten years.

The SAMP outlines the population trends in the ACT to determine the future demand for assets for a period of 10 years. The population trends are provided by the ACT Government Demographer in the Chief Minister, Treasury and Economic Development Directorate and Australian Bureau of Statistics and reflect the latest census data published by Australian Bureau of Statistics.

This SAMP also reports on a detailed lifecycle management of all critical asset groups and the budget required to maintain these assets at operational levels that meet relevant Australian national standards. The lifecycle management process adopted in this report optimises the budgetary requirements of an asset against its use and performance throughout its design life. The process also assists in long-term maintenance planning for critical assets with clear and concise recommendations and advice on regular maintenance frequencies to avoid major maintenance upgrades and additional funding requests.

Risk is defined as the likelihood of any event that can impair or stop the desired operations or performance of an asset. To profile all the risks related to asset management processes, we have developed a risk register to identify, mitigate and manage the risks that are likely to occur in the day-to-day operations of Canberra Cemeteries. The register includes corporate, strategic, operational and asset management risks. ACT Insurance Authority has developed a new risk register template, which has the additional requirement to provide information on the risk ownership and person responsible to manage the risk.

The SAMP includes a detailed improvement plan for all Authority business assets. It discusses the current business processes, contracting procedures, information technology systems, financial management systems and methods for valuation of assets. The improvement plan has been developed in consultation with senior managers and contains the suggestions, recommendations, improvement activities, required resources and budget to achieve the business improvement target the Authority has laid down for the next five years.

ASSETS MAINTENANCE AND UPGRADE

The Authority's target is to maintain all fixed assets to a 'Good' level, the standard required to deliver appropriate services. Revenue generated from cemetery operations should meet all operating and maintenance expenses (including contributions to PCT funds). This is achieved by charging appropriate fees.

Maintenance is carried out on an as needs basis with major work being done within budgetary constraints. Preventative maintenance programs are in place to ensure that ongoing maintenance costs are minimised and service delivery maximised.

During 2016-17, no major assets upgrades or expenditure took place and \$7,999 was invested in repairs and maintenance of buildings.

Audits are conducted on an ongoing basis. Building Code of Australia compliance audits for all building and valuations on an 'all of cemetery' basis are carried out every five years to ensure all properties are maintained to the appropriate standard.

The Authority employed six full-time equivalent (FTE) office based staff in one location at Gungahlin Cemetery occupying 240 square metres, which includes meeting rooms and reception areas for customers, file and computer room, conference/training room and staff amenities. Excluding meeting rooms and customer service areas, the average area occupied by each employee is 12 square metres.

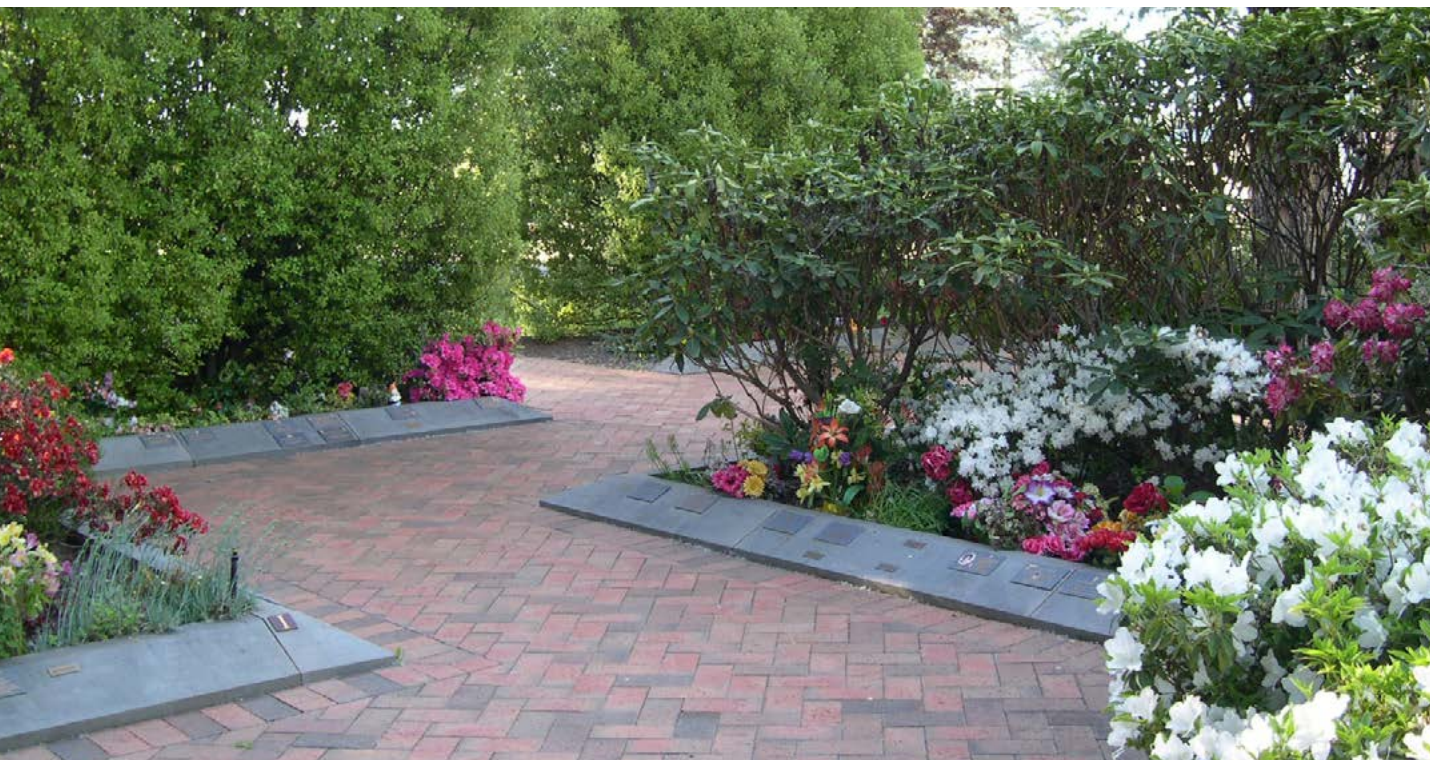
A further nine FTE staff are employed in non-office environments. Three staff are normally based at the Woden Cemetery and six at the Gungahlin Cemetery.

The Authority is working with other ACT Government directorates to deal with asbestos issues and all outdoor staff attended Asbestos Awareness training in 2014-15.

C5 - GOVERNMENT CONTRACTING

The Authority maintains a preferred supplier register and uses a number of small contractors for specialist services that in-house staff cannot provide. A full breakdown of expenditure is available in the financial statements.

All procurement conformed to the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and guidelines for partnering with Shared Services Procurement.



C6 - STATEMENT OF PERFORMANCE

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Authority's records and fairly reflects the service performance of the Authority for the year ended 30 June 2017 and also fairly reflects the judgements exercised in preparing it.



Stephen Bartos
Chair

13 September 2017

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

NON-FINANCIAL ACCOUNTABILITY INDICATORS

Statement of Intent Accountability Indicators	Original Target 2016-17	Actual Result 2016-17	% Variance from Original Target	Explanation of Material Variances >= 5%
a) Number of clients choosing to do business with Canberra Cemeteries, proportional to the number of deaths annually (ACT)	35%	33%	(6%)	1
b) Level of client and stakeholder satisfaction with Canberra Cemeteries	95%	90%	(5%)	2
c) Level of unsatisfied clients and stakeholders matters resolved by Canberra Cemeteries' operations	100%	100%	-	
d) Average number of years of supply of interment spaces for major denominational groups	4	9	125%	3

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

Explanation of Accountability Indicators

- a) Death statistics are sourced and extrapolated from the Australian Bureau of Statistics (3101.0 Australian Demographic Statistics, December 2016- released June 2017). The annual number of deaths is calculated using the number average of deaths in the previous three years. The number of clients choosing to do business with Canberra Cemeteries is actual numbers of burials for the year ending 30 June 2017. Please see Attachment 1 for more detail and breakdown of burial statistics.
- b) Level of client satisfaction is obtained by conducting a survey of funeral directors who regularly access Canberra Cemeteries, supported by a post burial satisfaction survey provided to all willing clients.

The survey to funeral directors asks them to provide an overall assessment of Canberra Cemeteries' performance as a percentage. An average score is calculated from the responses. All local funeral directors provided a response.

The post burial survey is sent to families following each burial as part of a pack of other documents, on an opt-out basis. When completing an Application for Burial, the applicant is asked tick the box if they "do not wish to receive a post service survey". Surveys are not sent to those who do not wish to take part. Surveys comprise five questions covering customer service, burial arrangements and cemetery presentation in a five tier rating format. Only "top two" (good and excellent) responses count towards "satisfaction". An average score is calculated from the responses. 32 responses were received from approximately 400 surveys sent out.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

Explanation of Accountability Indicators Continued

A relatively low response rate is normal due the very difficult emotional circumstances for families. The response rate in 2016-17 was double that of the previous year. In 2016-17 an average of 84% of responses were good or excellent. While this is not necessarily statistically valid due to low response rate, it supports the funeral directors' assessments.

It should be noted that, on its own, while the survey provides guidance on performance in broad terms it is not necessarily used as a planning tool but more to identify any specific areas of poor performance that may need remedial action. Combined with the Funeral Director's survey, a good result does help to provide the Board with surety that customers' needs are being met.

Further value to the interpretation of the results is provided by the Transport Canberra and City Services Directorate (annual) Community Survey 2017 which has a question on the "maintenance of grounds at cemeteries". This survey tests importance and satisfaction. For the 2017 survey, cemeteries maintenance was rated at 4.61 on the scale of 1 (not important) to 5 (very important) and satisfaction achieved a score of 94%. This satisfaction score was consistent with other survey results described above.

- c) Details are extracted from a computerised customer service system on matters rated by clients and other stakeholders which are used to manage and track the progress of action taken to remedy issues. This includes follow up with complainants where required.
- d) New measure for 2016-17. It is calculated using inventory data compared to the expected number of burials per denomination. The Authority's Board believes that the target number of years (4) provides adequate time for planning and installation of new areas as required. Falling below this target level increases the risk that there will be insufficient spaces in the future.

Variance Explanations

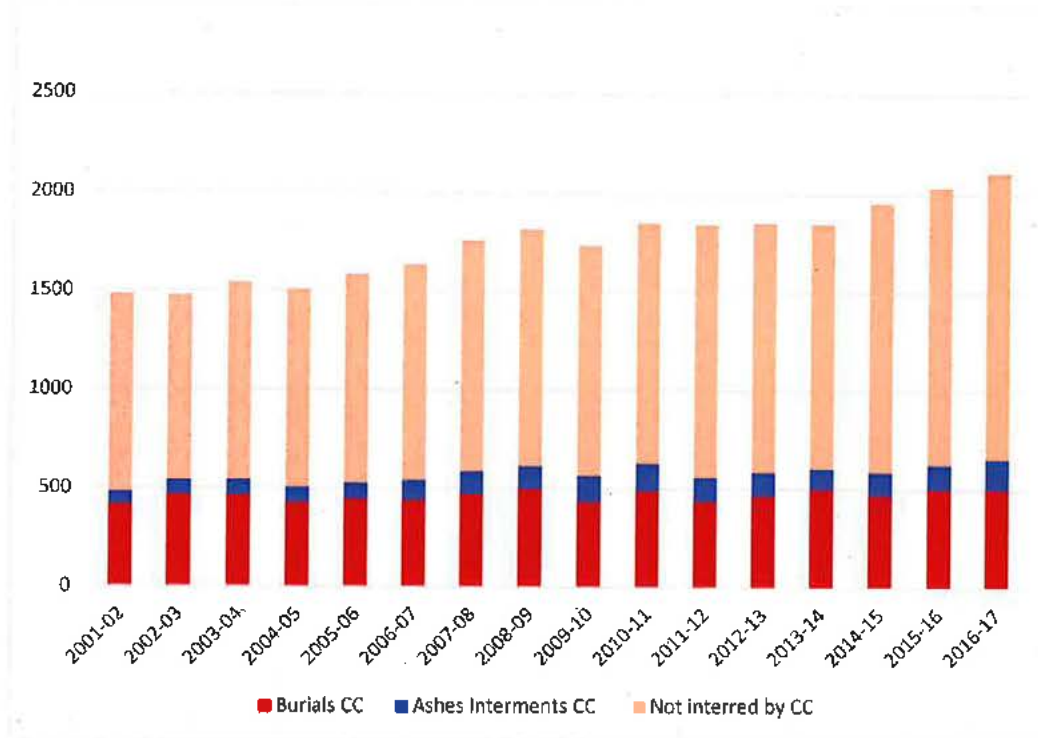
- 1. The number clients choosing Canberra Cemeteries for interment services in 2016-17 was the highest on record at 650. However, the increase in the extrapolated number of deaths exceeded the estimate causing the percentage to be lower than the 2016-17 target.
- 2. Below average responses for Woden Cemetery in the post burial survey lowered the average result to 90%. Results from funeral directors were consistently high with the average over 96%.
- 3. Overall the Authority has sufficient spaces to meet community needs with graves developed for approximately nine years across Gungahlin and Woden cemeteries combined. The large number of years of supply of interment spaces is due to the recent installation of a new burial area at Gungahlin Cemetery and will reduce over time. Woden Cemetery on its own has only approximately two years of space available for its major denominations, Catholic and Anglican. This means that that, based on current available burial areas, the majority burials will take place at Gungahlin after the next two years.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

ATTACHMENT 1: Additional Burial Statistics

The following data and commentary is based on statistics collected by Canberra Cemeteries (CC) of its interments. In some cases, this relates to data made available by the Australian Bureau of Statistics (ABS) for the ACT.

GRAPH 1 BREAKDOWN OF ACT DEATHS AND CC INTERMENT



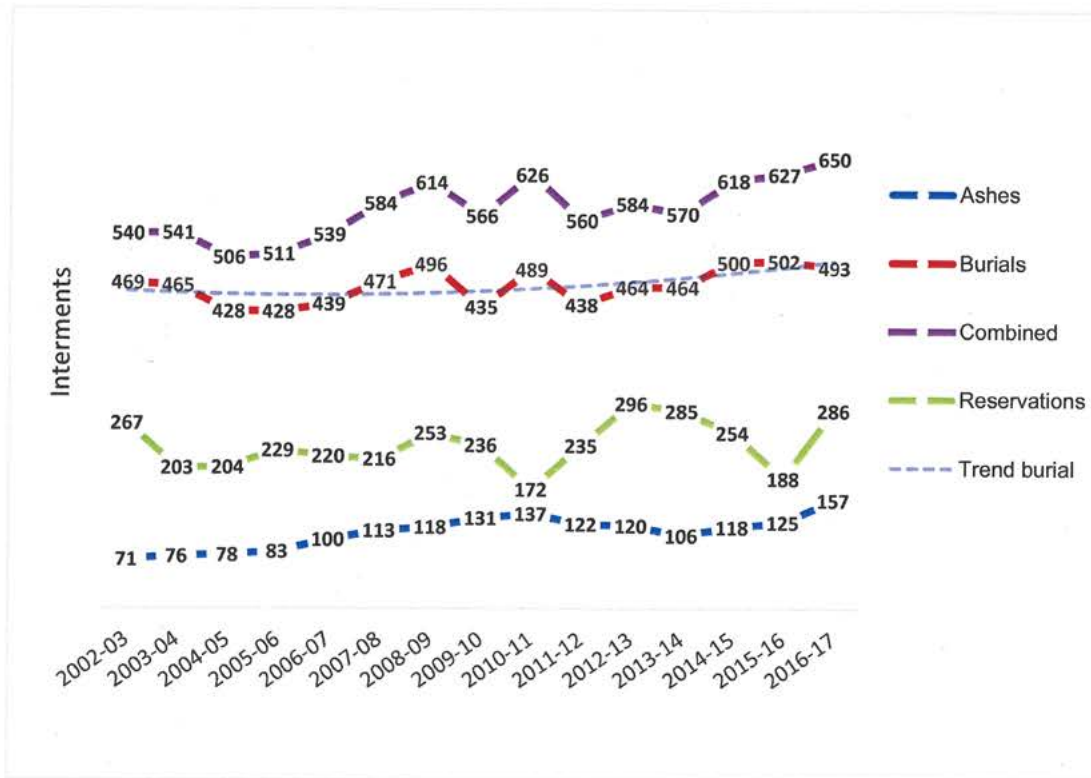
The graph shows a steady increase (over 16 years) in the number of cremation interment services provided by Canberra Cemeteries. This increase (55%) exceeds the increased number of deaths (37%) for the period. Burials on the other hand have increased by a relatively small amount (5%) compared to the number of deaths. The percentage of deaths cremated in the ACT can be assumed as the number of deaths less the number of burials. Over the last 15 years, there has been an average fall of about one half of one percent per annum (0.5% PA) in the number of burials compared to the number of deaths¹ in the ACT. Based on data from other jurisdictions this trend is consistent with the current industry trend towards cremation.

¹ Full year 2016-17 extrapolated from ABS pub. 3101.0 Australian Demographic Statistics, December Quarter 2016 – released June 2017

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

ATTACHMENT 1: Additional Burial Statistics - Continued

GRAPH 2 COMPARISON OF INTERMENTS AND RESERVATIONS OVER TIME

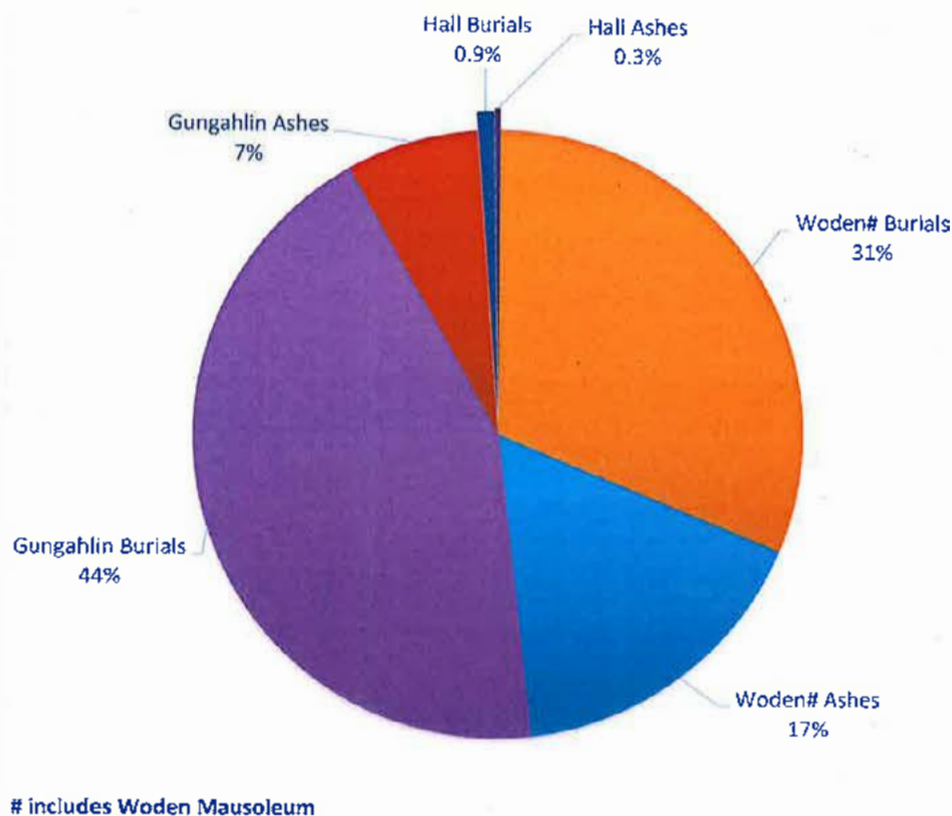


Over the last decade there has been considerable variation (as much as 10% from one year to the next) in the total number of interments conducted by the Authority. The last five years have seen burial numbers vary considerably while ashes interment has seen a steady, if slow increase. The most noticeable variation, is however, in the purchase of reservations (pre-need) which has seen a significant fall in recent years. The return to former high reservation sales was partly due to a one-off sale of a large number of allotments during 2016-17.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2017**

ATTACHMENT 1: Additional Burial Statistics - Continued

GRAPH 3 INTERMENT DISTRIBUTION 2016-17



The choices the community makes in the location, type and style of interment are very important for the Authority in short and medium-term planning and will have an impact on the options that may be offered, not only in current cemeteries but also in the new Southern Memorial Park, when built.

While Gungahlin Cemetery and Woden Cemetery have similar total numbers of interment, Gungahlin has the majority of burials and Woden the majority of ashes.

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