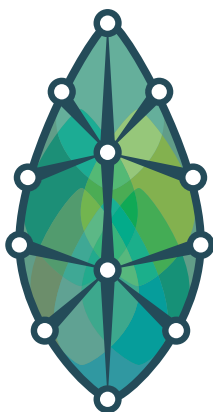




Bendigo Cemeteries Trust

2013-14 ANNUAL REPORT



REMEMBRANCE PARKS
CENTRAL VICTORIA

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FROM THE CHAIR

Hon. David Davies MLC
Minister for Health
Parliament House
Melbourne

Dear Minister,

It is with great pleasure that I present to you the 2013/14 Annual Report on behalf of Remembrance Parks - Central Victoria [Bendigo Cemeteries Trust]. This year I am delighted to report that the organisation has seen tangible growth and benefits arising from its organisational transformation program commenced less than two years ago. This program has resulted in a significant turnaround in our relationship with key clients and a consequence surplus financial result for the reporting year. This result is higher than budget and represents a combination of increased market share and revenue as well as a reduction in expenditure which is a direct correlation to a greater emphasis on multi-year planning and increased management capability under the auspices of Chief Executive Officer Graham Fountain and his team.

Whilst this year has seen a positive result the Board continues to be diligent in identifying and addressing emerging challenges across all aspects of the business. As you are well aware we operate in a dynamic and changing operating environment that continues to see the impact of private sector competition and changing community attitudes, which dictate the need for the organisation to remain agile and resilient in order to address these issues. However, the Board is extremely confident that its new Strategic Plan and future focus will hold it in good stead for the future.

We continue to evolve our value proposition to the community through a broader range and accessible products and services, including the introduction in the next reporting period of increased e-commerce opportunities. The combination of these initiatives and the ongoing pursuit of innovation and striving to achieve efficiencies in the manner in which we operate will, in the Boards opinion, continue to see

the organisation grow and become more relevant to the community we serve into the future.

This cannot be achieved without the dedication and commitment of our staff and volunteers and the ongoing support of Government and the Department of Health. I acknowledge the efforts of all staff and volunteers and look forward to Government's support continuing as we progress our growth and change agenda in the next reporting period.

PAM MACDONALD
CHAIR

MBA(Tech), Grad.Dip.
Adult Ed., GAICD



CEO's REPORT



This year has seen the culmination of the initial change and growth strategies contained within the organisation's transformation program, which is directly aligned to the new RPCV Strategic Plan 2013-2016. Through these initiatives, this year has delivered extremely positive results that bode well for the short and long term sustainability of the organisation.

Whilst initially disruptive, the introduction of our new fees and charges as well as a new brand, multi-year planning framework, innovation and new service delivery model has directly contributed to a very successful year. This would not have been possible without the establishment of new collaborative and trusted relationships with our key clients across Central Victoria, a new and motivated community advisory committee, dedicated and committed staff and volunteers, all of whom are buoyed by what has been achieved through foresight and lateral thinking.

The combination of these key attributes directly contributed to the following outstanding results for this reporting period, which are further detailed throughout this report:

- Development and delivery of an organisation transformation program through the new Strategic Plan that returned budgets to surplus, regained significant market share and confidence in a highly competitive operating environment with enhanced brand recognition and capital;
- A return to a surplus result after several consecutive years of deficit results, including a end-of-year surplus 240% above the 2013/14 budgeted result, the first surplus result for three years and equating to an end of year record surplus of \$294k;
- A 92% increase in cremations above the 2012/13 total number of cremations and 37% above the 2013/14 stretch goal and budget;
- Securing increased market share in a highly competitive operating environment with a 75% increase in new clients utilising RPCV services across Central Victoria;
- Significant structural and procedural enhancements, across the governance and operational areas of the business, including the transition to an outsourced corporate services model and transition to a new cloud-based finance system, delivering a significant increase in revenue and a decrease in expenditure, including a direct reduction in staff related costs;
- Cash backing of reserves, including repayment of defined benefits superannuation liability, and an additional \$277k placed into investments.

Our service commitment and diversity in what products and services we now offer, including the new cremation pick-up service, are key tenets to the future culture, customer-oriented and commercial approach that RPCV will continue to evolve into the future.

With a number of foundations now set, the organisation looks forward to being able to demonstrate its commitment to site improvement, beautification and creating community parklands across its sites. This multi-year objective commenced during this reporting period with a number of foundation projects completed and will become more visible to the community during forthcoming periods, as a direct consequence of the development of a range of masterplans and key longer term investment decisions taken.

RPCV continue to advocate for and support broader sector-wide change that is more reflective of contemporary, efficient, effective and integrated statewide service provision. Whilst this has not yet been supported we will continue to strategically position the organisation along these lines.

In an ongoing endeavour to ensure the organisation has the core competency requirements to deliver service excellence into the future we continue to pursue a mixture of outsourcing, shared service opportunities within and outside of the sector and a more effective enterprise bargaining outcome. This process has resulted in changes to staff roles, functions and focus, and this process, including consideration of alternative service delivery models, will continue to occur reflective of the dynamic operating environment in which we operate.

The ultimate beneficiary of the changes that have been and continue to occur across the organisation is the community of Central Victoria. This has and will continue to result in more cost effective and tailored products and services that meet their individual needs into the future, including the development of community parklands and facilities.

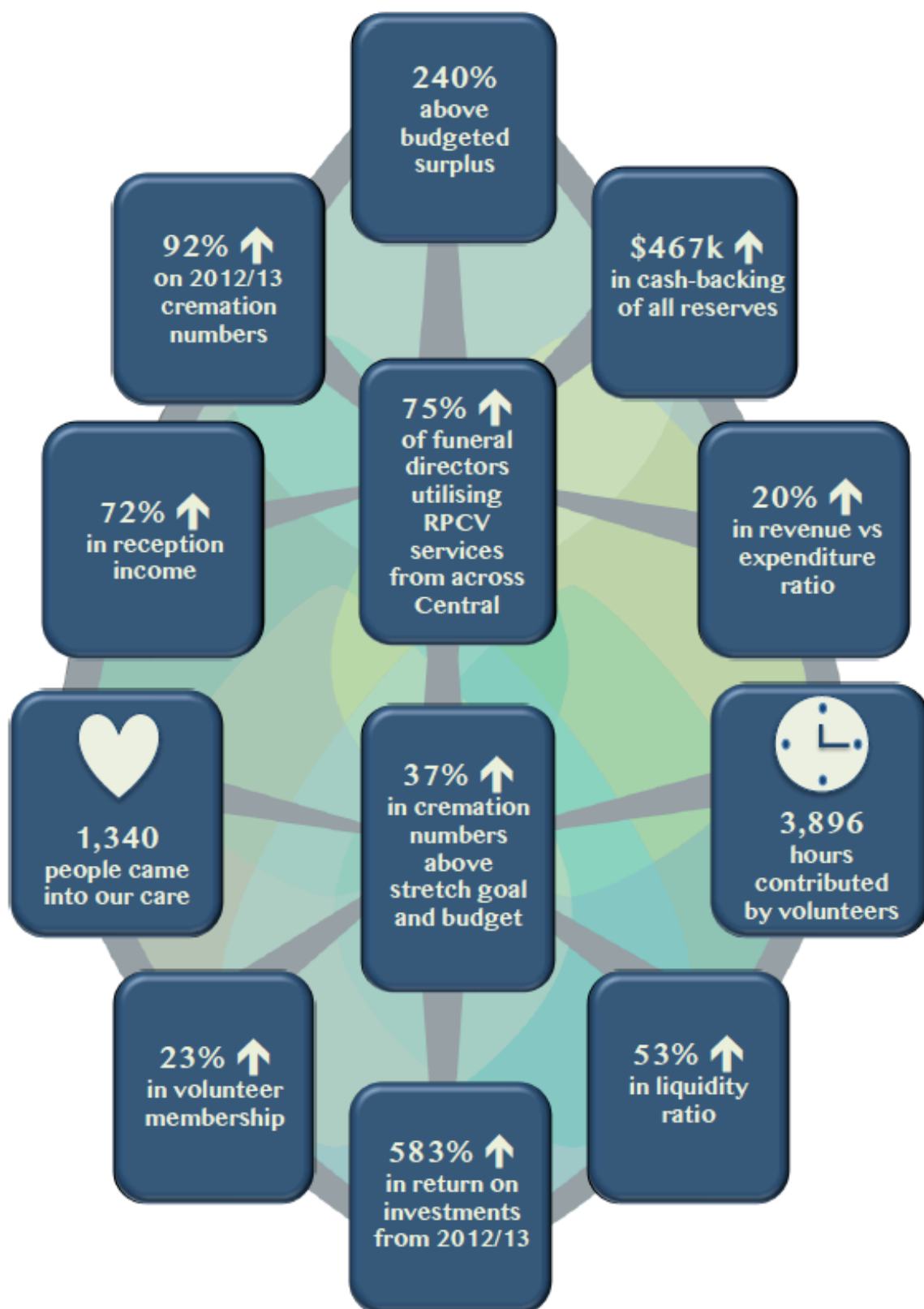
In closing I thank the Board, staff and volunteers for their ongoing support in what I fully realise is a turbulent and for some an uncomfortable change oriented organisational environment, which is necessary for the long-term interests and viability of the organisation. As is demonstrated through this year's result, growth and opportunity can be achieved when we embrace these changes, evolve a new culture and pursue common objectives within an innovative mindset.



GRAHAM FOUNTAIN
CHIEF EXECUTIVE OFFICER

Grad.Dip.Exec.L'ship, Ass.Dip.App.Science, GAICD, GFireE, MIAMA

2013/14 HIGHLIGHTS



OUR ORGANISATION

OVERVIEW

Remembrance Parks – Central Victoria (Bendigo Cemeteries Trust) is a government owned enterprise established as one of five (5) class A cemetery trusts under the provisions of the *Cemeteries and Crematoria Act 2003* (the Act). It is accountable to the Minister for Health through the Department of Health and is responsible for the direct management of six (6) sites and has a broader responsibility to provide leadership, support and assistance to class B cemetery trusts across Central Victoria.

The business provides the following services to the community:

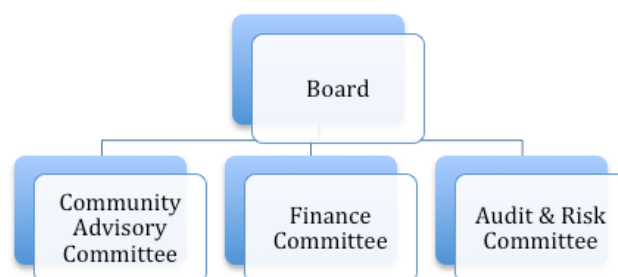
- A range of cemetery, crematoria, reception and memorialisation services to the community including an evolutionary shift to e-commerce within a new online environment
- Provision of a range of 'Memorials@home' products in line with changes in community attitude to memorialisation
- A suite of community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

GOVERNANCE

Remembrance Parks – Central Victoria is governed by a Board appointed by the Governor-in-Council upon the recommendation of the Minister of Health (s.6A of the Act). During the reporting period the Board saw the resignation of Member Christine Thompson in September 2013, yet otherwise remained the same composition for the duration of the reporting period.

To assist the Board in governing the organisation, the Board reviewed its sub-committee structure and operating arrangements during the year, which resulted in a more focussed and efficient committee structure operating across RPCV, consisting of Board representatives and in the case of the Audit & Risk Committee an independent member:

Figure 1 – Governance Structure

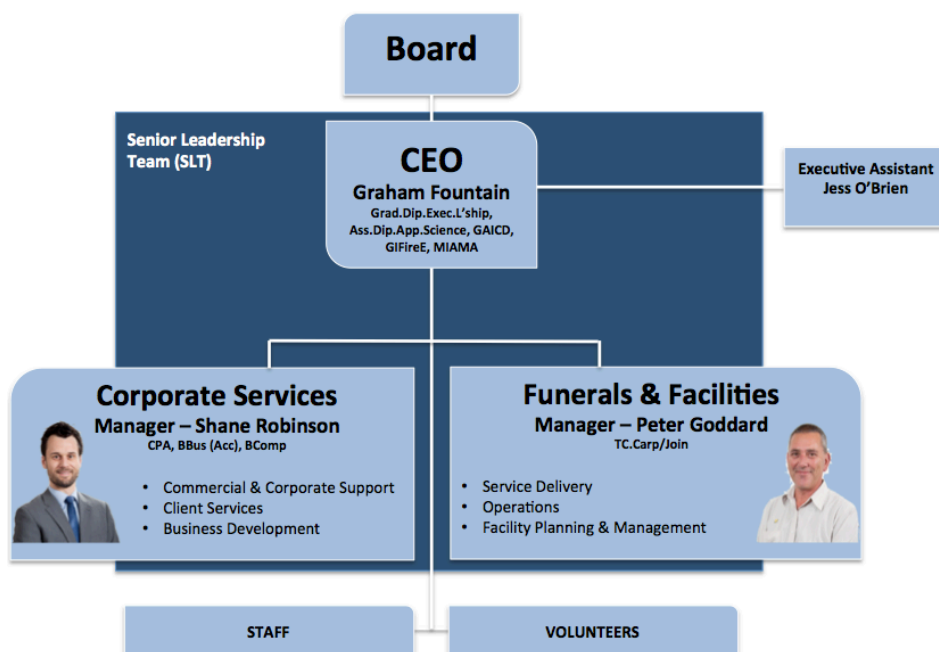


MANAGEMENT

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

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

Figure 2 – Current Organisational Structure



LOCATIONS

The following provides a profile and performance overview of the six (6) locations managed by Remembrance Parks - Central Victoria:

Figure 3 – Location of sites managed by Remembrance Parks – Central Victoria



BUSINESS PERFORMANCE

During the reporting period, RPCV performed a total of 1,340 services for the community, as outlined below:

Table 1 – Services performed during the reporting period of 1 July 2013 – 30 June 2014

Service	No.
Interments (Bodily remains)	364
Interments (Cremated remains)	139
Cremations	837
Total	1,340

Table 2 – Location Profiles (for reporting period)

	RPCV TOTAL	INDIVIDUAL SITES					
		Bendigo	Eaglehawk	White Hills	Kangaroo Flat	Axedale	Emu Creek
Established	1987	1858	1864	1853	1855	1868	1869
Area	73ha	21ha	22ha	20ha	4ha	2ha	4ha
Employees (FTE)	13	3	10	-	-	-	-
Volunteers	16	9	5	1	-	1	-
Number of Cremations	837	-	837	-	-	-	-
Interments (Bodily remains)	364	167	95	46	55	1	-
Interments (Cremated Remains)	139	47	79	6	7	-	-
Memorial Conversion	496	196	199	52	47	2	-
Chapel Usage	59	-	59	-	-	-	-
Receptions	44	-	44	-	-	-	-
Operating Revenue	2,117,273	594,836	1,194,681	147,453	172,677	7,626	-
Community Activities	Y	Y	Y	Y	Y	N	N

PRODUCT OFFERINGS

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

Table 3 – Interment Product Offerings (by site)

	Lawn Plaque	Lawn Headstone	Monumental	Vault	Natural/ Cultural	Natural Bushland
Bendigo	*		*	*		
Eaglehawk	*		*	*		
White Hills	*		*	*		
Kangaroo Flat		*	*	*		
Axedale			*	*		
Emu Creek						

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

	Individual Rose	Weeping Rose	Rock/Tree Shrub	Niche Wall	Memorial Lawn	Ornamental Lake	Family Garden	Grave	Book of Remem- brance
Bendigo	*	*	*	*	*			*	
Eaglehawk	*	*	*	*	*	*	*	*	*
White Hills	*	*	*		*			*	
Kangaroo Flat	*	*	*		*			*	
Axedale								*	
Emu Creek									

RPCV BOARD

Pam Macdonald GAICD - Chair



QUALIFICATIONS

- Graduate Diploma in Adult Education
- MBA (Technology)
- Certificate IV in Assessment and Workplace Training
- Graduate – Australian Institute of Company Directors
- Certificate in Public Sector Management

BOARD SUB-COMMITTEES

Member

- Audit & Risk Committee
- Finance Committee
(from February 2014)

Rod Fyffe OAM – Deputy Chair



QUALIFICATIONS

- Bachelor of Arts
- Bachelor of Economics
- Diploma of Education

BOARD SUB-COMMITTEES

Chair

- Finance Committee

Member

- Community Advisory Committee
- Audit & Risk Committee
(from February 2014)

Lauren Bean GAICD – Board Member



QUALIFICATIONS

- Master of Arts (Virtual Communication)
- Graduate – Australian Institute of Company Directors

BOARD SUB-COMMITTEES

Chair

- Community Advisory Committee

Ken Belfrage CA – Board Member



QUALIFICATIONS

- Chartered Accountant
- Member – Australian Institute of Company Directors

BOARD SUB-COMMITTEES

Member

- Finance Committee
- Audit & Risk Committee

Brad Ead CA – Board Member



QUALIFICATIONS

- Bachelor of Business
- Bachelor of Applied Science
- Chartered Accountant
- Member – Institute of Internal Auditors
- Member – Project Management Institute
- Registered Company Auditor

BOARD SUB-COMMITTEES

Chair

- Audit & Risk Committee

Member

- Finance Committee

Ian Grenfell – Board Member



QUALIFICATIONS

- Trade Teacher (Engineering)

Christine Thompson – Board Member until 30 September 2013

Declined Photo Opportunity

Member

- Finance Committee
(until September 2013)

BOARD PERFORMANCE

Consistent with the principles of good governance, the Board and Audit & Risk Committee undertook a Board self-assessment in May 2014 aimed at providing the Board with an appraisal of its performance and areas for improvement. An external contractor compiled the self-assessment on behalf of the Board in order to maintain a level of independence in the process.

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

Table 5 – Board Participation

Participation at scheduled meetings during the reporting period (1 July 2013 – 30 June 2014)								
	Board		Audit & Risk		Finance		Community Advisory	
	Meetings	Attended	Meetings	Attended	Meetings	Attended	Meetings	Attended
Current Board Members								
Pam Macdonald	10	8	4	4	2	2		
Rod Fyffe	10	9	2	2	3	3	4	4
Lauren Bean	10	6					4	2
Ken Belfrage	10	10	4	3	3	3		
Brad Ead	10	9	4	4	3	3		
Ian Grenfell	10	8						
Resigned Board Members <i>[Resignation effective 30 September 2013]</i>								
Christine Thompson	3	2						
Independent Member of Audit & Risk Committee								
Kate Scarce			4	4				

ANNUAL MEETING

Consistent with its legislative obligation (s.18H) and its strategic direction to take a broader regional approach to its business, the Board convened an Annual Meeting on 25 November 2013. The agenda of this meeting included the 2012/13 year in review and an overview of the 2013/14 year ahead, outlining the new Strategic Plan, Annual Plan and other pertinent projects planned by RPCV. The meeting officially concluded with an opportunity to network and an inspection of the new reception, display and consulting rooms. A number of community and cemetery sector representatives from across Central Victoria attended the meeting, in addition to the Board, senior management, staff and volunteers.

COMPLIANCE

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

Declarations of Pecuniary Interest

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

Building Act 1993

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

National Competition Policy

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

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

Victorian Industry Participation Policy Act 2003

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

Information Privacy Act 2000

The organisation continues to review its practices and implements and maintains privacy awareness education to staff in accordance with the *Information Privacy Act 2000*. Initiatives were commenced in this reporting period to enhance compliance with information privacy expectations, including the establishment of a new database and transition to a suite of new records management practices.

Freedom Of Information Act 1982

There were no FOI requests or responses in the period July 2013 to June 2014. The Chief Executive Officer, Graham Fountain, was the principle officer for FOI purposes during the reporting period.

Protected Disclosure Act 2012

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

Other Information

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

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

BUILDING A SUSTAINABLE & VIABLE ORGANISATION

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

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

The 2013/14 year has seen a substantial year of transition for Remembrance Parks – Central Victoria (RPCV) including a return to a surplus result, the first in four years. The outstanding results from the 2013/14 financial period have been a direct result of a significant change in the approach from RPCV relating to its service delivery and key outcomes. Key drivers of the successful reporting period have been the introduction of several new popular products and services as well as a more evidence-based decision making maintenance program.

RPCV is proud to detail the following achievements throughout the 2013/14 financial year:

- Revenue from cemetery operations produced \$1.95 million, an increase of \$44k above budget. This has been achieved mainly through the significant increase in cremation revenue whilst performing similar to budget for all other income streams across the organisation.
- Expenditure on maintenance and consumables has decreased for the reporting period with a focus on significant projects tailored to the community needs. However expenditure on employee benefits performed above budget for the financial year by 2.2%.
- These measures have allowed RPCV to achieve a substantially higher than budgeted surplus, up \$208k on budget.

Table 6 – Summary of Performance Against Budget for the Reporting Period

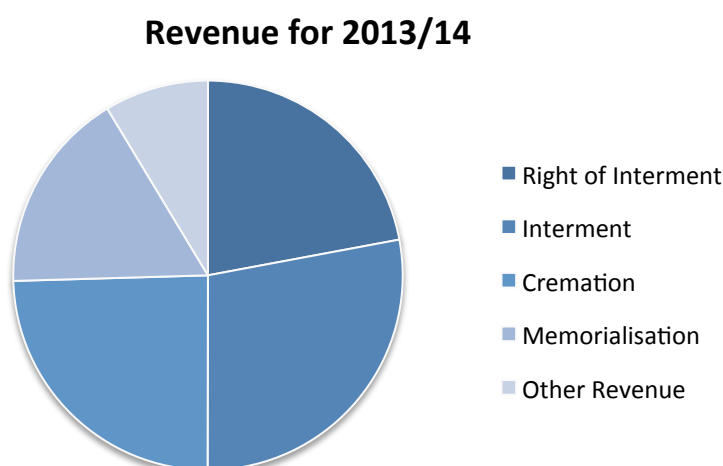
	Actual	Budget	Variance
Revenue			
Operations Revenue	1,953,446	1,909,162	44,284
Other Revenue	163,827	83,010	80,817
Total Revenue	2,117,273	1,992,172	125,101
Expenditure			
Employee Benefits	1,058,354	1,035,572	22,782
Cemetery Levy	59,208	57,275	1,933
Other Expenditure	705,542	813,613	(108,071)
Total Expenditure	1,823,104	1,906,460	(83,356)
Operating Result	294,169	85,712	208,457

REVENUE

In the 2013/14 financial year RPCV had revenue relating to cemetery operations of \$1.95 million. Including other revenue (grants received, interest received and other income) RPCV was able to achieve revenue of \$2.12 million, which is 6.3% above budgeted revenue and an increase of 6.5% on the 2012/13 financial year. RPCV is pleased to note the following after its strong financial performance in 2013/14:

- Cremation revenue has attracted the most significant growth during the year growing by \$209k to \$519k in the 2013/14 year. The 2013/14 financial year saw the introduction of the cremation pick-up service. By mid-way through the financial year this service was fully operational resulting in growth into markets that RPCV had not serviced in many years. The cremation revenue represents 24.5% of total revenue compared to cremations only representing 16% in the previous financial year.
- Right of interment sales consisted of 22.6% of total revenue or \$467k down \$36k from the previous reporting period. This has mainly resulted from a decrease in sales of memorial rights on interments for cremated remains.
- Interment revenue is the most significant revenue stream representing 28.0% of total revenue, comprising \$554k, down \$35k from 2012/13 financial year.
- A change of policy from RPCV regarding the acceptance of prepaid fees, allowing the prepayment of interment, chapel and reception services in addition to rights of interment and cremation fees, in conjunction with an increased focus on the marketing has resulted in the unearned revenue (treated as a liability) grow by 16% during the financial year.

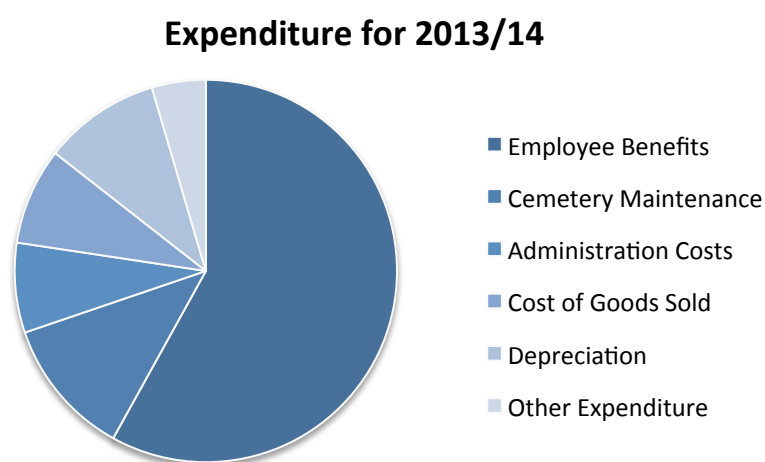
Figure 4 – Overview of Revenue Sources



EXPENDITURE

In the 2013/14 financial year RPCV forecast a surplus budget of \$85k, this included expenditure of \$1.906 million. However, RPCV were able to postpone unnecessary expenditure and identified some significant efficiencies in the manner it delivered its services. This allowed RPCV to reduce the expenditure in 2013/14 to \$1.82 million, which will continue to have a flow on affect to expenditure in future years beyond this financial year. Employee benefits for the reporting period represents 58% of total expenditure compared to 55.4% in the 2012/13 reporting period. This increase is despite the actual decrease in amount by \$42k to \$1.06 million for the 2013/14 financial year. Another significant decrease was the reduction in administration and maintenance costs during the year. Included in the budget for the 2013/14 financial year was a more systematic and evidence-based decision making process that assisted greatly in reducing expenditure whilst targeting certain maintenance programs tailored to better meet the community's expectations.

Figure 5 – Overview of Expenditure Sources



FIVE YEAR SUMMARY

The strong financial performance of RPCV over the 2013/14 financial year has placed it back into a stronger position than where the organisation was trending. After an improved 2012/13 financial year, RPCV needed to consolidate this position and it did so by increasing revenue by 6.5% for the 2013/14 year after an increase of 10% in the previous reporting period. Not only did RPCV exceed the previous reporting period's revenue but it was also able to reduce expenditure whilst maintaining the high level of service to meet the community's expectations. This year sees the first year that RPCV has achieved a surplus result since the 2009/10 financial year. This surplus has allowed RPCV to invest additional funds into investments to support the allocation to reserves.

Table 7 – Five-Year Summary of Financial Results

	2013/14	2012/13	2011/12	2010/11	2009/10
Operations Revenue	1,953,466	1,836,317	1,719,179	1,597,579	1,380,258
Other Revenue	163,827	96,385	36,772	166,163	66,825
Total Revenue	2,117,273	1,932,702	1,755,951	1,763,742	1,447,083
Total Expenses	(1,823,104)	(1,987,117)	(1,977,311)	(1,923,749)	(1,410,966)
Operating Result	294,169	(54,415)	(221,360)	(160,007)	36,117
Total Assets	4,595,532	4,014,717	4,087,293	3,539,488	3,619,555
Total Liabilities	1,689,919	1,390,541	1,390,112	1,383,348	1,310,157
Net Assets	2,905,613	2,624,176	2,697,181	2,156,140	2,309,398

Cash Backing of Reserves

This year saw the development of a new Treasury Management Policy and revised investment approach that ensured evolutionary progression towards cash backing of major reserves such as the perpetual maintenance reserve. This new approach saw a percentage of revenue associated with individual product lines deposited directly into a suite of reserves. Having regard for the defined benefits superannuation liability payment experienced in the previous period, steps were also taken to repay this liability payment and to establish a new reserve to cater for any future liability calls of this nature. As a consequence of the above, \$467k was contributed towards these reserves during this reporting period.

Pricing Structures

The implementation and outworkings of the independent price review undertaken in the previous reporting period continued to demonstrate the relevance of the new pricing methodology to the business. In addition, the cost reflectivity of the new pricing structure demonstrated appropriate alignment to the actual costs of service provision. The approved CPI increase of 2.1% was applied to all fees and

charges effective 1 July 2013 except for cremation prices which the Board decided to absorb to further consolidate market share in this product line having regard for the highly competitive environment in which RPCV operates with respect to cremations.

This year also saw the introduction of a range of new pre-payment arrangements as a direct consequence of consumer demand and consultation with Funeral Directors. The introduction of these arrangements now allow families to fully arrange funerals across all aspects, excluding memorialisation, of RPCV's products and services. The Board also approved the implementation of a new payment plan arrangement to further support the community in this regard.

Investments Review

As a consequence of the implementation of the new Treasury Management Policy a complete review of the investment strategy was undertaken during this reporting period. The outworkings of this review have resulted in the implementation of a new growth strategy and diversification of RPCV's investment portfolio. This approach coupled with the cash backing of reserves has resulted in an increase in investment performance of 13%.

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

Multi-Year Planning

The continued implementation of the RPCV multi-year planning framework has resulted in the development of site specific and organisation-wide master plans and multi-year project structures. This approach has enabled the opportunistic implementation of a range of projects and more accurate forecasting to inform investment decisions into the future. Moreover, this approach and the establishment of project continuums that span multi-years has also enabled the implementation of a range of foundation projects/works from which projects will evolve in future years. As a direct consequence of this approach RPCV has successfully gained a range of project specific grants during this reporting period.

Stakeholder and Community Education

The implementation of a deliberate stakeholder engagement strategy has directly contributed towards the establishment of a more trusted and transparent relationship with key stakeholders. The regular conduct of Funeral Director roundtables and other stakeholder engagement initiatives has directly resulted in proactive and innovative suggestions that enhance RPCV's relevance, brand and support to the community in an integrated manner.

A well-governed, efficient and responsive organisation

Governance Structures and Processes

Throughout the reporting period the organisation has evolved its governance structures and processes to ensure the Board is concentrating on matters of strategy and policy that fulfil its legislative and fiduciary responsibilities. This included the implementation of a balanced scorecard performance reporting framework that is aligned to the implementation of the RPCV Strategic and Annual Plans. In addition, this year saw the Board implement a suite of performance metrics that fundamentally drive the performance focus of the organisation and the manner in which it delivers its services. This approach has not only ensured compliance but also enabled the Board to focus on forward-looking initiatives that cater for the dynamic operating environment in which the organisation operates.

Risk Management

Consistent with its obligations the Board's Audit and Risk Committee has continued to evolve its risk oversight framework. This has included the development and implementation of a new integrated risk management framework and policy within this reporting period. Complimented by its internal audit program, this approach has enabled the Board to establish a robust risk appetite and business continuity plans.

Organisational Capability

A continued focus on enhancing operational capability commensurate with the dynamic operating environment within which RPCV operates has resulted in a number of systems, process and structural changes within this reporting period, including the commencement of an outsourcing program.

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

Shared Services

During the reporting period RPCV developed a shared service proposal and sought to implement this with other class A cemetery trusts. Unfortunately these trusts did not share RPCV's beliefs in this regard. Therefore RPCV went to the market for the provision of outsourced accounts and payroll services, as the initial components of a broader desire to implement shared and/or outsourced service provision. This implementation also saw the transition to a new cloud based finance system across the breadth of RPCV services.

During the reporting period RPCV engaged a total of 5 consultants where the total fees payable were less than \$10,000, equating to a total expenditure of \$8,168 (excluding GST). In addition, RPCV engaged the following consultant where expenditure exceeded \$10,000:

Advocacy and Thought Generation

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

Table 8 - Consultants (where payment exceeded \$10,000)

Consultant	Nature of Services	Expenditure
Maxsum Solutions	IT support and database engineering	\$24,677 (excl. GST)

ACCESSIBLE AND IMPROVED COMMUNITY FACILITIES

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

Deliver efficient and effective services where customers are the focus

Customer Service

A key focus of RPCV during this reporting period has been to enhance our customer service across all aspects of the business. During this reporting period a complete review of the bookings process was undertaken to facilitate a more simpler and customer-centred approach to bookings. The outcomes of this review whilst currently manually based will integrate into the online environment in the next reporting period through the database and website development projects.

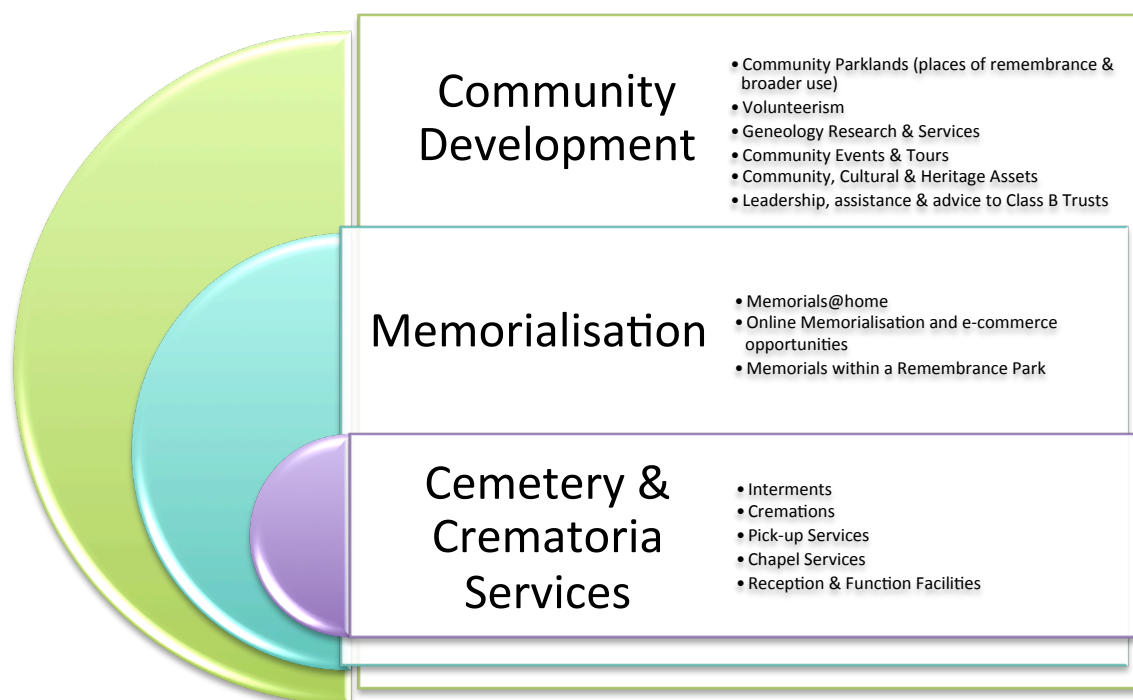
Completion of the renovations to the administrative office entrance and display/arrangements rooms are also key components of enhancing our customer service to the community. These renovations now comply with accessibility standards and enhance the professionalism and customer centric culture that now exists across RPCV.

Products and Services

The evolution of our Memorials@home product lines during this reporting period have proved a successful alternative for the community who seek to memorialise loved ones outside of a cemetery based environment. Complimented by a range of new marketing collateral, it has resulted in Memorials@home product sales significantly increasing during this reporting period. Trademark registrations of all brands within the new RPCV environment are well advanced and form part of RPCV's increased focus on enhancing the value proposition of its intellectual property (IP).

Other enhancements to the range and breadth of products and services offered by RPCV are contained elsewhere within this report.

Figure 6 – Overview of Products & Services



Asset Management

A core focus of RPCV during this reporting period has been on establishing the foundations and necessary assets to facilitate achievement of its corporate objectives in forthcoming periods. A significant drainage project was completed at the Eaglehawk and Bendigo Remembrance Parks during this reporting period. In addition, major asset replacement saw the upgrade and procurement of a new backhoe and

other assets. The renovation of the administrative office entrance and display/arrangements rooms was also successfully completed during this period.

The combination of the above and a more integrated asset management strategy will ensure multi-year plans can progress in a structured and unimpeded manner in forthcoming years.

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

Lawn Areas Improvement

During this reporting period a significant focus on the development of a site beautification (lawns) program was completed. This included a research and development phase that established a suite of maintenance standards and intervention levels from which a holistic lawn audit was undertaken. The results of this audit identified a number of priority areas requiring urgent attention and lawn redevelopment. These areas were then subsequently assessed against a range of foundation requirements including, but not limited to, drainage, watering systems, kerbing and bordering. The majority of these foundation works were completed during this reporting period and will facilitate the immediate implementation of the necessary development works within the next reporting period. The outcomes of this work have identified a total of 2,560m² of priority lawn areas across the Bendigo, Eaglehawk and Kangaroo Flat Remembrance Parks that requires further development. The remaining 4,700m² were deemed to be at a standard that did not require immediate intervention in the near future.

Community Facilities

Consistent with its long-term objective of establishing its sites as community parklands, RPCV has continued to evolve a suite of master plans and protocols from which this objective can be achieved. A major focus during this reporting period was on the development of a more contemporary and community focussed naming regime for areas across all RPCV sites. With the valuable input and assistance of RPCV volunteers and Community Advisory Committee, a suite of naming protocols and site names was promulgated during this reporting period. These names are now being progressed to implementation with the establishment of new signage regimes across all sites.

Paths and Tracks

Building off the master plans and site naming protocols, an integrated paths and tracks network plan has commenced. This plan will evolve over forthcoming periods.

Increase the utilisation of RPCV assets and services

Chapel Utilisation

Whilst this year RPCV established a growth target for chapel utilisation this target was not achieved. Despite this underperformance for funeral related activities, chapel utilisation for community presentations and tours exceeded previous years' targets. A focus on chapel redevelopment is scheduled within the next reporting period aimed at making the existing chapel facilities more conducive to use by the community.

Receptions

The implementation of a new catering service provision has been a successful addition to the suite of products and services available to RPCV clients. Whilst the stretch target for receptions was not achieved, the Board/function room was utilised for non-funeral related activities on numerous occasions throughout the reporting period. Based on feedback from key clients, enhancements to the Board/function room facilities are scheduled for the first quarter of the next reporting period. These enhancements are focussed at providing a more multi-purpose user focussed facility aimed at increased utilisation.

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

Conservation Management

The major focus for conservation management during this reporting period was on the restoration of the historically significant chapel at the Kangaroo Flat Remembrance Park. This project is well advanced and will be completed in the early stages of the next reporting period and has been achieved with the generous support of the community through local organisations grant funding and donations.

Consistent with the established conservation management plans, RPCV was successful in achieving Victorian Government grant funding (\$50k) through Victoria's Heritage Restoration Fund (VHRF) to contribute towards the restoration of the former Sexton's Residence at the Bendigo Remembrance Park. This funding will result in the historically significant slate roof being restored during the next reporting period.

Memorial Restoration

RPCV continues to work in partnership with the owners, identified appropriate custodians and community groups to assist with the restoration of memorials throughout its sites. This program continued to evolve throughout the reporting period and resulted in a number of significant memorials being restored.

Ongoing community engagement with respect to clarifying the obligations for memorial maintenance and/or restoration continued to occur with the support of a proactive media campaign during the year.

Chapel and Sexton's Residence

A comprehensive restoration plan was established and subject to a number of grant applications throughout the year. As outlined above, RPCV was successful in achieving grant funding to contribute towards the restoration of the roof of the former Sexton's Residence at the Bendigo Remembrance Park. With the support of the Orthometals program reverse-cycle heating/cooling units were installed within the Sexton's Residence to support volunteer and client comfort this year.

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

Site Development

Commensurate with implementation of the multi-year planning framework, a number of site development priorities were identified during this reporting period. These priorities have been subject to development of master plans that will guide future investment decisions. The Funeral Director roundtables and Community Advisory Committee have both actively contributed to the identification, prioritisation and concepts contained within the master plan development.

As previously highlighted the major focus for site development that has occupied the majority of this reporting period involves lawn redevelopment within the site beautification program.

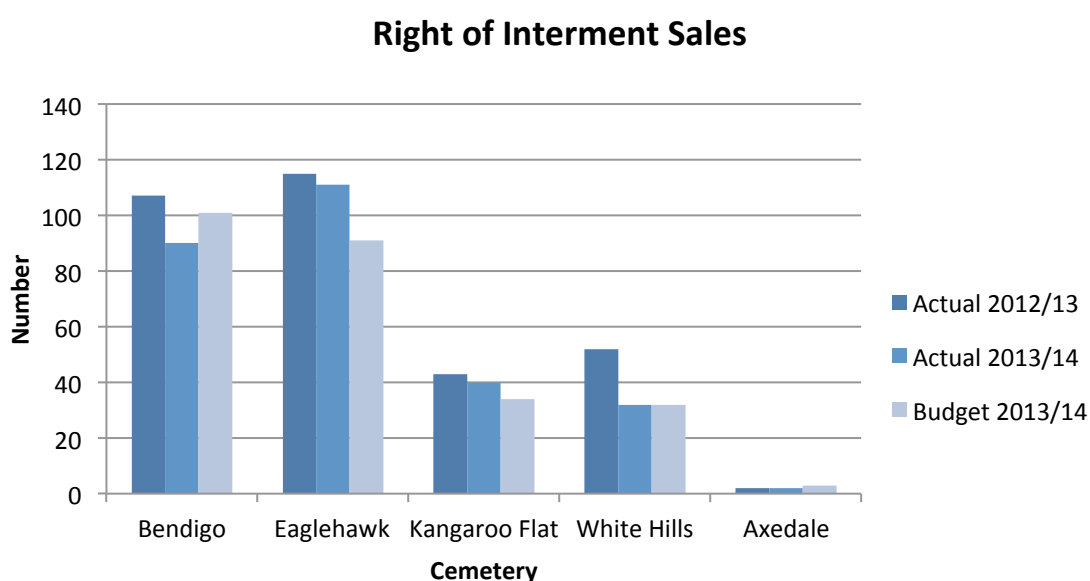
Revenue Generation

Consistent with the outworkings of the independent price review, this reporting period proved the pricing methodology and structure arising from this review as being robust, beneficial and cost reflective. As a consequence, revenue generation arising from interments and memorialisation conversion are continued to be a major revenue stream for the organisation.

Right of Interment Sales

This reporting period continued to see an increase in the sale of Rights of Interment (ROI) with an EoY result just above budget. During the year, surrendering of Rights of Interment for bodily remains and conversion to the purchase of cremations (in lieu of burial) was higher than average. The following graph indicates the levels of sales associated with the Right of Interment for the reporting period.

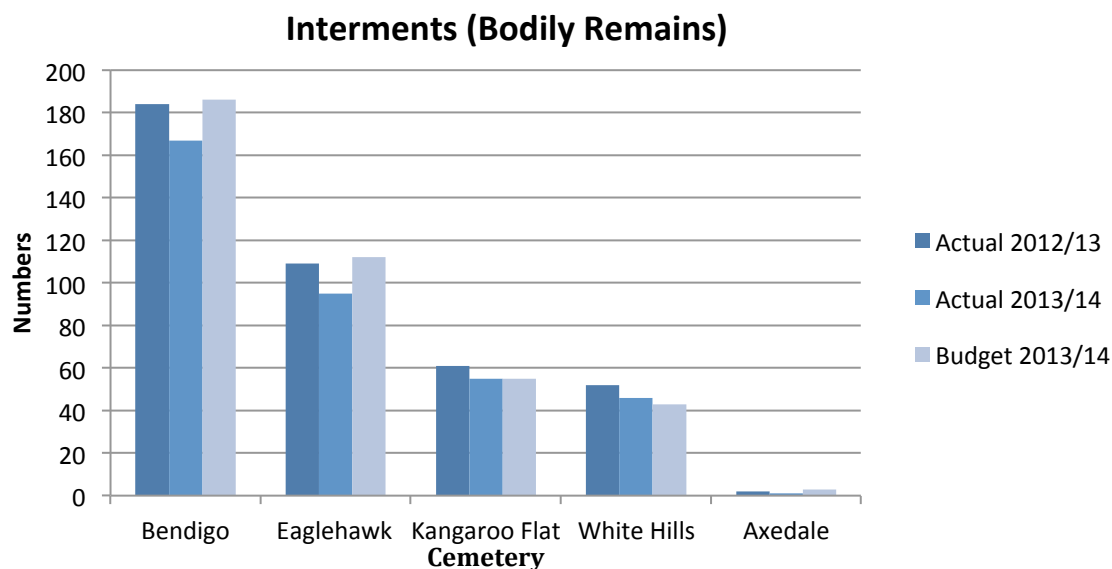
Figure 7 – Right of Interment Sales Performance



Interments (Bodily Remains)

This reporting period resulted in a slight underperformance (7.1% decrease) in interments of bodily remains across all sites, excluding Kangaroo Flat, which performed on budget. This overall underperformance is reflective of a lower than projected death rate and does not correlate directly to any changes to conversion ratios between burial and cremation. The following graph outlines the performance for interments (bodily remains) in the reporting period:

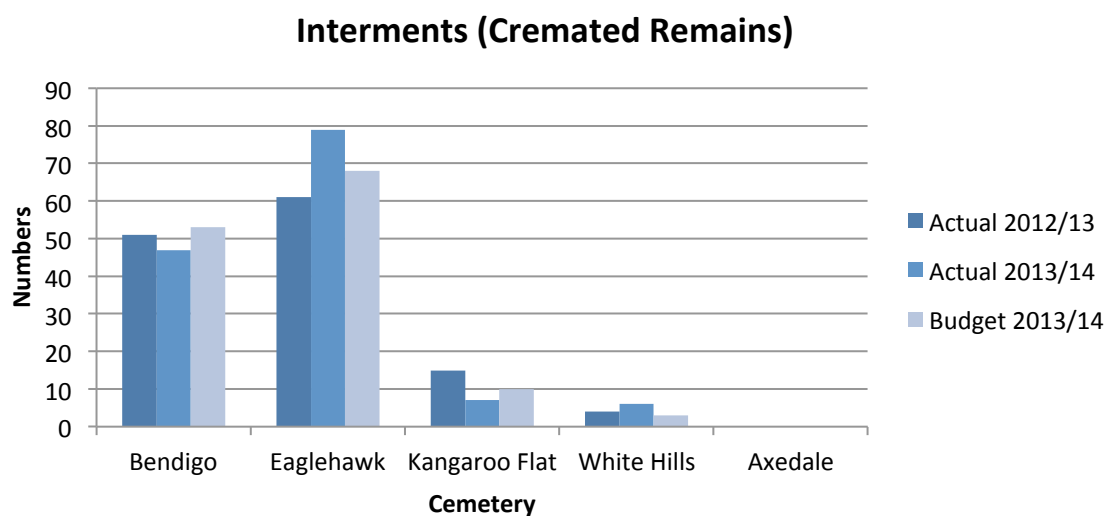
Figure 8 – Interment (Bodily Remains) Performance



Interments (Cremated Remains)

The interments (cremated remains) market continues to be a popular product line, which, during this reporting period, experienced a positive result in sales but returned a financial result of 18% below the forecast budget. The following graph outlines the performance of interment (cremated remains) during this reporting period:

Figure 9 – Interment (Cremated Remains) Performance

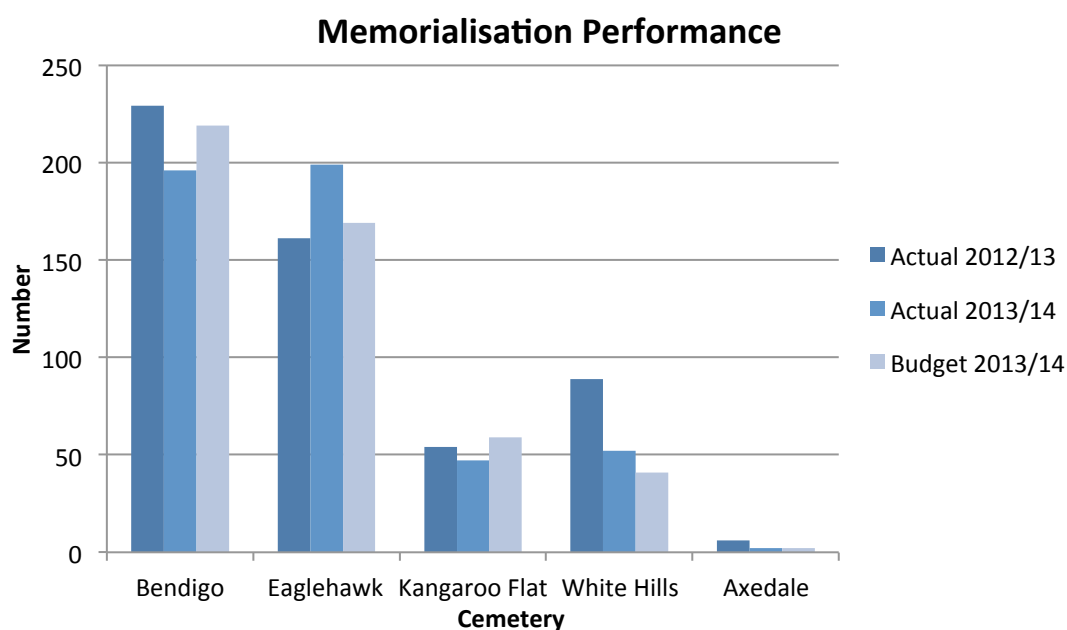


Memorialisation Conversion and Sales

Memorialisation conversion and sales continues to be a key focus for RPCV moving forward. The initial implementation of a suite of new Memorials@home products and services, in lieu of the traditional cemetery based memorialisation products, has had a successful launch. The future growth plans for this product line including its integration into the e-commerce operating environment and the new RPCV website will further provide market leverage for this revenue stream. This will be assisted by the registration of the Memorials@home trademark, which is in the final stages of registration with IP Australia.

Concurrent with the focus on alternative memorialisation products and consistent with an ongoing focus on increasing memorialisation conversion rates, a major marketing campaign around all memorialisation options was developed and implemented during the latter part of this period. Performance during this period saw an increase in stonemasonry memorialisation and a decrease in plaque-based memorialisation with an overall result 9.6% below budget. Ongoing initiatives to increase memorialisation conversion both within cemeteries and through the Memorials@home product line continue to be a major focus moving forward. The following graph outlines this year's performance with respect to memorialisation conversion and sales:

Figure 10 – Overview of Memorialisation Performance



Future Land Use

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

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

Environmental Sustainability

The evolution of a focus by staff on increased environmental sustainability has resulted in a 16% reduction in colour printing. A slight increase in paper consumption and the establishment of energy consumption baselines form the basis of an ongoing focus on environmental sustainability in future years.

Recycling

RPCV's ongoing participation in the Orthometals program involving the recycling of the orthopaedic metals arising from the cremation process again provided a positive outcome aligned to RPCV's environmental commitment. In addition, the recycling nature of Clean Up Our Cemeteries Day also increased the focus on this important environment indicator.

Establish a community and customer-focused online presence

Cemetery Management Systems Upgrade

In preparation for enhanced ICT systems, RPCV have implemented a new server and ICT infrastructure during this reporting period. The combination of these is fundamental to realising a new database, website and business continuity elements of RPCV's ICT disaster recovery plan.

Records Management

Significant work in respect to enhancing records management arrangements was undertaken during this reporting period. Concurrent with this program of works an internal audit of records management across RPCV was conducted. The outworkings of this audit are well progressed, including consolidation of a central records management room, compactus and digitisation arrangements.

Website

A detailed specification for the new RPCV website including e-commerce and enhanced customer interfaces was completed with a successful supplier engaged to develop this website during the reporting period. Having regard for the interdependencies that exist between underpinning ICT infrastructure and integration with the new database, this project was not completed on target during this year. The implementation of the new website will occur during the initial phases of the next reporting period.

ADOPTING A BROADER REGIONAL FOCUS

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

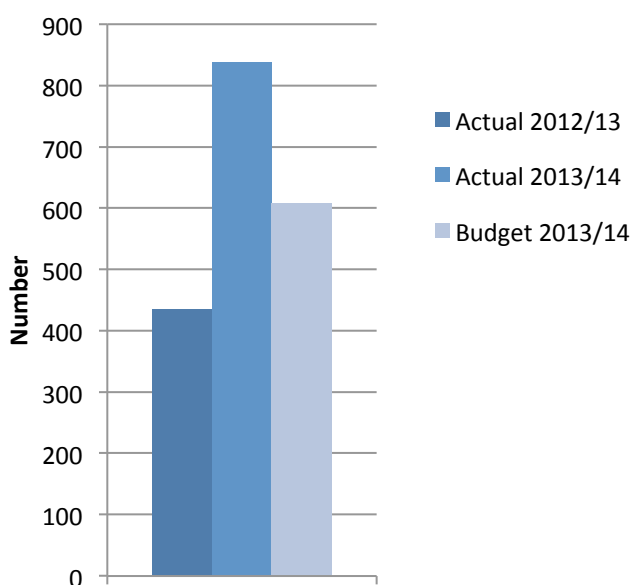
Improve and strengthen our strategic regional partnerships to ensure our ongoing financial viability

New Service Delivery Model

As a direct consequence of significant competition from the private sector associated with cremations, RPCV implemented a new cremations service delivery model during this reporting period. Implementation of this model has proved to be highly successful and provides enhanced service delivery to key clients and the community throughout Central Victoria. This resulted in a 92% increase in cremations above the 2012/13 total number of cremations and 37% above the 2013/14 stretch goal and budget. RPCV are now a major provider of cremation services within Central Victoria and continue to evolve its service offerings to key clients and the community in this regard.

Figure 11 – Cremations Performance

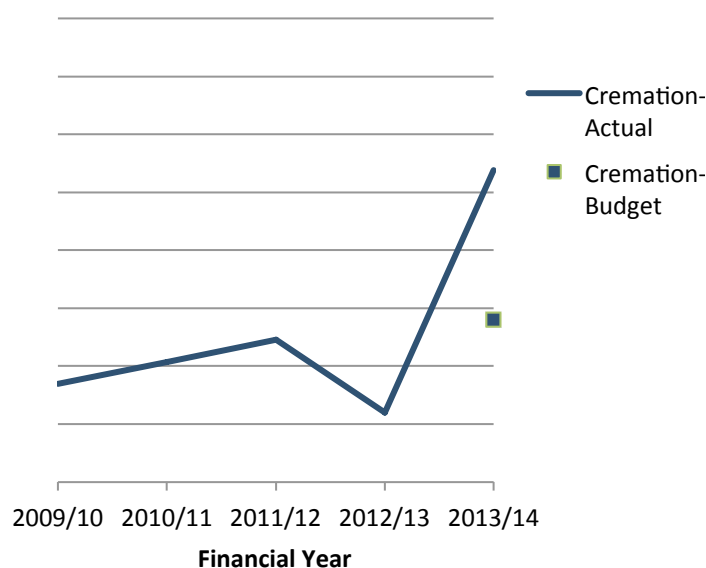
Cremations



The implementation of a 25% reduction in cremation fees in the previous reporting period, as a consequence of the independent price review, coupled with the implementation of a cremation pick-up service is directly attributable to the outstanding performance achieved this year. The cremation pick-up service now equates to 35% of total cremations, which is directly attributable to the significant increase in regional clients across Central Victoria. The following graphs demonstrate the significant increase in cremation numbers and revenue above the last reporting period and the positive performance achieved against the stretch goal and budget.

Figure 12 – Cremation as a Revenue Stream

Cremation Revenue



Establish Regional Partnerships

Commensurate with its broader activity across Central Victoria, RPCV has evolved significant partnerships resulting in securing increased market share in a highly competitive operating environment with a 75% increase in new clients utilising RPCV services across

Central Victoria. Throughout the reporting period, these partnerships have matured into a trusted collaborative relationship upon which RPCV plans to extend its service offerings.

Provide increased leadership, support and assistance to class B trusts

Class B Engagement and Support

Throughout the year RPCV continued to provide an increased level of leadership, support and assistance to class B cemetery trusts across Central Victoria. This included governance, policy, administrative and

operational support as requested. Phone and in-person based support and education was provided across numerous trusts and subject matter.

Be recognised as a centre of excellence within Central Victoria

Information and Intelligence Portal

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

Presentations and Seminars

In recognition of its new brand and increased presence within Central Victoria, RPCV provided a number of presentations to interested parties. These presentations spanned a diverse range of topics and audiences in several locations.

Doctrine

A rolling review and enhancements to RPCV doctrine and policy positions continued to occur throughout the reporting period with 50% of current policies formally reviewed and a number of new policies promulgated throughout the year.

A MORE ACTIVELY ENGAGED COMMUNITY

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

In considering this strategic objective it is important to recognise the broader definition of community adopted by the organisation. By virtue of the breadth of its operating environment, involving the responsibility and management of six sites, and its broader focus across Central Victoria, the definition of community needs to cater for this diverse operating environment. Accordingly, RPCV include within its definition of community and this strategic objective the following:

- Individual communities that directly interact with the organisation
- Individual communities that interact with the organisation through a third party
- Funeral Directors as key clients and the interface with members of the community
- Community groups and specific interests groups
- Suppliers and providers of funeral services
- Neighbours of RPCV's sites

Engagement with the diverse community segments above across Central Victoria has continued to be a prominent focus and activity for RPCV during this reporting period.

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

The revitalised Community Advisory Committee (CAC), consistent with RPCV's legislative obligation (s.18D), has made a significant contribution to the organisation's strategic direction, activities and most importantly its interaction with the community. This has established an ideal platform from which RPCV will continue to appropriately engage with and fully understand the community's expectations and needs as it continues to mature its new strategic direction. Throughout the reporting period the CAC has made a positive contribution to the establishment of a suite of new naming protocols that will result in more reflective community centred naming of areas within RPCV sites. In addition, the CAC has been a fundamental component to defining planning priorities and activities and has also contributed to the successful conduct of a range of community centred events and activities.

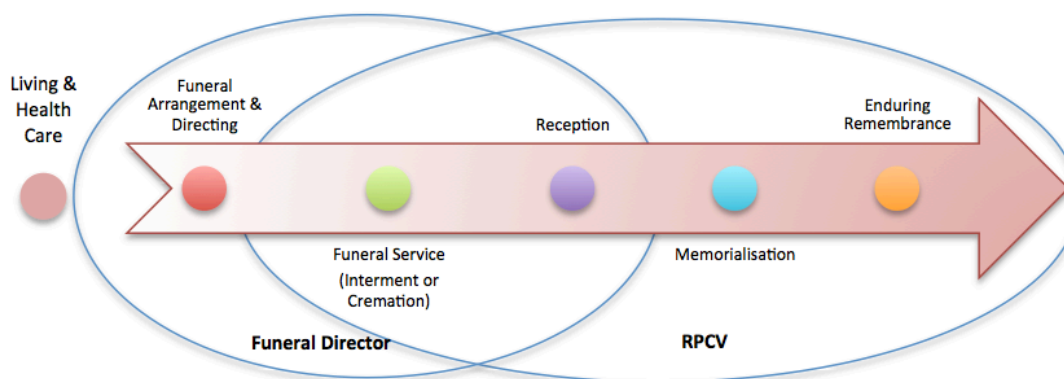
Establish a collaborative, transparent and trusted relationship with Funeral Directors as key clients

This year has seen the relationships with Funeral Directors across Central Victoria significantly evolve through the conduct of regular Funeral Director roundtables, one on one visits/meetings and direct involvement in a range of RPCV initiatives. Funeral Directors are also now represented on the Community Advisory Committee, a position which will rotate between Funeral Directors on an annual basis to provide an opportunity for enhanced understanding of the operation of RPCV and input into committee deliberations across all Funeral Directors over a period of time. In addition, the Funeral Directors have been actively involved in the conduct of RPCV events and associated media activities. A continued focus on building a collaborative relationship that delivers vertically integrated services to the community remains at the centre of RPCV thinking moving forward.

The concept and relationships involved in after life care and remembrance

Representative of this revised relationship, RPCV have developed the after life care and remembrance continuum that establishes the integrated nature of service delivery between RPCV and Funeral Directors. After life care is often a reactive consideration for individuals and families with a range of ambiguous understandings of what is involved and who assists in these difficult and emotional times. RPCV takes its responsibilities in the continuum of after life care and remembrance with the utmost attention to ensure its products and services meet the needs and expectations of the community into the future. More importantly RPCV aims to ensure that the memories and contributions of loved ones within its care are captured, accessible and not forgotten. RPCV recognise they are one partner in the delivery of vertically integrated funeral services to the community and are committed to work in close partnership with funeral directors and other providers to deliver service excellence in this regard. RPCV's customer centred approach to its business is now totally premised on this partnership and the continuum of after life care and remembrance as demonstrated below:

Figure 13 – After Life Care & Remembrance Continuum



Funeral Services Alliance – Central Victoria

RPCV remains committed to evolving the Funeral Services Alliance concept as a mechanism of enhancing service delivery to the community and a framework within which strategic partnerships across the industry can be established. Whilst progress of this concept during this reporting year has been overtaken by a focus on other stakeholder relationship priorities, RPCV intends to progress the evolution of the alliance framework in the forthcoming period, including in the online environment. These initiatives form a fundamental component of RPCV projects moving forward.

Figure 14 – Funeral Services Alliance Logo



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

Events & Open Days

Consistent with its revised focus on a more direct interaction with the community and including within these interactions a range of community education opportunities, site beautification and environmental sustainability, RPCV conducted a number of successful events throughout this reporting period. These included the conduct of an Open Day and inaugural Clean Up Our Cemetery Day during this year.

The inaugural Clean-up Our Cemetery Day was held on 2 March 2014 with good buy-in from the community and local media and was aligned with and registered event of Clean-up Australia Day, which proved a successful process and provided good leveraging opportunities. The day also provided a great backdrop from which a range of positive and proactive media opportunities in local print media and ABC Central Victoria radio occurred focusing on the ownership and responsibility for maintenance of memorials.

The following demonstrates the number of community members involved across each site:

- Kangaroo Flat – 25
- Bendigo – 16
- White Hills – 7
- Eaglehawk – 6
- **Total – 54** (consisting of 43 adults and 11 children)

The following provides a breakdown of the number of clean-up bags that were collected and the general contents of the clean-up material across each site:

- Kangaroo Flat – 250 (glass, flowers and pine needles)
- Bendigo – 40 (broken glass)
- White Hills – 150 (dead flowers, broken glass and plastic)
- Eaglehawk – 150 (leaves, sticks, stray dead flowers and glass)
- **Total – 590 bags**

The success of this event has led to a decision to make this an annual event within the RPCV event calendar.

The cemetery open day also proved a successful event with a number of community members availing themselves of information and interaction with Mount Alexander Funerals, genealogy and research advice, cemetery and crematorium tours, memorialisation displays and information, as well as a community barbecue.

Community Remembrance

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

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

RPCV continued to foster a positive and collaborative relationship with the Department and other key levels of government and agencies throughout the reporting period. This included participation in a range of

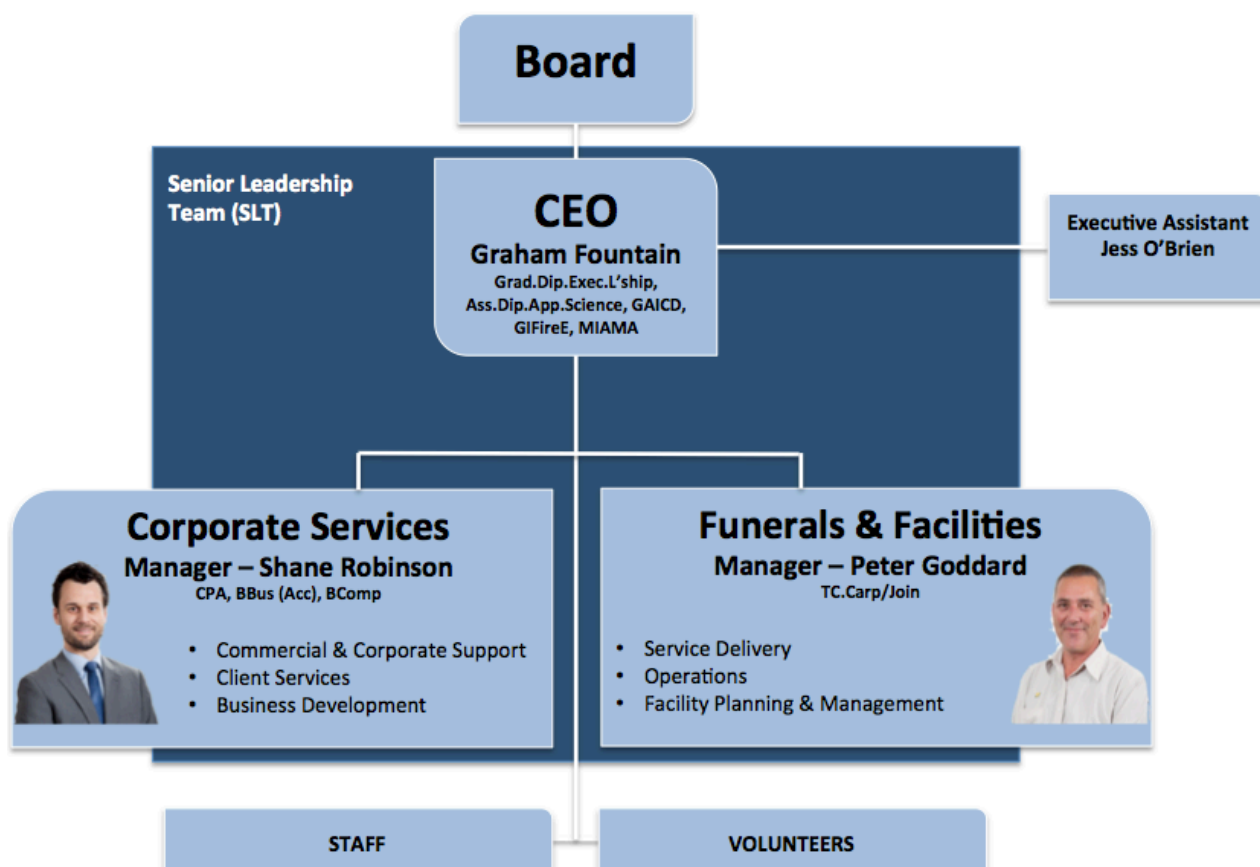
sector-wide meetings/forums as well as continuing to advocate for change within the sector at all levels of government.

DEVELOPING OUR PEOPLE

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

An organisation that demonstrates community inspired leadership

Figure 15 – Current Organisational Structure



Employee Demographic

Whilst the staffing profile and resourcing strategies continue to occupy a large proportion of RPCV's ongoing change agenda, the following profile outlines the demographic of staff employed across the organisation during this reporting period:

Table 9 - Employee Category

Employee Category	Fulltime Equivalent (30 June 2014)	Fulltime Equivalent (30 June 2013)
Indoor Staff	4	4.4
Outdoor Staff	9	10
Executive	1	1
Total	14	15.4

Table 10 - Gender Demographic

Employee Gender	Fulltime Equivalent (30 June 2014)	Fulltime Equivalent (30 June 2013)
Female	5	5.4
Male	9	10
Total	14	15.4

Table 11 - Age Demographic

Employee Age	Fulltime Equivalent (30 June 2014)	Fulltime Equivalent (31 June 2013)
Under 25	1	1
25 - 34	3	3.4
35 -44	1	2
45 - 54	5	5
55 - 64	4	4
Over 65	-	-
Total	14	15.4

Training and Development

The consolidation of a revised training program as a result of a training needs analysis strategically aligned to the new RPCV Strategic Plan and the necessary capability/competency requirements of the plan, resulted in the establishment of a new program at governance and operational levels. This year saw three additional outdoor staff obtain their endorsed medium rigid driving licence and a range of other skills acquisition and skills maintenance programs.

The CEO and a number of staff attended various professional development opportunities including attendance at national industry conferences in Canberra and Melbourne as part of RPCV's continued membership of the Australasian Cemeteries and Crematoria Association (ACCA). RPCV withdrew its membership of the equivalent State based industry body, the Cemeteries and Crematoria Association of Victoria (CCAV) during the year on the basis of an identified lack of identified vision, change orientation/appetite and value proposition offered by this organisation.

Culture

Consistent with its new brand and commensurate with its Safety 1st focus, all staff were issued with new uniform and personal protective clothing during this reporting period. In addition, all staff and a number of volunteers completed Cultural Awareness Training with the support of St Luke's focussed specifically at an increased appreciation of the Aboriginal culture. This training is a fundamental component of RPCV's commitment to ensuring all staff provide service excellence to its diverse community and customer base.

Workplace Relations

Reflective of the expiration of staff Enterprise Agreements, RPCV are progressing a revised and consolidated Enterprise Bargaining Agreement for all staff. Negotiations on this new consolidated agreement, following relevant government approvals, were progressed but were not finalised during this reporting period. RPCV is committed to modernising its working arrangements, consistent with its new Strategic Plan, and pursuing greater effectiveness and efficiency through its new Enterprise Agreement.

Empowerment

During the reporting period the Board undertook a holistic review and reaffirmed its delegations to the CEO, extending these consistent with its legislative responsibilities and the role and expectations of the CEO role to manage the business during a time of significant change. The Board delegated all of its powers under s.15 of the Act in addition to those powers already residing within the CEO (s.18M).

Consistent with the above and in order to smoothly transition to the new organisational structure, roles and implementation of the cloud based finance system, the CEO reviewed and established a new suite of delegations and authorities that empower relevant staff to undertake their roles in accordance with the Act and the strategic direction of the organisation.

These are demonstrated enablers to establishing a dynamic, professional, commercially successful and customer oriented organisation into the future.

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

Broader Roles & Membership

A concerted effort to enhance volunteerism opportunities across the breadth of RPCV sites and functions continued to occur this year. This resulted in implementation of a volunteerism recruitment campaign in partnership with the Bendigo Resource Centres resulting in a number of new volunteers and roles being undertaken within RPCV this year. Traditionally these roles centred on genealogy research and gardening but these have now been expanded into broader administrative functions and support.

Collaborative Opportunities

RPCV continues to work in partnership with a range of volunteer based community centred organisations to provide cross pollination of ideas, resourcing, volunteer pathways and community support. This year has seen these partnerships evolve and the ongoing implementation of memorialisation restoration/maintenance with like minded historical

Performance and Accountability

This reporting period saw the implementation of a new balanced scorecard performance and accountability framework across all levels of the business consistent with the specific focus on establishing performance metrics for all activities within RPCV. This focus enabled the Board and CEO to accurately measure achievement of annual targets and KPI's progressively throughout the year and identify trends with the aid of a range of interactive reporting tools and processes. It also ensured compliance reporting could occur throughout the reporting period, both of which being overviewed by the Board and Audit & Risk Committee.

Succession Planning

Identification of pivotal positions and work processes occurred throughout the year. This process informed the training program and implementation of shared services activities aligned with succession and business continuity requirements of the organisation.

groups or the traditional custodians of the memorial. In addition the CEO has been a guest speaker at a number of forums in this regard and the volunteers have contributed to a highly successful annual genealogy research forum.

Recognition

Often the contribution of volunteers to any organisation is overlooked and taken for granted. RPCV continues to promote the efforts and achievements of its volunteers by celebrating National Volunteerism Week and on other occasions as required. This year saw the provision of enhanced facilities for volunteers to work within, with an ongoing focus in this regard.

FUTURE FOCUS

Building on the foundations established during this reporting period across the breadth of the business, the 2014/15 Annual Plan and Budget is focussed on taking a further stepped change to the manner in which the business operates and site beautification in order to meet the current and future needs of the community. This will include the implementation of the following exciting projects across RPCV's business:

- Ongoing cash-backing and contribution to established reserves
- Induction of three new Board members
- Revision and modernisation of governance structures and charters
- Incorporation of a new site
- Ongoing exploration of shared services opportunities
- Implementation of new organisational structure benchmarked against, and potentially incorporating, outsourced service provision
- Implementation of new database and website incorporating online booking processes, automated functions and e-commerce opportunities
- Extension of Memorials@home product line and availability
- Creation of new community-centred memorial gardens in partnership with community groups
- Upgrading and improvements to the chapel located at the Eaglehawk Remembrance Park
- Completion of site beautification initiatives including, but not limited to:
 - Site safety and security fencing at Eaglehawk and White Hills Remembrance Parks
 - Enhanced lawn coverage within identified priority areas involving over 2500m² of new or rejuvenated turf
 - Signage upgrade across all sites reflecting implementation of new site naming protocols
 - Multi-purpose furniture upgrade in reception room to enhance functionality
 - Completion of the restoration of the historically significant Kangaroo Flat Chapel
 - Restoration of the Sexton's Residence slate roof
 - Establishment of Centenary of Gallipoli lone pine memorials
- Completion of technical survey and master plan for roads and paths multi-year improvement program
- Finalise master plan for reception area entrance and landscaped outdoor multi-purpose area
- Finalise master plan for new lakeside memorial garden
- Implement natural burial and cremation services
- Continue to evolve partnerships with key clients and the establishment of the Funeral Service Alliance
- Convening a range of community events with the support of the Community Advisory Committee
- Establishment of an online community remembrance project
- Expand the cremation service delivery model to support key clients and the accessibility of cost-efficient services to the Central Victorian community
- Assess the future Crematorium needs for the organisation.

The above is integrated into the Annual Plan and submitted for approval through the statutory provisions (s.18N). These initiatives and the Annual plan will continue to be a dynamic program commensurate with the ongoing transformation and change program being pursued by RPCV.

DEPARTMENT OF HEALTH

KPI PERFORMANCE REPORT

The following provides an 'initial' assessment against a suite of sector-wide KPI's, which remains a dynamic process:

KEY PERFORMANCE INDICATOR (KPI) REPORTING SHEET

CEMETERY TRUST NAME	Bendigo Cemeteries Trust
REPORTING PERIOD	2013/14

TABLE 1: CEMETERY TRUST DATA

REVENUE THIS PERIOD <i>Operations income excluding grants and investment income</i>	\$1,953,446
REVENUE PREVIOUS PERIOD <i>Operations income excluding grants and investment income</i>	\$1,836,317
NET PROFIT THIS PERIOD	\$294,169
TOTAL INTERMENTS AND CREMATIONS THIS PERIOD	1344
DIRECT MAINTENANCE COSTS <i>Excluding general administrative costs</i>	\$213,828
TOTAL LAND AREA (ha.) <i>Total land under trust control including operating and greenfield sites</i>	73.00
TOTAL INTERMENTS THIS PERIOD	508
TOTAL INTERMENTS PREVIOUS PERIOD	534
TOTAL CREMATIONS THIS PERIOD	836
TOTAL CREMATIONS PREVIOUS PERIOD	435

TABLE 2: KPI CALCULATIONS

KPI 1 REVENUE GROWTH RATE	REVENUE THIS PERIOD	\$1,953,446	6.38%
	REVENUE PREVIOUS PERIOD	\$1,836,317	
KPI 2 RETURN ON SALES	NET PROFIT THIS PERIOD	\$294,169	15.06%
	REVENUE THIS PERIOD	\$1,953,446	
KPI 3 MARKET SHARE	TOTAL INTERMENTS & CREMATIONS THIS PERIOD	1344	TBC
	TOTAL DEATH RATE VICTORIA*	TBC	
KPI 4 AVERAGE MAINTENANCE COSTS PER HECTARE	DIRECT MAINTENANCE COSTS	\$213,828	\$2,929
	TOTAL LAND AREA (ha.)	73.00	
KPI 5 INTERMENT MARKET GROWTH RATE	TOTAL INTERMENTS THIS PERIOD	508	-4.87%
	TOTAL INTERMENTS PREVIOUS PERIOD	534	
KPI 6 CREMATION MARKET GROWTH RATE	TOTAL CREMATIONS THIS PERIOD	836	92.18%
	TOTAL CREMATIONS PREVIOUS PERIOD	435	

*To be confirmed by the Department using data from the Victorian Registry of Births, Deaths and Marriages.

Note: Reference TBC within the above table is as a consequence of the inability of the Department of Health to provide this global sector-wide data for incorporation into this report.

ATTESTATIONS

Responsible Bodies Declaration as at 30 June 2014 – Bendigo Cemeteries Trust

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Bendigo Cemeteries Trust for the year ending 30 June 2014.



Pam Macdonald
Chair

Bendigo
21 August 2014

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

I, Graham Fountain certify that the Bendigo Cemeteries Trust has risk management processes in place consistent with the *AS/NZS ISO 31000:2009* and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Bendigo Cemeteries Trust verifies this assurance and that the risk profile of the Bendigo Cemeteries Trust has been critically reviewed within the last twelve months.

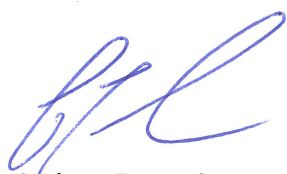


Graham Fountain
Accountable Officer

Bendigo
21 August 2014

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, Graham Fountain certify that the Bendigo Cemeteries Trust has complied with Ministerial Direction 4.5.5.1 – Insurance.



Graham Fountain
Accountable officer

Bendigo
21 August 2014

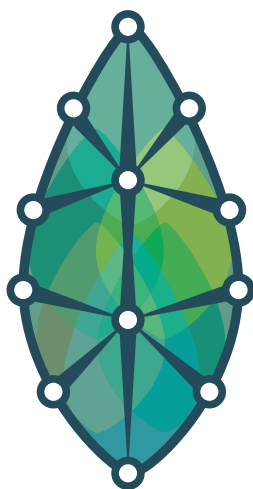
Attestation on Data Integrity

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



Graham Fountain
Accountable officer

Bendigo
21 August 2014



REMEMBRANCE PARKS
CENTRAL VICTORIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2014

BENDIGO CEMETERIES TRUST

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

We certify that the attached financial statements for Bendigo Cemeteries Trust has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions (FRDs), Australian Accounting Standards, Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statements and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2014 and the financial position of Bendigo Cemeteries Trust as at 30 June 2014.

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

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



PAM MACDONALD
Chair

21 August 2014



GRAHAM FOUNTAIN
Accountable Officer

21 August 2014



SHANE ROBINSON
Chief Finance & Accounting Officer

21 August 2014

INDEPENDENT AUDITOR'S REPORT

To the Trustees, Bendigo Cemeteries Trust

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of the Bendigo Cemeteries Trust which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a statement of significant accounting policies and other explanatory information, and the trust member's, accountable officer's and chief finance and accounting officer's declaration has been audited.

The Trustees' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

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


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Bendigo Cemeteries Trust as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Bendigo Cemeteries Trust for the year ended 30 June 2014 included both in the Bendigo Cemeteries Trust's annual report and on the website. The Trustees of the Bendigo Cemeteries Trust are responsible for the integrity of the Bendigo Cemeteries Trust's website. I have not been engaged to report on the integrity of the Bendigo Cemeteries Trust's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
22 August 2014


for Dr Peter Frost
Acting Auditor-General

BENDIGO CEMETERIES TRUST**COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Income			
Cemetery Operations Income	2	2,088,576	1,917,082
Cost of Sales	3(b)	(149,239)	(164,137)
		<u>1,939,337</u>	<u>1,752,945</u>
Investment Income	2(c)	28,697	15,620
Total Income		<u>1,968,034</u>	<u>1,768,565</u>
Expenses			
Employee Benefits	3(a)	1,058,354	1,100,470
Depreciation	4	180,119	182,146
Maintenance and Operating Costs	3(a)	213,828	251,789
Administrative Costs	3(a)	138,521	218,717
Cemetery Levy	3(c)	59,208	55,558
Finance Costs	3(d)	6,845	-
Audit Fees	3(a)	16,990	14,300
Total Expenses		<u>1,673,865</u>	<u>1,822,980</u>
Operating Result for the year		<u>294,169</u>	<u>(54,415)</u>
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Net Result			
Net Fair Value Gains/(Losses) on Available for Sale Financial Assets	14(c)	11,488	(4,320)
Items that will not be Reclassified to Net Result			
Realisation of Available For Sale Investment Revaluation Surplus	14(c)	(24,220)	(14,270)
Net Fair Value Revaluation on Non Financial Assets	14(c)	-	-
Total Other Comprehensive Income		<u>(12,732)</u>	<u>(18,590)</u>
Comprehensive Result for the Year		<u>281,437</u>	<u>(73,005)</u>

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

BENDIGO CEMETERIES TRUST**BALANCE SHEET AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
Current Assets			
Cash and Cash Equivalents	5	370,503	243,578
Receivables	6	163,261	91,618
Inventories	7	81,442	62,510
Prepayments	8	10,757	13,000
Total Current Assets		625,963	410,706
Non-Current Assets			
Inventories	7	38,893	39,709
Property, Plant and Equipment	10(a)	3,504,393	3,340,082
Investments and Other Financial Assets	9	426,283	224,220
Total Non-Current Assets		3,969,569	3,604,011
Total Assets		4,595,532	4,014,717
Current Liabilities			
Payables	11	401,184	263,758
Provision for Employee Benefits	12(a)	111,793	133,895
Provision for Onerous Contracts	12(d)	397,887	426,033
Unearned Income	13(a)	624,619	538,644
Total Current Liabilities		1,535,483	1,362,330
Non-Current Liabilities			
Payables	11	117,141	-
Provision for Employee Benefits	12(a)	37,295	28,211
Total Non-Current Liabilities		154,436	28,211
Total Liabilities		1,689,919	1,390,541
Net Assets		2,905,613	2,624,176
Equity			
Contributed Capital	14	604,962	604,962
Accumulated Deficit	14(a)	(694,250)	(629,040)
Property, Plant & Equipment Revaluation Surplus	14(b)	2,472,432	2,472,432
Available for Sale Investment Revaluation Surplus	14(c)	11,488	24,220
Perpetual Maintenance Reserve	14(d)	279,165	151,602
Other Reserves	14(e)	231,816	-
Total Equity		2,905,613	2,624,176
Commitments for Expenditure	17		
Contingent Assets and Contingent Liabilities	18		

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

BENDIGO CEMETERIES TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Property, Plant and Equipment Revaluation Surplus	Available for Sale Investment Revaluation Surplus	Accumulated Deficit	Perpetual Maintenance Reserve	Other Reserves	Contributed Capital	Total
Note		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012		2,472,432	42,810	(774,625)	151,602	200,000	604,962	2,697,181
Operating Result for the Year	14(a)	-	-	(54,415)	-	-	-	(54,415)
Other Comprehensive Income for the Year	14(c)	-	(4,320)	-	-	-	-	(4,320)
Transfer to/(from) Revaluation Reserve	14(c)	-	(14,270)	-	-	-	-	(14,270)
Transfer to/(from) Accumulated Surplus	14(b)	-	-	200,000	-	(200,000)	-	-
Balance at 30 June 2013		2,472,432	24,220	(629,040)	151,602	-	604,962	2,624,176
Operating Result for the Year	14(a)	-	-	294,169	-	-	-	294,169
Other Comprehensive Income for the Year	14(c)	-	11,488	-	-	-	-	11,488
Transfer to/(from) Revaluation Reserve	14(c)	-	(24,220)	-	-	-	-	(24,220)
Transfer to/(from) Accumulated Surplus	14(d)	-	-	(359,379)	127,563	231,816	-	-
Balance at 30 June 2014	14	2,472,432	11,488	(694,250)	279,165	231,816	604,962	2,905,613

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts from Customers		2,348,174	2,029,087
Payments to Suppliers and Employees		(1,674,812)	(1,853,968)
Investment Income Receipts		5,357	2,300
Goods and Services Tax Paid		(66,146)	(67,333)
Net Cash Inflow from Operating Activities	15	612,573	110,086
Cash Flow from Investing Activities			
Payments for Property, Plant & Equipment		(348,773)	(152,190)
Payments for Investments		(414,795)	-
Proceeds from Sale of Assets	2(b)	54,580	45,191
Proceeds from Sale of Investments		223,340	113,320
Net Cash Inflow/(Outflow) from Investing Activities		(485,648)	6,321
Cash Flows from Financing Activities		-	-
Net Cash Inflow Financing Activities		-	-
Net increase/(decrease) in Cash and Cash Equivalents		126,925	116,407
Cash and Cash Equivalents at Beginning of the Financial Year		243,578	127,171
Cash and Cash Equivalents at End of the Financial Year	5	370,503	243,578

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

Notes to the Financial Statements for the year ended 30 June 2014

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1. Statement of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Bendigo Cemeteries Trust for the period ending 30 June 2014. The purpose of the report is to provide users with information about the Cemetery Trust's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

The annual financial statements were authorised for issue by the Bendigo Cemeteries Trust on 21 August 2014.

(b) Basis of Accounting Preparation and Measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014, and the comparative information presented in these financial statements are for the year ended 30 June 2013.

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

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

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

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

- Non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made and are re-assessed with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair values;
- Derivative financial instruments, managed investment schemes, certain debt securities, and investment properties after initial recognition, which are measured at fair value with changes reflected in the comprehensive statement (fair value through profit or loss);
- Available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised (i.e. other comprehensive income – items that may be reclassified subsequent to net result); and
- Historical cost is based on the fair values of the consideration given in exchange for assets.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Consistent with AASB 13 Fair Value Measurement, Bendigo Cemeteries Trust determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant FRDs.

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

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgments and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

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

(c) Reporting Entity

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

The Trust's principal address is:

Bendigo Cemeteries Trust
5 Victoria Street, Eaglehawk
Victoria 3556

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

(d) Scope and Presentation of Financial Statements

Comprehensive Operating Statement

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

Balance Sheet

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

Statement of Changes in Equity

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

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under *AASB 107 Statement of Cash Flows*.

Rounding

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

Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons. There are no changes to this year's comparatives.

(e) Income from Transactions

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

Fees

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

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

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

Interest Revenue

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

Sale of Investments

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

Unearned Income

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

(f) Expense Recognition

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

Cost of Goods Sold

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

Employee Expenses

Employee expenses include:

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

Defined Contribution Superannuation Plans

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

Defined Benefit Superannuation Plans

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

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land, items under operating leases, assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

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

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

	2014	2013
Buildings	50 - 150 years	50 - 150 years
Plant & Equipment	6 - 10 years	6 - 10 years
Infrastructure and Improvements	40 - 50 years	40 - 50 years
Office Equipment, Furniture and Fittings	3 - 10 years	3 - 10 years

Cemetery Levy

In accordance with Section 18Q of the *Cemeteries and Crematoria Act 2003*, the Trust is required to pay a percentage of its gross earnings, as defined by the Department of Health, to the Consolidated Fund held by the State of Victoria. 'Gross Earnings' is currently defined as cemetery operations income and investment income, excluding: donations, government grants, profit or loss on sale of investments and other assets and assets received free of charge. The levy rate for this reporting period is 3% (2013: 3%)

Finance Costs

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

Finance costs include finance charges in respect of finance leases recognised in accordance with AASB 117 *Leases*.

Other Operating Expenses

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

Maintenance and Operating Costs

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

Administrative Costs

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

(g) Other Comprehensive Income

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

Net gain/ (loss) on non-financial assets

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

Revaluation gains/ (losses) of non-financial physical assets

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

Net gains/ (losses) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

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

Revaluations of financial instrument at fair value

Refer to Note 1 (h) *Financial Instruments*.

Other gains/ (losses) from other comprehensive income

Other gains/ (losses) include the gains or losses from:

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

(h) Financial Instruments

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

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

The following refers to financial instruments unless otherwise stated.

Loans and Receivables

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

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

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

Available for Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period. Fair value is determined in the manner described in Note 16.

Financial Liabilities at Amortised Cost

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

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

(i) Assets

Cash and Cash Equivalents

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

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

Receivables

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

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

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

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

Other Financial Assets

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

The Bendigo Cemeteries Trust classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

The Bendigo Cemeteries Trust assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. All financial assets except those measured at fair value through profit and loss are subject to annual review for impairment.

Available for Sale Financial Assets

Available-for-sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Fair value is determined in the manner described in Note 16.

Impairment of Financial Assets

At the end of each reporting period Bendigo Cemeteries Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

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

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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

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

Net Gain/(Loss) on Financial Instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of Financial Instruments at Fair Value

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

(j) Non-Financial Assets

Inventories

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

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

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

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

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

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

Property, Plant and Equipment

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

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply.

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

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Revaluations of Non-current Physical Assets

Non-current physical assets are measured at fair value are revalued in accordance with FRD 103F *Non-current physical assets*. A full revaluation normally occurs at least every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

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

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

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

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

Cemetery land was formally valued as at 30 June 2012 by the Valuer-General of Victoria in accordance with the requirements of FRD 103F *Non-Current Physical Assets*, issued pursuant to the *Financial Management Act 1994*. The next scheduled revaluation under FRD 103F is set for the year ending 30 June 2017 or earlier if there is an indication that fair values have moved materially since the last valuation.

Other Non-Financial Assets

Prepayments

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

(k) Liabilities

Payables

Payables consist of:

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

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

Unearned Income

All unearned income is classified as a current liability as the trust does not have an unconditional right to receive deposits in advance. Prepaid fees are recognised at their nominal (contracted) value.

Provisions

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

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

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

Employee Benefits

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

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

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

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

Long Service Leave

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

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

The components of this current LSL liability are measured at:

- Undiscounted value – if the cemetery trust expects to wholly settle within 12 months; and
- Present value – if the cemetery trust does not expect to wholly settle within 12 months (undiscounted).

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Termination Benefits

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

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

On-Costs

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

Superannuation

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

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

Defined Contribution Superannuation Plan

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

Defined Benefit Superannuation Plan

The defined benefit plans provide benefits to employees based on years of service and final average salary. The Cemetery Trust makes employer contributions to the defined benefits category of the Vision Superannuation Fund at a minimum of the rate determined by the Cemetery's Trustee.

On the basis of the results of the most recent full actuarial investigation at 30 June 2011, the Cemetery Trust's current contribution is 9.25% of the superannuation salary, plus any shortfall identified as part of the actuarial review. For the year ending 30 June 2014 Bendigo Cemeteries Trust have made no contributions or made any provision for a shortfall contribution.

Unfunded Defined Benefit Superannuation Liability

Bendigo Cemeteries Trust makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (LASF), known as Vision Super since 2002, which is a not-for-profit industry fund for cemeteries and certain other agencies. Vision Super is the Trustee of both the defined benefit plan (closed since 1993) and the Super Save (accumulation) fund.

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

In early 2012, Vision Super wrote to all participating cemeteries and other agencies regarding the results of their actuarial investigation into the LASF defined benefit plan.

Bendigo Cemeteries Trust has paid its shortfall contribution in 2012 and no provision has been recognised in the financial statements for 30 June 2014.

Onerous Contracts (on Pre-Paid Fees)

Provisions are recognised when either a legal or constructive obligation, as a result of a past event, exists at the balance sheet date and where the amount of the obligation can be reliably estimated and the future sacrifice of economic benefits is probable. A provision will also be recognised for onerous contracts where the unavoidable costs of meeting the contractual obligations exceed the economic benefits that are expected to be received under the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

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

Derecognition of Financial Liabilities

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

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

(I) Lease

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

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

Finance Lease

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

Operating Lease

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

(m) Equity

Contributed Capital

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

Property, Plant & Equipment Revaluation Surplus

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Available-for-Sale Investment Revaluation Surplus

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

Cremator Reserve

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

Perpetual Maintenance Reserve

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

Prepaid Interment Reserve

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

Defined Benefit Superannuation Reserve

Bendigo Cemeteries Trust created this reserve to recognise the funds the Trust drew down on during 2012/13 to fund the unfunded defined benefit superannuation liability call with the intention of repaying these funds over a two year period. It has already contributed 50% of this draw down to the end of 2013/14 and has budgeted to contribute the remaining amount in the 2014/15 year. The Trust intends on building up the reserve to cover any future unfunded calls that may arise once repaid.

(n) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

(o) Commitments for Expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

(p) Contingent Assets and Contingent Liabilities

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

(q) Events occurring after the Reporting Period

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

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

(r) New Accounting Standards and Interpretations

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period.

As at 30 June 2014, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2014. Bendigo Cemeteries Trust has not and does not intend to adopt these standards early.

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
AASB 9 <i>Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	1-Jan-17	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

In addition to the new standard above, the AASB has issues a list of amending standards that are not effective for the 2013-14 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on the public sector reporting.

- AASB 2010-7 *Amendments to the Australian Accounting Standards arising from AASB 9 (December 2010)*.
- 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*.
- 2013-6 *Amendments to AASB 136 arising from Reduced Disclosures Requirements*.
- 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments*.

2. Revenue

	Note	2014 \$	2013 \$
(a) Cemetery Operations Income			
Right of Interment Income		467,108	503,105
Interment Income		553,777	589,169
Cremation Income		518,937	309,898
Cremation Memorial Income		38,390	39,791
Memorialisation Income		356,043	379,754
Chapel Hire and Function Income		19,191	14,600
Other Operating Income		41,572	68,496
Government Grants		43,321	5,760
Gain/(Loss) on disposal of Property, Plant & Equipment	2(b)	50,237	6,509
Total Cemetery Operations Income		2,088,576	1,917,082
(b) Gain/(Loss) on Disposal of Property, Plant & Equipment			
Proceeds from Sale		54,580	45,191
Written Down Value		(4,343)	(38,682)
Total Gain/(Loss) on Disposal of Property, Plant & Equipment		50,237	6,509
(c) Investment Income			
Interest from Cash and Cash Equivalents		5,357	2,300
Net Gain/(Loss) due to Sale of Available for Sale Investments		23,340	13,320
Total Investment Income		28,697	15,620

3. Expenses

Note	2014	2013
	\$	\$

(a) Expenses from Transactions

Employee Benefits		1,058,354	1,100,470
Depreciation	4	180,119	182,146
Maintenance and Operating Costs		213,828	251,789
Administrative Costs		138,521	218,717
Cemetery Levy	3(c)	59,208	55,558
Finance Costs	3(d)	6,845	-
Audit Fees: Auditor General		10,600	10,300
Internal Audit		6,390	4,000
Total Expenses		1,673,865	1,822,980

(b) Cost of Sales

Right of Interment		16,559	15,643
Memorialisation		129,399	148,494
Other		3,281	-
Total Cost of Sales		149,239	164,137

(c) Cemetery Levy

Cemetery Levy		59,208	55,558
Total Cemetery Levy		59,208	55,558

(d) Finance Costs

Finance Charges on Finance Leases		6,845	-
Total Finance Costs		6,845	-

4. Depreciation

	2014	2013
	\$	\$
Buildings, Infrastructure and Improvements	84,326	83,085
Plant and Equipment	86,929	86,411
Office Equipment, Furniture and Fittings	8,864	12,650
Total Depreciation	180,119	182,146

5. Cash and Cash Equivalents

Cash on hand	13,326	59,288
Cash at bank	357,177	184,290
Total Cash and Cash Equivalents	370,503	243,578

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

6. Receivables**Current****Contractual**

Trade Debtors	93,285	90,412
Other Receivables	69,976	-

Statutory

Net GST Receivable	-	1,206
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Total Receivables	163,261	91,618
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No impairment for credit losses has been booked in a separate account during either financial years reported. The nature and extent of risk arising from receivables and ageing of receivables is contained in Note 16.

7. Inventories

	2014	2013
	\$	\$
Current		
Work in Progress		
Land for Interment Purposes	-	13,697
Finished Goods		
Consumables	44,322	21,232
Grave Foundations	37,120	27,581
	81,442	62,510
Non-Current		
Work in Progress/Undeveloped		
Land for Interment Purposes	38,893	39,709
	38,893	39,709
Consumables	44,322	21,232
Land for Interment Purposes	38,893	53,406
Grave Foundations	37,120	27,581
Total Inventories	120,335	102,219

8. Prepayments

Prepayments of Expenditure	10,757	13,000
Total Prepayments	10,757	13,000

9. Investments and Other Financial Assets

Current		
Interest Bearing Investments	115,214	-
Managed Shares Portfolio	311,069	-
Managed Investment Fund	-	224,220
Total Other Financial Assets	426,283	224,220

(a) Ageing analysis of other financial assets

Please refer to Note 16 for the ageing analysis of other financial assets.

(b) Nature and extent of risk arising from investments

Please refer to Note 16 for nature and extent of credit risk arising from other financial assets.

10. Property, Plant and Equipment

(a) Gross Carrying Amount and Accumulated Depreciation

	2014	2013
	\$	\$
Cemetery Infrastructure Land at Valuation	240,272	240,272
	240,272	240,272
Buildings, Infrastructure and Improvements at Fair Value	2,729,464	2,630,407
<i>Less Accumulated Depreciation</i>	(167,411)	(83,085)
	2,562,053	2,547,322
Plant and Equipment at Fair Value	801,985	594,237
<i>Less Accumulated Depreciation</i>	(173,340)	(86,411)
	628,645	507,826
Office Equipment, Furniture and Fittings at Fair Value	59,070	28,971
<i>Less Accumulated Depreciation</i>	(21,514)	(12,650)
	37,556	16,321
Capital works in progress at cost	35,867	28,341
Total Property, Plant and Equipment	3,504,393	3,340,082

(b) Reconciliation of Property, Plant and Equipment

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

	Cemetery Infrastructure Land	Buildings, Infrastructure and Improvements	Plant and Equipment	Office Equipment, Furniture and Fittings	Capital Works In Progress	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	240,272	2,630,407	509,070	28,971	-	3,408,720
Additions	-	-	123,849	-	28,341	152,190
Disposal	-	-	(38,682)	-	-	(38,682)
Depreciation Expense	-	(83,085)	(86,411)	(12,650)	-	(182,146)
Balance at 1 July 2013	240,272	2,547,322	507,826	16,321	28,341	3,340,082
Additions	-	99,057	207,748	34,442	35,867	377,114
Expenditure on Capital Works	-	-	-	-	16,379	16,379
Completed Works	-	-	-	-	(44,720)	(44,720)
Disposal	-	-	-	(4,343)	-	(4,343)
Depreciation Expense	-	(84,326)	(86,929)	(8,864)	-	(180,119)
Balance at 30 June 2014	240,272	2,562,053	628,645	37,556	35,867	3,504,393

- (i) The latest cemetery land values have been provided by Mr. Mark Sanderson AAPI, Certified Practising Valuer, as an agent of the Valuer-General Victoria, as at 30 June 2012. The valuation, which confirms to Australian Valuation Standards, has been prepared using the Highest and Best Use (HBU) value discounted by 95% (2007: 95%), representing the Community Service Obligation (CSO) associated with cemeteries.

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

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

Cemetery Use

4,805,440
4,565,168

Total Land at Valuation

240,272

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

(c) Aggregate Depreciation Recognised as an Expense during the Year

	2014	2013
	\$	\$
Buildings at Fair Value	84,326	83,085
Plant , Infrastructure and Improvements at Fair Value	86,929	86,411
Office Equipment, Furniture and Fittings at Fair Value	8,864	12,650
Total	180,119	182,146

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

(d) Fair Value Measurement Hierarchy for Assets as at 30 June 2014

	Carrying amount as at 30 June 2014	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Cemetery Infrastructure Land at Fair Value				
Specialised	240,272	-	-	240,272
Total of Land at Fair Value	240,272	-	-	240,272
Buildings and Infrastructure at Fair Value				
Non-Specialised	1,076,514	-	-	1,076,514
Specialised	1,043,724	-	-	1,043,724
Heritage	441,815	-	-	441,815
Total of Buildings and Infrastructure at Fair Value	2,562,053	-	-	2,562,053
Plant, Equipment and Vehicles at Fair Value				
Plant equipment and vehicles at fair value				
- Vehicles ⁽ⁱⁱ⁾	167,907	-	-	167,907
- Plant and Equipment	460,738	-	-	460,738
Total Plant, Equipment and Vehicles at Fair Value	628,645	-	-	628,645
Office Equipment, Furniture and Fittings at Fair Value				
Office and Computer Equipment Furniture	37,556	-	-	37,556
Total Office Equipment, Furniture and Fittings at Fair Value	37,556	-	-	37,556
Total Assets	3,468,526	-	-	3,468,526

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

(ii) Vehicles are categorised to Level 3 assets as the depreciated replacement cost is used in estimating the fair value.

There have been no transfers between levels during the period.

Non-Specialised Land and Non-Specialised Buildings

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land and non-specialised buildings, an independent valuation was performed by independent valuer, Mr. Mark Sanderson AAPI, Certified Practising Valuer, as an agent of the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2012.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

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

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

For the cemetery trusts, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of the Cemetery Trust's specialised land and specialised buildings was performed by Mr. Mark Sanderson on behalf of the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2012.

Heritage assets, infrastructure and road infrastructure

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

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

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

Vehicles

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

Plant and Equipment

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

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

There were no changes in valuation techniques throughout the period to 30 June 2014.

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

(e) Reconciliation of Level 3 Fair Value

	Cemetery Infrastructure Land at Fair Value	Buildings, Infrastructure and Improvements at Fair Value	Plant and Equipment at Fair Value	Office Equipment, Furniture and Fittings at Fair Value
2014				
Opening Balance	240,272	2,547,322	507,826	16,321
Purchases/(Sales)	-	99,057	207,748	30,099
Transfers in/(out) of Level 3	-	-	-	-
<i>Gains or Losses Recognised in Net Result</i>				
Depreciation	-	(84,326)	(86,929)	(8,864)
Impairment Loss	-	-	-	-
Subtotal	-	(84,326)	(86,929)	(8,864)
<i>Items Recognised in Other Comprehensive Income</i>				
Revaluation	-	-	-	-
Subtotal	-	-	-	-
Closing Balance	240,272	2,562,053	628,645	37,556
Unrealised Gains/(Losses) on Non Financial Assets	-	-	-	-
Closing Balance after Unrealised Gains/(Losses)	240,272	2,562,053	628,645	37,556

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

	Valuation Technique	Significant Unobservable Inputs	Range (Weighted Average)	Sensitivity of Fair Value Measurement to Changes in Significant Unobservable Inputs
Cemetery - Specialised Land				
Axedale, Bendigo, Eaglehawk, Kangaroo Flat, White Hills and Emu Creek Remembrance Parks	Market approach	Community Service Obligation (CSO) adjustment	95%	A significant increase or decrease in the CSO adjustment would result in a significantly lower or higher fair value
Cemetery - Specialised Buildings				
Central Victoria Crematorium and Chapel	Depreciated replacement cost	Direct cost per square metre	\$2,750	A significant increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value
		Useful life of specialised buildings	80 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value
Crematorium Equipment at Fair Value				
Cremator Equipment	Depreciated replacement cost	Cost per unit	\$11,200 - \$56,800	A significant increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value
		Useful life of cremator equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value
Plant and Equipment at Fair Value				
Interment and crematorium equipment	Depreciated replacement cost	Cost per unit	\$6,753 - \$25,207	A significant increase or decrease in the direct cost per square metre adjustment would result in a significantly lower or higher fair value
		Useful life of plant and equipment	10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly lower or higher fair value

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

11. Payables**Current****Contractual**

Trade creditors	107,896	95,407
Accruals	101,163	106,594
Unexpended Grants and Donations	127,498	47,471
Other Creditors	59,616	14,286

Statutory

Net GST payable	5,011	-
	401,184	263,758

Non Current**Contractual**

Other Creditors	117,141	-
	117,141	-

Total Payables

	518,325	263,758
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(a) Ageing analysis of payables

Please refer to Note 16 for the ageing analysis of payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 16 for nature and extent of credit risk arising from payables.

12. Provisions

(a) Employee Benefits

Current Provisions

Employee Benefits ⁽ⁱ⁾

Annual Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	51,078	47,173
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Annual Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	16,319	11,582
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Employee Termination Benefits ⁽ⁱⁱ⁾

Rostered Days Off - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	2,116	2,488
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Long Service Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱⁱ⁾	8,224	11,465
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Long Service Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	22,232	46,159
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Total Employee Benefits

99,969	118,867
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Provision for Employee On-Costs

Annual Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	5,836	5,901
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Annual Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	1,999	1,449
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Rostered Days Off - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	259	329
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Long Service Leave - Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	1,007	1,198
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Long Service Leave - Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	2,723	6,151
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Total Provision for Employee On-Costs

11,824	15,028
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Total Current Provisions

111,793	133,895
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Non-Current Provisions

Long Service Leave - Conditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	33,225	24,910
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On-costs on non-current employee provisions	4,070	3,301
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Total Non-Current Provisions

37,295	28,211
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Total Provision for Employee Benefits

149,088	162,106
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(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present value

(b) Employee Benefits and On-Costs

Current Employee Benefits

Annual Leave	67,397	58,755
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Long Service Leave	30,456	57,624
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Rostered Days Off	2,116	2,488
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Non-Current Employee Benefits

Long Service Leave	33,225	24,910
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Total Employee Benefits

133,194	143,777
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Current On-Costs	11,824	15,028
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Non-Current On-Costs	4,070	3,301
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Total On-Costs

15,894	18,329
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Total Employee Benefits and On-Costs

149,088	162,106
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(c) Movement in Provisions**Movement in Long Service Leave**

	2014	2013
	\$	\$
Balance at start of year	93,184	80,822
Provisions made during the year		
Revaluations	(4,742)	(1,560)
Expense recognising employee service	13,826	17,163
Long Service Leave Taken	(30,787)	(3,241)
Balance at the end of the year	71,481	93,184

Movement in Annual Leave:

Balance at start of year	66,105	64,774
Provision made during the year		
Expense recognising employee service	62,966	76,564
Annual Leave Taken	(53,839)	(75,233)
Balance at the end of the year	75,232	66,105

(d) Provision for Onerous Contracts ⁽ⁱ⁾

Balance at Beginning of Period	426,033	388,905
Increase/(decrease) to provision recognised in operating statement	(28,146)	37,128
Total Provision for Onerous Contracts	397,887	426,033
Current		
Amount expected to be settled within 12 months	39,789	42,603
Amount expected to be settled after 12 months	358,098	383,430
Total Provision for Onerous Contracts	397,887	426,033

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

13. Unearned Income**Current****Deposits taken in advance**

Amount expected to be settled within 12 months	62,462	53,864
Amount expected to be settled after 12 months	562,157	484,780
	624,619	538,644

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

14. Equity**Composition of Equity**

	2014	2013
	\$	\$
Contributed Capital	604,962	604,962
Accumulated Funds	14(a) (694,250)	(629,040)
Property, Plant and Equipment Revaluation Surplus	14(b) 2,472,432	2,472,432
Available for Sale Investment Revaluation Surplus	14(c) 11,488	24,220
Perpetual Maintenance Reserve	14(d) 279,165	151,602
Other Reserves	14(e) 231,816	-
Total Equity	2,905,613	2,624,176

(a) Movement in Accumulated Funds

Balance at the Beginning of the Period	(629,040)	(774,625)
Net Result for the Period	294,169	(54,415)
Transfer (to)/from Reserves	(359,379)	200,000
Balance at the end of the period	(694,250)	(629,040)

(b) Property, Plant and Equipment

Buildings, Infrastructure & Improvements	2,149,388	2,149,388
Plant & Equipment	82,772	82,772
Infrastructure Land	240,272	240,272
	2,472,432	2,472,432

Buildings, Infrastructure & Improvements

Balance at the Beginning of the Period	2,149,388	2,149,388
Revaluation Increment/(Decrement)	-	-
Balance at the end of the period	2,149,388	2,149,388

Plant & Equipment

Balance at the Beginning of the Period	82,772	82,772
Revaluation Increment/(Decrement)	-	-
Balance at the end of the period	82,772	82,772

Infrastructure Land

Balance at the Beginning of the Period	240,272	240,272
Revaluation Increment/(Decrement)	-	-
Balance at the end of the period	240,272	240,272

Total Property, Plant & Equipment Revaluation Surplus

	2,472,432	2,472,432
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(c) Available for Sale Investment Revaluation Surplus

Balance at the Beginning of the Period	24,220	42,810
Realised (Gain)/Loss on Sale of Investment	(24,220)	(14,270)
Revaluation Increment/(Decrement)	11,488	(4,320)
Balance at the end of the period	11,488	24,220

		2014	2013
	Note	\$	\$
(d) Perpetual Maintenance Reserve			
Opening Balance		151,602	151,602
Transfers (to)/from Accumulated Funds		127,563	-
Perpetual Maintenance Reserve Closing Balance		279,165	151,602
(e) Other Reserves			
Cremator Reserve			
Opening Balance		-	100,000
Transfers (to)/from Accumulated Funds		221,697	(100,000)
Closing Balance		221,697	-
Prepaid Interment Reserve			
Opening Balance		-	-
Transfers (to)/from Accumulated Funds		69,087	-
Closing Balance		69,087	-
Defined Benefit Superannuation Reserve			
Opening Balance		-	-
Initial Drawdown	1(j)	(117,936)	-
Transfers (to)/from Accumulated Funds		58,968	-
Closing Balance		(58,968)	-
Plant Replacement Reserve			
Opening Balance		-	100,000
Transfers (to)/from Accumulated Funds		-	(100,000)
Closing Balance		-	-
Other Reserves Closing Balance		231,816	-

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

Result for the Year	294,169	(54,415)
Non-Cash Flows in Operating Surplus		
Depreciation	180,119	182,146
Net (Gain)/Loss from Sale of Property, Plant and Equipment	(50,237)	(6,509)
Net Gain from Sale of Investment	(23,340)	(13,320)
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(71,643)	7,751
Decrease in Prepayments	2,243	9,308
Increase in Inventories	(18,116)	(15,304)
Increase/(Decrease) in Payables	254,567	(28,065)
Increase/(Decrease) in Provisions	(41,164)	52,431
Increase/(Decrease) in Unearned Income	85,975	(23,937)
Net Cash Inflows from Operating Activities	612,573	110,086

16. Financial Instruments

(a) Financial Risk Management Objectives and Policies

The cemetery trust's principal financial instruments comprise of:

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

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

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

Categorisation of Financial Instruments			2014	2013
Account Balance	Note	Category	\$	\$
Financial Assets ⁽ⁱ⁾				
Cash and Cash Equivalents	5	Cash	370,503	243,578
Receivables	6	Loans & receivables (at Amortised Cost)	93,285	90,412
Other financial assets	9	Available for Sale Investments (at Fair Value Through Equity)	426,283	224,220
Total Financial Assets			890,071	558,210
Financial Liabilities ⁽ⁱⁱ⁾				
Payables	11	Financial Liabilities (at Amortised Cost)	513,314	263,758
Total Financial Liabilities			513,314	263,758

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

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)

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

Financial Assets ⁽ⁱ⁾				
Cash and Cash Equivalents			28,697	15,620
Receivables			-	-
Available for Sale at Fair Value through Equity			11,488	(4,320)
Total Financial Assets			40,185	11,300
Financial Liabilities				
At Amortised Cost ⁽ⁱⁱ⁾			-	-
Total Financial Liabilities			-	-

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

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

(b) Credit Risk

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

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

(i) Policy in Managing Credit Risk

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

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

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

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

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

(ii) Maximum Exposure to Credit Risk

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

	2014	2013
Financial Assets	\$	\$
Cash and Cash Equivalents	370,503	243,578
Receivables	93,285	90,412
Available for Sale Investments	426,283	224,220
Total	890,071	558,210

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

(iii) Credit quality of contractual financial assets that are neither past due nor impaired

	Financial Institutions (AAA Credit Rating) \$	Government Agencies (AAA Credit Rating) \$	Government Agencies (BBB Credit Rating) \$	Other (Not Rated) \$	Total \$
2014 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	13,326	-	-	-	13,326
Cash at Bank	357,177	-	-	-	357,177
Receivables:	-	-	-	163,261	163,261
<i>Available for Sale Investments:</i>					
Interest Bearing	115,214	-	-	-	115,214
Managed Share Portfolio	311,069	-	-	-	311,069
Total Financial Assets	796,786	-	-	163,261	960,047
2013 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	59,288	-	-	-	59,288
Cash at Bank	184,290	-	-	-	184,290
Receivables:	-	-	-	90,412	90,412
<i>Available for Sale Investments:</i>					
Managed Investment Fund	224,220	-	-	-	224,220
Total Financial Assets	467,798	-	-	90,412	558,210

(iv) Ageing analysis of financial assets as at 30 June

	Carrying Amount \$	Not Past Due and Not Impaired \$	Past Due but Not Impaired				Impaired Financial Assets \$
			Less Than 1 Month \$	1-3 Month \$	3 Months - 1 Year \$	1-5 Years \$	
2014 Financial Assets							
<i>Cash and Cash Equivalents:</i>							
Cash on Hand	13,326	13,326	-	-	-	-	-
Cash at Bank	357,177	357,177	-	-	-	-	-
Receivables	163,261	163,261	-	-	-	-	-
<i>Available for Sale Assets:</i>							
Interest Bearing Investment	115,214	115,214	-	-	-	-	-
Managed Share Portfolio	311,069	311,069	-	-	-	-	-
Total	960,047	960,047	-	-	-	-	-
2013 Financial Assets							
<i>Cash and Cash Equivalents:</i>							
Cash on Hand	59,288	59,288	-	-	-	-	-
Cash at Bank	184,290	184,290	-	-	-	-	-
Receivables	94,273	90,412	2,931	550	380	-	-
<i>Available for Sale Assets:</i>							
Managed Investment Fund	224,220	224,220	-	-	-	-	-
Total	562,071	558,210	2,931	550	380	-	-

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

Contractual financial assets that are either past due or impaired

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

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

(c) Liquidity Risk

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

Bendigo Cemeteries Trust objectives in managing liquidity risk is to ensure that all obligations will be met as they fall due, while ensuring maximum funds are available for investment to meet longer term perpetual maintenance requirements.

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

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

(ii) Maximum Exposure to Liquidity Risk

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

	2014	2013
Financial Liabilities	\$	\$
Payables	513,314	263,758
Total	513,314	263,758

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

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

	Carrying Amount \$	Nominal Amount \$	Maturity Dates			
			Less Than 1 Month \$	1-3 Months \$	3 Months - 1 Year \$	1-5 Years \$
2014 Financial Liabilities						
Payables	513,314	513,314	369,797	6,594	19,782	117,141
Total	513,314	513,314	369,797	6,594	19,782	117,141
2013 Financial Liabilities						
Payables	263,758	263,758	263,758	-	-	-
Total	263,758	263,758	263,758	-	-	-

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

(d) Market Risk Exposure

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

Investments are managed in accordance with our investment policy, which stipulates, asset allocation ranges to diversity and mitigate risk. The investment policy is reviewed regularly by management in conjunction with independent investment advisors. Management have appointed external investment advisors to manage our investment portfolio. The performance of investments and investment managers is regularly monitored by management.

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

(i) Currency Risk and Policy in Managing Currency Risk

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

Bendigo Cemeteries Trust manages its currency risk by appointing experienced external managers to manage these investments on its behalf and diversifying the allocation of the investment in shares of overseas companies, which operates in stable economies throughout Europe, the United States of America and Asia.

To minimise volatility in overseas investments due to fluctuations in foreign currency exchange rates, our investment managers hedge a proportion of its exposure to overseas investments back to the Australian dollar. Currency hedging is implemented through the use of forward foreign exchange contracts.

(ii) Interest Rate Risk and Policy in Managing Interest Risk*Financial Liabilities*

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

Available for Sale Investments

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

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

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

	Weighted Average Effective Interest Rate	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$
2014 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	0.00%	13,326	-	-	13,326
Cash at Bank	1.62%	357,177	-	357,177	-
Receivables	0.00%	163,261	-	-	163,261
<i>Available for Sale Assets:</i>					
Interest Bearing Investments	3.23%	115,214	-	115,214	-
Managed Share Portfolio	0.00%	311,069	-	-	311,069
Total		960,047	-	472,391	487,656
2014 Financial Liabilities					
Payables:	2.03%	513,314	143,517	-	369,797
Total		513,314	143,517	-	369,797

	Weighted Average Effective Interest Rate	Carrying Amount \$	Interest Rate Exposure		
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-Interest Bearing \$
2013 Financial Assets					
<i>Cash and Cash Equivalents:</i>					
Cash on Hand	0.00%	59,288	-	-	59,288
Cash at Bank	1.93%	184,290	-	184,290	-
Receivables	0.00%	90,412	-	-	90,412
<i>Available for Sale Assets:</i>					
Managed Investment Fund	0.00%	224,220	-	224,220	-
Total		558,210	-	408,510	149,700
2013 Financial Liabilities					
Payables:	0.00%	263,758	-	-	263,758
Total		263,758	-	-	263,758

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

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

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

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

(iv) Sensitivity Analysis on Other Price Risk

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

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

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

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

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

	Carrying Amount	Interest Rate Risk (a)				Other Price Risk (b)			
		(1%)		1%		(15%)		15%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2014 Financial Assets									
Cash and Cash Equivalents:	370,503	(3,705)	(3,705)	3,705	3,705	-	-	-	-
Receivables:	93,285	-	-	-	-	-	-	-	-
<i>Available for Sale Assets:</i>									
Interest Bearing Investments	115,214	(1,152)	(1,152)	1,152	1,152	-	-	-	-
Managed Share Portfolio	311,069	-	-	-	-	-	(46,660)	-	46,660
2014 Financial Liabilities									
Payables:	513,314	-	-	-	-	-	-	-	-
Total	1,403,385	(4,857)	(4,857)	4,857	4,857	-	(46,660)	-	46,660

	Carrying Amount	Interest Rate Risk (a)				Other Price Risk (b)			
		(1%)		1%		(5%)		5%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
2013 Financial Assets									
Cash and Cash Equivalents:	243,578	(2,436)	(2,436)	2,436	2,436	-	-	-	-
Receivables:	91,618	-	-	-	-	-	-	-	-
<i>Available for Sale Assets:</i>									
Managed Investment Fund	224,220	-	-	-	-	-	(11,211)	-	11,211
2013 Financial Liabilities									
Payables:	263,758	-	-	-	-	-	-	-	-
Total	823,174	(2,436)	(2,436)	2,436	2,436	-	(11,211)	-	11,211

(e) Fair Value

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

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

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

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

Comparison between carrying amount and fair value:

	Consolidated Carrying Amount	Fair value	Consolidated Carrying Amount	Fair value
	2014	2014	2013	2013
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents:	370,503	370,503	243,578	243,578
Receivables:	93,285	93,285	91,618	91,618
<i>Available for Sale Investments:</i>				
Interest Bearing Investments	115,214	115,214	-	-
Managed Share Portfolio	311,069	311,069	-	-
Managed Investment Fund	-	-	224,220	224,220
Total Financial Assets	463,788	463,788	335,196	335,196
Financial Liabilities				
Payables:	513,314	513,314	263,758	263,758
Total Financial Liabilities	513,314	513,314	263,758	263,758

Financial assets measured at fair value

	Carrying Amount as at 30 June	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
2014				
<i>Available for sale financial assets:</i>				
Interest Bearing Investments	115,214	115,214		
Managed Share Portfolio ⁽ⁱⁱ⁾	311,069	311,069	-	-
Total Financial Assets	311,069	311,069	-	-
2013				
<i>Available for sale financial assets:</i>				
Managed Investment Fund	224,220	224,220	-	-
Total Financial Assets	224,220	224,220	-	-

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

(ii) The Cemetery Trust invests in a managed share portfolio which is valued at current market rates at 30 June 2014.

17. Commitments

	2014	2013
	\$	\$
Capital Commitments		
Cemetery Infrastructure	60,280	-
Total Capital Commitments	60,280	-
Operating Expenditure Commitments		
ICT Equipment	31,886	26,860
Building Maintenance	5,850	11,700
Total Operating Expenditure Commitments	37,736	38,560
Lease Commitments		
Finance Leases ⁽ⁱ⁾	143,517	-
Total Lease Commitments	143,517	-
Capital Expenditure Commitments		
Not Longer Than 1 Year	60,280	-
Total Capital Expenditure Commitments	60,280	-
Operating Expenditure Commitments		
Not Longer Than 1 Year	15,207	17,004
Longer Than 1 Year and Not Longer Than 5 years	22,529	21,556
Total Operating Expenditure Commitments	37,736	38,560
Lease Commitments ⁽ⁱ⁾		
Not Longer Than 1 Year	26,376	-
Longer Than 1 Year and Not Longer Than 5 years	117,141	-
Total Lease Commitments	143,517	38,560

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

(i) These finance leases entered into in the 2013/14 financial year are between 3 to 5 year terms and relate to motor vehicle leases. Bendigo Cemeteries Trust has the option of acquiring the leased assets at the end of the lease term. This residual acquisition amount has been included in the above lease commitments amounts. The weighted average interest rate implicit in leases is 7.48% (2013 - Nil).

18. Contingent Assets and Contingent Liabilities

Perpetual Maintenance

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

At this time the Bendigo Cemeteries Trust is aware that there will be ongoing significant cash outflows for future expenditure on perpetual maintenance of the public cemetery but is unable to calculate a sufficiently reliable estimate of any related present obligation which may arise under the accounting standards.

The Bendigo Cemeteries Trust has never the less created a reserve, which is cash and investment backed, as a source of future contributions towards its perpetual maintenance obligations, which is disclosed as a Perpetual Maintenance Reserve in Note 15.

Insurance Claim Pending

During June 2014, the Central Victoria Crematorium located at the Eaglehawk Remembrance Park caught fire. The damage was not significant, with damage only being caused to the cremator and to the building immediately in the vicinity of the cremator and was a result of a cremator malfunction.

At 30 June 2014 the Trust is unable to determine the exact amount that will be recoverable as part of this insurance claim but anticipates that it will be in the vicinity of \$10,000.

Trademark Applications

The Bendigo Cemeteries Trust undertook a rebranding exercise during the 2012/13 and the 2013/14 financial years. Forming part of that review was an application to register these trademarks. The application was submitted through the Trust's solicitors in December 2012. In late June 2014 the Trust was notified that two of the applications were rejected. Subsequent to the end of the financial year the Trust has decided to appeal the two outcomes of IP Australia. The application for hearing, registration costs (if successful) and other associated legal costs, are estimated to total \$16,000.

19. Superannuation

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

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

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2014, this was 9.25% required under Superannuation Guarantee legislation). Our commitment to defined contribution plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate is legislated to increase to 9.5%, and will progressively increase to 12% by 2019. Based on announcements included in the May 2014 Federal Budget, this progressive increase to 12% will be delayed until 2022.

Defined Benefit

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

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Bendigo Cemeteries Trust in the Fund cannot be measured as a percentage compared with other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Bendigo Cemeteries Trust makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components (which are detailed below) are:

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

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

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

Employer contributions**Regular contributions**

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Bendigo Cemeteries Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

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

Funding calls

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

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

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

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

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

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

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

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

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

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

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

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

Differences between calculations

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Bendigo Cemeteries Trust's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

Shortfall amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Bendigo Cemeteries Trust is a contributing employer.

Bendigo Cemeteries Trust was made aware of the expected shortfall during the 2011/12 year and was informed of its share of the shortfall on 2 August 2012. Bendigo Cemeteries Trust has not been advised of any further adjustments.

Bendigo Cemeteries Trust's share of the shortfall amounted to \$123,717 (including contributions tax) which was accounted for in the 2011/12 Comprehensive Operating Statement within Employee Benefits and in the Balance Sheet in Current Liabilities Provisions.

For the 2012/13 year, Bendigo Cemeteries Trust received an early payment discount of \$4,359 which was recognised in the 2011/12 Comprehensive Operating Statement within Employee Benefits and in the Balance Sheet in Current Liabilities Provisions in the same year.

Accrued benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	31-Dec-11
	\$'000
Net Market Value of Assets	4,315,324
Accrued Benefits	4,642,133
Difference between Assets and Accrued Benefits	<u>(326,809)</u>
Vested Benefits	<u>4,838,503</u>

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

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

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

(a) Superannuation contributions

Contributions by Bendigo Cemeteries Trust (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2014 are detailed below:

Fund	2014 \$	2013 \$
Defined Benefits Fund		
Annual Employer Contributions		
Employer contributions payable to Local Authorities Super Fund (Vision Super)	9,072	8,544
	<u>9,072</u>	<u>8,544</u>
Accumulation Funds		
Annual Expenditure		
Employer contributions to Local Authorities Super Fund (Vision Super)	32,961	37,348
Employer contributions to Australian Super	16,892	14,588
Employer contributions to Other Funds	19,668	18,849
	<u>69,521</u>	<u>70,785</u>
Contributions Outstanding at reporting date		
Employer contributions payable to Local Authorities Super Fund (Vision Super)	7,132	-
Employer contributions payable to Australian Super	4,294	180
Employer contributions payable to Other Funds	4,398	360
	<u>15,824</u>	<u>540</u>

20. Responsible Persons Disclosure

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

	Period
Responsible Minister:	
The Honourable David Davis MLC, Minister for Health	1/07/2013 - 30/06/2014
Trust Members	
Mrs. L. Bean	1/07/2013 - 30/06/2014
Mr. K. Belfrage	1/07/2013 - 30/06/2014
Mr. B. Ead	1/07/2013 - 30/06/2014
Mr. R. Fyffe	1/07/2013 - 30/06/2014
Mr. I Grenfell	1/07/2013 - 30/06/2014
Ms P. Macdonald	1/07/2013 - 30/06/2014
Mrs. C. Thompson	1/07/2013 - 30/09/2013
Accountable Officers	
Mr. G. Fountain	1/07/2013 - 30/06/2014

(a) Remuneration of Responsible Persons

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

Income Band	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
\$0 - \$9,999	6	10	6	10
\$10,000 - \$19,999	1	1	1	1
\$130,000 - \$139,999	-	1	-	1
\$140,000 - \$149,999	1	-	1	-
Total Numbers	8	12	8	12
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	\$192,161	\$192,430	\$192,161	\$192,430

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

Other Transactions of Responsible Persons and their Related Parties	2014	2013
	\$	\$
Member B Ead is a partner in AFS & Associates, a public accounting and auditing firm. AFS & Associates invoices the Trust for Member Ead's Trust Member allowance on a monthly basis in lieu of Member Ead being paid this allowance.	7,289	5,850
Member L Bean is Acting Chief Executive Officer of St.Luke's Anglicare, a charitable organisation providing welfare services to the Central Victorian community. During the year St. Luke's Anglicare delivered cultural training to staff.	500	-
Member R Fyffe who is a councillor for the City of Greater Bendigo with which the Trust has dealings with in relation to planning, waste disposal services and other matters on a semi regular basis.	2,294	1,819

(b) Executive officer's remuneration

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

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

Income Band	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
\$130,000 - \$139,999	-	1	-	1
\$140,000 - \$149,999	1	-	1	-
Total Numbers	1	1	1	1
Total Annualised Employee Equivalent	1	1	1	1
Total Remuneration	\$143,546	\$138,375	\$135,243	\$138,375

(c) Remuneration of other personnel

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

21. Events occurring after Balance Sheet Date

There have been no events that have occurred subsequent to 30 June 2014 which would cause the financial statements to become misleading.

22. Ex-Gratia Payments

There were no Ex-Gratia Payments made during the reporting period. (2013: Nil)

DISCLOSURE INDEX

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

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REMEMBRANCE PARKS
CENTRAL VICTORIA

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