



Annual Report

Perpetual progress

2025

Acknowledgement of Country

Southern Metropolitan Cemeteries Trust respectfully acknowledges the Bunurong Boon-Wurrung and Wurundjeri Woi-Wurrung peoples of the Kulin Nation as the Traditional Custodians of the lands on which our cemeteries and memorial parks are located.

We pay our respects to their Elders past, present and emerging. We recognise and respect their culture, beliefs and connection to Country with traditions and customs that have existed for over 60,000 years, and we are privileged to share the lands we live on and work with.

Kenita-Lee McCartney, proud Wemba Wemba, Wotjobaluk, Boon Wurrung, Nari Nari, and Wiradjuri artist. Life's Journey, 2023, acrylic on canvas, commissioned for SMCT's Reflect Reconciliation Action Plan (RAP)

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Year in Review

Welcome - Trust Chairperson and CEO

We are honoured to present the 2024-25 Annual Report for Southern Metropolitan Cemeteries Trust (SMCT). This year has been defined by purposeful growth, thoughtful innovation, and a deepening of the connections we hold with the Victorian community.

One of the most significant milestones of the year was the transition of Wonthaggi and San Remo Cemeteries into the SMCT portfolio—a responsibility we accept with humility, respect, and care. As custodians of these sacred places, we are privileged to protect their legacy and to walk alongside the communities they represent.

Throughout the year, we have completed important infrastructure developments and stock projects at Springvale Botanical Cemetery and Bunurong Memorial Park.

The creation of new graves, monuments and memorials has enriched the ways families can remember and honour their loved ones, while reflecting the diversity of traditions and cultures within our community.

Our digital transformation also progressed meaningfully with the launch of a redesigned website and a new customer relationship management system, both created to ensure families receive compassionate, seamless support in their times of need.

Sustainability remains at the heart of everything we do. We were humbled to receive the 2024 Tidy Cities Sustainability Award for Project Cultivate at Melbourne General Cemetery.

Guided by the wisdom and leadership of First Nations People, this initiative has transformed unplanted areas into thriving biodiverse grasslands, fostering cultural respect, environmental resilience, and cooler green spaces. The opening of the Dianella Microforest at Springvale Botanical Cemetery further brought together our team, students, and community members in a shared commitment to caring for the environment and nurturing biodiversity.

At the centre of our achievements are the people who bring SMCT's purpose and values to life every day.

Their dedication ensures we can provide both compassionate service and meaningful innovation. This year, we strengthened our support for our people with initiatives such as the launch of our Diversity, Equity and Inclusion Strategy, our Access and Inclusion Plan, and workplace safety enhancements, including the introduction of the gantry burial system—furthering our commitment to a safe, inclusive, and supportive environment.

We have also deepened our connection with the community through heartfelt initiatives such as the Children's Remembrance Service, our first ANZAC Day Service, Grief Retreat, and the creation of the Butterfly Garden for pregnancy loss. These moments of remembrance and togetherness highlight the important role SMCT plays in supporting Victorians through life's most tender experiences.

We extend our sincere gratitude to our Community Advisory Committee for their invaluable guidance and insight, ensuring our services and spaces evolve in ways that honour the needs of the communities we serve. Their wisdom has been central to fostering inclusive remembrance and genuine community engagement.

Financially, SMCT has delivered a strong surplus of \$52.0 million, reflecting the positive outcomes of our strategic investments and the increasing demand for memorialisation. This result strengthens our long-term sustainability and reaffirms our ability to serve generations to come with integrity and care.

Finally, we wish to acknowledge our volunteer groups, our teams, Trust Members, and executive leaders.

Your dedication and compassion are the foundation of our success. And to the families who place their trust in us—we thank you most sincerely. It is our privilege to walk alongside you in life's most meaningful moments.

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for Southern Metropolitan Cemeteries Trust for the year ending 30 June 2025.



A handwritten signature in black ink, reading "Vanda Fortunato".

Dr Vanda Fortunato
Trust Chairperson



A handwritten signature in black ink, reading "Ingrid Harvey".

Ingrid Harvey
Chief Executive Officer



Welcome to SMCT

Southern Metropolitan Cemeteries Trust (SMCT) is a public entity and the custodian of the history, records and environment of our diverse cemeteries and memorial parks across Victoria.

We are responsible for the management of 11 public cemeteries and memorial parks into perpetuity. Our sites include historically significant locations like Melbourne General Cemetery and St Kilda Cemetery, and more active sites like Springvale Botanical Cemetery and Bunurong Memorial Park.

SMCT's corporate office is located within the grounds of Springvale Botanical Cemetery, 600 Princes Highway, Springvale, Victoria.

SMCT is a public cemetery trust established under the *Cemeteries and Crematoria Act 2003*. The responsible Minister is the Minister for Health.

Minister for Health:

The Hon Mary-Anne Thomas

From 1 July 2024 to 30 June 2025

Our Purpose

We create and maintain cemeteries and memorial parks where people can honour and celebrate their loved ones.

Our Vision

Be a sector leader in cemeteries and memorial parks and in supporting our diverse communities as they grieve, honour and celebrate life.

Our Values

At each of our cemeteries and memorial parks, our team supports the community, customers and each other in accordance with our values:

Passion

Commitment in heart and mind

Respect

By valuing every voice

Integrity

Doing what is right

Dedication

The needs of our community and our people

Empathy

To listen and reflect with sensitivity

Our Services

- Interment
- Cremations
- Memorialisation
- Perpetual maintenance
- Cemetery and genealogical records
- Community Care and Wellbeing program
- Community events
- Café and hospitality
- Florist
- Venue hire



1.0

Growth



1.0

Growth

Building for the Future

SMCT's commitment to sustainable growth has informed many achievements across our sites over the financial year, ensuring we can serve Victorians for generations to come. Through strategic use of land and resources, digital transformation and environmental leadership, we have strengthened our capacity, while respecting the spaces we manage.

Expanding our Capacity

This year marked the completion of multiple developments that expand our ability to serve Victoria's diverse communities. At Springvale Botanical Cemetery we increased the availability of interment options, through the delivery of a number of projects including Methodist Compartment F with 11 monumental graves, Other Denominations B with 60 graves, and Reed Headstone Lawn providing 110 lawn graves and 30 cremation positions. Each development incorporated modern amenities like enhanced drainage, and improved visitor facilities.

Bunurong Memorial Park experienced transformative capacity growth with 3,000 monumental single row Islamic graves, and a new Jewish area offering 1,025 graves. A further 479 new cremation memorial locations, and 395 dedicated children's and adolescent positions. These developments reflect SMCT's commitment to meeting community needs and providing culturally appropriate spaces for remembrance.

The Grave Research Program has breathed new life into historic sites. By methodically and respectfully identifying and contacting families about unused burial sites over 75 years old, we've created memorial opportunities for the community in high-demand areas that were previously believed to be exhausted.

To date, 102 graves at Melbourne General Cemetery have been approved for resale, providing a valuable opportunity for families seeking to be laid to rest at this historic location.

In February 2025, we welcomed Wonthaggi and San Remo Cemeteries from Bass Coast Shire Council into SMCT's network of cemeteries and memorial parks. This carefully planned transition, following extensive due diligence and community consultation, brings benefits to SMCT, Bass Coast Shire Council and the community. These sites offer land availability, and our expertise in cemetery management, ensures these places continue to serve members of the community with care and respect.

Looking ahead to FY26, Springvale Botanical Cemetery will see one of its last major-scale projects, creating 2,700 new internments at Botanical Hill, with further developments to follow under SMCT's long-term Master Plan. The All Souls Mausoleum Stage 2 will add 224 mausoleum spaces and 50 niche positions, while Bunurong Memorial Park's "Superlot 3" project will transform approximately 30% of the available space with integrated flood mitigation, wetlands management and biodiversity, and greater availability for families.

Environmental Leadership

Our environmental achievements this year demonstrate how cemeteries can balance both their perpetual care obligations with ecological responsibility. Project Cultivate at Melbourne General Cemetery reached a significant milestone with 60% of suitable areas now transformed with the addition of over 500,000 indigenous plants. This award-winning initiative earned the 2024 Tidy Cities Sustainability Award and was a finalist in the prestigious Banksia Awards.



The establishment of the Dianella Microforest at Springvale Botanical Cemetery, on land that was unsuitable for interment, engaged over 40 SMCT team members and 200 local primary school students to create a dense native habitat that improves soil health, reduces emissions and provides a hands-on educational experience for local students.

New solar installations across Melbourne General Cemetery, Springvale Botanical Cemetery and Bunurong Memorial Park have moved us closer to 100% renewable energy, with heritage buildings carefully integrated into our sustainability plans. Improvements to SMCT's resources management included successful organics recycling trials at Springvale Botanical Cemetery, recovering over 1700kg of garden waste from landfill during the 12-week pilot.

Many of these initiatives have been informed by organisation-wide strategies, like the Climate Change Response Strategy developed this year and shared with the Department of Health, which establishes clear pathways for achieving emission reduction targets while adapting to climate impacts.

GHG Report 2024/25 (Reporting period 1 April 2024 to 31 March 2025)

Electricity Production and Consumption Indicators

Electricity Consumption

Purchased direct (All GreenPower)	MWh	2,550
Self-generated (Solar)	MWh	27.5

Onsite Installed Generation Capacity

Solar	kW	231
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Total Electricity Offsets

GreenPower & Solar	MWh	2,577.5
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Greenhouse Gas Emissions from Electricity Production & Consumption

Purchased direct	tonnes CO ₂ -e	0 (All GreenPower)
Self-generated (Solar)	tonnes CO ₂ -e	0

Stationery Fuel Indicators

Total Fuels Consumption in Buildings and Machinery

Stationary Fuel Indicators

Total Fuels Consumption in Buildings and Machinery

Natural Gas	MJ	26,340,542
LPG	MJ	0
Petrol	MJ	207,252.7
Diesel	MJ	324,028.1

Greenhouse Gas Emissions from Stationary Fuel Consumption

Natural Gas	tonnes CO ₂ -e	1,357
LPG	tonnes CO ₂ -e	0
Petrol	tonnes CO ₂ -e	20.4
Diesel	tonnes CO ₂ -e	22.8

Transportation Indicators

Total Energy Used in Transportation

Road Vehicles	MJ	956,288.1
Non-Road Vehicles	MJ	1,422,172.2

Fuel Consumption by Type

Petrol - Road Vehicles	MJ	443,149.5
Petrol - Non-road Vehicles	MJ	0
Diesel - Road Vehicles	MJ	513,249.2
Diesel - Non-road Vehicles	MJ	1,422,172.2

Greenhouse Gas Emissions from Transportation Fuel Use

Petrol - Road Vehicles	tonnes CO ₂ -e	30.0
Petrol - Non-road Vehicles	tonnes CO ₂ -e	0
Diesel - Road Vehicles	tonnes CO ₂ -e	36.1
Diesel - Non-road Vehicles	tonnes CO ₂ -e	100.1
Total distance travelled by commercial air travel	km	11,388

Total Energy Indicators

Total Energy Usage from Stationary Fuels (incl. Gas)	MJ	26,970,268.6
Total Energy Usage from Transport	MJ	2,378,460.3
Total Energy Usage from Electricity	MJ	9,279,000

Total Energy Usage

Renewable	MJ	9,279,000
Non-Renewable	MJ	29,348,728.9
Units of Energy Used by FTE	MJ/FTE	112,764.3

Water Consumption

Potable Water	kL	43,123
Reused water	kL	55,863
Units of Water Consumed by FTE	kL/FTE	125.7

Water & Recycling Indicators

Total Units of Waste Disposed

Landfill	tonnes	337.60
Recycling	tonnes	38.96
Recycling (Organics & Soil)	tonnes	1,014.31
Greenhouse Gas Emissions Associated with Waste	tonnes CO ₂ -e	438.88

Greenhouse Gas Emission Indicators

Total Scope 1 (direct) Greenhouse Gas Emissions	tonnes CO ₂ -e	1,566.90
Total Scope 2 (indirect) Greenhouse Gas Emissions	tonnes CO ₂ -e	0
Total Scope 3 (other indirect) Greenhouse Gas Emissions	tonnes CO ₂ -e	4.5 (from Flights)
Other Known Greenhouse Gas Emissions	tonnes CO ₂ -e	438.38 (from waste)
Total Greenhouse Gas Emissions	tonnes CO ₂ -e	2,010.28
Normalising Factor	FTE	343

Note: End-of-life and underperforming solar panels that had been in place for at least the past 10 years were removed. We have now installed new systems across some cemeteries and are looking to increase the number of installed solar panels in the coming years.



2.0

Relationships



2.0

Relationships

Building meaningful relationships with diverse communities remains fundamental to SMCT's purpose. This year, we enhanced engagement channels, expanded support services and welcomed new communities into our care, ensuring every Victorian can honour and celebrate their loved ones in ways that reflect their values and traditions.

Community Engagement and Consultation

The ongoing development of "Engage with SMCT" in since its inception in 2024 progressed our commitment to community consultation. This dedicated online community engagement platform has already attracted 2736 page views and 178 unique contributions, providing transparent communication about projects that may impact local communities. With 17 active project pages, this platform enables SMCT to meaningfully engage with the community on decisions about environmental initiatives, improvement works and cultural events.

Community engagement to support our environmental programs has fostered new relationships and changed perceptions of our historic sites. Throughout the year, we hosted over 600 community members at Springvale Botanical Cemetery and Melbourne General Cemetery for planting days and environmental education programs. These partnerships with schools, universities and local government demonstrate the value of cemeteries as green spaces for education, reflection and environmental awareness.

Expanding our Services

The reimagined Community Care and Wellbeing Program has strengthened support for grieving families through strategic partnerships with specialist organisations including Grief Australia, The Compassionate Friends of Victoria, and Palliative Care South-East.

These partnerships led to the first SMCT Grief Retreat in October 2024, providing visitors with expert-facilitated workshops and peer support, with two further retreats scheduled for the next financial year.

Special events have created space for communal grief and celebration of life. The opening of the Butterfly Garden at Bunurong Memorial Park on National Miscarriage Awareness Day, provided a permanent space to those who have experienced pregnancy miscarriage and early pregnancy loss, while bringing together healthcare providers, support services, and Government representatives. Springvale Botanical Cemetery's inaugural ANZAC Day Dawn Service, delivered in partnership with the RSL, offered an opportunity for local community members to commemorate the day.

Combined with our annual events marking special days, along with the Children's Remembrance Service which offers space for remembrance and reflection for those who have lost a child, the experiences and events calendar offers the community opportunities to grieve together, find strength, and experience our cemeteries in new ways. For SMCT, events give greater exposure to the facilities and grounds for the broader community and groups we engage with and illustrates how we serve our diverse communities how we service our diverse communities.

The mobile catering vehicle "Hilda" has extended hospitality services to SMCT's historic and regional sites, supporting events and strengthening relationships with funeral directors and community. Combined with upgrades to Bunurong Memorial Park's café, these changes demonstrate the commitment to supporting families beyond traditional cemetery services.







Digital Customer Experience

Modernising customer interactions has been fundamental to building relationships this year. SMCT's comprehensive website redevelopment provides intuitive navigation and improved information access, making it easier for customers and community to find important information.

We also introduced a new Customer Relationship Management (CRM) system to improve how we support families, together with a new Enterprise Resource Planning (ERP) platform to simplify the way we manage our services. Six months on from launching our new CRM and ERP systems, there has been significant improvement.

For our community, it means more efficient processes and personalised support. For our people, it reduces manual workload and allows us to focus on what matters most - caring for families.

Similarly, planning is underway to deliver a Customer and Funeral Director Portal, progressing towards self-service capabilities that will reduce phone contacts, manual workload and make experiences more convenient. These digital transformations reflect SMCT's innovation and commitment to providing services that lead with care and are ready for the future.



3.0

People



3.0

People

Creating Better Together

Our people bring SMCT's values to life each day, through their dedication to serving Victorian families with compassion and professionalism. This year's comprehensive approach to workplace improvement through physical environments, digital tools and cultural initiatives has created an environment for our teams to thrive while they deliver exceptional services.

Safe and Supportive Workplaces

Creating environments where staff feel safe and supported has been essential. The transformation of the Clarence Reardon Centre from traditional offices to flexible, collaborative workspaces has enhanced cross-departmental cooperation. At the same time, our Occupational Violence and Aggression Prevention Program has delivered crucial safety improvements to customer service areas, including redesigned reception spaces, new duress alarm systems and clear zero-tolerance statements across all locations.

Customer facing teams have been involved in shaping the various elements of this project to deliver practical solutions that maintain our welcoming atmosphere, while protecting staff wellbeing. Safety innovation has also included the introduction of a burial gantry system for monumental areas and grave safe rail devices for lawn graves, providing fall protection for grave digging teams and those attending graveside services. This innovative and collaborative approach was recognised at the National Safety Awards for Excellence run by the National Safety Council of Australia where SMCT was awarded Best Solution of a Workplace Health and Safety Risk in the large business category. SMCT's new burials e-learning program also modernises our learning, with individualised programs that allow staff to pace their training according to their role and needs.

Building Culture: Listening and Responding

This financial year, we commenced our inaugural three-year Diversity, Equity and Inclusion Strategy, with 75% of people leaders participating in Inclusive Leadership Training. SMCT's first Disability Access and Inclusion Plan, developed in consultation with employees and stakeholders with lived experience, demonstrates our commitment to creating a fully inclusive workplace. We have also made progress in our Reconciliation Action Plan, developed through engagement with First Nations People that acknowledges the land we work on which holds centuries of knowledge, history and stories of deep Indigenous significance.

In response to the People Matter Survey feedback, we have demonstrated a commitment to continuous improvement. We have implemented targeted initiatives to address workload, collaboration, personal development and opportunities to place our people at the centre of decision making, while building accountability at all levels of leadership. Similarly, the Bright Ideas program has provided ongoing opportunities to channel staff innovation and complete practical improvements across our organisation.



Building our Capacity

Modernisation of our digital systems and tools has freed our teams to focus on supporting the community. A new Risk and Compliance platform replaces manual processes with an online streamlined process that provides greater visibility and reporting capabilities. Our Human Resources (HR) information system replacement progressed through procurement, development, configuration and testing and will roll out early in FY26. This will significantly improve efficiency, system reliability and our teams' user experience.

The new HR system will streamline processes and improve user experience, allowing teams to spend more time on meaningful work that serves our communities. A new Talent and Development strategy will refresh SMCT's approach to building sustainable capability for the future and growing leaders through all levels.

Beyond digitisation, workforce planning initiatives have strengthened our organisation's resilience. We have undertaken a review of the most senior roles with the aid of our succession planning framework, developed with industry experts. As we proceed through the organisation, identifying successors to roles, we will bolster continuity of our operations and provide clearer career pathways for our people.

Looking ahead to FY26, ongoing initiatives in succession planning will continue to strengthen organisational resilience, while safety initiatives will improve team members' wellbeing, both physical and psychological.

Workforce Data

Labour Category	June Current Month FTE*		Average Monthly FTE**	
	2024	2025	2024	2025
Indoor staff	239.50	241.02	229.70	241.98
Outdoor staff	93.89	95.58	90.02	94.36
Executive staff	6.00	6.00	6.03	6.04

Note: Indoor staff include, Indoor EA, Common Law (Corporate) and Hospitality/Retail

Flexible Working Arrangements

Working Arrangements	FY25	FY24
Full time	303	296
Part time	65	67
Casual	36	30
Total (excl vacancies)	404	393

Age Distribution (headcount, not FTE equivalent as of 30th June 2025)

Age	FY25	FY24
Under 25	30	26
25-34	79	77
35-44	95	91
45-54	100	103
55-64	82	79
65 and over	18	17

Gender Distribution

Gender	FY25	FY24
Female	234	230
Male	170	163
Self Described	0	0
Total	404	393

Service Milestones reached between July 2024 – June 2025

Years of Service	Number of Employees
5	17
10	7
15	1
20	0
25	3
30	0
35	1
40	2

Executive Demographics

Gender	FY25	FY24
Female	1	2
Male	5	4
Self Described	0	0
Total (excl. Vacancies)	6	6

Occupational Health and Safety Statistics	FY25	FY24	FY23
The number of reported hazards/incidents for the year per 100 FTE	Total Incidents: 570 Staff No: 333.18 Per 100 staff: 173	Total Incidents: 599 Staff No: 325.85 Per 100 staff: 183.8	Total Incidents: 504 Staff No: 339 Per 100 Staff: 231
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	Total Claims: 8 Per 100 staff: 2.4	Total Claims: 12 Per 100 staff: 3.7	Total Claims: 6 Per 100 staff: 2.6
The average cost per WorkCover claim for the year	\$44,386	\$111,06,00	\$27,097

Note: Average cost per claim increase is attributed to chronic injuries requiring ongoing medical treatment.

We continue to strengthen wellbeing, prevention and return-to-work practices to support our team members and minimise impact of cost and lost time in the future.



Occupational Violence Statistics

Occupational Violence Statistics	FY25	FY24	FY23
Workcover accepted claims with an occupational violence cause per 100 FTE	0	2	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0	0.3	0
Number of occupational violence incidents reported	26	12	6
Number of occupational violence incidents reported per 100 FTE	7.8	3.7	2.6
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	3.8%	16.6%	0%

Note: SMCT has experienced an increase in the number of occupational violence incidents reported due to improved awareness for staff on reporting occupational violence incidents.

SMCT has developed an Occupational Violence and Aggression Prevention Program to deliver crucial safety improvements to customer service areas including redesigned reception spaces, new duress alarm systems and clear zero-tolerance statements across all locations. Customer-facing teams have been involved in shaping this project to deliver practical solutions to reduce rates of occupational violence, while maintaining a welcoming customer atmosphere.

Workforce Inclusion Policy

Improving Diversity, Equity and Inclusion at SMCT

SMCT is committed to improving diversity, equity and inclusion at SMCT. The following provides an overview of SMCT's progress in FY25.

FY2025-2027 DEI Strategy

SMCT strengthened its governance in this area by introducing a Diversity, Equity & Inclusion (DEI) Governance Committee, consisting of senior leaders whose role is to review, challenge and ensure sustainable and meaningful progress is made against SMCT's committed DEI initiatives and goals.

FY25 focused on continuing foundational awareness and understanding, particularly among leaders, understanding the importance of practices such as recruitment, development and involvement in decision making. 75% of people leaders completed Inclusive Leadership training, which included education on positive duty obligations under the Sex Discrimination Act.

SMCT introduced its inaugural three-year Disability Access and Inclusion Plan, to strengthen our work and build an environment where all people, including those with disabilities, long-term health conditions, neurodivergence or caring responsibilities, can fully participate and thrive at SMCT. Our approach is grounded in an intersectional lens, recognising that people with disabilities are diverse in life experiences and attributes such as culture, language, sexuality, gender identity, age and socio-economic status.

Gender Equality

Under the *Gender Equality Act 2020*, we continued to implement initiatives published in SMCT's 2022-2025 Gender Equality Action Plan (GEAP) and to conduct Gender Impact Assessments (GIAs) on community-impacting policies, programs and services. These include a community pavilion at Bunurong Memorial Park, a microforest at Springvale Botanical Cemetery, our updated website and a review of our Community Advisory Committee.

In September 2024, the Commission for Gender Equality in the Public Sector (Commission) confirmed our compliance as evidenced by our 2023 workplace progress audit. The Commission noted SMCT's progress in key indicators, including sexual harassment, equal remuneration for work of equal or comparable value, recruitment and promotion practices, and gender segregation. Encouragingly, SMCT's efforts are seeing an increase in women's representation in male-dominated technology and trade roles, and a slight increase in men's representation in clerical roles.

SMCT uses the Victorian public sector People Matter Survey to monitor and improve a range of areas of employee experience, including the experiences of different gender identities and other attributes (including intersectionality). Our scores this year included 82% for inclusion and strong results in both values and the psychological safety climate. There has also been a significant increase in women feeling that work is allocated fairly, regardless of gender.

In FY26, SMCT will develop a new four-year GEAP through a well-considered consultation process and will submit a progress report to the Commission for the 2025 period. Those results will be published in 2026 after review and assessment by the Commission.



4.0

Governance and Accountability



4.0

Governance and Accountability

Sound governance and transparency are fundamental to SMCT's operations and services to the Victorian public. SMCT is overseen by a board known as a Trust, supported by a range of committees and guided by a robust corporate governance framework aligned with legislative requirements and best practice principles.

Trust Overview

SMCT's Trust is appointed by the Governor-in-Council on the recommendation of the Minister for Health, with members serving for a fixed three-year term and eligible for reappointment.

The Trust is responsible for:

- Establishing SMCT's strategic direction
- Overseeing organisational performance and financial sustainability
- Ensuring regulatory compliance and risk management
- Maintaining a culture of integrity and public service

Trust Members during 2024–25 financial year:

- Dr Vanda Fortunato PhD, MA, BA, FAICD (Trust Chairperson)
- Robin Buckham BA, DipEd, MCom (Mktg), GAICD
- Rosemary Barker BA, GDip HR & IR, Grad Cert Bus Management, MAICD
- Chloe Shorten GAIST, GIA, MAICD, AIGP
- John Nguyen FCA, MBA, BCom, PostGradDipFin, MAICD
- Jimi Peters
- Jason King
- Catherine Scarth BA (Hons), PBAS, MAICD

Trust Committees

The Trust is supported by Committees, each chaired by a Trust Member and operating under a written charter. Committees provide independent advice, oversight and support for key governance areas.

Community Advisory Committee

The Community Advisory Committee, chaired by Rosemary Barker, advises on engagement priorities and commitments. Composed of Trust and voluntary community members representing a diversity of backgrounds, they meet four times per year to discuss and provide guidance on matters including events, reconciliation, gender equity and environment. This committee is established as required under Section 18D of the *Cemeteries and Crematoria Act 2003 (Vic)*.

Finance, Investment and Audit Committee

The Finance, Investment and Audit Committee was established in accordance with requirements of section 18B of the *Cemeteries and Crematoria Act 2003*. The Committee was chaired by JN and had an advisory role in assisting the Trust with financial reporting, external audit, financial management, planning and major financial decision-making functions. This committee ceased in August 2024 and was replaced with the "Enterprise Risk and Internal Audit Committee" and "Finance, Risk and Audit Committee".

Enterprise Risk and Internal Audit Committee

The Enterprise Risk and Internal Audit Committee was established in accordance with the requirements of section 18B of the *Cemeteries and Crematoria Act 2003*. This Committee was chaired by Chloe Shorten and had an advisory role in assisting the Trust with fulfilling the functions of risk management, internal audit and legislative compliance. This committee ceased in July 2024.

At the end of Q1 FY25, the Finance, Investment and Audit Committee and the Enterprise Risk and Internal Audit Committee were combined, becoming the Finance Risk and Audit Committee. The first meeting of the combined committee sat in October 2024.

Finance, Risk and Audit Committee

The Finance, Risk & Audit Committee was established in accordance with the requirements of section 18B of the *Cemeteries and Crematoria Act 2003*. The Committee, chaired by John Nguyen, has an advisory role assisting the Trust in fulfilling its financial and risk management, planning and major financial decision-making functions and its governance and compliance responsibilities relating the financial reporting process, internal control and the internal and external audit functions.

Governance Committee

The Governance Committee, chaired by Dr Vanda Fortunato, has an advisory role assisting the Trust to oversee the governance and performance of the Trust and committees and fulfilling its executive management oversight functions, including the selection and appointment of the Chief Executive Officer.

Management Committees

A number of management committees meet regularly to enhance cross-functional communication, promote good governance, and maximise operational efficiency.

Health, Safety and Wellbeing Committee

The Health, Safety and Wellbeing (HSW) Committee ensures that SMCT meets its obligations under the *Occupational Health and Safety Act 2004 (Vic)* and the SMCT HSW Management Framework. SMCT embraces a safety leadership culture throughout the organisation where safety is embedded across all levels of the organisation. Further information is provided in the section on Our People.

Emergency Planning Committee

The Emergency Planning Committee (EPC) comprises of members selected by the Executive Leadership Team and includes specialists with expertise in areas such as risk management, safety and facilities. The Committee is chaired by the Chief People and Governance Officer. During the reporting period, the EPC focused on building and testing organisational capacity to respond appropriately to both emergency and crisis situations.

Managing Risk

SMCT operates an Enterprise Risk Management Framework for the management and reporting of risks, in alignment with the risk management principles contained in the International Risk Management Standard ISO 31000. As part of this framework, SMCT maintains a Trust-approved Risk Appetite Statement, which sets agreed parameters and boundaries under which SMCT makes decisions and conducts its various activities.

Compliance

The principal guiding Act for the cemeteries sector is the *Cemeteries and Crematoria Act 2003 (Vic)* (The Act). Under section 15 of the Act, the Trust can delegate certain operational functions and powers. An Instrument of Delegation of Functions and Powers delegates such allowable functions via the Trust's Delegation of Authority Policy.

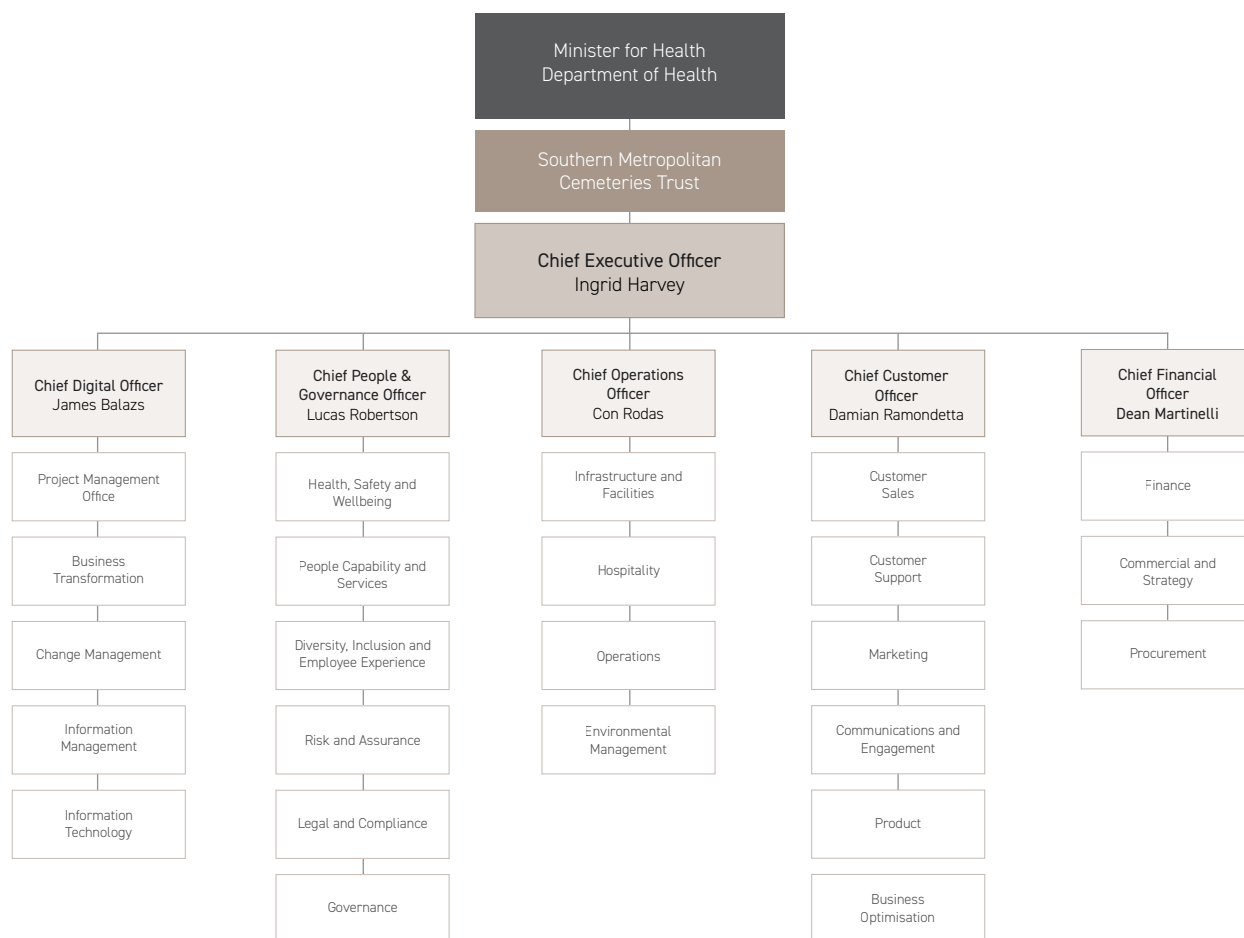


From left to right: Jimi Peters, Rosemary Barker, Jason King, Dr. Vanda Fortunato, Robin Buckham, Catherine Scarth, John Nguyen, Chloe Shorten

Committee Membership and Attendance 2024–25

	Meetings Held	Dr Vanda Fortunato	Robin Buckham	Rosemary Barker	John Nguyen	Chloe Shorten	Jimi Peters	Jason King	Catherine Scarth
Trust	7	7	7	7	7	6	7	7	6
Enterprise Risk & Internal Audit Committee	1	1	n/a	0	1	1	n/a	n/a	n/a
Finance, Investment & Audit Committee	1	1	n/a	1	n/a	1	n/a	n/a	n/a
Finance, Risk and Audit Committee	7	n/a	n/a	n/a	7	7	6	n/a	7
Community Advisory Committee	4	n/a	n/a	4	n/a	n/a	n/a	3	n/a
Governance Committee	2	2	2	n/a	n/a	n/a	n/a	n/a	1

Organisation chart



From left to right: Lucas Robertson, Con Rodas, Ingrid Harvey, Damian Ramondetta, Dean Martinelli (James Balasz not pictured)

Attestations

Financial Management Compliance Attestation Statement 30 June 2025

I, Dr Vanda Fortunato, on behalf of the Responsible Body, certify that Southern Metropolitan Cemeteries Trust has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Dr Vanda Fortunato
Trust Chairperson
Southern Metropolitan Cemeteries Trust
19 September 2025

Integrity, Fraud and Corruption Statement

I, Ingrid Harvey, certify that the Southern Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that Integrity, Fraud and Corruption risks have been reviewed and addressed at the Southern Metropolitan Cemeteries Trust during the year.



Ingrid Harvey
Chief Executive Officer
Southern Metropolitan Cemeteries Trust
19 September 2025

Conflict of Interest and Duty to Disclose Statement

I, Ingrid Harvey, certify that the Southern Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of clause 9 of Schedule 1A of the Act, and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within the Southern Metropolitan Cemeteries Trust and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each Board meeting.



Ingrid Harvey
Chief Executive Officer
Southern Metropolitan Cemeteries Trust
19 September 2025

Compliance with Victorian Government Purchasing Board (VGPB) Policies Statement

I, Ingrid Harvey, certify that the Southern Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the VGPB Victorian Government Purchasing Board Policies and have critically reviewed these controls and processes during the year.



Ingrid Harvey
Chief Executive Officer
Southern Metropolitan Cemeteries Trust
19 September 2025



Legislative and Compliance Disclosures

Disclosures can be made directly to the Independent Broad-based Anti-Corruption Commission at Level 1, North Tower, 459 Collins Street Melbourne VIC 3000 (Phone: 1300 735 135, Web: www.ibac.vic.gov.au).

Freedom of Information

The *Freedom of Information Act 1982 (Vic)* (the Act) allows the public a right of access to documents held by SMCT. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a department. This comprises documents both created by SMCT or supplied to SMCT by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows a department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15 day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the Department, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter

Making a Request

FOI requests can be submitted via email (FOI@smct.org.au), if you are unable to make a request online, you can request documents in possession by writing to PO Box 1159 Clayton VIC 3169.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought.

FOI Statistics

During 2024-2025, SMCT received one FOI application. Of the requests, zero were made by a Member of Parliament, zero from the media and the remainder from the general public.

SMCT made one FOI decision during the 12 months ended 30 June 2025.

There were zero decisions made within the statutory time periods. Of the decisions made outside time, zero decisions were made within a further 45 days and one decision was made in greater than 45 days.

Of the total decisions made, zero granted access to documents in full, zero granted access in part and one denied access in full. One decision was made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

Of requests finalised, the average number of days over the statutory time (including extended timeframes) to decide the request was 72 days.

During 2024-25, one request was subject to a complaint/internal review by the Office of the Victorian Information Commissioner. Zero requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au

Building Act 1993

All new work and the redevelopment of existing properties conform to the *Building Act 1993*, the Building Regulations 2018 and the Building Code of Australia (BCA).

The Property Infrastructure & Facilities (PIF) team require projects to meet Australian Standards and in particular, Australian Standards stated by the National Construction Code (NCC).

Where design is undertaken, designers are required to ensure design is compliant with the NCC and where certification is required, project design is certified for compliance through a Victorian registered Certifying Authority (Registered Building Surveyor).

Where designs require certification, the design is certified through a building permit and assessed and certified through a Certificate of Final Inspection (CFI).

Compliance inspections including:

- Annual AESMR
 - Sprinklers
 - Panel
 - Access and Egress Compliance including Evac Plans
 - Extinguishers
- Generators Checks
- HVAC testing
- Eye Washes
- Safety SWAT's – some cover building compliance
- Water source testing replacement
- Glazing every 2 years
- Safety Access e.g. Balustrade compliance

- Electrical Testing – including Thermographic testing annually
- Pressure Vessels
- Backflow prevention testing

These activities are carried out periodically and in accordance with NCC requirements.

Major Works - Completed during the FY25

The Property, Infrastructure and Facilities (PIF) team completed 23 projects that were above \$50,000 last financial year. The majority of these projects are civil projects not requiring building permits.

Permits

5 projects have been issued with Permits and/or compliance certificates.

JOB00077 - BMP Community Pavilion - Permit and Compliance

JOB00206 - SBC Smith Road Stage 2 - Demolition - Permit and Compliance

JOB00147_2 - SBC BMP MGC Solar Upgrades - Permit

JOB00150 - SBC HQ Uplift - Permit and Compliance

JOB00151 - SBC & BMP Reception Upgrades - Permit and Compliance

Emergency Orders

No emergency orders were issued against any SMCT buildings.

Buildings brought into conformity

No buildings were required to be brought into conformity.

Public Interest Disclosure

SMCT complies with the provisions of the *Public Interest Disclosures Act 2012 (Vic)* to encourage and facilitate disclosures of improper conduct of public officers or bodies and to provide protection to persons making such disclosures from detrimental action. We recognise the value of transparency and accountability in our administrative and management practices. We support the making of disclosures that reveal conduct that is corrupt, involving substantial mismanagement of public resources or substantial risk to the environment or public health and safety.

Disclosures can be made directly to the Independent Broad-based Anti-Corruption Commission at Level 1, North Tower, 459 Collins Street Melbourne VIC 3000 (Phone: 1300 735 135, Web: www.ibac.vic.gov.au).

Local Jobs First Act Disclosure

The *Victorian Local Jobs First Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP). No projects undertaken by SMCT during the 2024–25 financial year met the thresholds for application of the Local Jobs First Policy. As such, no Local Industry Development Plans (LIDPs) were required or submitted.

Statement on National Competition Policy

SMCT complies with the Code of Practice relating to the sale and supply of memorialisation goods and services by cemetery trusts and other alternative suppliers in Victorian public cemeteries, facilitated by the Department of Health. The Code promotes a fair and equitable environment for the supply of such goods and services and ultimately benefits purchasers. In the reporting period, SMCT has not introduced any material changes or received any complaints that relate to competition in trade.

Social Procurement Framework

Procurement

SMCT's Purchasing Policy and associated purchasing proceduresSMCT Purchasing Policy and associated purchasing procedures comply with Victorian Government Purchasing Board policy and procedures, ensuring compliance with the Victorian Public Sector values, codes and standards. In purchasing goods and services, SMCT's business transactions are fair, open and consistent with the public interest, and meet the levels of integrity and probity expected of a public entity.

Achievements against SMCT's Social Procurement Strategy

SMCT applies the Victorian Government's Social Procurement Framework (SPF) and prioritised

- Opportunities for Victorian Aboriginal people
- Opportunities for Victorians with disability.
- Opportunities for disadvantaged Victorians.
- Supporting safe and fair workplaces.
- Women's equality and safety.

SMCT addressed its SPF objectives by application directly to SMCT's construction, goods and service requirements during the reporting period. Input from other objectives was also incorporated as the opportunity arose. SMCT adopted an indirect approach, utilising the tender process and relevant clauses in contracts with the private sector to seek social and sustainable outcomes for Victorians,

versus a direct approach (seeking services from Victorian social enterprises, Victorian Aboriginal businesses or other social benefit suppliers).

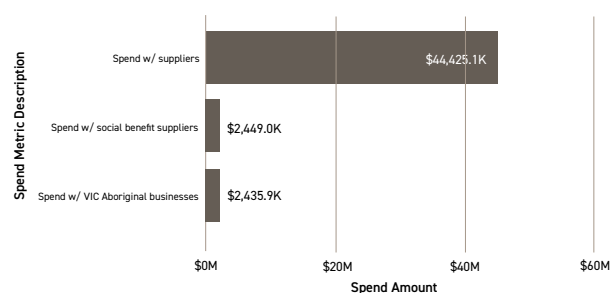
Enhanced awareness with suppliers has been a direct result of SMCT stressing SPF outcomes and their value adds impact to the wider community when SMCT engages with suppliers.

FY24-25 SPF Direct Spend Dashboard

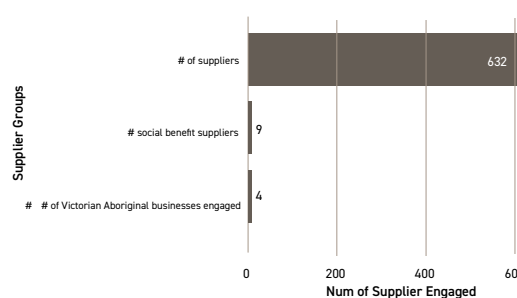
Social Benefit suppliers	9
Total spent with social benefit suppliers	\$2,449,019.44
No. of Vic Aboriginal businesses	4
Total spent with Vic Aboriginal businesses	\$2,435,907.67
Number of Vic Social Enterprises (SE)	5
Total spent with Vic Social Enterprises (SE)	\$13,111.77
Number of Vic SE (led by a mission for people with disability) and ADE	1
Total spent with Vic SE (led by a mission for people with disability) and ADE	\$5,805.80
Number of Vic SE (led by a mission for job readiness and employment of VIC priority jobseekers)	1
Total spent with Vic SE (led by a mission for job readiness and employment of VIC priority jobseekers)	\$3,309.11

Social Benefit Supplier as a Proportion of Total Suppliers

Total Expenditure by Spend Metric Description



Total Expenditure by Spend Metric Description



Emergency Procurement

In accordance with section 5.18 of the VGPB governance policy, SMCT confirms that there was no emergency procurements activated during the reporting period.

Grants and Transfer Payments

Not applicable. Southern Metropolitan Cemeteries Trust did not administer any grants, transfer payments or commercial-in-confidence grants in 2024-2025.

Reviews and Study Expenses

The following reviews of aspects of SMCT's operations were conducted by an independent firm under SMCT's internal audit program, overseen by the Finance, Risk and Audit Committee

Review Conducted	Estimated cost for the year	Actual cost for the year	Anticipated outcomes	Terms of reference / scope	Reason for undertaking the review/study
Information Victorian Protective Data Security Standards	\$13,000	\$13,000	Assurance on compliance and potential findings	Review of current controls in place for a section of VPDSF standards.	Internal Audit Program – Support assurance of attestation area
Standing Directions Part 2	\$12,400	\$12,400	Assurance on compliance with potential findings	Assessment of practice against standing directions checklist. Second section	Internal Audit Program – Requirement of Standing Directions 2018
Investment Management	\$15,500	\$15,000	Assurance on compliance	Review of relevant legislative obligations and compliance with those.	Internal Audit Program – Reflection of importance of strong management of investment fund

SMCT has continued to evaluate annual greenhouse gas emissions (GHG) data and has submitted the FY24 GHG emissions results to the Department of Health as part of the mandatory Financial Reporting Directive (FRD24) annual report. Environmental data submitted through FRD24 reporting assists the Victorian Government to identify and manage government exposure to climate-related risks and promote continuous improvement in environmental reporting by government entities.

Government Advertising campaigns

SMCT undertakes communications and marketing campaigns to engage our customers, sell products and inform the public of our work. No single advertising campaign has had a budget of \$100,000 or greater.

Consultancies Disclosure

The number and value of consultancies over/under \$10,000 and public access to details.

Consultant	Purpose of Consultation	Start date	End Date	Total Approved project fee (excl. GST)	Expenditure FY24-25 (excl. GST)
Composure Pty Ltd	Culture survey	26/08/2024	14/04/2025	25,000.00	24,507.00
LPC Consulting (VIC) Pty Ltd	Review business continuity framework	7/03/2025	4/06/2025	30,000.00	25,350.00
Ten Buuren Irrigation Designs	Irrigation consultant	16/03/2025	27/06/2025	40,000.00	38,175.00
Tonkin & Taylor Pty Ltd	Environment Waste Strategy	9/10/2024	30/04/2025	20,000.00	19,000.00
Wildlife & Ecology	Environment Services Environment Services - Water	23/10/2024	16/06/2025	45,000.00	42,728.00
E2 Design Pty Ltd	Management Strategy	26/08/2024	15/10/2024	25,000.00	23,950.00
Singh Consulting Pty Ltd	Building survey services	27/05/2024	20/06/2025	15,000.00	11,600.00
Turner & Townsend Pty Ltd	Quantity Surveyor	24/01/2025	31/03/2025	10,000.00	10,200.00
Allen and Clarke Consulting Pty Ltd	Environmental Strategy & Procedure Review	22/11/2024	27/06/2025	35,000.00	33,060.00
Alyve (Working Three Pty Ltd)	PMO Model Roadmap	11/01/2025	11/03/2025	15,000.00	12,250.00
Bateup Actuarial & Consulting Services Pty Ltd	Actuarial report	28/01/2025	28/04/2025	20,000.00	22,012.00
BDO Services Pty Ltd	HRIS accounting treatment	29/11/2024	24/06/2025	15,000.00	15,763.64
G&M Connellan	SBC irrigation	27/03/2025	27/05/2025	30,000.00	27,500.00
Helberg Petrus Caspardus Stephanus	Corporate credit card review	26/09/2024	20/01/2025	20,000.00	22,200.00
Ironbark Sustainability (Ironbark Group Pty. Ltd.)	Climate Change Strategy	30/04/2024	26/06/2025	55,000.00	52,690.00
Kimberley Flanagan Consulting Pty Ltd	Business Plan Project	3/02/2025	15/05/2025	15,000.00	14,000.00
Morphum Environmental Limited	Contaminated Land Assessment	14/04/2025	22/06/2025	20,000.00	19,057.00
Paul Mitchell	Biodiversity Strategy	30/09/2024	26/06/2025	25,000.00	23,400.00
The Trustee for Excelsior Discretionary Trust (Kingfisher Capital Partners)	Investment Review	10/02/2025	10/04/2025	25,000.00	25,000.00
Urban EP	Environment Services - Organic / Recovery Business Case	6/09/2024	24/06/2025	25,000.00	24,750.00

Grant Thornton Australia Limited	Bass Coast accounting treatment	1/07/2024	31/07/2024	30,000.00	28,840.00
Waste-Pac Propriety Limited	Review and Gap Analysis	13/03/2025	24/06/2025	15,000.00	11,400.00
Gallagher Benefit Services Pty Ltd	SMCT Functional Review	28/10/2024	31/01/2025	55,000.00	51,188.00
Lovell Chen Architects & Heritage	Architects and heritage	24/07/2024	24/06/2025	80,000.00	79,035.00
Jackie Duke Insights Pty Ltd	Project Cultivate market research	27/04/2025	27/06/2025	20,000.00	19,400.00
Novoture Pty Ltd	HSW Review	18/09/2024	18/11/2024	10,000.00	10,000.00
IPSec Pty Ltd	It Consultancy	7/05/2025	20/05/2025	40,000.00	37,240.00
				760,000.00	724,295.64

In FY25, there were 12 consultancies where the total fees payable were less than \$10,000 (excl. GST). The sum of these consultancies was \$57,483

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2024-2025 is \$7,717,056 (excluding GST) with the details shown below:

		Non-business as usual (non-BAU) ICT expenditure		
ICT Expenditure	BAU Operational Expenditure	Total=Operational expenditure and Capital	Operational Expenditure (OPEX)	Capital expenditure (excl. GST)
7,717	5,503	2,214	421	1,793



Our financial security

FY25 Financial Performance

FY25 was a year of purposeful progress for SMCT, marked by strong alignment to our strategic direction and a focus on delivering long-term value.

Key initiatives delivered during the year included the successful acquisition of two Bass Coast cemeteries, the implementation of our Reconciliation Action Plan, the launch of a new website platform, and the go-live of Revolve, our new ERP and CE system. We also advanced our environmental sustainability agenda, including significant upgrades to solar infrastructure.

Several strategic projects remain underway, each contributing to greater operational efficiency, improved customer experience, and long-term sustainability.

Through these collective efforts and strong market performance, SMCT achieved a solid net surplus of \$52.0 million in FY25.

Financial Performance

For the financial year ending 30 June 2025, SMCT produced a positive result of \$52.0m. This surplus was achieved from a cemetery operations revenue of \$82.3m and investment income of \$10.9m and the 3% cemetery levy of \$2.8m payable to the Victorian Government.

During the reporting period, SMCT investments (which underpins our community perpetual maintenance obligations) have increased by \$53.3m to \$427.1m, through distribution reinvestment (+\$10.9m) and net gain on investments of \$38.3m. Our pre-need sales, unearned income increased by \$6.3m or 9.8% during the year, with a closing balance of \$70.2m.

Asset Management Accountability Framework (AMAF)

During the FY25 period, SMCT continued to strengthen its asset management practices, building on the initiatives of previous years and progressing towards a more mature and data-driven framework.

Key achievements included:

Establishment of facilities management contracts to maintain all assets captured in the register, with condition data fed back into the Asset Information Management System "AIMS" (Urbanise) system to support lifecycle planning.

Completion of a full asset register reconciliation in September 2025 in the AIMS, following a process commenced in June 2025, ensuring greater accuracy and confidence in our asset records.

Ongoing maturity of the AIMS (Urbanise) system, enabling more informed decisions on operating expenditure, asset replacement and CAPEX requirements.

Strengthening of asset management capability with the appointment of an Asset Manager to lead the strategic approach to lifecycle management, a Senior Facilities Coordinator to oversee preventive maintenance across Facility and Maintenance contracts, and a Fleet Coordinator to manage both reactive and preventive maintenance of fleet assets.

Development and introduction of monthly reporting through the AIMS system to track and analyse OPEX expenditure, providing greater transparency and accountability in operational decision-making.

SMCT remains committed to embedding continuous improvement in asset management. With improved data quality, stronger governance processes and new roles in place, the organisation is well positioned to further enhance the strategic management of assets in the years ahead.

Financial Report

The financial report (pp 50 - 99) covers the 12 months from 1 July 2024 to 30 June 2025, with the prior year's comparatives covering the 12 months from 1 July 2023 to 30 June 2024.

Financial Performance Objectives

SMCT's net result of \$52.0m was up \$9.4m on prior year and was favourable to the 2025 business plan by \$44.2m due to distribution reinvestment and unrealised capital growth of investments.

The positive annual revenue result was driven by a surge in pre-need demand.

In 2025, grave revenue increased, driven by sales in the New Song He Yuan, Botanical Hill, and R. S. Reed Headstone Lawn areas at Springvale Botanical Cemetery. Cremation memorial income also rose, reflecting higher demand for positions primarily in the Diosma, New Song He Yuan, and Westringia areas at Springvale Botanical Cemetery.

As investor confidence in the share market increased, the investment fund realised a holding gain of \$38.3m.

During the reporting period, SMCT investments (which underpins our perpetual maintenance obligations) have increased by \$53.3m to \$427.1m, through distribution reinvestment and unrealised net financial gain on investments.

Subsequent Events

Disclosure of subsequent events is made in Note 8.5. Events occurring after balance sheet date on page 93. There have been no additional significant events subsequent to the balance sheet date and prior to authorisation for release that requires disclosure in the Annual Report.

Summary of Financial Results for FY25 past four Financial Periods (\$'000)

	FY25	FY24	FY23	FY22	FY21
Operating Statement					
Cemetery operations revenue	82,301	80,369	78,050	66,766	60,755
Cost of goods sold	(15,010)	(16,009)	(15,181)	(12,712)	(9,743)
Other income	16,579	28,053	5,047	25,414	28,994
Expenses from transactions	(67,459)	(60,695)	(58,195)	(53,784)	(49,744)
Cemetery Levy	(2,823)	(3,254)	(2,509)	(2,824)	(2,751)
Operating result	13,588	28,464	7,212	22,860	27,511
Other economic flows gain/(loss)	38,374	14,136	30,070	(53,129)	30,219
Other comprehensive income/(loss)	12,430	-	-	31,504	-
Comprehensive result for the period	64,392	42,600	37,282	1,235	57,730
Balance sheet					
Assets					
Investment/Investment property	433,563	379,712	339,794	307,717	327,829
All other assets	313,022	292,759	285,756	278,228	251,633
Total assets	746,585	672,471	625,550	585,945	579,462
Liabilities					
Contract liabilities	70,205	64,097	58,809	59,937	52,547
All other liabilities	18,446	14,832	15,635	12,184	13,212
Total liabilities	88,651	78,929	74,444	72,121	65,759
Net Assets	657,934	593,542	551,106	513,824	513,703
Equity					
Perpetual maintenance reserve	483,153	457,700	417,900	382,079	362,079
Other equity	174,781	135,842	133,206	131,745	151,624
Total Equity	657,934	593,542	551,106	513,824	513,703

Comparison of Actual vs. Budget for the 12-month Period ending 30 June 2025 (\$'000)

	FY25 Actual	FY25 Budget	FY25 Variance
Cemetery operations revenue	82,301	80,684	1,617
Cost of goods sold	(15,010)	(12,867)	(2,143)
Other income	16,579	5,435	11,144
Total Net Revenue and Income from Transactions	83,870	73,252	10,618
Operating expenses	(67,459)	(62,961)	(4,498)
Operating Result before Cemetery Levy	16,411	10,291	6,120
Cemetery levy	(2,823)	(2,584)	(239)
Operating Result	13,588	7,707	5,881

Comparison of FY25 Actual vs. Budget Key Financial Results

	FY25 Actual	FY25 Budget	FY24 Variance
Cremations (no.)	8,539	9,640	(1,101)
Interments (no.)	3,968	3,724	244
Grave revenue (\$m)	36.8	35.4	1.4
Mausolea crypt revenue (\$m)	5.5	4.3	1.2
Cremation memorial revenue (\$m)	8.7	7.3	1.4
Hospitality revenue (\$m)	7.6	7.8	-0.2

Services Performed During the Reporting Period 1 July 2024- 30 June 2025

	FY25 Actual
Cremation	8,539
Interment in graves	3,226
Interment in mausolea	280
Interment of cremated remains	462

Key Influences on Operational Performance Summary

FY25 ACTUAL	\$ 36.8M
FY25 BUDGET	\$ 35.4M
FY24 ACTUAL	\$ 33.4M

Grave Revenue - Contributed 44.8% to operating revenue, exceeding budget by 4.2% and exceeding FY24 by 10.3%.

- Strong demand for premium positions 'in monumental grave areas and Song He graves.
- Lack of budgeted bulk sales at BMP in FY25 impacted revenue from the site; however, strong SBC revenue offset this shortfall, contributing positively to the overall result.

Mausolea Revenue - Represented 6.7% of operating revenue, 27.6% over budget, and 5.5% above FY24.

- Strong demand for True companion/Tandem crypts across SBC, BMP, and MGC, and pair/ side by side crypts at SBC and MGC mainly resulted in revenue exceeding budget.

FY25 ACTUAL	\$ 5.5M
FY25 BUDGET	\$ 4.3M
FY24 ACTUAL	\$ 5.2M

FY25 ACTUAL	\$ 8.7M
FY25 BUDGET	\$ 7.3M
FY24 ACTUAL	\$ 8.2M

Cremation Memorial Revenue - Contributed 10.6% of total operating revenue, was 19.9% above budget, and 6.9% above FY24. This was achieved due to:

- High uptake of Rose, Niche wall, Tree stock, Shrub, and Water memorial positions.
- The areas contributing to majority of the sale include Diosma area, New Song He Yuan area, Westringia area, and Reflection garden.
- SBC had the most significant contribution to the overall result.

Hospitality & Retail Revenue - Hospitality revenue contributed 9.2% to the operating revenue, falling slightly short of the budget by 2.5%, and almost inline with last year.

- Hospitality revenue was primarily impacted by fewer functions across sites in FY25. While café sales remained strong throughout the year, lower functions activity at both sites, along with reduced florist sales at SBC, negatively affected the overall outcome. Additionally, the food truck did not generate the expected revenue, further contributing to the result.

FY25 ACTUAL	\$ 7.6M
FY25 BUDGET	\$ 7.8M
FY24 ACTUAL	\$ 7.6M

FY25 ACTUAL	8,539
FY25 BUDGET	9,640
FY24 ACTUAL	8,425

Cremations - Cremation volume was 11.4% short of budget but 1.4% above FY24 volume. Cremation revenue contributed \$8.6m or 10.5% of total income representing an decrease of 2.2% from FY24.

- The unfavourable variance is due to lower demand and reduced sales volume.

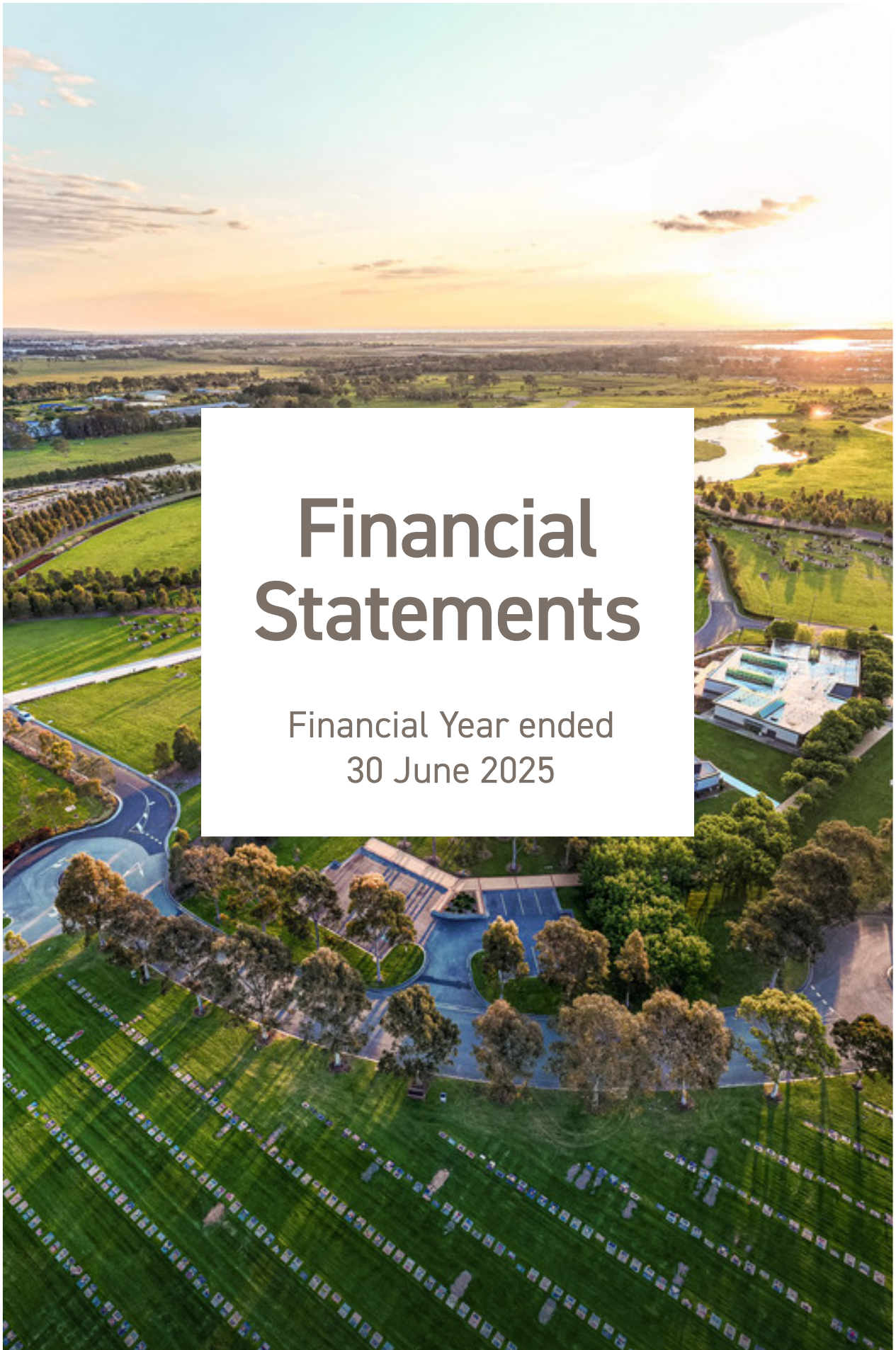
Interments - A decrease in interment volume of 7.5% from FY24 to FY25. Interment revenue contributed \$6.1m or 7.5% of total income representing a shortfall of 5.2% to budget, and a decrease of 2.7% from FY24.

FY25 ACTUAL	3,968
FY25 BUDGET	3,724
FY24 ACTUAL	4,289



Financial Statements

Financial Year ended
30 June 2025



Trust Member's, Accountable Officer's and Chief Finance & Accounting Officer's Declaration

The attached financial statements for Southern Metropolitan Cemeteries Trust ("SMCT" or "The Trust") have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of SMCT at 30 June 2025.

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 25 August 2025.



Trust Member

Dr Vanda Fortunato
Trust Chairperson
Springvale
25 August 2025



Accountable Officer

Ingrid Harvey
Chief Executive Officer
Springvale
25 August 2025



Chief Finance & Accounting Officer

Dean Martinelli
Chief Financial Officer
Springvale
25 August 2025



Victorian Auditor-General's Office

Independent Auditor's Report

To the Trust Members of The Southern Metropolitan Cemeteries Trust

Opinion	I have audited the financial report of The Southern Metropolitan Cemeteries Trust (the cemetery) which comprises the: • balance sheet as at 30 June 2025 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • trust member's, accountable officer's and chief finance and accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the cemetery as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards - Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the cemetery in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (including Independence Standards) (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Trust Members' responsibilities for the financial report	The Trust Members of the cemetery are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the <i>Financial Management Act 1994</i>, and for such internal control as the Trust Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Trust Members are responsible for assessing the cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit of
the financial
report**

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

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

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

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



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Comprehensive Operating Statement for the Financial Year Ended 30 June 2025

	Note	2025 \$000	2024 \$000
Revenue and income from transactions			
Cemetery operations revenue	2.1	82,301	80,369
Cost of sales	3.1(a)	(15,010)	(16,009)
Gross profit from transactions		67,291	64,360
Other income	2.1	16,579	28,053
Total revenue and income from transactions		16,579	28,053
Expenses from transactions			
Employee expenses	3.1(b)	(37,935)	(34,377)
Depreciation and amortisation	4.1(a), 4.2	(9,121)	(7,219)
Other operating expenses	3.1(d)	(23,226)	(22,353)
Total expenses from transactions		(70,282)	(63,949)
Net result from transactions		13,588	28,464
Other economic flows included in net result			
Net gain/(loss) on non-financial assets		(478)	215
Net gain on financial instruments		38,333	13,857
Net fair value revaluation of investment property	4.4	519	64
Total other economic flows included in net result		38,374	14,136
Net result for the year		51,962	42,600
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(a)	12,430	-
Total comprehensive income		12,430	-
Comprehensive result for the year		64,392	42,600

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance Sheet as at 30 June 2025

	Note	2025 \$000	2024 \$000
Financial assets			
Cash and cash equivalents	6.1	23,157	17,561
Receivables	5.1	23,029	21,774
Investments and other financial assets	5.2	427,100	373,768
Total financial assets		473,286	413,103
Non-financial assets			
Prepaid expenses		907	742
Inventories	5.4	41,520	43,815
Property, plant and equipment	4.1	214,857	199,121
Intangible assets	4.2	9,552	9,746
Investment property	4.4	6,463	5,944
Total non-financial assets		273,299	259,368
Total assets		746,585	672,471
Liabilities			
Payables	5.5	11,938	8,871
Contract liabilities	5.6	70,205	64,097
Employee benefits	3.1(c)	5,665	5,177
Other provisions	5.7	843	784
Total liabilities		88,651	78,929
Net assets		657,934	593,542
Equity			
Property, plant and equipment revaluation surplus		75,175	63,525
Community perpetual maintenance reserve		483,153	457,700
Contributed capital		63,674	63,674
Accumulated surplus		35,932	8,643
Total equity		657,934	593,542

The balance sheet should be read in conjunction with the accompanying notes

Cash Flow Statement

for the Financial Year Ended 30 June 2025

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Receipts from customers		94,278	84,222
Interest and investment income received		13,100	27,996
GST received from ATO		4,241	4,855
Total receipts		111,619	117,073
Payments to suppliers and employees		(74,668)	(78,932)
GST paid to ATO		(3,645)	(3,697)
Total payments		(78,313)	(82,629)
Net cash flows from/(used in) operating activities		33,306	34,444
Cash flows from investing activities			
Proceeds from sale of non-financial assets		163	265
Purchase of non-financial assets		(12,874)	(14,464)
Purchase of financial assets		(14,999)	(25,997)
Net cash flows from/(used in) investing activities		(27,710)	(40,196)
Net increase/(decrease) in cash and cash equivalents held		5,596	(5,752)
Cash and cash equivalents at beginning of year		17,561	23,313
Cash and cash equivalents at end of year	6.1	23,157	17,561

The cash flow statement should be read in conjunction with the accompanying notes

Statement of Changes in Equity for the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus	Community Perpetual Maintenance Reserve	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	63,525	417,900	63,674	5,843	550,942
Net result for the year	-	-	-	42,600	42,600
Other comprehensive income for the year	-	-	-	-	-
Transfer from/(to) accumulated surplus	-	39,800	-	(39,800)	-
Movement in reserves	-	-	-	-	-
Capital contribution	-	-	-	-	-
Balance at 30 June 2024	63,525	457,700	63,674	8,643	593,542
Net result for the year	-	-	-	51,962	51,962
Other comprehensive income for the year	12,430	-	-	-	12,430
Transfer from/(to) accumulated surplus	(780)	25,453	-	(24,673)	-
Capital contribution	-	-	-	-	-
Balance at 30 June 2025	75,175	483,153	63,674	35,932	657,934

The statement of changes in equity should be read in conjunction with the accompanying notes

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Note 1: About this Report

Structure

1.1 Basis of preparation

1.2 Material accounting estimates and judgements

1.3 Reporting entity

These financial statements represent the audited general purpose financial statements for Southern Metropolitan Cemeteries Trust ("SMCT") for the year ended 30 June 2025.

SMCT is a not-for-profit entity established as a public agency on 1 March 2010 under the *Cemeteries and Crematoria Act 2003 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060)* and *Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101)*.

SMCT is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. Southern Metropolitan Cemeteries Trust's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1).

As Southern Metropolitan Cemeteries Trust is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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 accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

These financial statements cover SMCT as an individual reporting entity and include all the controlled activities of SMCT. There is no entity consolidated into SMCT.

The financial statements have been prepared on a going concern basis.

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Trust Members of SMCT on **25 August 2025**.

Note 1.2: Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and best available current information and assume any reasonable expectation of future events. Actual results may differ.

Revisions to key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3: Reporting entity

SMCT was established under the ***Cemeteries and Crematoria Act 2003 (the Act)*** and its operations are governed by the Act.

The Southern Metropolitan Cemeteries Trust comprises:

- Springvale Botanical Cemetery
- Bunurong Memorial Park
- Melbourne General Cemetery
- Brighton General Cemetery
- Cheltenham Memorial Park
- Cheltenham Pioneer Cemetery
- Dandenong Community Cemetery
- Sorrento Community Cemetery
- San Remo Cemetery
- St Kilda Cemetery
- Wonthaggi Cemetery

Its principal address of Southern Metropolitan Cemeteries Trust is:

Springvale Botanical Cemetery
600 Princes Highway
Springvale, Victoria 3171

Note 2: Funding delivery of our services

SMCT's overall objective is to provide quality cemetery trust services. SMCT is predominantly funded by income from the supply of products and services. SMCT may also receive grants from Government.

Structure

2.1 Revenue and income from transactions

Note 2.1: Revenue and Income From Transactions

		2025	2024
	Note	\$000	\$000
Revenue from contracts with customers			
Right of interment - grave		36,834	33,389
Right of interment - mausoleum crypts		5,477	5,190
Right of interment - cremation memorial		8,736	8,175
Interment		6,162	6,335
Cremation		8,625	8,817
Memorialisation		4,621	5,441
Retail sales		7,604	7,617
Other operating revenue		4,242	5,405
Total revenue from contracts with customers		82,301	80,369
Other sources of income			
Distributions from managed funds		10,937	27,054
Interest income		828	992
Grant income		-	7
Rental income		31	-
Monetary income ⁽ⁱ⁾		4,075	-
Non-monetary income ⁽ⁱ⁾		708	-
Total other sources of income		16,579	28,053
Total revenue and income		98,880	108,422

⁽ⁱ⁾ On the 1st February 2025 SMCT acquired San Remo Cemetery and Wonthaggi Cemetery from the Bass Coast Shire Council for consideration of \$4.075M and land valued by the Victorian Valuer General at \$708k.

How we recognise revenue from contracts with customers

Revenue from contracts that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

The types of revenue recognised in accordance with AASB 15, and the performance obligations associated with those revenue streams, are detailed in the following table.

Revenue	Performance obligation
Rights of interment (ROI) - Graves - Mausoleum crypts - Cremation memorial	ROI pertain to the act of selling the right to determine who may be interred in a specific location, and the type of memorialisation (if any) that can be erected. The revenue earned from the sale of ROI for graves, mausoleum crypts and cremation memorials is recognised at a point in time, which is when the ROI is transferred to the customer at the point of sale, with the exception of the memorialisation portion, which is recognised at the time of interment.
Interment and cremation	Fees received for interment and cremation are for the service of burials, cremation and interring remains. The revenue earned from interment and cremation is recognised at a point in time, which is when the service is provided to the customer.
Memorialisation	Memorialisation revenue is the sale of products such as granite and plaques that preserve memories of the interred. The revenue earned from memorialisation products is recognised at a point in time, which is when the product is delivered to the customer.
Retail sales	Retail sales pertain to sales from cafes, florists and functions. The revenue earned from retail sales is recognised at a point in time, which is when the product is delivered to the customer.
Other operating income	Other operating income includes miscellaneous fees and sundry income and is recognised as revenue in the period that the services are provided.

How we recognise other sources of income

Capital grants

Where SMCT receives a capital grant, a liability is initially recognised. Income is recognised progressively as the related asset is constructed, based on the percentage of costs incurred to date.

Dividend and distribution income

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1: Expenses From Transactions

		2025	2024
	Note	\$000	\$000
Cost of goods sold	3.1(a)	15,010	16,009
Employee expenses	3.1(b)	37,935	34,377
Other operating expenses	3.1(d)	23,226	22,353
Total expenses incurred in the delivery of services		76,171	72,739

Note 3.1(a): Cost of goods sold

	2025	2024
	\$000	\$000
Rights of interment	10,208	11,027
Memorialisation ⁽ⁱ⁾	1,760	2,059
Retail	2,624	2,651
Other costs of goods sold ⁽ⁱ⁾	418	272
Total expenses incurred in the delivery of services	15,010	16,009

⁽ⁱ⁾ In 2025, there has been a reclassification between expense categories to align with management reporting.

How we recognise cost of goods sold

Cost of goods sold

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

Note 3.1(b): Employee expenses

	2025	2024
	\$000	\$000
Salaries and wages	33,601	30,574
Defined contribution superannuation expense	3,614	3,157
Defined benefit superannuation expense	47	46
Workcover premium	673	600
Total employee expenses	37,935	34,377

How we recognise employee expenses

Employee expenses include all costs salaries and wages, fringe benefits tax, leave entitlements, termination payments and Work Cover payments.

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.

Note 3.1(c): Employee related provisions

	2025	2024
Current provisions for employee benefits	\$000	\$000
Rostered days off	137	142
Annual leave	2,285	2,128
Long service leave	1,793	1,604
Continuity of service	18	4
Provision for on-costs	574	528
Total current provisions for employee benefits	4,807	4,406
Non-current provisions for employee benefits		
Long service leave	753	676
Provision for on-costs	105	95
Total non-current provisions for employee benefits	858	771
Total provisions for employee benefits	5,665	5,177

How we recognise employee related provisions

Employee benefits are accrued for employees in respect of rostered days off, annual leave and long service leave, for services rendered to the reporting date.

Annual leave and rostered days off

Liabilities for annual leave and rostered days off are recognised in the provision for employee benefits as 'current liabilities' because SMCT does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if SMCT expects to wholly settle within 12 months, or
- Present value – if SMCT does not expect to wholly settle within 12 months.

Long service leave (LSL)

The liability for 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 SMCT does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if SMCT expects to wholly settle within 12 months, or
- Present value – if SMCT does not expect to wholly settle within 12 months.

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

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

Provisions

Provision for on-costs such as workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Note 3.1(d): Other operating expenses

	2025	2024
	\$000	\$000
Other operating expenses		
Cemetery levy	2,823	3,254
Administrative expenses ⁽ⁱ⁾	8,666	7,369
Maintenance and operating costs ⁽ⁱ⁾	8,464	8,350
Investment management fees	1,371	1,139
Audit fees	105	99
Other operating expenses ⁽ⁱ⁾	1,797	2,142
Total other operating expenses	23,226	22,353

⁽ⁱ⁾ In 2025, there has been a reclassification between expense categories to align with management reporting.

How we recognise other operating expenses

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

Cemetery levy

In accordance with Section 18Q of the *Cemeteries and Crematoria Act 2003*, SMCT 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 defined as cemetery operations income and investment income (excluding donations, government grants, profit or loss on sale of investments and other assets and assets received free of charge).

The levy rate for this financial year is 3% (2024: 3%).

Other operating expenses

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

Note 4: Key assets to support service delivery

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

Structure

- 4.1 Property, plant & equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation
- 4.4 Investment property

Note 4.1: Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value - cemetery infrastructure	11,196	10,719	-	-	11,196	10,719
Buildings at fair value	109,948	102,499	(61)	(4,750)	109,887	97,749
Infrastructures at fair value	87,428	84,001	(6,938)	(4,397)	80,490	79,604
Works in progress at cost	3,608	3,645	-	-	3,608	3,645
Plant, equipment and vehicles at fair value	23,390	19,568	(13,714)	(12,164)	9,676	7,404
Total property, plant and equipment	235,570	220,432	(20,713)	(21,311)	214,857	199,121

How we recognise property, plant and equipment

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Note 4.1(a): Reconciliations of carrying amount by class

	Land	Buildings	Infrastructure	Works in progress	Plant, equipment and vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	10,719	97,749	79,604	3,645	7,404	199,121
Additions	477	-	288	10,024	274	11,063
Disposals	-	(597)	-	-	(46)	(643)
Revaluation increments	-	12,430	-	-	-	12,430
Net transfers between classes	-	2,702	3,139	(10,061)	4,220	-
Depreciation	-	(2,397)	(2,541)	-	(2,176)	(7,114)
Balance at 30 June 2025	11,196	109,887	80,490	3,608	9,676	214,857

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were material for the buildings category (between 11% and 39%). As such, an adjustment was required at 30 June 2025.

In accordance with FRD 103, SMCT has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 *Fair Value Measurement*. The amendments to AASB 13 will be applied at the next scheduled independent revaluation, which is planned to be undertaken in 2027, in accordance with SMCT revaluation cycle.

Note 4.1(b): Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of SMCT, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

Note 4.1(c): Revaluation of property, plant and equipment

To ensure consistency on a whole of State reporting basis, when non-financial physical assets are revalued, a cemetery trust is to account for the accumulated depreciation at the date of the revaluation by eliminating the accumulated depreciation balance against the gross carrying amount of the asset and increasing the net carrying amount to the revalued amount of the asset (net approach), in accordance with FRD 103.

Note 4.2: Intangible assets

	Computer Software 2025 \$'000	Works in progress 2025 \$'000	Total \$'000
Gross carrying amount			
Opening balance	5,517	8,388	13,905
Additions	20	1,793	1,813
Disposals	-	-	-
Transfers	10,181	(10,181)	-
Closing balance	15,718	-	15,718
Accumulated amortisation and impairment			
Opening balance	(4,159)		(4,159)
Amortisation	(2,007)		(2,007)
Closing balance	(6,166)	-	(6,166)
Net carrying value at the end of the financial year	9,552	-	9,552

How we recognise intangible assets

Initial recognition

Purchased intangible assets are initially recognised at cost.

Internally generated development costs are also recognised as assets if the project is technically feasible, there is an intention and ability to complete and use or sell the asset, it is expected to generate future economic benefits, sufficient resources are available, and costs can be reliably measured.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Impairment

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Note 4.3: Depreciation and amortisation

How we recognise depreciation

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

How we recognise amortisation

Amortisation is generally calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life.

Useful lives of non-current assets

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

	2025	2024
Buildings	14 to 50 years	14 to 50 years
Plant and equipment	2 to 50 years	2 to 50 years
Infrastructure and improvements	5 to 100 years	5 to 100 years
Other equipment, furniture and fittings	3 to 25 years	3 to 25 years
Computer software	3 to 5 years	3 to 5 years

Note 4.4: Investment property

	2025	2024
	\$000	\$000
Investment property at fair value	6,463	5,944
Total investment property at fair value	6,463	5,944
Balance at beginning of period	5,944	5,880
Net gain from fair value adjustments	519	64
Balance at end of period	6,463	5,944

How we recognise investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both.

Investment properties exclude properties held to meet service delivery objectives of the cemetery trusts.

Investment properties are initially recognised at cost and are subsequently measured at fair value, based on independent valuations.

Investment properties are not depreciated or tested for impairment. The fair value reflects current market reporting conditions at the reporting date. The fair value of the cemetery trust's investment properties at 30 June 2025 have been arrived on the basis of an independent valuation carried out by Valuer General Victoria ("VGV").

Further information regarding fair value measurement is disclosed in Note 7.3.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from SMCT's operations.

Structure

- 5.1 Receivables
- 5.2 Investments and other financial assets
- 5.3 Impairment of financial assets
- 5.4 Inventories
- 5.5 Payables
- 5.6 Contract liabilities
- 5.7 Other provisions

Note 5.1: Receivables

	2025	2024
	\$000	\$000
Current receivables		
Contractual		
Trade receivables	1,592	1,490
Accrued investment income	70	1,405
Sundry debtors	15,037	15,939
Total current contractual payables	16,699	18,834
Statutory		
GST payable	230	451
Total current receivables	16,929	19,285
Non-current receivables		
Contractual		
Sundry debtors	6,100	2,489
Total non-current contractual receivables	6,100	2,489
Total receivables ⁽ⁱ⁾	23,029	21,774
<i>⁽ⁱ⁾ Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	23,029	21,774
GST payable	(230)	(451)
Total financial assets	22,799	21,323

How we recognise receivables

Receivables consist of:

Contractual receivables, includes debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The cemetery trust holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables, includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.2: Investments and other financial assets

	2025	2024
	\$000	\$000
Non-Current		
Financial assets at fair value through net result		
Managed investment scheme	427,100	373,768
Total non-current financial assets	427,100	373,768
Total investments and other financial assets	427,100	373,768

How we recognise investments and other financial assets

SMCT manages its investments and other financial assets in accordance with an investment policy approved by the Trust Board and in compliance with *Standing Direction 3.7.2 – Treasury Management*, including *the Central Banking System*.

SMCT manages its investments and other financial assets in accordance with an investment policy approved by the Trust.

Investments are recognised when SMCT enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

SMCT classifies its other financial assets as non-current assets based on the Trust's intention at balance date with respect to the timing of disposal of each asset.

All financial assets are subject to annual review for impairment.

SMCT invests in managed funds which are not quoted in an active market but are based on an unquoted price determined by the fund manager currently appointed, Russell Investments.

Russell Investments declare unit prices for each investment fund by taking into account the investment return of the assets invested into, income, the tax payable, imputation credits, and relevant fees and expenses.

Generally, one-unit price is declared each business day for each investment option and the same unit price is used for buying and selling.

Unit prices are also validated daily by State Street, the appointed custodian and administrator of the fund. The calculation is done daily to the effective date. To minimise the impact of significant market movements during this 2-day period, safeguards have been put in place, as documented in a Russell Investment's unit pricing policy, and the market movement is monitored daily.

There are numerous levels of checks performed by State Street and the Russell Investments Fund Operations teams including but not limited to:

- Daily pricing tolerance checks
- Benchmarking of unit price movement vs benchmarks on a daily basis
- Detailed reconciliation processes

Based on this rigour, and with the oversight of the Finance Risk and Audit Committee, SMCT believes the valuation by Russell Investments is the best estimate of the fair value of the investments at 30 June 2025.

SMCT regards this investment as level 2 according to AASB 13 *Fair Value Hierarchy*. The fund publishes daily its redemption price and net asset value, and SMCT adopts this value without adjustment. We acknowledge there is significant estimation uncertainty as the investment is not quoted in an active market and inputs are observable indirectly.

Note 5.3: Impairment of financial assets

How we recognise impairment of financial assets

SMCT applies AASB 9's expected credit loss model to its financial assets, including contractual and statutory receivables. For contractual receivables, the simplified approach is applied, measuring loss allowances at an amount equal to lifetime expected credit losses based on historical default rates, market conditions and forward-looking estimates. Statutory receivables are considered low risk, and no loss allowance has been recognised. Impairment loss 2025: Nil (2024: Nil).

Note 5.4: Inventories

	2025	2024
	\$000	\$000
Current inventories		
Finished goods		
Land: interment purposes	322	405
Grave foundations/beams	6,864	5,874
Mausoleum crypts	2,082	2,077
Cremation memorials	263	174
Other inventories	401	388
Work in progress	10,505	15,409
Total current inventories	20,437	24,327
Non-current inventories		
Finished goods		
Land: interment purposes	169	152
Grave foundations/beams	13,693	10,662
Mausoleum crypts	3,187	4,994
Cremation memorials	2,455	2,351
Undeveloped land	1,579	1,329
Total non-current inventories	21,083	19,488
Total current inventories	41,520	43,815

How we recognise inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. Inventories are measured at the lower of cost and net realisable value.

Land for interment purposes inventory is measured at the lower of cost and net realisable value, on the basis of weighted average cost. This inventory includes adjacent land and landscaping that add to the amenity of the land for interment.

Inventories expected to be sold/utilised within twelve months are recorded as current and inventories expected to be sold/utilised after twelve months are recorded as non-current.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Note 5.5: Payables

	Note	2025 \$000	2024 \$000
Current payables			
Contractual			
Trade payables		4,067	3,075
Accrued salaries, wages		-	75
Accrued and other creditors		4,038	2,467
Deferred capital grant income		1,010	-
Total current contractual payables		9,115	5,617
Statutory			
Cemetery levy payable		2,823	3,254
Total current statutory payables		11,938	8,871
<i>⁽ⁱ⁾ Financial liabilities classified as payables and contract liabilities (Note 7.2(b))</i>			
Total payables and accrued expenses		11,938	8,871
Cemetery levy payable		(2,823)	(3,254)
Total current contractual payables	7.1	9,115	5,617

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the SMCT prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.5(a): Movement in deferred capital grant income

	2025	2024
	\$000	\$000
Opening balance of deferred capital grant income	-	-
Grant consideration for capital works received during the year	1,010	-
Closing balance of deferred capital grant income	1,010	-

How we recognise deferred capital grant income

During the financial year grant consideration of \$250k was received from the City of Melbourne from the Urban Forest Fund Grant Program 2023 to support the construction of "Project Cultivate" to introduce green space and provide biodiversity at Melbourne General Cemetery. Another \$250k will be received with the completion of the project by May 2026.

In addition, \$760k grant consideration was also received from the Department of Industry, Science and Resources of the Australian Commonwealth government for construction of SMCT's Bunurong Memorial Park Urban Wetland development project. In total SMCT is contracted to receive grant instalments totalling \$8.3M through to April 2028.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when SMCT satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the construction works. As a result, SMCT has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.6: Contract liabilities

	2025	2024
	\$000	\$000
Current		
Pre-need sales liability	70,205	64,097
Current contract liabilities	70,205	64,097

Contract liabilities include consideration received in advance from customers in respect of services (interment and cremation services) and memorialisation items (plaques, granite and urns). The balance of contract liabilities was 9.5% higher than the previous reporting period due to an uptake in customers purchasing pre-need goods and services.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Note 5.7: other provisions

	2025	2024
	\$000	\$000
Current other provisions		
Onerous contracts	843	784
Total other current provisions	843	784

	2025	2024
	\$000	\$000
Balance at beginning of the year	784	729
Additional provisions recognised	59	55
Total other provisions	843	784

How we recognise other provisions

Other provisions are recognised when SMCT 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 provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.

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.

SMCT has recognised a provision for onerous lease contracts, to the extent that the present obligation exceeds the estimated economic benefits to be received.

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by SMCT during its operations and other information related to financing activities of SMCT.

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

Structure

- 6.1 Cash and cash equivalents
- 6.2 Commitments for expenditure

Note 6.1: Cash and Cash Equivalents

	2025	2024
	\$000	\$000
Cash on hand	9	11
Cash at bank	23,148	17,550
Total cash and cash equivalents	23,157	17,561

Note 6.2: Commitments for expenditure

	Less than 1 year	1-5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2025				
Capital expenditure commitments	1,939	-	-	1,939
Inventory commitments	11,980	-	-	11,980
Operating expenditure commitments	5,303	5,790	-	11,093
Total commitments (inclusive of GST)	19,222	5,790	-	25,012
Less GST recoverable	(1,747)	(526)	-	(2,274)
Total commitments (exclusive of GST)	17,475	5,264	-	22,738
30 June 2024				
Capital expenditure commitments	2,421	-	-	2,421
Inventory commitments	2,232	-	-	2,232
Operating expenditure commitments	2,946	-	-	2,946
Total commitments (inclusive of GST)	7,599	-	-	7,599
Less GST recoverable	(691)	-	-	(691)
Total commitments (exclusive of GST)	6,908	-	-	6,908

How we disclose our commitments

Our commitments relate to capital, inventory and operating expenditure.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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 projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Note 7: Risks and contingencies

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

Structure

- 7.1 Financial instruments
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

Note 7.1: Financial Instruments

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

	Note	Carrying amount \$'000	Net gain/(loss) \$'000	Total interest income/ (expense) \$'000	Fee income/ (expense) \$'000	Impairment loss \$'000
30 June 2025						
Financial assets at amortised cost						
Cash and cash equivalents	6.1	23,157	-	809	-	-
Receivables	5.1	22,799	-	-	-	-
Financial assets at fair value through net result						
Investments and other financial assets	5.2	427,100	38,333	19	(1,371)	-
Total financial assets ⁽ⁱ⁾		473,056	38,333	828	(1,371)	
Financial liabilities at amortised cost						
Payables	5.5	9,115	-	-	-	-
Total financial liabilities ⁽ⁱ⁾		9,115	-	-	-	-
30 June 2024						
Financial assets at amortised cost						
Cash and cash equivalents	6.1	17,561	-	975	-	-
Receivables	5.1	21,323	-	-	-	-
Financial assets at fair value through net result						
Investments and other financial assets	5.2	373,768	13,857	17	(1,139)	-
Total financial assets ⁽ⁱ⁾		412,652	13,857	992	(1,139)	-
Financial liabilities at amortised cost						
Payables	5.5	5,617	-	-	-	-
Total financial liabilities ⁽ⁱ⁾		5,617	-	-	-	-

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

How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by SMCT solely to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

SMCT recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables).

Financial assets at fair value through net result

SMCT initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis

- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis, or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

SMCT recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investment schemes as fair value through net result.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

SMCT recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities).

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or SMCT no longer maintains the substantial risks and rewards or control of the asset.

Derecognition of financial liabilities

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, SMCT's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Contingent assets and contingent liabilities

At balance date, the Trust is not aware of any contingent assets or liabilities.

Note 7.3: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through net result
- financial assets and liabilities at fair value through other comprehensive income
- property, plant and equipment, and
- investment properties

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

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

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

- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

SMCT determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

SMCT monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is SMCT's independent valuation agency for property, plant and equipment.

Fair value determination: management investment schemes

SMCT invests in managed funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions.

SMCT considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

SMCT classifies these funds as Level 2.

Fair value determination: non-financial physical assets

AASB 2010-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F Australian Implementation Guidance for Not-for-Profit Public Sector Entities. Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of all of SMCT non-financial physical assets was performed by VGV on 30 June 2022. The annual fair value assessment for 30 June 2025 using VGV indices has identified a material changes in value for the category of buildings and the managerial revaluation of buildings has been booked at 30 June 2025.. In accordance with FRD 103, SMCT will reflect Appendix F in its next scheduled formal revaluation on 30 June 2027 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, SMCT considers the current use as its highest and best use.

Non-specialised land, non-specialised buildings, non-specialised infrastructure and investment properties

Non-specialised land, non-specialised buildings and investment 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. From this analysis, an appropriate rate per square metre has been applied to the asset.

Specialised land and specialised buildings

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

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

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

The CSO adjustment reflects 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 considers the use of the asset that is physically possible, legally permissible and financially feasible.

For SMCT the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Motor vehicles

Vehicles are valued using the current replacement cost method. SMCT 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 experienced fleet managers in SMCT who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Significant assumptions

Description of significant assumptions applied to fair value measurement:

Note 7.3 (a): Fair value determination of level 3 fair value measurement

Asset class	Valuation technique	Significant assumptions	Range (weighted average) ⁽ⁱⁱ⁾
– Specialised land – eleven cemetery sites ⁽ⁱ⁾	Market Approach	Community service obligations adjustments (i)	95%
– Specialised buildings – buildings and improvements over nine cemetery sites	Current replacement cost approach	– Direct costs per square meter – Useful life	\$1,000 - \$8,400/m2 (\$4,500) 2 - 95 years (32 years)
– Specialised infrastructure over eleven cemetery sites	Current replacement cost approach	– Costs per unit – Useful life of specialised infrastructure	\$1,000 - \$12,810,000 per unit (\$833,000) 1 - 100 years (25 years)
Investment property	Market Approach	– Direct costs per square meter	\$26.27/m2
Plant and equipment	Current replacement cost approach	– Costs per unit – Useful life	\$1,000 - \$734,000 per unit (\$39,000) 1 - 97 years (8 years)

⁽ⁱ⁾ Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicative and should not be directly used without consultation with the cemeteries independent valuer

⁽ⁱⁱ⁾ A community service obligation (CSO) of 95% was applied to SMCT's specialised land

Note 8: Other Disclosure

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

Structure

- 8.1 Responsible persons disclosure
- 8.2 Remuneration of executive officers
- 8.3 Related parties
- 8.4 Remuneration of auditors
- 8.5 Events occurring after balance sheet date
- 8.6 Equity

Note 8.1: Responsible persons disclosures

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

	Period
Responsible Minister	
Mary-Anne Thomas, Minister for Health	1 Jul 2024 – 30 Jun 2025
Governing Trust	
Vanda Fortunato (Chairperson)	1 Jul 2024 – 30 Jun 2025
Rosemary Barker	1 Jul 2024 – 30 Jun 2025
Robin Buckham	1 Jul 2024 – 30 Jun 2025
John Nguyen	1 Jul 2024 – 30 Jun 2025
Chloe Shorten	1 Jul 2024 – 30 Jun 2025
Jimi Peters	1 Jul 2024 – 30 Jun 2025
Nova Peris	1 Jul 2024 – 20 Aug 2024
Jason King	1 Jul 2024 – 30 Jun 2025
Catherine Scarth	1 Jul 2024 – 30 Jun 2025
Accountable officers	
Lucinda Nolan (Interim Chief Executive Officer)	1 Jul 2024 – 31 Jan 2025
Ingrid Harvey (Chief Executive Officer)	20 Jan 2025-30 Jun 2025

Remuneration of responsible persons

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

	2025	2024
Income Band	No.	No.
\$0 - \$ 9,999	1	-
\$10,000 - \$19,999	-	1
\$20,000-\$29,999	7	7
\$40,000 - \$49,999	1	1
\$170,000-\$179,999	-	1
\$220,000-\$229,999	1	-
\$260,000-\$269,999	1	-
\$310,000 - \$319,999	-	1
Total numbers	11	11
	2025	2024
	\$000	\$000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	707	717

Amounts relating to Responsible Ministers are reported within the Department of State's Annual Financial Report.

Note 8.2: Remuneration of executive officers

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

	Total Remuneration	
	2025	2024
Remuneration of Executive Officers	\$000	\$000
Total Remuneration ⁱ	1,572	1,451
Total Number of Executives	6	5
Total Annualised Employee Equivalent ⁱⁱ	5.0	5.0

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of SMCT under AASB 124 *Related Party Disclosures* and are also reported within Note 8.3 Related Parties.

ii Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Note 8.3: Related parties

SMCT is a wholly owned and controlled entity of the State of Victoria. Related parties of the cemetery trust include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members, and
- all cemetery trusts and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities

During the year SMCT had related entity transactions with the Department of Health, being the payment of the cemetery levy of \$3.3M (2024: \$2.5M) and a payable at year end of \$2.8M (2024: \$3.3M).

Insurance products are also obtained from the Victorian Managed Insurance Authority.

Key management personnel

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

The Trust and the Executives of SMCT are deemed to be KMPs. This includes the following:

KMPs	Position Title
Vanda Fortunato	Chair of the Trust
Rosemary Barker	Trust Member
Robin Buckham	Trust Member
John Nguyen	Trust Member
Chloe Shorten	Trust Member
Nova Peris (departed 20 Aug 2024)	Trust Member
Jimi Peters	Trust Member
Jason King (appointed 1 Jul 2024)	Trust Member
Catherine Scarth (appointed 1 Jul 2024)	Trust Member
Lucinda Nolan (departed 31 Jan 2025)	Interim Chief Executive Officer
Ingrid Harvey (appointed 20 Jan 2025)	Chief Executive Officer
James Balazs	Executive
Shireen Jahan (departed 16 Sep 2024)	Executive
Damian Ramondetta	Executive
Lucas Robertson	Executive
Con Rodas	Executive
Dean Martinelli (appointed 30 Sep 2024)	Executive

Remuneration of key management personnel

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

	2025	2024
	\$000	\$000
Total remunerationⁱ	2,280	2,168

ⁱKMP's are also noted in Note 8.1 Responsible persons disclosures Note 8.2 Remuneration of executive officers.

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the SMCT, there were no related party transactions that involved key management personnel, their close family members or their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions required to be disclosed for the SMCT Trust, Chief Executive Officer, Interim Chief Executive Officer and Executives in 2025 (2024: none).

Note 8.4: Remuneration of Auditors

	2025	2024
Victorian Auditor-General's Office	\$000	\$000
Audit of financial statement	105	99
Total remuneration of auditors	105	99

Note 8.5: Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Note 8.6: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the SMCT.

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

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

Property, plant and equipment revaluation surplus

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

Community perpetual maintenance reserve

Under Section 12 of the *Cemeteries and Crematoria Act 2003*, SMCT must consider the perpetual maintenance obligations in respect of the cemeteries for which it is responsible. This reserve is funded by cash and investments and serves as a source of future contributions towards its perpetual maintenance obligations.

Consequently, SMCT makes an annual transfer from its accumulated surplus to a Perpetual Maintenance Reserve.

SMCT acknowledges there may be significant and ongoing cash outflows for the perpetual maintenance of each public cemetery. However, SMCT is unable to calculate a sufficiently reliable estimate of any related present obligation under the accounting standards.

Consequently, no liability has been recognised in these financial statements for these expenditures.

On a three-year basis, SMCT shall commission an actuary to calculate the perpetual maintenance obligations at year end taking into account future expected perpetual maintenance expenses in maintaining the cemetery parks in perpetuity (taken to be 100 years) with key assumptions being the Consumer Price Index ('CPI') growth, wage inflation and a discount rate. For the two years an actuary report is not obtained, SMCT will update the perpetual maintenance reserve model internally to calculate the obligation at year end. On an annual basis SMCT will transfer from Retained Earnings to the Perpetual Maintenance Reserve sufficient available earnings to match the calculated "Perpetual Maintenance Reserve Liability" (as termed by the actuary) .

The transfer to the Perpetual Maintenance Reserve is capped at available retained earnings. Where the "Perpetual Maintenance Reserve Liability" calculated by the Actuary exceeds the Perpetual Maintenance Reserve at financial year end, SMCT will make a disclosure of the shortfall, with the intention of bridging the gap in future years. If the annual comprehensive result is in deficit for the financial year, no transfer will occur, with allocations continuing in future periods of surplus. The reserve transfer is only an indicative estimate of future obligations. Accordingly, no provision for these future costs has been recognised in these financial statements.

The annual allocation to the Perpetual Maintenance Reserve is determined based on Actuarial determination and is capped each year to not exceed the comprehensive result for the year.

In 2023-24 SMCT engaged an actuary to determine the perpetual maintenance obligation and at 30 June 2025 SMCT has transferred in full to the Perpetual Maintenance Reserve \$483M in line with the actuarial report.

Disclosure index

The Southern Metropolitan Cemeteries Trust's annual report 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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FRD 22	Disclosure of procurement complaints	N/A
FRD 22	Disclosure of reviews and study expenses	40
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Legislation	Requirement	Page Reference
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Notes

^(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

^(b) Refer to the Model financial statements section (Part two) for further details.



Additional Information Available on Request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the cemetery trust and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- (a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- (b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- (c) details of publications produced by the entity about itself, and how these can be obtained;
- (d) details of changes in prices, fees, charges, rates, and levies charged by the entity;
- (e) details of any major external reviews carried out on the entity;
- (f) details of major research and development activities undertaken by the entity;
- (g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- (i) details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- (k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- (l) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

The following information is retained by SMCT and is available upon request:

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