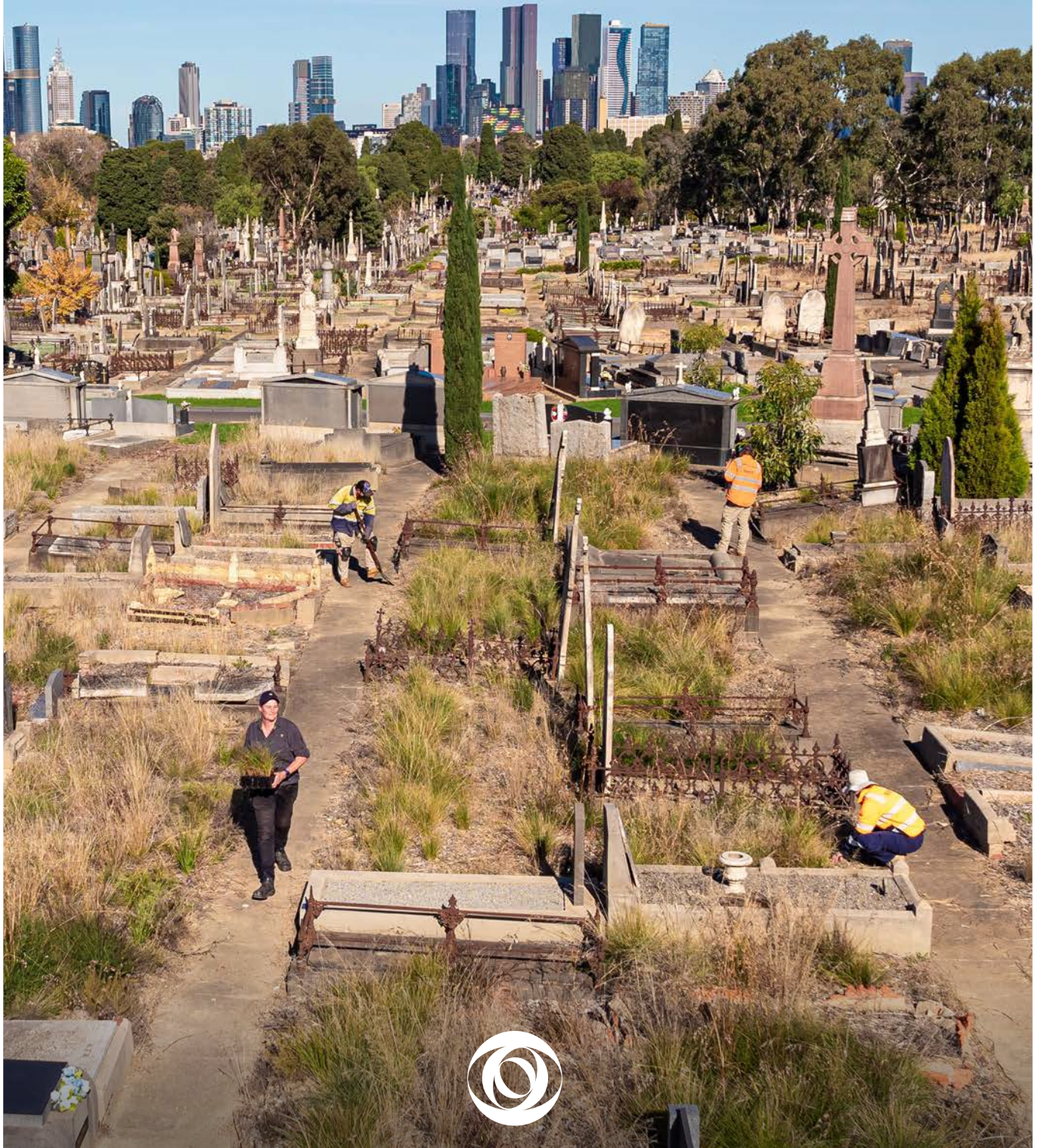


# 2024

PERPETUAL PROGRESS



## ANNUAL REPORT

SOUTHERN METROPOLITAN CEMETERIES TRUST

*Photo: Smoking Ceremony, Bunurong Memorial Park*

## 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 Owners 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.



*Cover photo: Horticulture team members planting for Project Cultivate at Melbourne General Cemetery.*

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1.0

# Welcome

## Trust Chair statement



The past year has reinforced the critical role that Southern Metropolitan Cemeteries Trust (SMCT) plays in supporting Victorian communities through some of life's most challenging moments. Our commitment to providing compassionate, culturally sensitive services remains steadfast, guided by sound governance and strategic foresight.

This year, we have made significant progress in strengthening our long-term stability. The development of our site Master Plans, outlining the future of our nine cemeteries over the next decade, demonstrates our proactive approach to meeting community needs while ensuring financial sustainability. Our investment in developing the final significant land parcel at Springvale Botanical Cemetery further exemplifies our commitment to responsible development and long term planning for our services.

Governance has been a key focus, with the procurement of a new compliance and risk management system that will enhance our ability to uphold the highest standards of safety and

regulatory compliance. This, coupled with our ongoing commitment to gender equality and the development of our first three-year Diversity, Equity and Inclusion Strategy, reflects our dedication to creating an inclusive environment for both our staff and the communities we serve.

Our progress this year would not have been possible without the continued support of the Victorian Government. Their trust in our vision enables us to innovate and expand our services to meet the diverse needs of our growing communities. We are also deeply grateful to the public for their ongoing interaction with our cemeteries and memorial parks, whether through our community events, our expanded hospitality services, or our new digital platforms.

To my fellow Trust members, your unwavering commitment and visionary leadership are the pillars that uphold the values and mission of our organisation. Together we have fostered a culture of excellence and compassion that resonates throughout every level of our organisation.

To our staff across all levels of the organisation: Your dedication to celebrating every person's life is truly commendable. Your work not only supports those in grief but also preserves the rich history of stories for future generations. This impact of your service extends far beyond the present moment, weaving a legacy that will be cherished for years to come.

We remain committed to our vision of providing beautiful, iconic locations that empower all communities to honour and celebrate life. With the continued support of our stakeholders and the dedication of our team, I am confident in SMCT's ability to serve Victorian communities with compassion and excellence for years to come. In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for the Southern Metropolitan Cemeteries Trust for the year ending 30 June 2024.

A handwritten signature in black ink, appearing to read 'Vanda Fortunato'. The signature is fluid and cursive, written over a white background.

**Dr Vanda Fortunato**  
Trust Chairperson

## CEO statement



As we reflect on the past year at SMCT, I am struck by the remarkable resilience and dedication of our team. Their commitment has driven our progress across numerous initiatives, enhancing our service to the Victorian community.

Our workforce has been at the heart of our achievements this year. The continued progress towards the implementation of our new customer relationship management system, Revolve, stands as a testament to their innovation and ongoing dedication to excellent customer service. This project will not only modernise our operations but also significantly improve our ability to serve our diverse communities with consistency and efficiency.

I am particularly proud of our strides in environmental sustainability. Project Cultivate at Melbourne General

Cemetery has transformed nearly 60% of the useable area, creating a revitalised green space for our community. The development of our micro-forest at Springvale Botanical Cemetery further underscores our commitment to biodiversity and sustainable practices.

Our focus on a safe workplace and strong safety culture has seen significant advancements, from the innovative burials e-learning program to the groundbreaking Project Pinnacle, which will enhance safety in monumental areas through innovative use of new equipment and processes. These initiatives reflect our ongoing commitment to the wellbeing of our team members and visitors alike.

As we look to the future, we have a range of initiatives planned for the coming year that will continue to foster our growth and service to the community. This includes the adoption and implementation of our Reconciliation Action Plan, a comprehensive land strategy to ensure the sustainability of our services, and workforce and succession planning.

To our dedicated team members across all nine of our cemeteries and memorial parks: your passion, respect, and empathy in serving our communities is truly inspiring. Your work honours the stories of those in our care and supports the living through their grief journeys. Thank you for your commitment to our shared purpose.

A handwritten signature in black ink that reads "Lucinda Nolan". The signature is written in a cursive, flowing style.

**Lucinda Nolan**

Interim Chief Executive Officer

## 2.0

# Trust overview

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

SMCT is redefining the traditional role of cemeteries and memorial parks with complementary service offerings including cafés, florists, modern function facilities, and meaningful relationships with community. Our reflective spaces and gardens encourage people to honour traditions, share stories and unite as a community.

We are responsible for nine cemeteries and memorial park locations, including historically significant sites like Melbourne General Cemetery and St Kilda Cemetery, and more operationally active sites like Springvale Botanical Cemetery and Bunurong Memorial Park.

We are proud to work with cultural and religious community groups to provide choice and meaningful services across each location and maintain these sites in perpetuity for the Victorian public.

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* (Vic). The responsible Minister is the Minister for Health.

Minister for Health:

The Hon Mary-Anne Thomas  
From 1 July 2023 to 30 June 2024.

## 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, we pledge to our clients and colleagues that we will act 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 clients and our people

**Empathy** - to listen and reflect with sensitivity



Photo (left to right): Chloe Shorten, Nova Peris, Robin Buckham, Vanda Fortunato, Jimi Peters, Rosemary Barker, Sam Afra, Bernadene Voss and John Nguyen.

### Our Services

- Interment in graves, mausolea and interment of cremated remains
- Cremations
- Memorialisation
- Wellness and support centre
- Café and hospitality
- Venue hire
- Florist
- Community events
- Cemetery and genealogical records
- Perpetual maintenance

### SMCT Trust Members

The Trust is responsible to the Minister for Health and must ensure good governance of the cemeteries under its care. Members of the Trust are appointed by Governor-in-Council on recommendation of the Minister for Health for a three-year term and may seek reappointment.

### Trust Members during the 2023 - 24 Financial Year were:

**Dr Vanda Fortunato**, PhD, MA, BA, FAICD (Chairperson)

**Sam Afra**, JP, MAICD.

**Robin Buckham**, BA, DipEd, MCom (Mktg), GAICD.

**Rosemary Barker**, BA, GDipHR&IR, Grad Cert Bus Management, MAICD

**Bernadene Voss**, BA, GAICD

**John Nguyen**, FCA, MBA, BCom, PostGradDipFin, MAICD

**Nova Peris**, OAM, OLY, MAICD

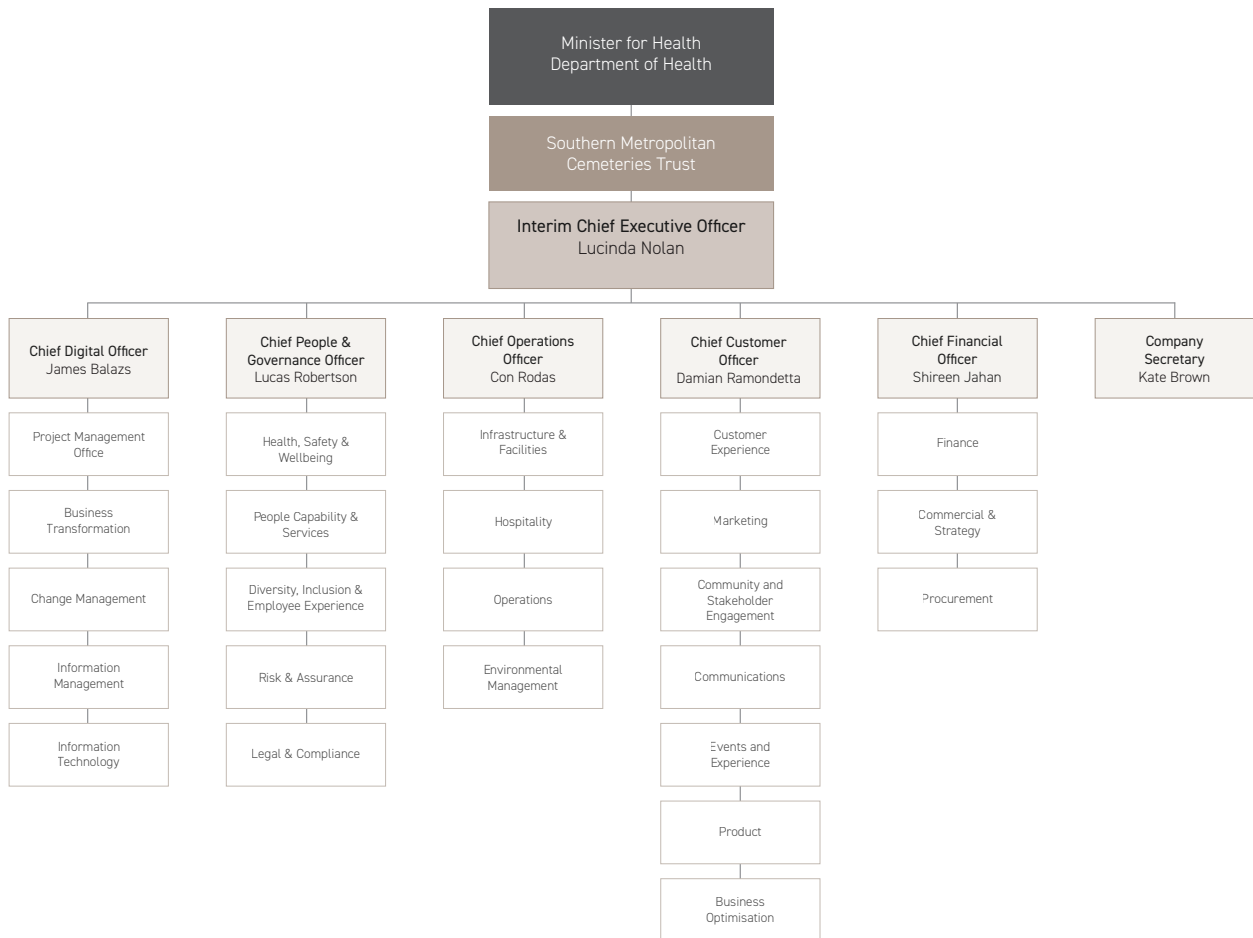
**Jimi Peters**

**Chloe Shorten**, BA (Comm) GAIST, GIA (CertGovPrac)

### Attendance At Trust and Committee Meetings 1 July 2023 – 30 June 2024

	Meetings Held	Vanda Fortunato	Sam Afra	Robin Buckham	Rosemary Barker	Bernadene Voss	Chloe Shorten	John Nguyen	Nova Paris	Jimmi Peters
Trust	6	6	6	6	6	5	5	6	3	5
Enterprise Risk & Internal Audit Committee	3	3	n/a	n/a	2	n/a	3	n/a	n/a	n/a
Finance, Investment & Audit Committee	5	4	n/a	n/a	n/a	4	n/a	5	1	n/a
Governance Committee	2	2	n/a	2	2	n/a	2	n/a	n/a	n/a
Community Advisory Committee	4	n/a	4	n/a	n/a	3	n/a	n/a	n/a	3

### Organisation chart



Chief Executive Officer Preceded by Laz Cotsios



## 3.0

# Governance and accountability

SMCT is a public entity that provides burials, cremation, and memorialisation services for parts of Metropolitan Melbourne and Victoria. We are entrusted to manage and maintain in perpetuity the locations for which we are responsible.

SMCT acknowledges that strong governance and accountability are critical to achieving our strategic goals and providing high quality services consistent with the Victorian public's expectations.

Our Corporate Governance Framework ensures that we:

- Act in a customer-centric manner in everything we do.
- Recognise the importance of consulting and engaging with the community.
- Understand our current and future roles and responsibilities.

Our strategic decisions are underpinned by care and compassion, and the Victorian public is at the heart of our purpose. Our actions are consistent with our responsibility to service the Victorian public, including ensuring funds are set aside for our cemetery and memorial parks to be maintained in perpetuity.

The Trust is established under the *Cemeteries and Crematoria Act 2003* and has responsibility for:

- Overseeing and appraising the performance of the organisation against strategic objectives.
- Stewarding the strategic direction of the organisation to ensure long-term sustainability.
- Ensuring that governance arrangements are maintained, together with sound financial management and best practice asset management.
- Ensuring its statutory and regulatory obligations are met and that the organisation's risk management systems are active and effective.

To fulfill these responsibilities and ensure that SMCT is governed and managed in an accountable way, the organisation maintains a robust corporate governance framework.

During the reporting period, the Trust met six times to oversee the governance and strategic direction of SMCT. The Trust's focus includes strategic planning, business development, financial performance, risk management and governance, including legal and regulatory compliance.

Four committees support the Trust in a review of advisory capacity, unless given specific powers by the Trust. Each committee is chaired by a member of the Trust and has a charter which specifies the role of the committee. As part of the Trust's performance evaluation process, the Trust and each committee evaluates its performance annually.

### Community Advisory Committee

The Community Advisory Committee (CAC) is established in accordance with the requirements of section 18D of the *Cemeteries and Crematoria Act 2003*. The Committee advises Trust on community engagement activities and priorities. The committee meets quarterly, and its membership is comprised of Trust members and community members with representation from a range of community, multicultural and religious groups. Members offer a diverse perspective, providing the organisation with key insights into the evolving needs and expectations of the communities we serve.

### 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, chaired by John Nguyen, has an advisory role in assisting the Trust with financial reporting, external audit, financial management, planning and major financial decision-making functions.

### 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 has an advisory role in assisting the Trust with fulfilling the functions of risk management, internal audit and legislative compliance.



*Photo:  
SMCT staff  
assisting  
customers at  
Mother's Day  
event.*

### **Governance Committee**

The Governance Committee 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.

### **Building Act 1993**

All new works and the redevelopment of existing properties are consistent with the *Building Act 1993*, the *Building Regulations 2018* and the Building Code of Australia (BCA).

### **Freedom of Information**

SMCT's Information Manager was the Principal Officer for Freedom of Information (FOI) requests during the reporting period. FOI requests must be made in writing and can be submitted via email ([FOI@smct.org.au](mailto:FOI@smct.org.au)) or via post to PO Box 1159 Clayton VIC 3169. All reasonable requests for records are granted under sections 59 and 60 of the *Cemeteries and Crematoria Act 2003*.

SMCT did not receive an FOI request during the reporting period.

### **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.



*Photo: SMCT employee assisting customers*

## Procurement

SMCT's Purchasing Policy and associated purchasing procedures have been integrated 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 delivery outcomes in the following SPF objectives:

- 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.

### Social Procurement Framework Direct Spend Metrics for Financial Year 2023-24

Social Procurement Framework supplier involvement and feedback to SMCT has been positive and this is reflected in the following outcomes this reporting period:

Overall Supplier Social Procurement Objectives and Spend Activities	FY24
Aggregate Number of suppliers	638
Aggregate Spend with suppliers	\$50,993,957
Social Benefit suppliers	4
Total spent with social benefit suppliers	\$2,204,241

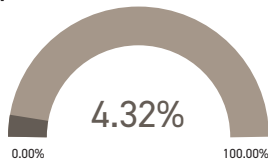
**Objective:** Opportunities for Victorian Aboriginal people

**Outcome:** Purchasing from Victorian Aboriginal businesses

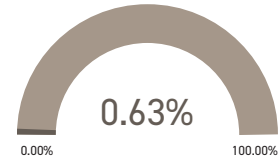
Number of Victorian Aboriginal businesses engaged in	4
Total expenditure with Victorian Aboriginal businesses (exl GST)	\$2,204,241

<b>Consultancy expenses</b>	Page 41
<b>Disclosure of ICT expenditure</b>	Page 42
<b>Disclosure of Asset Maturity Assessment</b>	Page 42-43
<b>Disclosure of review and study expenses</b>	Page 15

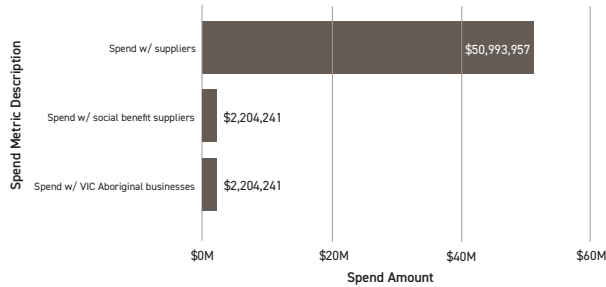
### Social Benefit Supplier Spend as a Proportion of Total Supplier Spend



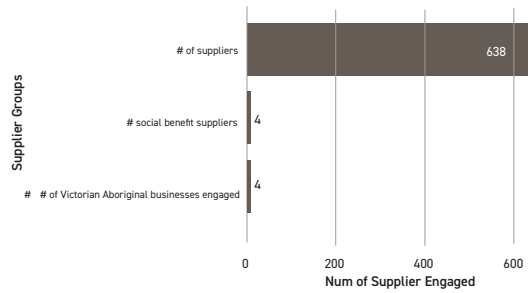
### Social Benefit Supplier as a Proportion of Total Suppliers



Total Expenditure by Spend Metric Description



Total Expenditure by Spend Metric Description



### Internal audits and reviews

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

#### Review and Study Expense

Standing Directions under the <i>Financial Management Act 1994</i> – Part 1	\$6,435	\$6,435	Assurance on compliance with the attestation requirements under the Standing Directions.	SMCT audits 1/3 of the requirements each year, which results in all requirements being reviewed within a 3-year cycle.	This is an attestation requirement.
Project and Change Management Framework	\$15,730	\$15,730	Assurance on the current management of projects and change, and identification of opportunities for continuous improvement.	To assess the adequacy and effectiveness of SMCT's Project and Change Management Governance Framework, controls and processes.	This was identified as part of the three year strategic audit plan and reflects the number and value of capital projects that SMCT undertakes in the development of cemetery assets and infrastructure.

Review Conducted	Estimated cost for the year	Actual cost for the year	Anticipated outcomes	Terms of reference / scope	Reason for undertaking the review/study
Internal Audit of Management of OH&S (inc. wellbeing and awareness survey)	\$17,160	\$17,160	Assurance on the HSW Framework and continuous improvement learnings.	To assess the internal control environment relating to OH&S and wellbeing management at SMCT.	Safety and wellbeing are key priorities for SMCT and the internal audit was part of the 3-year strategic audit plan to provide assurance on the robustness of the framework.
Internal Audit of Investment Management Framework	\$8,580	\$8,580	Assurance on the current investment fund management approach and continuous improvement.	To provide internal audit services to determine whether SMCT has an adequate and appropriate investment management framework in place.	The Perpetual Maintenance Fund is of high importance to SMCT in its future maintenance of cemeteries. The internal audit was identified in the three year strategic plan given the importance of the fund.
Gender Equality	\$12,870	\$12,870	This audit served as a baseline of current state and clarification of future opportunities.	To determine the adequacy and effectiveness of SMCT's systems, processes and controls with respect to gender equality practices and legislative requirements.	The internal audit area aligned with strategic plan priorities and objectives.



Photo: Customer services team members at Bunurong Memorial Park.

**Advertising expenditure**

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.

**Privacy legislation**

SMCT maintains a Privacy Policy which articulates SMCT’s practices when dealing with personal information. SMCT is committed to complying with the Victorian Charter of Human Rights and Responsibilities and the *Privacy and Data Protection Act 2014* (Vic).

**Victorian Industry Participation Policy**

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). There were no relevant Victorian Industry Participation Policy contracts during the year ended 30 June 2024.

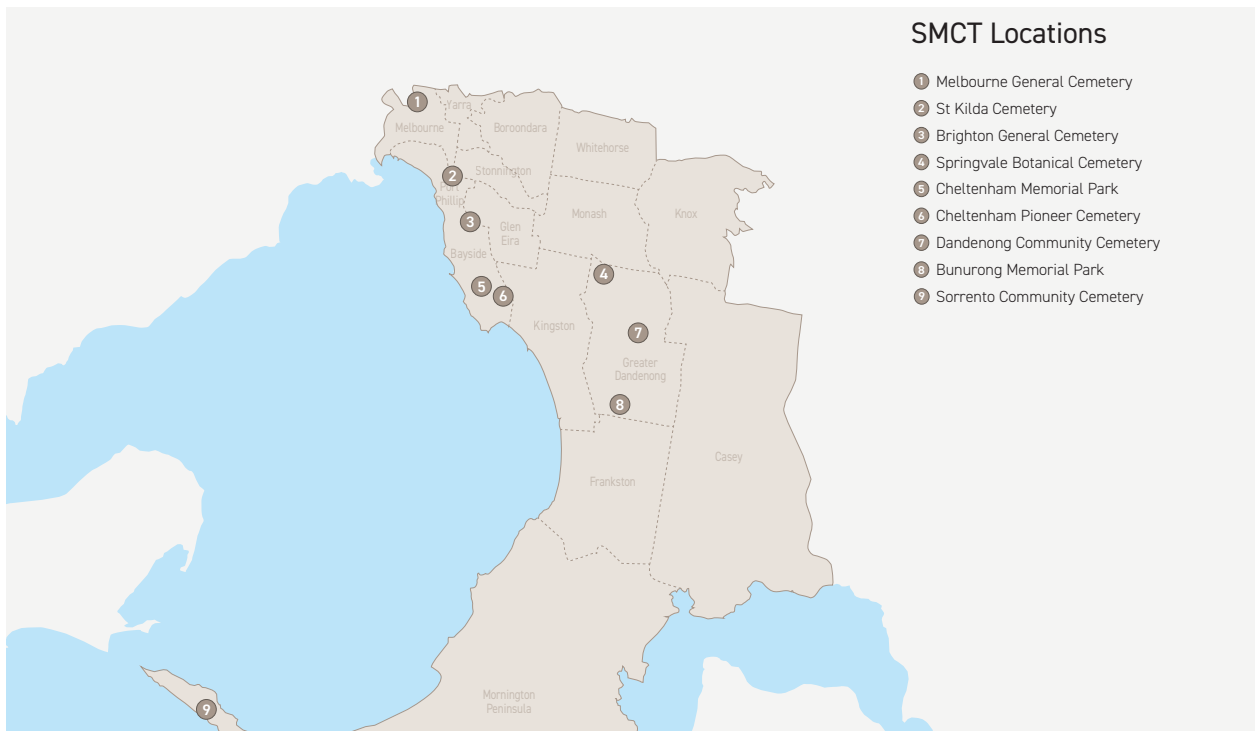
**Public interest disclosure**

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](http://www.ibac.vic.gov.au)).

**Declarations of pecuniary interests**

Trust members and executives have completed a Declaration of Private Interests Statement. No shares are held by Trust Members or Executive employees as nominees, or held beneficially, in a statutory authority or subsidiary. There are specific disclosures in the financial statements (see index).



## Attestations

### Financial Management Compliance Attestation Statement 30 June 2024

I, Dr Vanda Fortunato, on behalf of the Responsible Body, certify that the 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  
20 August 2024

### Compliance with Victorian Government Purchasing Board (VGPB) Policies


I, Lucinda Nolan, 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.



Lucinda Nolan  
Interim CEO  
Southern Metropolitan Cemeteries Trust  
20 August 2024

### Integrity, Fraud and Corruption

I, Lucinda Nolan, 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.



Lucinda Nolan  
Interim CEO  
Southern Metropolitan Cemeteries Trust  
20 August 2024

### Conflict of Interest and Duty to Disclose

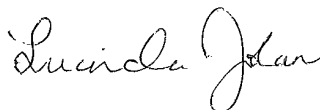
I, Lucinda Nolan, certify that the Southern Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of *clause 9 of Schedule 1A of the Act*, and has implemented a 'Conflict of Interest' policy consistent with the 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.



Lucinda Nolan  
Interim CEO  
Southern Metropolitan Cemeteries Trust  
20 August 2024

### Data Integrity Declaration

I, Lucinda Nolan, certify that the Southern Metropolitan Cemeteries Trust has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Southern Metropolitan Cemeteries Trust has critically reviewed these controls and processes during the year.



Lucinda Nolan  
Interim CEO  
Southern Metropolitan Cemeteries Trust  
20 August 2024



4.0

# SMCT's strategic priorities

SMCT has undertaken a review of our strategic priorities in anticipation of our new Strategic Plan which will be released in late 2024. Our current plan, which expired in 2023, has continued to guide our direction through the year with four overarching strategic priorities aligning our culture, vision and values.

## **Embracing customer centricity**

Our customers are at the heart of everything we do. To remain relevant, we must ensure that every person is able to honour and celebrate life in the way that they choose.

## **Pursuing strategic growth**

Our obligations are perpetual. Our relationships

with families and communities surpass time and generations as we are entrusted to preserve our memorial parks for all time. Therefore, to remain sustainable in the long term, we need to pursue growth.

## **Enhancing strategic engagement**

Our duty is to listen and respond to our stakeholders' needs. All stakeholders play a vital role and we need to co-exist, complement and add value to each other for the benefit of the mutual communities we serve.

## **Investing in people development**

Our people are our greatest assets. To further meet our customers' needs, we need to build a culture that nurtures creativity, innovation and high performance.



SMCT Executive Team. Photo (left to right): Con Rodas, Lucinda Nolan, James Balazs, Kate Brown, Damian Ramondetta and Lucas Robertson.

## 5.0

# Our people

At SMCT, we believe that our employees are the heart and soul of our organisation. From front line caregivers to our professional services and infrastructure teams, everyone plays a vital role in looking after our community, environment, and each other.

Our 2024 training and development activity has built on the great work we began last year. In the HSW space we saw the continuation of courses to ensure the psychosocial safety of our employees with some new content covering vicarious trauma as well as extending learning on prevention of occupational violence and conflict resolution. Senior leaders in Operations completed important training on load restraints in the 'Chain of Responsibility' courses. We also rolled out bespoke courses and videos to support traffic safety.

In 2024, we refreshed our integrity training to ensure we are always acting in an appropriate way, befitting members of the Victorian public service. Courses 'Gifts, Benefits and Hospitality', 'Preventing Fraud and Corruption' and 'Respectful Relationships' were rolled out across the organisation. Cyber security stayed front of mind with regular eLearning and 'spot the phish' campaigns.

We continue to invest in leadership development. In the last year, we had the highest number of employees ever seeking to raise their leadership capability by taking part in the 'Stepping Up' initiative and the Enterprise Leadership Program.

In-role and technical training activity was boosted by three employees working towards Certificate III or Certificate IV vocational qualifications in the last year. We partnered with Cemeteries and Crematoria Association Victoria (CCAV) to host the two day

'GraveSafe' course at Bunurong Memorial Park in December, training our Burials team members and employees from other cemeteries. Systems training for the Revolve project also contributed hugely to this year's in-role technical training hours.

Our work to create a more diverse and inclusive organisation will be increasing in the coming year, so to pave the way, members of the People & Governance Team have been increasing their knowledge of LGBTIQ+, Disability and First Nations through a mix of learning methods in 2024.

## People performance – Workplace demographics

### Age Distribution

(headcount, not FTE equivalent as of 30th June 2024)

Age	FY24	FY23
Under 25	26	23
25-34	77	73
35-44	91	89
45-54	103	101
55-64	79	68
65 and Over	17	14
<b>Total (excl. vacancies)</b>	<b>393</b>	<b>368</b>



*Photo: Café Vita et flores at Springvale Botanical Cemetery.*

## Gender Distribution

(headcount, not FTE equivalent as of 30th June 2024)

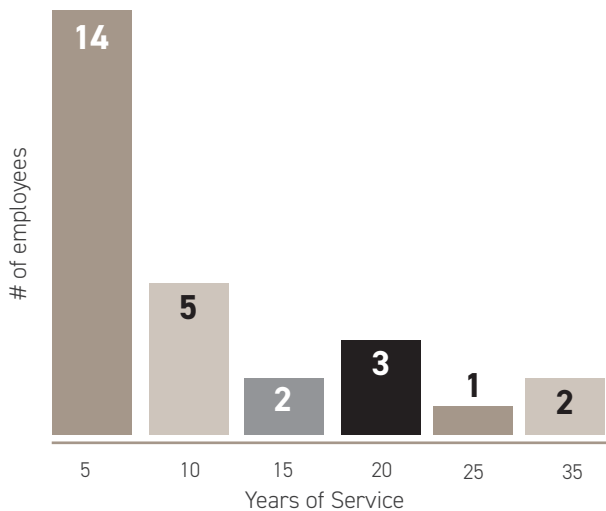
	FY24	FY23
Female	230	201
Male	163	166
Self described	0	1
<b>Total (excl. vacancies)</b>	<b>393</b>	<b>368</b>

## Flexible Working Arrangements

(headcount, not FTE equivalent as of 30th June 2024)

Working Arrangements	FY24	FY23
Full Time	296	266
Part Time	67	71
Casual	30	31
<b>Total (excl. vacancies)</b>	<b>393</b>	<b>368</b>

## Service Milestones Reached Between July 2023 – June 2024



## Executive demographics

Gender	FY24	FY23
Female	2	1
Male	4	5
Self-Described	0	0
<b>Total (excl. vacancies)</b>	<b>6</b>	<b>6</b>

## Workforce/Labour Category

Labour Category*	June current month FTE		Average Monthly FTE	
	2023	2024	2023	2024
Indoor Staff	219.53	238.51	203.37	228.89
Outdoor Staff	90.29	94.89	87.12	91.02
Executive	5.49	6.00	5.73	5.94
<b>Total</b>	<b>315.31</b>	<b>339.40</b>	<b>296.22</b>	<b>325.85</b>

\*excluding overtime. Does not include contracted staff (for example, consultants)

The workforce increase is due mainly to project load:

- Change management support for critical digital and safety projects.
- Increase in Infrastructure & Facilities, reflecting a requirement for project managers to manage our programs of major and minor works.
- HRIS project roles, including backfill for those moving into project secondments.

We have added safety and risk resources to support the focus in these areas and overall assurance, and brought graphic design and legal expertise inhouse. Finally, the CX restructure established new roles (which I believe were counted before end of financial year although some were filled subsequently).

## Training hours

Training Category	Hours
Corporate Induction	1586
In-Role / Technical	4137
Leadership	2081
HSW, Compliance & Integrity	2363



*Photo: Staff overseeing construction at Bunurong Memorial Park.*



*Photo: Staff operating machinery*

## 6.0

# Safe workplace and safety culture

Safety for all members of our community, including our employees, is of paramount importance at SMCT, as is ensuring that our team members have the learning and support structures behind them to allow them to operate to the highest safety standards. This year, significant steps have been taken to address key areas of safety improvement, as well as to update methods of information and learning to make them more effective and accessible to all staff.

## **Burials equipment innovation**

In collaboration with Geelong Cemeteries Trust, we developed a gantry and railing solution to protect against falls from heights when working around open graves. This project was also the subject of regular consultation with WorkSafe. The Burial Gantry will allow our grave digging team members to be tethered to the gantry and provide a fall arrest system should they fall into the grave whilst 'spotting' for the excavator operator.

## **Burials e-learning program**

Recognising that our Grave Digging Manual required updating, we undertook the creation of a Burials e-learning program. The Burials e-learning program will guide new starters through their learning week by week, indicating what they should be learning and practising on the job and recording their progress. Changing to e-learning delivery creates an individualised approach to learning, allowing staff to pace their progress to their own needs.

## **Creating a new Customer Experience (CX) people operating model**

To better serve our customers, we have commenced development of a new CX people operating model

that emphasises training, development, and ongoing support for our staff. This approach ensures they are well-equipped to deliver exceptional service and empathetic support to those in need.

## **Compliance and Risk Management System**

The Compliance and Risk Management System project involves the procurement and rollout of a new cloud-based compliance and risk management system to replace our existing risk management system.

This financial year we have finalised requirements, gone to market via a Request for Tender and evaluated tender responses with a view to commencing implementation in the second half of 2024. This modernisation will further enhance our operational efficiency and risk management capabilities and streamline processes, ensuring that we continue to uphold the highest standards of safety and compliance across all aspects of our operations.

## **Workforce and succession planning**

SMCT has worked with industry-leading experts to develop a manual and tools for both workforce planning and succession planning. This allows SMCT to adopt market-leading methods and expertise internally to ensure we have: consistent principles and tools to shape our workforce for maximum efficiency and flexibility in delivering our services; resilience and continuity of operations in the event that critical roles become vacant; and accelerated development planning and clearer career pathways. The succession planning framework has been shared with the Executive Leadership Team and will be progressively used across SMCT in FY25.

### Occupational Violence and Aggression Project

This is a significant project, designed to obtain input from our customer-facing teams to enable us to reduce the incidence and impact of violence and aggression in the workplace and improve our support capability and processes.

In FY25, we will take findings through our Executive

Leadership Team and Trust and deliver progressively under an implementation plan. Delivered well, in phases and with appropriate upskilling, this project will give us greater capability to improve our customer and visitor interactions and protect the psychological safety of our staff. This is a key contributor to our strategic focus on best-practice systems to ensure physical and psychological safety of our people.

## Occupational health and safety

### SMCT Annual Report - FY24 - HSW Data

WorkSafe Performance Indicators	FY24	FY23	FY22
Premium Rate	\$645,758.39	\$672,653.17	\$334,168.33
Performance Rating	0.512895	0.696078	0.564120

Occupational Violence Indicators	FY24	FY23	FY22
Work Cover accepted claims with an occupational violence cause per 100 FTE	2	0	0
Number of accepted Work Cover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.3	0	0
Number of occupational violence incidents reported	12	6	6
Number of occupational violence incidents reported per 100 FTE	3.7	2.6	2.6
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	16.6%	0%	0%

Occupational Health and Safety	FY24	FY23	FY22
a) The number of reported hazards/incidents for the year per 100 full-time equivalent staff members	Total Incidents: 599 Staff No: 325.85 Per 100 staff: 184	Total Incidents: 504 Staff No: 339 Per 100 staff: 231	Total Incidents: 504 Staff No: 339 Per 100 staff: 231
b) The number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	Total claims: 12 Per 100 staff: 3.7	Total claims: 6 Per 100 staff: 2.4	Total claims: 6 Per 100 staff: 2.0
c) The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$111,06	\$27,097	\$26,716

The increase in the number of safety incidents reported from FY23 to FY24 can be attributed to enhanced education initiatives on hazard and incident reporting. This uplift in awareness emphasised the importance of reporting, leading to improved engagement and a higher volume of reports. We regularly analyse data and report to ELT and Trust, and are confident of no systemic issues or increase in material safety risks.

## 7.0

# Caring for our communities

## Caring for our people and communities

SMCT's commitment to fostering an inclusive, equitable and supportive environment for both our community and our teams, remains unwavering. Our commitments to gender equality, diversity, inclusion, and customer service are not just about meeting obligations – they are about creating a more inclusive, accessible and supportive environment for our community and our people. This year, we have made significant strides in several key areas, demonstrating our dedication to meeting the needs of our diverse communities and teams.

### Advancing gender equality

Our Gender Impact Assessments (GIAs) have been pivotal in ensuring our policies, programs and services meet the needs of our community. In FY23-24, we completed GIAs on reception screening areas, SBC's Microforest, our Community Advisory Committee and the website redesign. Implementation of the recommendations from these assessments is well underway and will continue into the next financial year.

We are proud to report substantial progress in our gender equality initiatives. In the most recent two-year reporting period (to 2023):

- Women's participation in our workforce increased from 51% in 2021 to 55%.
- The percentage of men working in community

and personal services rose from 18% to 33%.

- 56% of participants in career development training were women.
- Women in trade and technical positions increased from 16% to 27%.
- Our median total remuneration pay gap decreased from 6.7% to 4.5%.

These achievements reflect our ongoing commitment to creating a more balanced and inclusive workplace.

### Embracing diversity, equity and inclusion

FY24 saw the development of our first three year Diversity, Equity and Inclusion (DEI) Strategy which will guide us through 2025-2027. Co-created with Diversity Partners, this strategy will guide our efforts in fostering a fully inclusive workplace and meet the needs of our diverse communities. The initial phase, beginning in August 2024, will focus on leadership development and building our organisational capacity. We will continue to review our policies, practices and language as required.

We have also taken steps to embrace accessibility with initial engagement and consultation on our Disability Access and Inclusion Plan (DAIP). This initiative will address inequalities for employees and those visiting our sites to improve access to SMCT's services and infrastructure. We will publish the plan during FY25.





*Photo: Mobile catering vehicle 'Hilda' at the Mother's Day event*

### **Commitment to reconciliation**

We are actively engaging with First Nations people to develop our Reconciliation Action Plan (RAP). This strategic document will outline concrete steps SMCT will take to contribute to reconciliation both internally and externally. An artist was commissioned to create the artwork for the plan, and it was endorsed by the Trust in the FY24 financial year. We look forward to releasing this plan later in FY25 and reinforcing our commitment to working closely with Indigenous people and land.

### **Innovating customer service**

The Customer and Funeral Director Portal project, set to recommence in the second half of FY25, will introduce self-service capabilities for both the

public and Funeral Directors. This initiative aims to streamline access to information and services, enhancing our service, experience and operational efficiency to benefit our customers and the communities that engage with us.

### **Expanding our reach with mobile hospitality**

November 2023 saw the introduction of our mobile catering vehicle named "Hilda". This versatile asset opens new opportunities for SMCT to provide hospitality services on the move, from hosting events with industry partners to supporting health initiatives. Hilda has enabled us to activate sites like Melbourne General Cemetery for events and community activities and broadens our service offering and visitor experience across all our locations.



*Photo: SMCT staff attend an event as part of the Community Care and Wellbeing Program*

### **Community Care and Wellbeing Program**

Over the past year, our grief, bereavement, and wellbeing offerings have been transformed to better serve our community and appeal to wider audiences. Moving away from the facility based concept of the former Centre for Care and Wellbeing, our revamped Community Care and Wellbeing Program has allowed us to offer these services across multiple sites and forge partnerships with bereavement organisations and community groups. With these partnerships, we are better positioned to reach wider communities and to expand our offerings by utilising the resources of our partners. In FY25, we will be hosting a 'grief retreat' alongside the Compassionate Friends of Victoria, a three-day event of activities, workshops, and connection, open to anyone experiencing grief.

### **Events**

Our events are unique opportunities for SMCT to engage directly with our community, and throughout FY24 we have refined our offerings and created new event opportunities with our partners.

The 'Design + Death: Time Immemorial' event was held at Bunurong Memorial Park in collaboration with Open House Melbourne as part of the National Gallery of Victoria's world-renowned Melbourne Design Week. This all-day event allowed for attendees to discover Bunurong Memorial Park via a series of panel discussions, tours and workshops on design and death. With focus on SMCT's environment and sustainability initiatives, our relationships with local community and partners, and our grounds and services, this was a unique opportunity to uplift recognition of SMCT and Bunurong Memorial Park to new audiences in new and sometimes surprising contexts.

Our regular community touchpoint events, including Qing Ming, Mother's Day and Father's Day, and the '2023 Children's Remembrance Service', allowed SMCT to directly engage with our varied communities. Drawing on community consultation has allowed us to refine these events to appeal to wider audiences without losing the core meaning that these events have meant to long-term participating community members.

## 8.0

# Sustainability and caring for our environment

## Environment and sustainability

As we are the guardians of our cemeteries and memorial parks in perpetuity, it is imperative that we ensure our sites are environmentally sustainable now and into the future. FY24 has seen numerous environment and sustainability projects and initiatives swing into action. These projects allow us to provide the Victorian community with eco-friendly product options, lessen the impact of climate change on our operations, and light the way forward in greener cemeteries for the future. A sustainable SMCT meets the expectations of our community, and our own goal to meet the Victorian Government's environmental targets for emissions reductions, waste diversion, and biodiversity.

## Our environmental performance 2023/24

(Reporting period 1 April 2023 to 31 March 2024)

### Electricity Production & Consumption Indicators

#### Electricity Consumption

Purchased Direct	MWh	2,592
Self-Generated (Solar)	MWh	151

#### Onsite Installed Generation Capacity

Solar	kW	438
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#### Total Electricity Offsets

GreenPower	MWh	1,924
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### Greenhouse Gas Emissions from Electricity Production & Consumption

Purchased Direct	tonnes CO2-e	528
Self-Generated (Solar)	tonnes CO2-e	0

### Stationery Fuel Indicators

### Total Fuels Consumption in Buildings & Machinery

Natural Gas	MJ	28,472,217
LPG	MJ	0
Petrol	MJ	374,160
Diesel	MJ	575,919

### Greenhouse Gas Emissions from Stationery Fuel Consumption

Natural Gas	tonnes CO2-e	1,467
LPG	tonnes CO2-e	0
Petrol	tonnes CO2-e	25.3
Diesel	tonnes CO2-e	40.6

### Transportation Indicators

#### Total Energy Used in Transportation

Road Vehicles	MJ	1,287,461
Non-Road Vehicles	MJ	1,149,228

#### Fuel Consumption by Type

Petrol - Road Vehicles	MJ	295,105
Petrol - Non-Road Vehicles	MJ	0
Diesel - Road Vehicles	MJ	992,356
Diesel - Non-Road Vehicles	MJ	1,149,228

### Greenhouse Gas Emissions from Transportation Fuel Use

Petrol - Road Vehicles	tonnes CO2-e	20.0
Petrol - Non-Road Vehicles	tonnes CO2-e	0
Diesel - Road Vehicles	tonnes CO2-e	69.9
Diesel - Non-Road Vehicles	tonnes CO2-e	80.9

Total distance travelled by commercial air travel	km	8,368
<b>Total Energy Indicators</b>		
Total Energy Usage from Stationary Fuels	MJ	29,422,296
Total Energy Usage from Transport	MJ	2,436,689
Total Energy Usage from Electricity	MJ	9,874,800
<b>Total Energy Usage</b>		
Renewable	MJ	7,469,280
Non-Renewable	MJ	43,429,660
Units of Energy Used by FTE	MJ/FTE	128,111
<b>Water Consumption</b>		
Potable Water	kL	30,366
Reused water	kL	20,555
Units of Water Consumed by FTE	kL/FTE	150
<b>Waste &amp; Recycling Indicators</b>		
<b>Total Units of Waste Disposed</b>		
Landfill	tonnes	354.88
Recycling (Commingled)	tonnes	36.01
Recycling (Organics & Soil)	Tonnes	1,735
Greenhouse Gas Emissions Associated with Waste	tonnes CO2-e	461.34
<b>Greenhouse Gas Emission Indicators</b>		
Total Scope 1 (direct) Greenhouse Gas Emissions	tonnes CO2-e	1,861.4
Total Scope 2 (indirect) Greenhouse Gas Emissions	tonnes CO2-e	528
Total Scope 3 (other indirect) Greenhouse Gas Emissions	tonnes CO2-e	2.7 (from Flights)
Other Known Greenhouse Gas Emissions	tonnes CO2-e	0
Total Greenhouse Gas Emissions	tonnes CO2-e	2,853.44
Normalising Factor	FTE	339.4

## Project Cultivate

Project Cultivate is a horticultural uplift program at Melbourne General Cemetery that supports the unique needs of our heritage locations, communities and environment.

This year we have completed mulching and planting across areas that account for nearly 60% of the total area suitable for the project. A celebration event was held at Melbourne General Cemetery in February. Stakeholders, industry partners and project volunteers attended the event which featured speeches from the Acting Lord Mayor of The City of Melbourne Nicholas Reece, ABC's Costa Georgiadis from Gardening Australia, and a Welcome to Country ceremony led by Wurundjeri Woi-Wurrung Elder Perry Wandin, who all endorsed this ground-breaking project. Community and stakeholder engagement has continued with regular updates posted on our website, social media, newspapers and industry magazines.

This project allows SMCT to engage meaningfully with our stakeholders, helps us meet our perpetual obligations and provides a regenerated green space for the Victorian community to enjoy.

## SBC Micro-forest

As part of SMCT's ongoing commitment to biodiversity, sustainability, and the environment, we have developed a plan of works to revitalise, revegetate, and transform an area of land within Springvale Botanical Cemetery into a wildlife corridor or micro-forest. The micro-forest will be established in an unused area of the cemetery that is unsuitable for burials due to its size and location. The design plan is completed, and the project has commenced with plant species selection, arboriculture, and hard landscaping currently underway.

The micro-forest will be completed in FY25 and aims to improve local native habitat and biodiversity, and offset greenhouse gas emissions. The project site will be monitored for several environmental indicators including carbon storage, biodiversity values,

soil health, and temperature to track improvements to biodiversity over time.

### **Water Management Strategy**

Our Water Management Strategy has been developed to guide the planning, implementation and management of our water infrastructure and assets. It builds on SMCT's existing initiatives to save water, improve water quality, and better manage water infrastructure. Key activities outlined in the strategy include improvements to water testing and monitoring, technology and infrastructure upgrades, water reuse and recycling, and water efficiency measures.

### **Biodiversity Strategy**

Our Biodiversity Strategy aims to improve the biodiversity rating of our cemetery sites and guide SMCT to meet its biodiversity targets. This strategy will support and align with SMCT's Asset Management Plan and Conservation Management Plans to provide

a holistic approach to biodiversity management. Over the past financial year, biodiversity benchmarking assessments were undertaken to determine the existing levels of flora and fauna across all sites. The assessments provided baseline data and recommendations on opportunities to boost biodiversity and improve native vegetation and wildlife habitat.

### **Natural Burial Standards**

SMCT has developed Natural Burial Standards to improve the transparency, understanding and communication of SMCT's natural burial options, processes and requirements. These best practice standards were revised in FY24 with additional research undertaken to clarify the treatment and interment of cremated remains in our natural burial areas.

Natural burials offer a reduced environmental impact,



*Photo: Natural burials at Bunurong Memorial Park*

generate lower greenhouse gas emissions compared to traditional burial and cremation practices, and are a desired option for a growing segment of the community who are environmentally aware. The finalised Natural Burial Standards have been shared on SMCT's website and with key stakeholders to improve awareness and encourage uptake of natural burial options where appropriate.

### Alternative Cremation Fuels

SMCT has undertaken a feasibility study of alternative cremator fuel options. The feasibility study findings



*Photo: Project Cultivate planting at Melbourne General Cemetery*

will help us understand sustainable options for retrofitting or upgrading SMCT's current cremators to use alternative fuels and reduce greenhouse gas emissions. The research findings will also provide information with regards to the impact of alternative cremation fuel sources on SMCT's operations, services, and infrastructure to assist with future planning and decision-making processes.

### Environmental Management System

SMCT has established a commitment to developing an Environmental Management System (EMS) that aligns with the ISO 14001 standard. An Initial Environmental Review (IER) was undertaken in FY24 as a first step for SMCT to understand what needs to be managed as part of the EMS. The IER included inspections at all nine cemetery sites, interviews with key site staff and a review of existing assessments and operating procedures. Findings were documented in an audit report checklist, a legal compliance register, nine site profile documents and an *aspects and impacts* register.

An EMS will provide SMCT with a systematic and cost-effective means to achieve environmental goals such as controlling environmental aspects, reducing impacts, and improving legal compliance. The next stages of the EMS establishment are to be undertaken in FY25. This includes defining and implementing the EMS procedures and processes and delivering internal training to ensure awareness and understanding of the EMS.

### Waste management

Recognising the need for a renewed focus on waste management, SMCT has established a waste infrastructure working group and undertaken inspections across all our sites to identify locations for new permanent waste infrastructure. Research and engagement with key stakeholders were undertaken to design best-practice waste infrastructure for SMCT sites with the aim of increasing the diversion of waste from landfill. Through this, SMCT identified an opportunity for the garden organics currently

generated at Springvale Botanical Cemetery to be processed onsite as compost or mulch with improved operational efficiencies. To better understand opportunities for best-practice organics management, we have assessed onsite organics waste management, processing options and technologies.

Our new waste infrastructure will be installed in FY25 and will be accompanied by an education campaign to improve community and staff understanding of waste and recycling practices and to encourage behaviour change. These measures will assist SMCT to meet its waste and recycling targets.

### **Solar optimisation**

Looking forward to sustainability projects for FY25, SMCT has undertaken a detailed assessment of 26 buildings across all our sites for their suitability for solar and battery systems. This involved site inspections, analysis of electricity data, and identifying areas suitable for battery systems to offset running costs of plant and machinery.

The assessment identified the opportunity for SMCT to install 178kW of optimised solar on 12 buildings, producing approximately 221.6 MWh of clean, green electricity per annum. These solar systems will be installed in FY25 with work having commenced in May 2024.



## 9.0

# Looking to the future for SMCT

At SMCT, we recognise that our ability to serve our community in the years to come depends on the strategic decisions and investments we make today. This year, we have launched and continued several key initiatives designed to enhance our technological capabilities, expand our offerings and ensure the long-term sustainability of our operations to meet the needs of the Victorian public into the future.

## **Revolve: Modernising our customer service**

The Revolve project represents a significant step in our ability to provide excellent customer service and modernise our technological infrastructure. This comprehensive initiative involves the planning, integration and rollout of a new cloud-based Customer Relationship Management (CRM) program and ERP

solution to replace our current end-of-life systems.

This financial year, we have made substantial progress including comprehensive systems testing, training for our team members and secure data migration. The new system will enhance customer experience, increase our operational efficiency and significantly reduce the risks associated with using dated technology.

## **Website redevelopment**

Our website is often a first point of contact between SMCT and our customers, communities, and stakeholders. With this in mind, we have initiated a comprehensive redevelopment of our website that has led us to tender and award the contracts for a website rebuild.



*Photo: Springvale Botanical Cemetery offices*





*Photo: Collaboration  
at the Springvale  
Botanical  
Cemetery offices*

The new website will provide an intuitive and informative platform that helps our customers easily find the information they need, significantly improving the overall customer experience.

#### **Hospitality and retail point of sale upgrade**

SMCT provides a range of services including hospitality and retail services. We recognise that these services are just as important to customer experience as traditional cemetery offerings. We have planned to upgrade our retail and hospitality point-of-sale systems, integrating them with our Revolve platform, to provide a seamless customer experience. While this was temporarily delayed over the last financial year, the hospitality and retail point-of-sale upgrade

remains a priority that will enhance our ability to deliver exceptional customer experience to visitors and families.

#### **Human Resources Information System (HRIS) upgrade**

To better support our workforce, we are replacing our existing Human Resources Information System (HRIS), in phases, ahead of a similar process to review our payroll system. This financial year, we have undertaken extensive mapping of our requirements and the detailed planning required to go to market for a new solution. Following a tender process, we anticipate awarding the contract and commencing implementation towards the end of the year. The new

HRIS will better support our end-to-end HR processes including recruitment, onboarding, offboarding and training, and will integrate more smoothly with related administrative processes, like payroll. Overall, this will provide a more effective and efficient experience for our team members.

### Workforce and succession planning

We understand that the skillsets of our team members are essential to our success, now and in the future. With this in mind, we have partnered with workforce experts to develop comprehensive workforce and succession planning tools. We have begun implementing these plans in the past financial year with a review of our Customer Experience structure. Throughout FY25, our succession planning framework will be progressively rolled out across the organisation. This initiative ensures that we have the right people in the right roles, both now and into the future. This will maintain our operational and service resilience and provide clearer career pathways for our staff.

### Strategic land management

To plan for the future, we need to use our current resources as effectively as we can. Our Master Plan, finalised early in FY25, will outline the future of our nine cemeteries over the next ten years. This strategic document will guide the development of grave stock and general infrastructure to align our capital plans with our other goals across financial management and environmental sustainability.

Similarly, we have invested in the development of the final significant parcel of land at Springvale Botanical Cemetery for product development. This project will provide unique offerings for our customers including wall lawn graves, to ensure we continue to meet the community's needs while supporting our financial sustainability and developing our current land holdings responsibly.

We are also committed to improving our current sites. At Bunurong Memorial Park, we have undertaken significant rectification works of Genesis Lake. These works will ensure the ongoing viability and safety of the area, improve appearance and reduce maintenance needs, both for the benefit of the community and those with loved ones interred around the lake.

## Profile and Performance of SMCT Locations FY2024

	SMCT	BGC	BMP	CMP	CPC	DCC	MGC	SBC	SCC	STK
<b>FTE</b>	<b>339.4</b>		52.4	14.3			8.0	264.7		
<b>No. of Cremations</b>	<b>8,425</b>		2,409					6,016		
<b>No. of Interments - Burial</b>	<b>3,393</b>	38	758	240	3	37	136	2,145	26	10
<b>No. of Interments - Maus</b>	<b>292</b>	-	37	19	-	-	83	153	-	-
<b>No. of Interment - Cremated Remains</b>	<b>604</b>	21	64	90	2	5	45	342	30	5
<b>Operating Revenue (\$m)</b>	<b>80.3</b>	0.20	19.80	1.10	-	0.10	2.60	56.20	0.20	0.10



*Photo: Genesis Lake at  
Bunurong Memorial Park*

10.0

# Our financial security

## FY24 Financial Performance

During FY24, SMCT achieved a cemetery operating revenue of \$80.3m (being \$5.3m or 7.1% above budget) and a net result of \$42.4m versus budget of \$14.8m (being \$27.6m or 186% above budget).

SMCT had positive investment income of \$28.0m (\$14.3m or 103.2% above budget) and in Other Economic Flows SMCT recognised an unrealised gain on investments of \$13.9m due to improvements in the share market and investor confidence despite some monthly volatility in the market with inflationary pressures and increased interest rates.

In FY24, SMCT has effectively navigated a complex landscape of risks and challenges, showcasing resilience and adaptability in addressing both ongoing and emerging priorities.

Significant progress has been made through key initiatives, including advancements in environmental sustainability projects, comprehensive site master planning, and strategic workforce investments.

While certain projects, such as land acquisition and digital systems upgrades, are still in progress, and collaborative efforts with Class A cemetery trusts continue, the organisation remains firmly committed to driving forward its strategic goals and ensuring long-term success.

Despite the challenges we faced, SMCT achieved a positive surplus of \$42.4m in FY24.

## Financial Performance

For the financial year ending 30 June 2024, SMCT produced a positive result of \$42.4m. This surplus was achieved from a cemetery operations revenue of

\$80.3m and investment income of \$28.0m and after the impact of the 3% cemetery levy of \$3.3m payable to the Victorian Government. During the reporting period, SMCT investments (which underpins our community perpetual maintenance obligations) have increased by \$39.9m to \$373.8m, through distribution reinvestment (+\$27.0m) and holding gain of investments of \$13.9m. Unearned income increased by \$5.1m or 8.7% during the year, with a closing balance of \$63.9m.

## Financial Report

The financial report (pp 44 - 109) covers the 12 months from 1 July 2023 to 30 June 2024, with the prior year's comparatives covering the 12 months from 1 July 2022 to 30 June 2023.

## Financial Performance Objectives

SMCT's net result of \$42.4m was up \$5.1m on prior year and was favourable to the 2024 business plan of \$27.6m due to distribution reinvestment and unrealised capital gains.

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

2024 Grave revenue increased due to sale of graves at New Song He Yuan area and the Rise area at SBC as well as due to the bulk community sale of Islamic graves at BMP.

As investor confidence in the share market surged, the investment fund realised a holding gain of \$13.9m.

During the reporting period, SMCT investments (which underpins our perpetual maintenance obligations) have increased by \$39.9m to \$373.8m, through distribution reinvestment and unrealised capital gains.

## Summary of Financial Results for FY24 past five Financial Periods (\$'000)

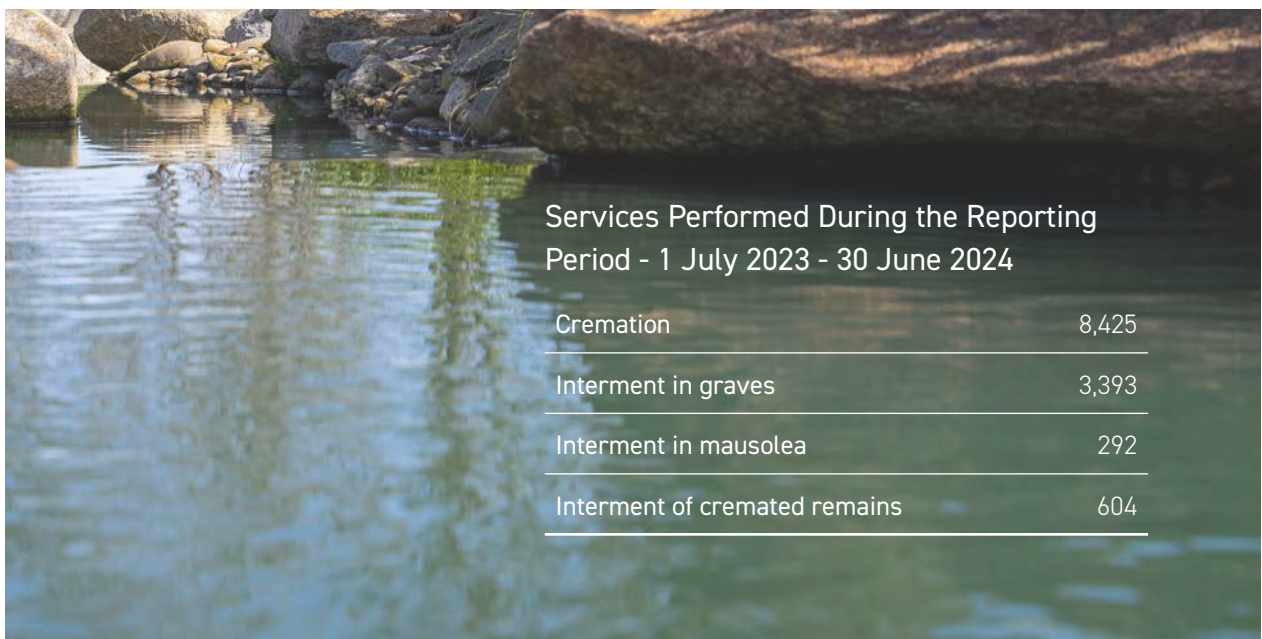
	FY24	FY23	FY22	FY21	FY20
<b>Operating Statement</b>					
Cemetery operations revenue	80,349	\$78,050	\$66,766	\$60,755	\$59,048
Cost of goods sold	(16,009)	(\$15,181)	(\$12,712)	(\$9,743)	(\$9,415)
Investment income	28,053	\$5,047	\$25,414	\$28,994	\$14,520
Expenses from transactions	(60,891)	(\$58,195)	(\$53,784)	(\$49,744)	(\$49,152)
Cemetery Levy	(3,254)	(\$2,509)	(\$2,824)	(\$2,751)	(\$2,214)
<b>Operating result</b>	<b>28,248</b>	<b>\$7,212</b>	<b>\$22,860</b>	<b>\$27,511</b>	<b>\$12,787</b>
Other economic flows gain/(loss)	14,136	\$30,070	(\$53,129)	\$30,219	(\$20,552)
Other comprehensive income/(loss)	-	-	\$31,504	-	-
<b>Comprehensive result for the period</b>	<b>42,384</b>	<b>\$37,282</b>	<b>\$1,235</b>	<b>\$57,730</b>	<b>(\$7,665)</b>
<b>Balance sheet</b>					
Assets					
Investment/Investment property	379,712	\$339,794	\$307,717	\$327,829	\$276,305
All other assets	292,563	\$285,756	\$278,228	\$251,633	\$240,806
<b>Total assets</b>	<b>672,275</b>	<b>\$625,550</b>	<b>\$585,945</b>	<b>\$579,462</b>	<b>\$517,111</b>
<b>Liabilities</b>					
Contract liabilities	63,953	\$58,809	\$59,937	\$52,547	\$49,979
All other liabilities	14,832	\$15,635	\$12,184	\$13,212	\$11,159
<b>Total liabilities</b>	<b>78,785</b>	<b>\$74,444</b>	<b>\$72,121</b>	<b>\$65,759</b>	<b>\$61,138</b>
<b>Net Assets</b>	<b>593,490</b>	<b>\$551,106</b>	<b>\$513,824</b>	<b>\$513,703</b>	<b>\$455,973</b>
Equity					
Perpetual maintenance reserve	457,700	\$417,900	\$382,079	\$362,079	\$337,400
Other equity	135,790	\$133,206	\$131,745	\$151,624	\$118,573
<b>Total Equity</b>	<b>593,490</b>	<b>\$551,106</b>	<b>\$513,824</b>	<b>\$513,703</b>	<b>\$455,973</b>

### Comparison of Actual vs. Budget for the 12-month Period ending 30 June 2024 (\$'000)

	Actual	Budget	Variance
Cemetery operations revenue	80,349	75,041	5,308
Cost of goods sold	(16,009)	(11,833)	(4,176)
Investment income	28,053	13,800	14,253
<b>Total net revenue and income from transactions</b>	<b>92,393</b>	<b>77,008</b>	<b>15,385</b>
Operating expenses	(60,891)	(59,538)	(1,353)
<b>Operating result before cemetery levy</b>	<b>31,502</b>	<b>17,470</b>	<b>14,032</b>
Cemetery levy	(3,254)	(2,665)	(589)
<b>Operating result</b>	<b>28,248</b>	<b>14,805</b>	<b>13,443</b>

### Comparison of FY24 Actual vs. Budget Key Financial Results

	FY24 Actual	FY24 Budget	FY24 Variance
Cremations (no.)	8,425	7,261	1,164
Interments (no.)	4,289	4,005	284
Grave revenue (\$m)	33.4	29.9	3.5
Mausolea crypt revenue (\$m)	5.2	5.6	-0.4
Cremation memorial revenue (\$m)	8.2	7.1	1.1
Hospitality revenue (\$m)	7.6	7.2	0.4



Services Performed During the Reporting  
Period - 1 July 2023 - 30 June 2024

Cremation	8,425
Interment in graves	3,393
Interment in mausolea	292
Interment of cremated remains	604

## Key Influences on Operational Performance Summary

FY24 ACTUAL	\$ 33.4M
FY24 BUDGET	\$ 29.9M
FY23 ACTUAL	\$27.4M

**Grave revenue** - Contributed 41.6% to operating revenue, exceeding budget by 11.7% and exceeding FY23 by 21.7%, driven by:

- Strong demand for premium positions at Song He graves and Headstone lawn graves
- Community bulk sales at BMP
- Significant demand of Monumental Grave in lawn.

**Mausolea Revenue** - represented 6.5% of operating revenue, and was 7.2% below budget and 50% below FY23.

FY24 ACTUAL	\$5.2M
FY24 BUDGET	\$5.6M
FY23 ACTUAL	\$ 10.4M

- A shift in customers preference towards single crypts which are available in limited quantities and have a low average price.

FY24 ACTUAL	\$8.2M
FY24 BUDGET	\$7.1M
FY23 ACTUAL	\$8.0M

**Cremation Memorial Revenue** - contributed to 10.2% of total operation revenue, and was 15.3% above budget. Due to:

- Increase in crypt demand at St Mary of the Cross mausoleum area, New Song He Yuan area, Diosma area, and Luculia area
- Premium positions sales including demand for rose position, Shrub position, and Niche Mausoleum position

**Hospitality & Retail Revenue** - Hospitality revenue was 6% above budget and 3.1% higher than FY23.

FY24 ACTUAL	\$7.6M
FY24 BUDGET	\$7.2M
FY23 ACTUAL	\$7.4M

- The successful introduction of food trucks during events, an increase in the number of functions at SBC, and an increase in demand at both the cafe and florist have all contributed to a favourable outcome.

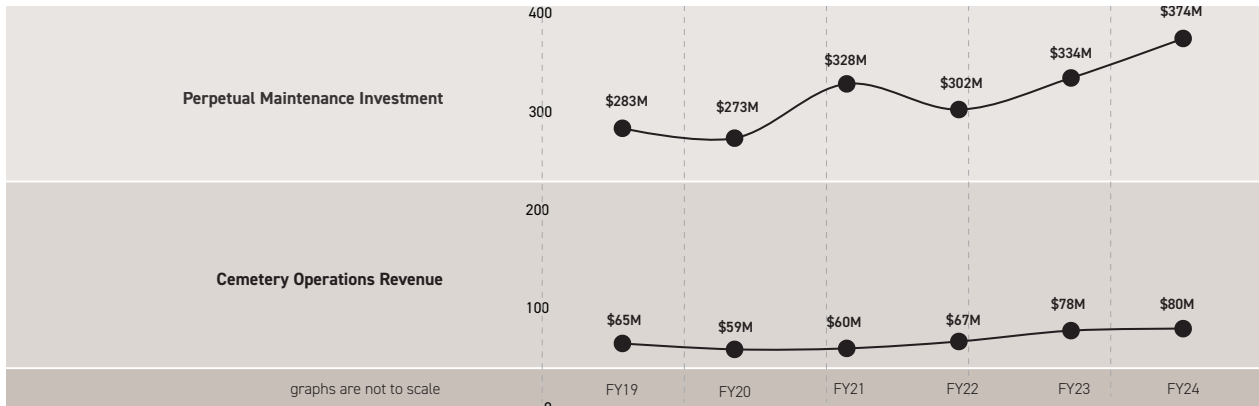
FY24 ACTUAL	8,425
FY24 BUDGET	7,261
FY23 ACTUAL	9,392

**Cremations** - Cremation volume was 16% higher than budget but 10.3% lower than FY23 volume. Cremation revenue contributed \$8.8m or 11% of total income representing an increase of 3.4% from FY23. The decline in the volume is attributed to the decrease in the number of deaths registered in FY24.

**Interments** - A decrease in interment volume of 1.42% from FY23 to FY24 which is in line with the burial trends in Victoria. Interment revenue contributed \$6.3m or 7.9% of total income representing an increase of 5.2% from FY23.

FY24 ACTUAL	4,289
FY24 BUDGET	4,005
FY23 ACTUAL	4,351

## Cemetery Operations Revenue Growth FY19-FY24



## Investment Portfolio

SMCT is responsible for the ongoing operation and maintenance of nine cemeteries and is a not-for-profit, self-funded Victorian public entity. The objective of the perpetual maintenance investment fund is to:

- support SMCT in fulfilling its future obligations to cemeteries entrusted in its care;
- offsetting the liability arising from pre-need product sales;
- provide a source of funding for Capital expenditure (growth opportunities) and coverage of unforeseen costs; and
- adhere to Environmental, Social and Governance (ESG) investment principles.





## FY24 Consultancies

Consultant	Purpose of Consultancy	Total Approved Project Fee	Expenditure 2023-2024
Composure Pty Ltd	Cultural Consultation	165,000.00	162,300.00
Bastion Insights Pty Ltd	Cultural Consultation	40,000.00	35,500.00
Mercer Consulting (Australia) Pty Ltd	Succession and Workforce Planning	100,000.00	98,000.00
Right Lane Consulting Pty Ltd	5 Year Strategic Plan	95,000.00	94,823.00
LPC Consulting (VIC) Pty Ltd	Review Business Continuity Framework	30,000.00	26,813.00
Partners - Property Advisory & Valuations Unit Trust	Property Advice / Consultation	20,000.00	19,443.00
Waymark Services Pty Ltd	Facilities Services Consultancy	15,000.00	14,960.00
Ten Buuren Irrigation Designs	Irrigation Consultant	40,000.00	37,100.00
Aspect= Studios Pty Ltd	Landscaping Consultancy	15,000.00	12,250.00
Girraway Ganyi Consultancy Pty Ltd	Rap Review and Consultation	20,000.00	18,450.00
Entellect	Consulting for SMCT Baseline Greenhouse Emissions	85,000.00	84,356.00
Finity Consulting Pty Limited	Perpetual Maintenance Assessment	30,000.00	26,700.00
Tonkin & Taylor Pty Ltd	Waste Strategy	50,000.00	46,800.00
Wildlife & Ecology	Environmental Services	55,000.00	51,536.00
Geotesta Pty Ltd ATF Geotesta Trust	Environmental Site Assessment	25,000.00	23,615.00
Turner & Townsend Pty Ltd	Quantity Surveyor	25,000.00	21,800.00
		<b>810,000.00</b>	<b>774,446.00</b>

## Consultants

In FY24, there were 10 consultancies where the total fees payable were less than \$10,000 (excl. GST). The sum of these consultancies was \$48,217.

## Subsequent events

Disclosure of subsequent events is made in Note 8.7 Events occurring after balance sheet date on page 108. 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.

### IT risk management and compliance:

The total ICT expenditure incurred during FY24 is \$7,232,742 (excluding GST) with the details shown in the table below.

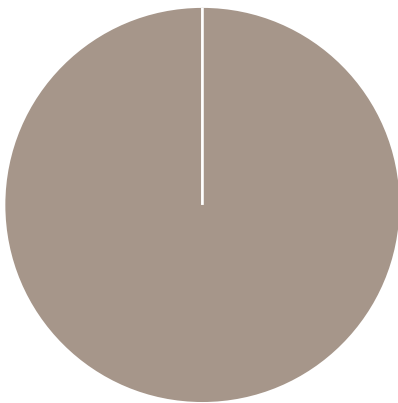
#### Information and Communication Technology

Total ICT expenditure	Business as Usual (BAU) ICT expenditure	Non Business as Usual (non BAU) ICT expenditure		
Total (excluding GST) (\$000)	Total (excluding GST) (\$000)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b) (\$000)	Operational expenditure (excluding GST) (a) (\$000)	Capital expenditure (excluding GST) (b) (\$000)
<b>\$7,233</b>	<b>\$3,777</b>	<b>\$3,455</b>	<b>\$123</b>	<b>\$3,332</b>

### Asset Management Accountability Framework

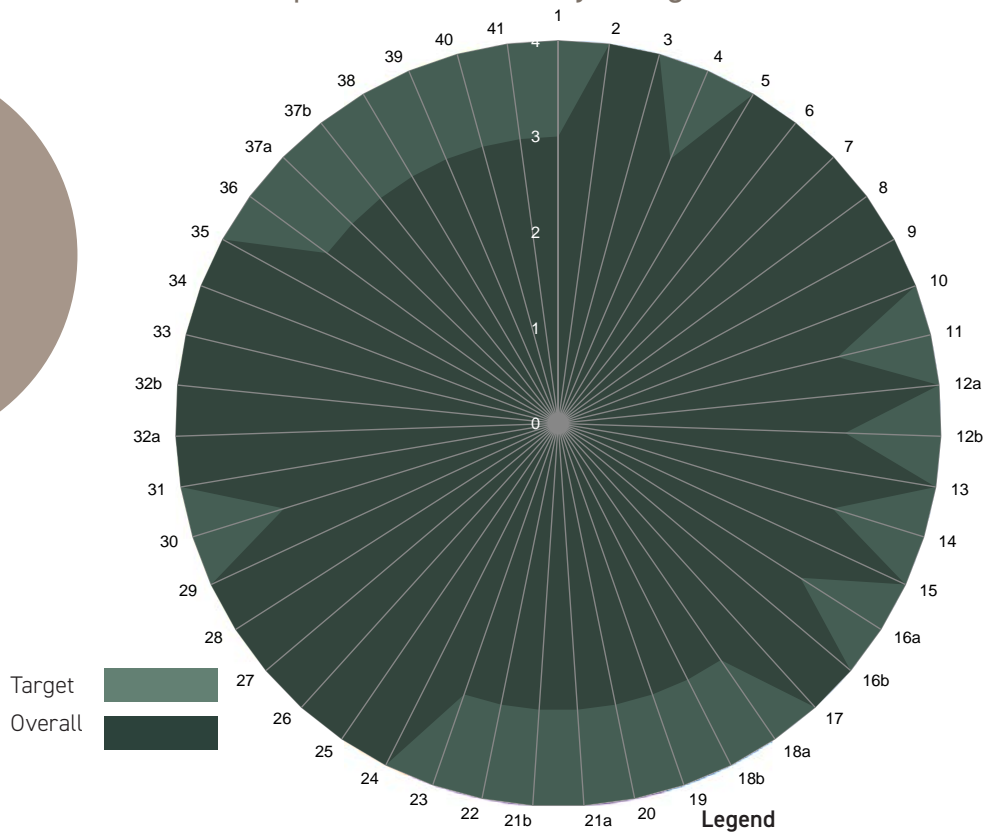
Every three years SMCT is required under the Asset Management Accountability Framework to conduct self-assessment of the level of asset management maturity. SMCT's compliance and maturity rating tool is disclosed below.

#### AMAF Compliance



Comply

#### Compliance and maturity rating tool



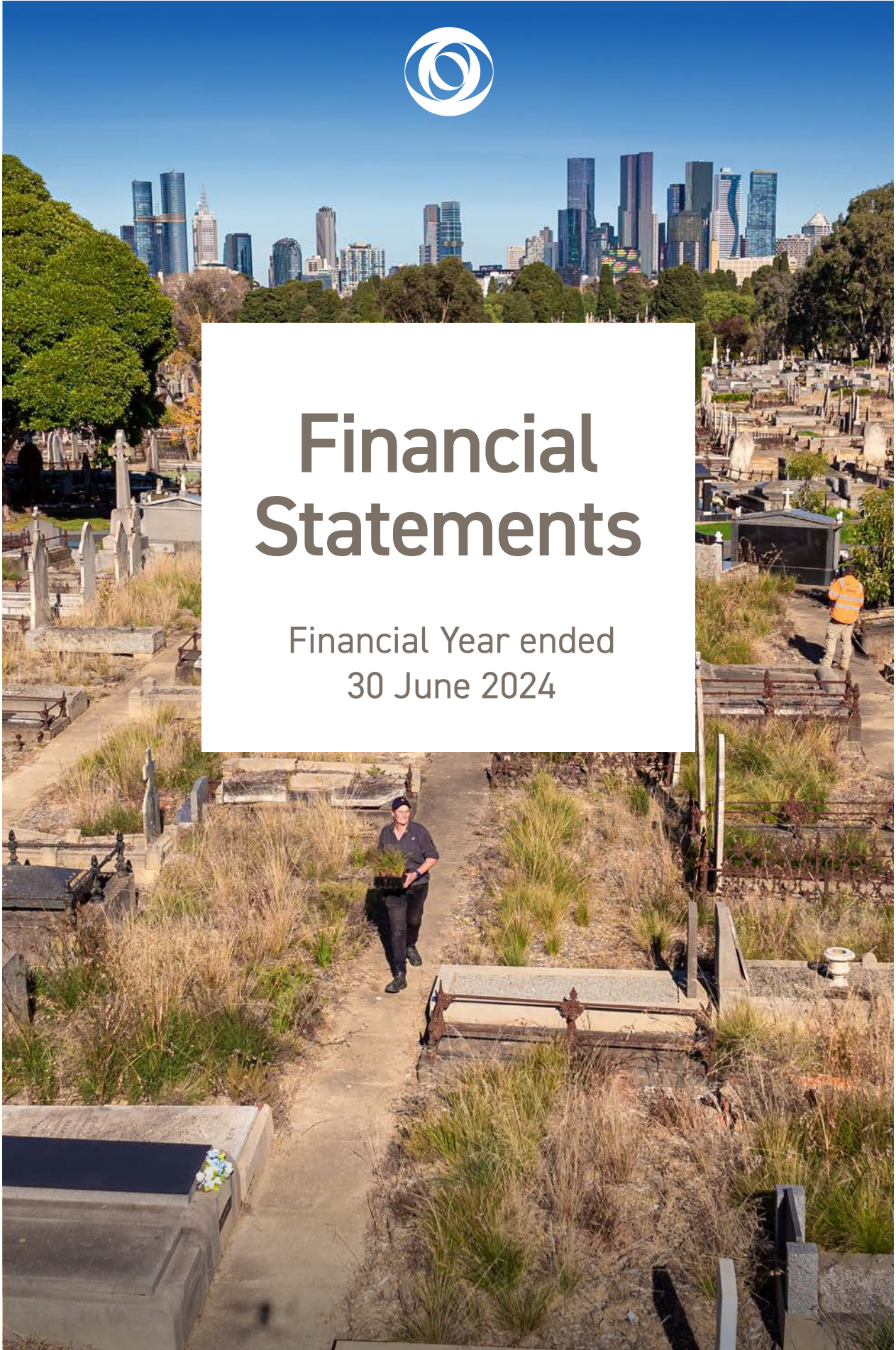
Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

AMAF Clause	Index	Compliance	"Maturity System Status"	Maturity System Status (#)	"Maturity Effectiveness of Application"	"Maturity (#) Effectiveness of Application"	Overall Assessment (Black)	Overall Assessment (b)	Target Maturity (Red)
<b>3.1</b>	<b>Overview and Key Requirements (Leadership &amp; Accountability)</b>								
	1	Comply	Competence	3	Competence	3	3	3	4
<b>3.1.1</b>	<b>Resourcing and Skills</b>								
	2	Comply	Optimising	4	Optimising	4	4	4	4
	3	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.1.2</b>	<b>Governance</b>								
	4	Comply	Competence	3	Competence	3	3	3	4
	5	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.1.2</b>	<b>Allocating asset management responsibility</b>								
	6	Comply	Optimising	4	Optimising	4	4	4	4
	7	Comply	Optimising	4	Optimising	4	4	4	4
	8	Comply	Optimising	4	Optimising	4	4	4	4
	9	Comply	Optimising	4	Optimising	4	4	4	4
	10	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.1.3</b>	<b>Attestation requirements</b>								
	11	Comply	Competence	3	Competence	3	3	3	4
<b>3.1.4</b>	<b>Monitoring asset performance</b>								
	12a	Comply	Optimising	4	Optimising	4	4	4	4
	12b	Comply	Competence	3	Competence	3	3	3	4
	13	Comply	Optimising	4	Optimising	4	4	4	4
	14	Comply	Competence	3	Competence	3	3	3	4
<b>3.1.4</b>	<b>Asset management system performance</b>								
	15	Comply	Optimising	4	Optimising	4	4	4	4
	16a	Comply	Competence	3	Competence	3	3	3	4
	16b	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.1.4</b>	<b>Reporting to Government</b>								
	17	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.1.4</b>	<b>Evaluation of asset performance</b>								
	18a	Comply	Competence	3	Competence	3	3	3	4
	18b	Comply	Competence	3	Competence	3	3	3	4
<b>3.1.5</b>	<b>Other requirements</b>								
	19	Comply	Competence	3	Competence	3	3	3	4
<b>3.2</b>	<b>Planning</b>								
<b>3.2.2</b>	<b>Asset management strategy</b>								
	20	Comply	Competence	3	Competence	3	3	3	4
	21a	Comply	Competence	3	Competence	3	3	3	4
	21b	Comply	Competence	3	Competence	3	3	3	4
	<b>Risk management and contingency planning</b>								
	22	Comply	Competence	3	Competence	3	3	3	4
	23	Comply	Competence	3	Competence	3	3	3	4
<b>3.3</b>	<b>Acquisition</b>								
<b>3.3.1</b>	<b>Overview</b>								
	24	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.3.2</b>	<b>Acquisition process</b>								
	25	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.4</b>	<b>Operation</b>								
<b>3.4.2</b>	<b>Monitoring and preventive action</b>								
	26	Comply	Optimising	4	Optimising	4	4	4	4
	27	Comply	Optimising	4	Optimising	4	4	4	4
	28	Comply	Optimising	4	Optimising	4	4	4	4
	29	Comply	Optimising	4	Optimising	4	4	4	4
	30	Comply	Competence	3	Competence	3	3	3	4
<b>3.4.3</b>	<b>Maintenance of assets</b>								
	31	Comply	Optimising	4	Optimising	4	4	4	4
	32a	Comply	Optimising	4	Optimising	4	4	4	4
	32b	Comply	Optimising	4	Optimising	4	4	4	4
<b>3.4.3</b>	<b>Information management</b>								
	33	Comply	Optimising	4	Optimising	4	4	4	4
	34	Comply	Optimising	4	Optimising	4	4	4	4
	35	Comply	Optimising	4	Optimising	4	4	4	4
	36	Comply	Competence	3	Competence	3	3	3	4
	37a	Comply	Competence	3	Competence	3	3	3	4
	37b	Comply	Competence	3	Competence	3	3	3	4
	38	Comply	Competence	3	Competence	3	3	3	4
<b>3.4.3</b>	<b>Record Keeping</b>								
	39	Comply	Competence	3	Competence	3	3	3	4
<b>3.4.4</b>	<b>Asset valuation</b>								
	40	Comply	Competence	3	Competence	3	3	3	4
<b>3.5</b>	<b>Disposal</b>								
	41	Comply	Competence	3	Competence	3	3	3	4



# Financial Statements

Financial Year ended  
30 June 2024



## 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 Assistant Treasurer 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 2024 and the financial position of SMCT at 30 June 2024.

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 20 August 2024.



**Trust Member**  
Dr Vanda Fortunato  
Chair  
Springvale  
20 August 2024



**Accountable Officer**  
Lucinda Nolan  
Interim Chief Executive Officer  
Springvale  
20 August 2024



**Chief Finance & Accounting Officer**  
Charleen Flynn  
Acting Chief Financial Officer  
Springvale  
20 August 2024



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Trust Members of the Southern Metropolitan Cemeteries Trust

<b>Opinion</b>	<p>I have audited the financial report of the Southern Metropolitan Cemeteries Trust (the cemetery) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2024</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• trust member's, accountable officer's, and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the cemetery as at 30 June 2024 and its 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 applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the cemetery in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Trust Members' responsibilities for the financial report</b>	<p>The Trust Members of the cemetery are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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.</p> <p>In preparing the financial report, the Trust Members are responsible for assessing the cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---

**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's 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.

---

MELBOURNE  
30 August 2024



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

## Comprehensive Operating Statement for the Financial Year Ended 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Revenue and income from transactions</b>			
Cemetery operations revenue	2.1	80,349	78,050
Cost of sales	3.1	(16,009)	(15,181)
<b>Gross profit from transactions</b>		<b>64,340</b>	<b>62,869</b>
Investment income	2.1	28,053	5,047
<b>Total revenue and income from transactions</b>		<b>92,393</b>	<b>67,916</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(34,377)	(30,942)
Cemetery levy	3.1	(3,254)	(2,509)
Depreciation and amortisation	3.1	(7,219)	(7,238)
Administrative costs	3.1	(7,612)	(8,306)
Other operating expenses	3.1	(11,683)	(11,709)
<b>Total expenses from transactions</b>		<b>(64,145)</b>	<b>(60,704)</b>
<b>Net result from transactions</b>		<b>28,248</b>	<b>7,212</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	3.2	215	(433)
Net gain on financial instruments	3.2	13,857	30,011
Net fair value revaluation of investment property	3.2	64	492
<b>Total other economic flows included in net result</b>		<b>14,136</b>	<b>30,070</b>
<b>Net result for the year</b>		<b>42,384</b>	<b>37,282</b>
<b>Comprehensive result for the year</b>		<b>42,384</b>	<b>37,282</b>

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



## Balance Sheet as at 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Current assets</b>			
Cash and cash equivalents	6.1	17,561	23,313
Receivables	5.1	19,285	15,580
Inventories	4.6	24,327	29,283
Prepaid expenses		742	663
<b>Total current assets</b>		<b>61,915</b>	<b>68,839</b>
<b>Non-current assets</b>			
Receivables	5.1	2,489	1,169
Inventories	4.6	19,488	14,076
Investments and other financial assets	4.1	373,768	333,914
Property, plant and equipment	4.2 (a)	199,121	194,672
Intangible assets	4.3 (a)	9,550	7,000
Investment property	4.5(a)	5,944	5,880
<b>Total non-current assets</b>		<b>610,360</b>	<b>556,711</b>
<b>Total assets</b>		<b>672,275</b>	<b>625,550</b>
<b>Current liabilities</b>			
Payables	5.2	8,871	10,179
Contract liabilities	5.3	63,953	58,809
Employee benefits	3.3	4,406	4,069
Other provisions	5.4	784	729
<b>Total current liabilities</b>		<b>78,014</b>	<b>73,786</b>
<b>Non-current liabilities</b>			
Employee benefits	3.3	771	658
<b>Total non-current liabilities</b>		<b>771</b>	<b>658</b>
<b>Total liabilities</b>		<b>78,785</b>	<b>74,444</b>
<b>Net assets</b>		<b>593,490</b>	<b>551,106</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus		63,525	63,525
Community perpetual maintenance reserve		457,700	417,900
Contributed capital		63,674	63,674
Accumulated surplus		8,591	6,007
<b>Total equity</b>		<b>593,490</b>	<b>551,106</b>

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

## Cash Flow Statement for the Financial Year Ended 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Cash flows from operating activities</b>			
Receipts from customers		84,222	82,051
Interest and investment income received		27,996	3,679
GST received from ATO		4,855	4,211
<b>Total receipts</b>		<b>117,073</b>	<b>89,941</b>
Payments to suppliers and employees		(79,128)	(75,414)
GST paid to ATO		(3,697)	(3,418)
<b>Total payments</b>		<b>(82,825)</b>	<b>(78,832)</b>
<b>Net cash flows from operating activities</b>	8.1	<b>34,248</b>	<b>11,109</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-financial assets		265	291
Purchase of non-financial assets		(14,268)	(9,834)
Purchase of financial assets		(25,997)	(1,575)
<b>Net cash flows used in investing activities</b>		<b>(40,000)</b>	<b>(11,118)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(5,752)</b>	<b>(9)</b>
Cash and cash equivalents at beginning of year		23,313	23,322
<b>Cash and cash equivalents at end of year</b>	6.1	<b>17,561</b>	<b>23,313</b>

*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 2024

	Property, Plant and Equipment Revaluation Surplus	Community Perpetual Maintenance Reserve	Contributed Capital	Accumulated Surplus/ (Deficit)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>63,525</b>	<b>382,079</b>	<b>63,674</b>	<b>4,546</b>	<b>513,824</b>
Net result for the year	-	-	-	37,282	37,282
Transfer from accumulated surplus	-	35,821	-	(35,821)	-
<b>Balance at 30 June 2023</b>	<b>63,525</b>	<b>417,900</b>	<b>63,674</b>	<b>6,007</b>	<b>551,106</b>
Net result for the year	-	-	-	42,384	42,384
Transfer from accumulated surplus	-	39,800	-	(39,800)	-
<b>Balance at 30 June 2024</b>	<b>63,525</b>	<b>457,700</b>	<b>63,674</b>	<b>8,591</b>	<b>593,490</b>

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

## Notes to the Financial Statements

Note 1: Basis of preparation	53
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## Note 1: Basis of Preparation

### Structure

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- 1.2 Abbreviations and terminology used in the financial statements
- 1.3 Key accounting estimates and judgements
- 1.4 Accounting standards issued but not yet effective
- 1.5 Goods and services tax (GST)
- 1.6 Reporting entity
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These financial statements represent the audited general purpose financial statements for the Southern Metropolitan Cemeteries Trust ("SMCT") for the year ended 30 June 2024. The report provides users with information about SMCT's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

## Note 1.1: Basis of preparation of the financial statements

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

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

SMCT is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" cemetery trust under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

The amounts disclosed in the financial statements are presented in Australian dollars and 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 *20 August 2024*.

## Note 1.2: Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor-General's Office
SMCT	Southern Metropolitan Cemeteries Trust

## Note 1.3: 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 policies and significant management judgements and estimates used,

and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1 Revenue and income from transactions
- Note 3.3 Employee benefits and related on-costs in the balance sheet
- Note 4.2 Property, plant and equipment
- Note 4.3 Intangible assets
- Note 4.4 Depreciation and amortisation
- Note 4.6 Investment property
- Note 4.7 Impairment of assets
- Note 5.1 Receivables
- Note 5.2 Payables
- Note 5.3 Contract Liabilities
- Note 5.4 Other provisions
- Note 7.4 Fair value determination

## Note 1.4: Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to SMCT and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
<i>AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to SMCT in future periods.

## Note 1.5: Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are included in the cash flow statement on a gross basis, except for the GST components of cash flows arising from investing and/or financing activities, which are recoverable from, or payable to the ATO. These GST components are disclosed as operating cash flows.

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

## Notes 1.6: 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
- St Kilda Cemetery

Its principal address is:

**Springvale Botanical Cemetery**  
**600 Princes Highway**  
**Springvale, Victoria 3171**

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

### Note 1.7: Community Perpetual Maintenance Reserve Policy

Under Section 12 of the *Cemeteries and Crematoria Act 2003*, SMCT must have regard to the perpetual maintenance obligations in respect of the cemeteries for which it is responsible. Consequently, SMCT makes an annual transfer from its accumulated surplus to a perpetual maintenance reserve.

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) – refer Note 8.8.

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. To be read in conjunction with Note 8.8.



## 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

##### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>SMCT applies material judgement when reviewing the terms and conditions of contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring SMCT to recognise revenue as or when the cemetery trust transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>SMCT applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>

#### Note 2.1: Revenue and Income From Transactions

	Note	2024 \$000	2023 \$000
<b>Revenue from contracts with customers</b>			
Right of interment - grave		33,389	27,437
Right of interment - mausoleum crypts		5,190	10,376
Right of interment - cremation memorial		8,175	8,006
Interment		6,352	6,040
Cremation		8,817	8,524
Memorialisation		5,403	5,963
Retail sales		7,617	7,386
Other operating revenue		5,406	4,318
<b>Total revenue from contracts with customers</b>	<b>2.1(a)</b>	<b>80,349</b>	<b>78,050</b>
<b>Other sources of income</b>			
Distributions		27,054	4,211
Interest income		992	806
Grant income		7	30
<b>Total other sources of income</b>		<b>28,053</b>	<b>5,047</b>
<b>Total revenue and income</b>		<b>108,402</b>	<b>83,097</b>

## Note 2.1(a): Timing of Revenue From Contracts with Customers

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<hr/>		
SMCT disaggregates revenue by the timing of revenue recognition.		
<b>Goods and services transferred to customers:</b>		
At a point in time	80,349	78,050
Over time	-	-
<b>Total revenue from contracts with customers</b>	<b>80,349</b>	<b>78,050</b>

### How we recognise revenue from contracts with customers

To recognise revenue SMCT assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15: Revenue from Contracts with Customers*.

When both of these conditions are satisfied the cemetery trust:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at a point in time or over time as and when services are rendered.

If a contract liability is recognised SMCT recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the cemetery trust:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, *AASB 9 Financial Instruments*, *AASB 16 Leases*, *AASB 116 Property, Plant and Equipment* and *AASB 138 Intangible Assets*)
- recognises related amounts (being financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with *AASB 1058 Income of Not-for-profit Entities*.

<b>Revenue</b>	<b>Performance obligation</b>
Rights of interment (ROI) <ul style="list-style-type: none"> <li>• Graves</li> <li>• Mausoleum crypts</li> <li>• Cremation memorial</li> </ul>	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.
Government grants	Government grants are recognised as revenue at the point in time when the performance obligations under the grant agreement are met.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

SMCT reviews its estimate of expected returns at each reporting date and updates the right to recover returned goods asset and refund liability accordingly.

### Capital grants

Where SMCT receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with SMCT's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise

income, as this most accurately reflects the stage of completion.

### Dividend and distribution income

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

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

### Interest income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

### Rental income – investment property

Rental income from the investment property is recognised on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of use of the underlying asset.

The following table sets out the maturity analysis of undiscounted future lease payments receivable under our operating leases:

Rental Income	2024	2023
	\$000	\$000
Within one year	2	3
Within one to two years	116	-
<b>Total undiscounted future lease payments receivable</b>	<b>118</b>	<b>3</b>

### **How we recognise the fair value of assets and services received free of charge or for nominal consideration**

#### **Donations and bequests**

Donations and bequests are generally recognised as income upon receipt (which is when SMCT usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied. There are nil donations and bequest to disclose for FY24 (FY23: Nil).

#### **Contributions of resources**

SMCT may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when SMCT obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. There are nil contributions of resources to disclose for FY24 (FY23: Nil).

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of SMCT as a capital contribution transfer.

#### **Volunteer Services**

SMCT receives volunteer services from members of the community in the following areas:

- for our friends groups (St Kilda Cemetery, Brighton General Cemetery and Cheltenham Memorial Park) and
- gardening group at Melbourne General Cemetery.

SMCT does not recognise contributions by volunteers in its financial statements due to materiality.

SMCT greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

## **Note 3: The Cost of Delivering Our Services**

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

### **Structure**

- 3.1 Expenses from transactions
- 3.2 Other economic flows
- 3.3 Employee benefits and related on-costs in the balance sheet
- 3.4 Superannuation

## Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>SMCT applies material judgement when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if SMCT does not have an unconditional right to defer payment beyond 12 months. Annual leave, rostered days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if SMCT has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>SMCT applies material judgement when measuring its employee benefit liabilities.</p> <p>The cemetery trust applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the cemetery trust does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>• an inflation rate of 4.450% (FY23: 4.350%), reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 10.23% and 79.61% (FY23: 12.00% and 80.90%)</li> <li>• discounting at the rate of 4.348% (FY23: 4.063%), as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>
Determining timing of cost of sales recognition	<p>SMCT recognises the expenditure relating to sales when the sale of an item or right of interment occurs, by transferring the cost of the item/s from inventories.</p>

### Note 3.1: Expenses From Transactions

	Note	2024 \$000	2023 \$000
Rights of interment		11,027	9,966
Memorialisation		1,956	2,148
Retail		2,651	2,441
Inventory write down <sup>(i)</sup>		-	98
Other		375	528
<b>Total Cost of Sales</b>		<b>16,009</b>	<b>15,181</b>
Salaries and wages		30,574	27,941
On-costs		3,203	2,692
Workcover premium		600	309
<b>Total employee expenses</b>		<b>34,377</b>	<b>30,942</b>
Cemetery levy		3,254	2,509
<b>Total cemetery levy</b>		<b>3,254</b>	<b>2,509</b>
Administrative expenses		7,612	8,306
<b>Total administration expenses</b>		<b>7,612</b>	<b>8,306</b>
Maintenance and operating costs		6,728	6,859
Investment management expenses		1,139	1,177
Audit fees	8.5	99	96
Other operating expenses		3,717	3,577
<b>Total other expenses</b>		<b>11,683</b>	<b>11,709</b>
<b>Total operating expenses</b>		<b>72,935</b>	<b>68,647</b>
Depreciation and amortisation	4.4	7,219	7,238
<b>Total depreciation and amortisation</b>		<b>7,219</b>	<b>7,238</b>
<b>Total non-operating expenses</b>		<b>7,219</b>	<b>7,238</b>
<b>Total expenses from transactions</b>		<b>80,154</b>	<b>75,885</b>

<sup>(i)</sup> Write down relates to costs incurred for the planned stock project no longer proceeding.

## How we recognise expenses from transactions

### Expense recognition

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

### Cost of goods sold

Costs of goods sold 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.

### Employee Expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs (including superannuation)
- Work cover premiums.

### 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 reporting period is 3% (2023: 3%)

### Other expenses

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

- administrative expenses
- maintenance and operating costs
- investment management expenses
- audit fees, and
- other expenses.

### Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.



### Note 3.2: Other Economic Flows

	<b>2024</b>	<b>2023</b>
	\$000	\$000
Impairment of property plant and equipment (including intangible assets)	-	(647)
Net gain/(loss) on disposal of property plant and equipment	215	214
<b>Total net gain/(loss) on non-financial assets</b>	<b>215</b>	<b>(433)</b>
Net gain/(loss) on financial instruments at fair value	13,857	30,011
<b>Total net gain/(loss) on financial instruments at fair value</b>	<b>13,857</b>	<b>30,011</b>
Net fair value revaluation of investment property	64	492
<b>Total other gains/(losses) from other economic flows</b>	<b>64</b>	<b>492</b>
<b>Total other gains/(losses) from economic flows</b>	<b>14,136</b>	<b>30,070</b>

#### How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates, and
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

### Note 3.3: Employee benefits and related on-costs in the balance sheet

	2024	2023
	\$000	\$000
<b>Current employee benefits and related on-costs</b>		
Unconditional rostered days off	161	149
Unconditional annual leave entitlements	2,412	2,205
Unconditional long service leave entitlements	1,829	1,709
Conditional continuity of service	4	6
<b>Total current employee benefits and related on-costs</b>	<b>4,406</b>	<b>4,069</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements	771	658
<b>Total non-current employee benefits and related on-costs</b>	<b>771</b>	<b>658</b>
<b>Total employee benefits and related oncosts</b>	<b>5,177</b>	<b>4,727</b>
<b>Attributable to:</b>		
Employee benefits	4,555	4,202
Provision for related on-costs	622	525
<b>Total employee benefits and related oncosts</b>	<b>5,177</b>	<b>4,727</b>

### Note 3.3(a): Provision for related on-costs movement schedule

	2024	2023
	\$000	\$000
<b>Carrying amount at start of year</b>	<b>525</b>	<b>466</b>
Additional provisions recognised	483	266
Amounts incurred during the year	(423)	(292)
Net gain/(loss) arising from revaluation	38	85
<b>Carrying amount at the end of the year</b>	<b>623</b>	<b>525</b>

## How we recognise employee benefits

### Employee benefit recognition

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as sick leave is taken.

### Provisions

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 liability is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.

Provision for on-costs include workers compensation and superannuation, which are recognised separately from employee benefits.

### 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. 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 eg. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

### Note 3.4: Superannuation

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans <sup>(i)</sup></b>				
Vision Super	46	48	1	1
<b>Defined contribution plans:</b>				
Vision Super	1,160	1,113	22	26
Other	2,505	1,902	37	31
<b>Total</b>	<b>3,711</b>	<b>3,063</b>	<b>60</b>	<b>58</b>

<sup>(i)</sup> The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

#### How we recognise superannuation

Employees of SMCT are entitled to receive superannuation benefits and SMCT contributes to both defined benefit and defined contribution plans.

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

#### Defined benefit superannuation obligations

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by SMCT to the superannuation plans in respect of the services of current SMCT's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

#### Defined contribution superannuation plans

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

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

SMCT does not recognise any unfunded defined benefit liability in respect of the plans because SMCT has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of SMCT.

## 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 those outputs.

### Structure

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Intangible assets
- 4.4 Depreciation and amortisation
- 4.5 Investment property
- 4.6 Inventories
- 4.7 Impairment of assets

### Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of property, plant and equipment	<p>SMCT obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the cemetery trust estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Investment property	An independent valuation of the investment property is conducted annually by the Valuer-General Victoria.
Valuation of managed investment schemes	SMCT values its managed investment schemes based on an unquoted price determined by the fund manager currently appointed, Russell Investments. The fund publishes daily its redemption price and net asset value, and SMCT adopts this value without adjustment.
Estimating useful life and residual value of property, plant and equipment	SMCT assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The cemetery trust reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.

Key Judgements and Estimates	Description
Estimating the useful life of intangible assets	<p>SMCT assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, SMCT assesses impairment by evaluating the conditions and events specific to the cemetery trust that may be indicative of impairment triggers. Where an indication exists, the cemetery trust tests the asset for impairment.</p> <p>The cemetery trust considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>• If an asset's value has declined more than expected based on normal use</li> <li>• If a significant change in technological, market, economic or legal environment which adversely impacts the way the cemetery trust uses an asset</li> <li>• If an asset is obsolete or damaged</li> <li>• If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>• If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the cemetery trusts applies material judgement and estimate to determine the recoverable amount of the asset.</p>
Derecognition of financial assets	<p>A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:</p> <ul style="list-style-type: none"> <li>• the rights to receive cash flows from the asset have expired, or</li> <li>• the cemetery trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement, or</li> <li>• the Trust has transferred its rights to receive cash flows from the asset and either: <ul style="list-style-type: none"> <li>(i) has transferred substantially all the risks and rewards of the asset, or</li> <li>(ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.</li> </ul> </li> </ul> <p>Where SMCT has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust's continuing involvement in the asset.</p>

## Note 4.1: Investments and other financial assets

	2024	2023
	\$000	\$000
<b>Non-Current</b>		
Financial assets at fair value through net result		
Managed investment scheme	373,768	333,914
<b>Total Other Financial Assets</b>	<b>373,768</b>	<b>333,914</b>

### How we recognise investments and other financial assets

SMCT's investments and other financial assets are made in accordance 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 and Investment Committee, SMCT believes the valuation by Russell Investments is the best estimate of the fair value of the investments at 30 June 2024.

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 4.2: Property, plant and equipment

### 4.2 (a) Gross carrying amount and accumulated depreciation

	<b>2024</b>	<b>2023</b>
	\$000	\$000
Land at fair value – cemetery infrastructure	10,719	10,719
<b>Total land at fair value – cemetery infrastructure</b>	<b>10,719</b>	<b>10,719</b>
Buildings, infrastructure and improvements at fair value	186,500	172,374
Less accumulated depreciation	(9,147)	(4,475)
<b>Total buildings, infrastructure and improvements at fair value</b>	<b>177,353</b>	<b>167,899</b>
Plant and equipment at fair value	12,385	10,905
Less accumulated depreciation	(7,692)	(7,217)
<b>Total plant and equipment at fair value</b>	<b>4,693</b>	<b>3,688</b>
Office equipment, furniture and fittings at cost	7,183	7,495
Less accumulated depreciation	(4,472)	(4,666)
<b>Total office equipment, furniture and fittings at fair value</b>	<b>2,711</b>	<b>2,829</b>
Work in progress at cost	3,645	9,537
<b>Total work in progress</b>	<b>3,645</b>	<b>9,537</b>
<b>Total property, plant and equipment</b>	<b>199,121</b>	<b>194,672</b>



## 4.2 (b) Reconciliations of carrying amount by class of asset

	Note	Land \$'000	Buildings, infrastructure and improvements \$'000	Plant and equipment \$'000	Office equipment, furniture and fittings \$'000	Capital Works in Progress \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>10,701</b>	<b>171,122</b>	<b>3,734</b>	<b>2,637</b>	<b>5,722</b>	<b>193,916</b>
Additions		-	77	-	26	7,043	7,146
Transfers to completed assets		-	1,175	1,056	997	(3,228)	-
Net transfers between classes		-	-	(20)	20	-	-
Transfer from land as inventory		18	-	-	-	-	18
Disposals		-	-	(74)	(3)	-	(77)
Revaluation Increments/(decrements)		-	-	-	-	-	-
Impairment		-	-	-	(106)	-	(106)
Depreciation	4.4	-	(4,475)	(1,008)	(742)	-	(6,225)
<b>Balance at 30 June 2023</b>	<b>4.2(a)</b>	<b>10,719</b>	<b>167,899</b>	<b>3,688</b>	<b>2,829</b>	<b>9,537</b>	<b>194,672</b>
Additions		-	-	36	-	10,910	10,946
Transfers to completed assets		-	14,126	2,077	599	(16,802)	-
Net transfers between classes		-	-	-	-	-	-
Transfer from land as inventory	4.4	-	-	-	-	-	-
Disposals		-	-	(50)	-	-	(50)
Revaluation Increments/(decrements)		-	-	-	-	-	-
Impairment		-	-	-	-	-	-
Depreciation	4.4	-	(4,672)	(1,058)	(717)	-	(6,447)
<b>Balance at 30 June 2024</b>	<b>4.2(a)</b>	<b>10,719</b>	<b>177,353</b>	<b>4,693</b>	<b>2,711</b>	<b>3,645</b>	<b>199,121</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4.

### How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by SMCT in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

### Initial recognition

Items of property, plant and equipment are initially measured at cost. 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.

### Subsequent measurement

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed in Note 7.4.

### Revaluation

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, SMCT perform a managerial assessment to estimate possible changes in fair value of land, buildings and infrastructure since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) Indices and the Australian Bureau of Statistics indices.

An adjustment is recognised if the assessment concludes that the fair value of land, buildings and infrastructure has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, SMCT would obtain an interim independent valuation prior

to the next scheduled independent valuation.

An independent valuation of SMCT's property plant and equipment was performed by the VGV on 30 June 2022. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2024, a managerial assessment was performed at 30 June 2024. As the cumulative movement was less than 10% for land, buildings and infrastructure since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2024.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the Property, Plant and Equipment Revaluation Surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The Property, Plant and Equipment Surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

## Note 4.3: Intangible assets

### Note 4.3 (a): Gross carrying amount and accumulated amortisation

	<b>2024</b>	<b>2023</b>
	\$000	\$000
Software	5,516	6,147
Less impairment write downs	-	(561)
Less accumulated amortisation	(4,158)	(3,872)
<b>Total software</b>	<b>1,358</b>	<b>1,714</b>
Works in progress costs	8,192	5,286
<b>Total works in progress</b>	<b>8,192</b>	<b>5,286</b>
<b>Total intangible assets</b>	<b>9,550</b>	<b>7,000</b>

### Note 4.3 (b): Reconciliation of the carrying amount by class of asset

		<b>Software</b>	<b>Works in progress</b>	<b>Total</b>
	Note	\$'000	\$'000	\$'000
<b>Balance at 30 June 2022</b>		<b>3,268</b>	<b>2,615</b>	<b>5,883</b>
Additions		-	2,671	2,671
Impairment of assets		(541)	-	(541)
Amortisation	4.4	(1,013)	-	(1,013)
<b>Balance at 30 June 2023</b>	4.3(a)	<b>1,714</b>	<b>5,286</b>	<b>7,000</b>
Additions		-	3,322	3,322
Transfers (to)/from other asset classes		-	-	-
Transfer to completed assets		416	(416)	-
Impairment of assets		-	-	-
Amortisation	4.4	(772)	-	(772)
<b>Balance at 30 June 2024</b>	4.3(a)	<b>1,358</b>	<b>8,192</b>	<b>9,550</b>

**How we recognise intangible assets**

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

**Initial recognition**

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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.

## Note 4.4: Depreciation and Amortisation

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Depreciation</b>		
Buildings, infrastructure and improvements	4,672	4,475
Plant and equipment	1,058	1,008
Office equipment, furniture and fittings	717	742
<b>Total depreciation – property plant and equipment</b>	<b>6,447</b>	<b>6,225</b>
<b>Amortisation</b>		
Software	772	1,013
<b>Total amortisation</b>	<b>772</b>	<b>1,013</b>
<b>Total depreciation and amortisation</b>	<b>7,219</b>	<b>7,238</b>

### How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, land and investment property) 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 the systematic allocation of the depreciable amount of an asset over its useful life.

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

	<b>2024</b>	<b>2023</b>
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

As part of the building valuation, building values are separated into components and each component assessed for its useful life which is represented above.

## Note 4.5: Investment property

Note 4.5 (a): Gross carrying amount	2024	2023
	\$000	\$000
Investment property at fair value	5,944	5,880
<b>Total investment property at fair value</b>	<b>5,944</b>	<b>5,880</b>

Note 4.5 (b): Reconciliations of carrying amount	2024	2023
	\$000	\$000
<b>Balance at beginning of period</b>	<b>5,880</b>	<b>5,388</b>
Net gain/(loss) from fair value adjustments	64	492
<b>Balance at end of period</b>	<b>5,944</b>	<b>5,880</b>

### How we recognise the investment property

The investment property represents property held to earn rentals or for capital appreciation or both. The investment property excludes properties held to meet service delivery objectives of SMCT.

### Initial recognition

The investment property is initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to SMCT.

### Subsequent measurement

Subsequent to initial recognition at cost, the investment property is revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent

transaction prices for similar properties.

The investment property is neither depreciated nor tested for impairment.

For the investment property valued at fair value, the current use of the asset is considered the highest and best use.

The fair value of SMCT's investment property at 30 June 2024 has been arrived on the basis of an independent valuation carried out by independent valuers Valuer-General of Victoria performed at 30 June 2024. The valuation was determined with reference to market evidence of properties including location, condition and lease terms. Further information regarding fair value measurement is disclosed in Note 7.4.

Rental revenue from leasing of the investment property is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight-line basis over the lease term.

## Note 4.6: Inventories

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Current inventories</b>		
Land: interment purposes	405	312
Grave foundations/beams	5,874	4,651
Mausoleum crypts	2,077	2,182
Cremation memorials	174	124
Work in progress	15,409	21,682
Other inventories	388	332
<b>Total current inventories</b>	<b>24,327</b>	<b>29,283</b>
<b>Non-current inventories</b>		
<b>Finished goods</b>		
Land: interment purposes	152	255
Grave foundations/beams	10,662	6,934
Mausoleum crypts	4,994	2,967
Cremation memorials	2,351	2,503
Undeveloped land	1,329	1,417
<b>Total non-current inventories</b>	<b>19,488</b>	<b>14,076</b>
<b>Total inventories</b>	<b>43,815</b>	<b>43,359</b>

Write down of inventory to net realisable value during the year was Nil (2023: \$98k).

### 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 excludes depreciable assets. 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.

## Note 4.7: Impairment of assets

At the end of each reporting period, SMCT reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on SMCT which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested

annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, SMCT compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, SMCT estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SMCT recorded an impairment loss for the year ended 30 June 2024 of Nil (2023: \$647k).

## 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 Payables and contract liabilities
- 5.3 Contract liabilities
- 5.4 Other provisions



## Material judgements and estimates

This section contains the following key judgements and estimates:

Key Judgements and Estimates	Description
Estimating the provision for expected credit losses	SMCT uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	SMCT applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the cemetery trust assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

## Note 5.1: Receivables

	Notes	2024 \$000	2023 \$000
<b>Current receivables</b>			
<b>Contractual</b>			
Trade receivables		1,490	1,494
Accrued investment income		1,405	1,355
Sundry debtors		15,939	12,227
		<b>18,834</b>	<b>15,076</b>
<b>Statutory</b>			
GST receivable		451	504
<b>Total current receivables</b>		<b>19,285</b>	<b>15,580</b>
<b>Non-Current receivables</b>			
<b>Contractual</b>			
Sundry debtors		<b>2,489</b>	<b>1,169</b>
<b>Total non-current receivables</b>		<b>2,489</b>	<b>1,169</b>
<b>Total receivables <sup>(i)</sup></b>		<b>21,774</b>	<b>16,749</b>
<i><sup>(i)</sup> Financial assets classified as receivables (Note 7.1(a))</i>			
Total receivables		21,774	16,749
GST receivable		(451)	(504)
<b>Total financial assets</b>	7.1(a)	<b>21,323</b>	<b>16,245</b>

### How we recognise receivables

Receivables consist of:

**Contractual receivables**, including debtors in relation to goods and services and accrued investment income. These receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. SMCT holds the 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 do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. SMCT applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

Sundry receivables from families and masons are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Payment plan receivables are carried at nominal amounts due and are set up on monthly payment plans ranging from 1 month to 36 months.

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

### Impairment losses of contractual receivables

Refer to Note 7.2 for SMCT's contractual impairment losses.

## Note 5.2: Payables

	Note	2024	2023
		\$000	\$000
<b>Current payables</b>			
<b>Contractual</b>			
Trade payables		3,084	2,213
Accrued salaries, wages		75	206
Accrued and other creditors		2,458	5,251
<b>Total current contractual payables</b>		<b>5,617</b>	<b>7,670</b>
<b>Statutory</b>			
Cemetery levy payable		3,254	2,509
GST payable		-	-
<b>Total current statutory payables</b>		<b>8,871</b>	<b>10,179</b>
<i><sup>(i)</sup> Financial liabilities classified as payables and contract liabilities (Note 7.2(b))</i>			
Total payables		8,871	10,179
Cemetery levy payable		(3,254)	(2,509)
GST payable		-	-
<b>Total financial liabilities</b>	<b>7.1(a)</b>	<b>5,617</b>	<b>7,670</b>

### How we recognise payables

Payables consist of:

**Contractual payables**, including payables in relation to 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**, comprises Goods and Services Tax (GST) payable and Cemetery levy. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

### Note 5.3: Contract liabilities

	Note	2024 \$000	2023 \$000
<b>Current</b>			
Pre-need deed sales liability		63,953	58,809
<b>Current contract liabilities</b>	<b>5.3(a)</b>	<b>63,953</b>	<b>58,809</b>

### Note 5.3(a): Movement in contract liabilities

	2024 \$000	2023 \$000
<b>Opening balance of contract liabilities</b>	58,809	59,937
Payments received for performance obligations received during the year	11,494	10,060
Revenue recognised for the completion of a performance obligation	(6,350)	(11,188)
<b>Total Contract Liabilities</b>	<b>63,953</b>	<b>58,809</b>

#### How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of performance obligations not yet fulfilled. The balance of contract liabilities was significantly higher due to strong sales of pre-need deed sales contracts. In the prior year, \$3.2 million in "off the plan" sales from the All Souls Mausoleum at Springvale Botanic Cemetery and and \$0.9 million in "off the plan" sales of the Riyadhul Jannah graves at Bunorong Memorial Park were transferred from contract liabilities to revenue as these inventory work-in-progress projects were completed.

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

#### How we recognise other liabilities

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

right to defer settlement. Pre-purchases and pre-need deeds are redeemed when a need arises. Pre-paid fees are recognised at their nominal (contracted) value.

Some of SMCT's revenue streams, primarily rights of interment for graves, cremation memorials and mausoleum crypts, provide the customer with a right of return at the Cemetery Trust's discretion (see note 2.1). Therefore, a refund liability is recognised for the issued rights expected to be returned/cancelled. The assumptions and the estimated amount of returns are based on historical evidence and are reassessed at the end of each reporting period. As at 30 June 2024, no material refund liability existed. The costs to recover the product are not material because no physical good is transacted.

#### Maturity analysis of payables

Please refer to Note 7.2(b) for the ageing analysis of payables.

## Note 5.4: Other provisions

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Current other provisions</b>		
Onerous contracts	784	729
<b>Total other current provisions</b>	<b>784</b>	<b>729</b>

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Balance at beginning of the year</b>	<b>729</b>	<b>680</b>
Additional provisions recognised	55	49
<b>Total other provisions</b>	<b>784</b>	<b>729</b>

### 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.

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

Present obligations arising under onerous contracts are recognised as a provision 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, along with interest expenses (the cost of borrowings) 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

	<b>2024</b>	<b>2023</b>
	\$000	\$000
Cash on hand	11	11
Cash at bank	17,550	23,302
<b>Total cash and cash equivalents</b>	<b>17,561</b>	<b>23,313</b>

### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

## Note 6.2: Commitments for expenditure

	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Capital expenditure commitments</b>		
No longer than 1 year	2,421	3,215
<b>Total capital commitments</b>	<b>2,421</b>	<b>3,215</b>
<b>Inventory commitments</b>		
No longer than 1 year	2,232	4,279
<b>Total capital commitments</b>	<b>2,232</b>	<b>4,279</b>
<b>Operating expenditure commitments</b>		
No longer than 1 year	2,946	3,915
Longer than 1 year and not longer than 5 years	-	1,442
<b>Total operating expenditure commitments</b>	<b>2,946</b>	<b>5,357</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>7,599</b>	<b>12,851</b>
Less GST recoverable from the Australian Taxation Office	(691)	(1,168)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>6,908</b>	<b>11,683</b>

### How we disclose our commitments

Our commitments relate to capital, inventory and operating expenditure.

### Expenditure commitments

Commitments for future expenditure include operating, inventory 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 SMCT is related mainly to fair value determination.

### Structure

- 7.1 Financial instruments
- 7.2 Financial risk management objectives and policies
- 7.3 Contingent assets and contingent liabilities
- 7.4 Fair value determination

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, SMCT has assumed the current use is its highest and best use. Accordingly, characteristics of the cemetery trust's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>SMCT uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>• Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of SMCT's specialised land, non-specialised land, buildings, investment property and infrastructure are measured using this approach.</li> </ul>



Key Judgements and Estimates	Description
	<ul style="list-style-type: none"><li>• Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of SMCT's furniture, fittings, plant, equipment and vehicles are measured using this approach.</li><li>• Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. SMCT does not use this approach to measure fair value.</li></ul>
	<p>The cemetery trust selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p>
	<p>Subsequently, the cemetery trust applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p>
	<ul style="list-style-type: none"><li>• Level 1, using quoted prices (unadjusted) in active markets for identical assets that the cemetery trust can access at measurement date. SMCT does not categorise any fair values within this level.</li><li>• Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. SMCT categorises managed investments in this level.</li><li>• Level 3, where inputs are unobservable. SMCT categorises specialised land, specialised buildings, investment property, plant, equipment, furniture, and fittings in this level.</li></ul>

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## 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 7.1 (a): Categorisation of financial instruments

<b>2024</b>	<b>Note</b>	<b>Financial Assets at Amortised Cost \$000</b>	<b>Financial Assets at Fair Value Through Net Result \$000</b>	<b>Financial Liabilities at Amortised Cost \$000</b>	<b>Total \$000</b>
<b>Contractual financial assets</b>					
Cash and cash equivalents	6.1	17,561	-	-	17,561
Receivables	5.1	21,323	-	-	21,323
Investments and other financial assets					
- Managed investment / units	4.1	-	373,768	-	373,768
<b>Total financial assets <sup>(i)</sup></b>		<b>38,884</b>	<b>373,768</b>	<b>-</b>	<b>412,652</b>
<b>Financial Liabilities</b>					
Payables	5.2	-	-	5,617	5,617
<b>Total financial liabilities <sup>(ii)</sup></b>		<b>-</b>	<b>-</b>	<b>5,617</b>	<b>5,617</b>

<b>2023</b>	<b>Note</b>	<b>Financial Assets at Amortised Cost \$000</b>	<b>Financial Assets at Fair Value Through Net Result \$000</b>	<b>Financial Liabilities at Amortised Cost \$000</b>	<b>Total \$000</b>
<b>Contractual Financial Assets</b>					
Cash and cash equivalents	6.1	23,313	-	-	23,313
Receivables	5.1	16,245	-	-	16,245
Investments and other financial assets					
- Managed investment / units	4.1	-	333,914	-	333,914
<b>Total Financial Assets <sup>(i)</sup></b>		<b>39,558</b>	<b>333,914</b>	<b>-</b>	<b>373,472</b>
<b>Financial Liabilities</b>					
Payables	5.2	-	-	7,670	7,670
<b>Total Financial Liabilities <sup>(ii)</sup></b>		<b>-</b>	<b>-</b>	<b>7,670</b>	<b>7,670</b>

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

## How we categorise financial instruments

### Categories of financial assets

Financial assets are recognised when SMCT becomes party to the contractual provisions to the instrument. For financial assets, this is at the date SMCT commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in *AASB 15 para 63*.

### 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 has designated all of its managed investment schemes as fair value through net result.

### Categories of financial liabilities

Financial liabilities are recognised when SMCT becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

### Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

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).

### Offsetting financial instruments

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

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

### Derecognition of financial assets

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

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

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

SMCT has transferred its rights to receive cash flows from the asset and either:

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

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

### Derecognition of financial liabilities

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

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

### Reclassification of financial instruments

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: Financial risk management objectives and policies

As a whole, SMCT's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

SMCT's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. SMCT manages these financial risks in accordance with its financial risk management policy.

SMCT uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

### Note 7.2 (a): Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. SMCT's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to SMCT. Credit risk is measured at fair value and is monitored on a regular basis.

In addition, SMCT does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, SMCT's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial

assets is recognised when there is objective evidence that SMCT will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents SMCT's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to SMCT's credit risk profile in 2023-24.

### Impairment of financial assets under AASB 9

SMCT records the allowance for expected credit loss for the relevant financial instruments applying *AASB 9's* Expected Credit Loss approach. Based on negligible bad debts and the bulk of SMCT's revenue being prepaid, expected credit loss risk is low. Subject to *AASB 9*, the impairment assessment includes SMCT's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under *AASB 9*. Other financial assets mandatorily measured or designated at fair value through net result are not subject to an impairment assessment under *AASB 9*.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contractual receivables at amortised cost**

SMCT applies *AASB 9*'s simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. SMCT has grouped contractual receivables on shared credit

risk characteristics and days past due and select the expected credit loss rate based on SMCT's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, SMCT determines the closing loss allowance at the end of the financial year as follows:

<b>30 June 2024</b>	<b>Note</b>	<b>Current</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months - 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<b>Expected Loss Rate</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross carrying amount of contractual receivables	5.1	18,538	633	95	19	2,489	<b>21,774</b>
<b>Loss Allowance</b>		-	-	-	-	-	-

<b>30 June 2023</b>	<b>Note</b>	<b>Current</b>	<b>Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months - 1 Year</b>	<b>1-5 Years</b>	<b>Total</b>
<b>Expected Loss Rate</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gross carrying amount of contractual receivables	5.1	14,508	581	200	291	1,169	<b>16,749</b>
<b>Loss Allowance</b>		-	-	-	-	-	-

**Statutory receivables**

SMCT's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with *AASB 9* requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term.

As a result, no loss allowance has been recognised.

## Note 7.2 (b): Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

SMCT is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The cemetery trust manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets

- careful maturity planning of its financial obligations based on forecasts of future cash flows.

SMCT's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

	Note	Carrying Amount	Not Past Due and Not Impaired	Maturity Dates			
				Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
<b>2024</b>		\$000	\$000	\$000	\$000	\$000	\$000
<b>Financial Liabilities at amortised cost</b>							
Payables	5.2 <sup>(i)</sup>	5,617	5,617	5,617	-	-	-
<b>Total Financial Liabilities</b>		<b>5,617</b>	<b>5,617</b>	<b>5,617</b>	-	-	-
<b>2023</b>							
<b>Financial Liabilities at amortised cost</b>							
Payables	5.2 <sup>(i)</sup>	7,670	7,670	7,670	-	-	-
<b>Total Financial Liabilities</b>		<b>7,670</b>	<b>7,670</b>	<b>7,670</b>	-	-	-

<sup>(i)</sup> Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable)

## Note 7.2 (c): Market Risk

SMCT's exposures to market risk is primarily through the value of units of managed investments held with Russell Investments, and their underlying investments exposure to interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

### Sensitivity disclosure analysis and assumptions

SMCT's sensitivity to market risk is determined based on the observed range of actual historical data. SMCT's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates 1% up or down
- a change in the managed investment unit price of 10% down or 15% up

### Interest Rate Risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. SMCT does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SMCT has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

### Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. SMCT has minimal exposure

to foreign currency risk outside those indirect international investments via SMCT's managed investments.

### Equity Risk

SMCT is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated and traded to match the cemetery trust's investment objectives.

SMCT's sensitivity to equity price risk is set out below.

		-10%	15%
	Carrying Amount	Net result of holding gain (loss)	Net result of holding gain (loss)
<b>2024</b>	\$000	\$000	\$000
<b>Contractual financial assets</b>			
Managed investment/units	373,768	(37,377)	56,065
<b>Total impact</b>	<b>373,768</b>	<b>(37,377)</b>	<b>56,065</b>

		-10%	15%
	Carrying Amount	Net result of holding gain (loss)	Net result of holding gain (loss)
<b>2023</b>	\$000	\$000	\$000
<b>Contractual financial assets</b>			
Managed investment/units	333,914	(33,391)	50,087
<b>Total impact</b>	<b>333,914</b>	<b>(33,391)</b>	<b>50,087</b>

## Note 7.3: Contingent assets and contingent liabilities

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

### How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.



Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the cemetery trust.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the cemetery trust, or
- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

### Community perpetual maintenance reserve

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

its obligation in relation to the funding of the perpetual maintenance of each public cemetery. At this time there will be ongoing significant cash outflow for perpetual maintenance of each public cemetery but is unable to calculate a sufficiently reliable estimate of any related present obligation which may arise under the accounting standards and accordingly has not recognised a value for this obligation in these financial statements.

The Trust has nevertheless created a related reserve and is disclosed as a Perpetual Maintenance Reserve in the Statement of Changes in Equity. In 2024 SMCT obtained an actuarial determination of our perpetual maintenance obligation, the result of which are disclosed in Note 8.8: Equity.

## Note 7.4: 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
- Investment property.

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.

#### Identifying unobservable inputs (level 3) fair value measurements

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

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

### Note 7.4 (a): Fair value determination of investments and other financial assets

	Note	Carrying Amount as at 30 June 2024 '\$000	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(i)</sup> '\$000	Level 2 <sup>(i)</sup> '\$000	Level 3 <sup>(i)</sup> '\$000
<b>Balance as at 30 June 2024</b>					
Managed investment schemes	4.1	373,768	-	373,768	-
<b>Total financial assets held at fair value through net result</b>		<b>373,768</b>	<b>-</b>	<b>373,768</b>	<b>-</b>
<b>Total investments and other financial assets at fair value</b>		<b>373,768</b>	<b>-</b>	<b>373,768</b>	<b>-</b>

	Note	Carrying Amount as at 30 June 2023 '\$000	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(i)</sup> '\$000	Level 2 <sup>(i)</sup> '\$000	Level 3 <sup>(i)</sup> '\$000
<b>Balance as at 30 June 2023</b>					
Managed investment schemes	4.1	333,914	-	333,914	-
<b>Total financial assets held at fair value through net result</b>		<b>333,914</b>	<b>-</b>	<b>333,914</b>	<b>-</b>
<b>Total investments and other financial assets at fair value</b>		<b>333,914</b>	<b>-</b>	<b>333,914</b>	<b>-</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy

## How we measure fair value of investments and other financial assets

### 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.

Note 7.4 (b): Fair value determination of non-financial physical assets

	Note	Carrying Amount as at 30 June 2024 '\$000	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(i)</sup> '\$000	Level 2 <sup>(i)</sup> '\$000	Level 3 <sup>(i)</sup> '\$000
<b>Balance as at 30 June 2024</b>					
<b>Cemetery infrastructure land at fair value</b>					
Specialised land		10,719	-	-	10,719
<b>Total of land at fair value</b>	4.2(a)	<b>10,719</b>	-	-	<b>10,719</b>
<b>Buildings, infrastructure and improvements at fair value</b>					
Specialised buildings		177,353	-	-	177,353
<b>Total of buildings at fair value</b>	4.2(a)	<b>177,353</b>	-	-	<b>177,353</b>
<b>Other plant and equipment at fair value</b>					
- Plant and equipment	4.2(a)	4,693	-	-	4,693
- Office equipment, furniture and fittings	4.2(a)	2,711	-	-	2,711
<b>Total other plant and equipment at fair value</b>		<b>7,404</b>	-	-	<b>7,404</b>
Investment property – at fair value <sup>(ii)</sup>	4.5(a)	5,944	-	5,944	-
<b>Total investment property</b>		<b>5,944</b>	-	<b>5,994</b>	-
<b>Total non financial physical assets at fair value</b>		<b>201,420</b>	-	<b>5,994</b>	<b>195,476</b>
<hr/>					
		Carrying Amount as at 30 June 2023 '\$000	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 <sup>(i)</sup> '\$000	Level 2 <sup>(i)</sup> '\$000	Level 3 <sup>(i)</sup> '\$000
<b>Balance as at 30 June 2023</b>					
<b>Cemetery infrastructure land at fair value</b>					
Specialised land		10,719	-	-	10,719
<b>Total of land at fair value</b>	4.2(a)	<b>10,719</b>	-	-	<b>10,719</b>
<b>Buildings, infrastructure and improvements at fair value</b>					
Specialised buildings		167,899	-	-	167,899
<b>Total of buildings at fair value</b>	4.2(a)	<b>167,899</b>	-	-	<b>167,899</b>
<b>Other plant and equipment at fair value</b>					
- Plant and equipment	4.2(a)	3,688	-	-	3,688
- Office equipment, furniture and fittings	4.2(a)	2,829	-	-	2,829
<b>Total other plant and equipment at fair value</b>	4.2(a)	<b>6,517</b>	-	-	<b>6,517</b>
Investment property – at fair value <sup>(ii)</sup>	4.5(a)	5,880	-	5,880	-
<b>Total investment property</b>		<b>5,880</b>	-	<b>5,880</b>	-
<b>Total non financial physical assets at fair value</b>		<b>191,015</b>	-	<b>5,880</b>	<b>185,135</b>

**Notes**

<sup>(i)</sup> Classified in accordance with the fair value hierarchy.

<sup>(ii)</sup> 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. Investment property assets were recategorised from level 3 to level 2 to reflect the input into valuation based on VGV valuation report (for 2024 and 2023).

### **How we measure fair value of non-financial physical assets**

The fair value measurement of non-financial physical assets considers the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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

SMCT has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

### **Investment property**

The investment property is 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.

An independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for shape, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

### **Specialised land and specialised buildings**

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not considered until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, 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. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. The adjustment amounts to a 95% reduction to the market rate valuations of specialised land. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For SMCT, the current replacement cost method is used for the majority of specialised buildings,

adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of SMCT's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022.

#### Plant and equipment, and furniture and fittings

Plant and equipment, and furniture and fittings are held at current replacement cost, adjusting for the associated depreciation. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current replacement cost is used to estimate the fair value. Unless there is market evidence

that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that current replacement cost will be materially different from the existing carrying amount.

#### Motor vehicles

The 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 the cemetery trust who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

There were no changes in valuation techniques throughout the period to 30 June 2024.

### Note 7.4 (c): Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings, infrastructure and improvements \$'000	Plant and equipment \$'000	Office equipment, furniture and fittings \$'000
<b>Balance at 1 July 2022</b>		<b>10,701</b>	<b>171,122</b>	<b>3,734</b>	<b>2,637</b>
Additions/(Disposals)		-	77	(84)	33
Net Transfers between classes		18	1,175	1,046	1,007
Gains/(Losses) recognised in net result		-	-	-	-
- Depreciation and amortisation		-	(4,475)	(1,008)	(742)
- Impairment loss		-	-	-	(106)
Items recognised in other comprehensive income		-	-	-	-
- Revaluation		-	-	-	-
<b>Balance at 30 June 2023</b>	<b>7.4(b)</b>	<b>10,719</b>	<b>167,899</b>	<b>3,688</b>	<b>2,829</b>
Additions/(Disposals)				(14)	
Net Transfers between classes			14,126	2,077	599
Gains/(Losses) recognised in net result					
- Depreciation and amortisation	4.4		(4,672)	(1,058)	(717)
- Impairment loss					
Items recognised in other comprehensive income		-	-	-	-
- Revaluation		-	-	-	-
<b>Balance at 30 June 2024</b>	<b>7.4(b)</b>	<b>10,719</b>	<b>177,353</b>	<b>4,693</b>	<b>2,711</b>

<sup>(i)</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4.

## Note 7.4 (d): Fair value determination of level 3 fair value measurement

Asset class	Likely valuation	Significant inputs (level 3)
- Specialised land - nine cemetery sites	Market Approach	Community service obligations adjustments (i)
- Specialised buildings - buildings and improvements over nine cemetery sites	Current replacement cost approach	- Direct costs per square meter - Costs per unit
- Specialised buildings - infrastructure over nine cemetery sites	Current replacement cost approach	- Useful life of specialised infrastructure - Costs per unit
Investment property	Market Approach	- Direct costs per square meter
Plant and equipment	Current replacement cost approach	- Costs per unit - Useful life
Office equipment	Current replacement cost approach	- Costs per unit - Useful life

<sup>(i)</sup> 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 Reconciliation of net result for the year to net cash flow from operating activities
- 8.2 Responsible persons disclosure
- 8.3 Remuneration of executive officers
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Ex-gratia payments
- 8.7 Events occurring after balance sheet date
- 8.8 Equity

### Note 8.1: Reconciliation of net result for the year to net cash flow from operating activities

	Note	2024 \$000	2023 \$000
<b>Net Result for the Year</b>		<b>42,384</b>	<b>37,282</b>
<b>Non-cash movements</b>			
Gain from disposal of non-financial physical assets	3.2	(215)	(214)
Gain revaluation on investment property	4.5(b)	(64)	(492)
Gain from fair value movement of financial assets		(13,857)	(30,011)
Depreciation of non-current assets	4.4	6,447	6,225
Amortisation of non-current assets	4.4	772	1,013
Impairment of non-financial assets	3.2	-	647
<b>Movements in assets and liabilities</b>			
Increase/(decrease) in receivables	5.1	(5,025)	343
Increase in inventories	4.6	(456)	(5,818)
Increase in prepaid expenses		(79)	(189)
Increase/(decrease) in payables	5.2	(1,308)	3,119
Increase/(decrease) in contract liabilities	5.3	5,144	(1,128)
Increase in employee benefits	3.3	450	283
Increase in other provisions	5.4	55	49
<b>Net cash inflow from operating activities</b>		<b>34,248</b>	<b>11,109</b>



## Note 8.2: Responsible persons disclosures

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

	<b>Period</b>
<b>Responsible Minister</b>	
Mary-Anne Thomas, Minister for Health	1 Jul 2023 – 30 Jun 2024
<b>Governing Trust</b>	
Vanda Fortunato (Chairperson)	1 Jul 2023 – 30 Jun 2024
Sam Afra	1 Jul 2023 – 30 Jun 2024
Rosemary Barker	1 Jul 2023 – 30 Jun 2024
Robin Buckham	1 Jul 2023 – 30 Jun 2024
Bernadene Voss	1 Jul 2023 – 30 Jun 2024
John Nguyen (appointed 1 Jul 2023)	1 Jul 2023 – 30 Jun 2024
Chloe Shorten (appointed 1 Jul 2023)	1 Jul 2023 – 30 Jun 2024
Jimi Peters (appointed 1 Jul 2023)	1 Jul 2023 – 30 Jun 2024
Nova Peris (appointed 1 Jul 2023)	1 Jul 2023 – 30 Jun 2024
<b>Accountable officers</b>	
Laz Cotsios (Chief Executive Officer)	17 Oct 2022 – 29 Feb 2024
Lucinda Nolan (Interim Chief Executive Officer)	12 Feb 2024 – 30 Jun 2024

### Remuneration of responsible persons

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

	<b>2024</b>	<b>2023</b>
<b>Income Band</b>	No.	No.
\$10,000 - \$19,999	1	8
\$20,000-\$29,999	7	-
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	-
\$140,000-\$149,999	-	1
\$170,000-\$179,999	1	-
\$310,000 - \$319,999	1	-
\$340,000-\$349,999	-	1
<b>Total numbers</b>	<b>11</b>	<b>11</b>
	<b>2024</b>	<b>2023</b>
	\$000	\$000
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>717</b>	<b>651</b>

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

### Note 8.3: Remuneration of executives

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.

	Total Remuneration	
	2024	2023
<b>Remuneration of Executive Officers</b>	\$000	\$000
Short-term Benefits	1,282	1,290
Post-employment Benefits	138	119
Other Long-term Benefits	31	28
<b>Total Remuneration <sup>i</sup></b>	<b>1,451</b>	<b>1,437</b>
Total Number of Executives	5	8
<b>Total Annualised Employee Equivalent <sup>ii</sup></b>	<b>5.0</b>	<b>4.8</b>

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 8.4 Related Parties.

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

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

#### Short-term employee benefits

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services. Termination of employment payments, such as severance packages.

#### Post-employment benefits

Pensions, superannuation, and other retirement benefits including terminations paid or payable on a discrete basis when employment has ceased.

#### Other long-term benefits

Long service leave, other long-service benefit or deferred compensation.

#### Other factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired or resigned in the past year.

## Note 8.4: 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.

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

### Key management personnel

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

<b>KMPs</b>	<b>Position Title</b>
Vanda Fortunato	Chair of the Trust
Rosemary Barker	Trust Member
Sam Afra	Trust Member
Robin Buckham	Trust Member
Bernadene Voss	Trust Member
John Nguyen (appointed 1 Jul 2023)	Trust Member
Chloe Shorten (appointed 1 Jul 2023)	Trust Member
Nova Peris (appointed 1 Jul 2023)	Trust Member
Jimi Peters (appointed 1 Jul 2023)	Trust Member
Laz Cotsios (departed 29 Feb 2024)	Chief Executive Officer
Lucinda Nolan (appointed 12 Feb 2024)	Interim Chief Executive Officer
James Balazs	Executive
Shireen Jahan	Executive
Damian Ramondetta	Executive
Lucas Robertson	Executive
Con Rodas	Executive

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.

	<b>2024</b>	<b>2023</b>
<b>Compensation - KMPs<sup>i</sup></b>	\$000	\$000
Short-term Employee Benefits	1,932	1,882
Post-employment Benefits	194	161
Other Long-term Benefits	42	45
<b>Total</b>	<b>2,168</b>	<b>2,088</b>

<sup>i</sup>KMP's are also noted in Note 8.2 Responsible persons and Note 8.3 Remuneration of executive officers.

### Significant transactions with government related entities

During the year SMCT had related entity transactions with the Department of Health, being the payment of the 2022-23 cemetery levy of \$2.5m (2021-22 \$2.8m). The levy payable to the Department of Health in respect of 2023-24 is \$3.3m (2022-23 was \$2.5m).

Insurance products are obtained from the Victorian Managed Insurance Authority.

### 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 2024 (2023: none).

### Note 8.5: Remuneration of Auditors

	<b>2024</b>	<b>2023</b>
<b>Victorian Auditor-General's Office</b>	\$000	\$000
Audit of financial statement	99	96
	<b>99</b>	<b>96</b>

### Note 8.6: Ex-gratia Expenses

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

### Note 8.7: Events occurring after the balance sheet date

At the close of 30 June 2024 Sam Afra and Bernadene Voss departed the Trust. Two new Trust members have been appointed to the Trust to commence effective 1 July 2024: Catherine Scarth and Jason King.

At the Trust meeting on October 25, 2023, SMCT accepted the final proposal from Bass Coast Shire Council ("BCSC") to voluntarily transfer management of the Wonthaggi and San Remo Cemeteries to SMCT. The proposal included a settlement amount of \$4.075m for the perpetual maintenance of both sites.

On June 20, 2024, BCSC submitted a Due Diligence Report and a letter to the Governor in Council, requesting that the Minister of Health recommend the transfer of the administration of Wonthaggi and San Remo Cemeteries to SMCT. The Governor-In-Council's approval of the transfer is presently pending approval. Following this, a statutory order will be issued, and it will be effective upon its publication in the Government Gazette.

There are no other events occurring after the balance sheet date.

## Note 8.8: 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. 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.

To address the perpetual maintenance obligations, SMCT has established a Perpetual Maintenance Reserve. This reserve is funded by cash and investments and serves as a source of future contributions towards its perpetual maintenance obligations.

The annual allocation to the Perpetual Maintenance Reserve is determined based on the Perpetual Maintenance Reserve as last calculated by the latest Actuary model updated to the current year but is capped each year to not exceed the comprehensive result for the year. To be read in conjunction with Note 1.7.

During the year, SMCT engaged an actuary to determine the perpetual maintenance obligation and at 30 June 2024 SMCT has transferred in full to the Perpetual Maintenance Reserve \$457.7M as per 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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## Additional SMCT information available on request

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