



2023

PERPETUAL PROGRESS

ANNUAL REPORT
SOUTHERN METROPOLITAN CEMETERIES TRUST



*Photo: Project Cultivate Smoking Ceremony,
Melbourne General Cemetery*

Acknowledgement of Country

Southern Metropolitan Cemeteries Trusts acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land. We pay respect to Elders past, present and future, and all Aboriginal and Torres Strait Island people visiting our cemeteries and memorial parks.

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. We respect this land too – and our purpose is to conserve and maintain the history of Victorian cemeteries, and their natural environment in perpetuity.

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Introduction

Trust Chair Welcome



In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Southern Metropolitan Cemeteries Trust for the year ending 30 June 2023. This report is a testament to our dedication to servicing Victoria's diverse communities in their times of need. As we reflect on the past year, it's evident that our collective efforts have embraced our values, strategic goals and laid the foundations for a sustainable future for SMCT.

This past year has been one of collaboration and transformation. We have taken significant strides in forging closer partnerships with the Victorian Government, and the broader cemeteries sector, including other Class A Cemetery Trusts and industry bodies like the Cemeteries and Crematoria Association of Victoria (CCAV).

Our dedication to fostering collaboration within our industry has helped us pool our collective knowledge and resources to better address conditions impacting the entire sector, and the needs of the Victorian public. Cooperation helps us address challenges unique to this industry, like improving the environmental sustainability of our services and operations and meeting the needs of Victoria's increasingly culturally and religiously diverse populations.

Amidst these endeavours, our Trust has remained steadfast in upholding the highest governance standards, expected by the Victorian Government and community. We recognise that integrity and accountability are fundamental for delivering a high-quality service and maintaining trust with our communities.

This year also marks the culmination of our existing strategic plan, offering us a unique opportunity for reflection and renewal. As SMCT celebrates our achievements, the Trust also embraces an opportunity to assess our journey, learn from our experiences and chart a new course that reflects the values of our organisation, and needs of the Victorian public.

I extend my deepest gratitude to the heart and soul of our organisation – our dedicated staff and executive leadership team, and Trust members. Their unwavering commitment, tireless efforts, and boundless enthusiasm have been the driving force behind our accomplishments. Each milestone we celebrate is a testament to their dedication and the collaborative spirit that defines our organisation.

Thank you for your continued support, and I am eagerly looking forward to the remarkable chapters we will write together in the coming year.

A handwritten signature in black ink, appearing to read 'Vanda Fortunato'.

Dr Vanda Fortunato
Trust Chairperson

CEO Welcome



I am thrilled to share with you the remarkable strengths and accomplishments of our organisation.

As a CEO new to SMCT, I have found the passion and commitment of our people truly inspiring. They serve our customers during the most difficult moments of their lives with great sensitivity. Our custodial role over beautiful memorial sites is another source of pride. SMCT cares for people in need, while also preserving our heritage and culture.

In the past year, we achieved significant milestones, such as the successful implementation of "Project Cultivate" - which explores innovative horticultural possibilities at key historical cemetery sites, the completion and opening of the All Souls Mausoleum

at Springvale and progress on our Environment strategy with specific focus in the areas of biodiversity, sustainability, energy use, waste and recycling. Our employee's hard work and dedication have been instrumental in these accomplishments. Collaboration remains crucial, as we work with industry peers and engage closely with stakeholders to create a shared vision for the future.

Looking ahead, we aim to deepen our connection with customers and understand their evolving needs, ensuring our services remain relevant for the future with the implementation of our new Customer Relationship Management platform. We are committed to sustainability, developing self-maintaining environments to minimise our environmental impact.

Though challenges lie ahead, we are confident in our ability to navigate them, guided by transparency, accountability and the leadership of our Trust members. We are immensely grateful to our stakeholders, partners, and especially our dedicated employees, whose unwavering support and tireless efforts drive our success.

Thank you for being part of our journey. Together, we look forward to a future filled with growth, prosperity, and continued positive impact on our community.

A handwritten signature in black ink, appearing to read 'Laz Cotsios'.

Laz Cotsios
Chief Executive Officer

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Trust Overview

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

SMCT is redefining the traditional role of cemeteries and memorial parks with community service offerings that includes cafes, florists, modern function facilities, and meaningful relationships with community. Our reflective spaces and gardens encourage the honoring of traditions, sharing of stories and uniting of community.

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

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.

Formed in March 2010 under the *Cemeteries and Crematoria Act 2003* (VIC), the organisation is led by

Chairperson Dr Vanda Fortunato, and reports to the Minister for Health, through the Cemetery Sector Governance Support Unit of the Department of Health. The responsible Minister is the Minister for Health, the Hon Mary-Anne Thomas from 1 July 2022 to 30 June 2023.

Our Purpose:

We believe that every person, regardless of their religion, culture or personal preferences should be able to honour and celebrate their loved ones as they choose.

Our Vision:

Our beautiful, iconic locations empower all communities to honour and celebrate life.

We support the living throughout their grief journey, through our innovative approach to personalised care and compassion.

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 - to the needs of our clients and our people

Empathy - to listen and reflect with sensitivity



Photo (left to right): Philip Eggleston, Vicki Pridmore, Sam Afra, Rosemary Barker, Phil Davies, Sandy Chakravarty, Robin Buckham, Dr Vanda Fortunato

SMCT Trust Members

The Trust members, appointed by the Governor in Council on the recommendation of the Minister for Health oversee SMCT's strategic direction.

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

Attendance At Trust and Committee Meetings 1 July 2022 - 30 June 2023

	Meetings Held	Vanda Fortunato	Sam Afra	Phil Davies	Sandy Chakravarty	Robin Buckham	Vicki Pridmore	Philip Eggleston	Bernadene Voss	Rosemary Barker
Trust	6	6	5	5	6	6	6	5	5	6
Enterprise Risk & Audit Committee	4	4		4						3
Finance, Investment & Audit Committee	6				6	6	6			6
Infrastructure & Transformation Committee	4				4	4	4	4		4
Governance Committee	3	3	3						3	3
Community Advisory Committee	5		5	5	4					5

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Governance and Accountability

SMCT is a community-focused public entity, providing burials, cremation and memorialisation services for metropolitan Melbourne and Victoria and 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, compassion and companionship and the Victorian community are at the heart of our purpose. Our actions are congruent with our corporate social responsibility to be a trusted public entity that supports and cares for all Victorians.

During the reporting period the Trust met 6 times to oversee the governance and strategic direction of SMCT. The Trust's focus (or purpose) includes strategic planning, business development, financial performance, risk management and governance, including legal and regulatory compliance.

The Trust has ongoing 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.

SMCT also fully recognises its perpetual maintenance and community service obligations, ensuring that funds are set aside for our cemetery and memorial park locations to be maintained in perpetuity for the benefit of all Victorians.

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

The Trust's responsibilities are in a review or advisory capacity, unless given other 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 Board Evaluation process, each Committee evaluates its performance annually.

Community Advisory Committee

The Community Advisory Committee is established in accordance with the requirements of section 18D of the *Cemeteries and Crematoria Act 2003*. The Committee performs a highly valued advisory role for the Trust with respect to its community engagement priorities and commitments. The Committee meets quarterly and comprises twelve members, four of whom are Trust members and eight are voluntary members appointed by the Trust. Its membership includes representation from key multicultural and religious organisations, government and interfaith networks. Members offer a truly diverse perspective, providing the organisation with key insights into the evolving needs and expectations of the communities we serve, including on issues such as events, indigenous reconciliation, gender equity and environmental strategies.

Finance, Investment and Audit Committee

The Finance, Investment and Audit Committee was established in accordance with the requirements of section 18B of the *Cemeteries and Crematoria Act 2003*. The Committee, chaired by Sandy Chakravarty has an advisory role in assisting the Trust with fulfilling the functions of financial reporting, audit, financial management, planning and major financial decision-making functions.

Enterprise Risk & Audit Committee

The Enterprise Risk & Audit Committee was established as part of the split from the previous

Finance, Audit, Investment and Risk Committee. The Committee, chaired by Phil Davies, has an advisory role in assisting the Trust with fulfilling the functions of risk management, internal audit, and legislative compliance. It is established in accordance with the requirements of section 18B of the *Cemeteries and Crematoria Act 2003*.

Governance Committee

The Governance Committee chaired by Philip Eggleston, has an advisory role assisting the Trust to oversee the governance and performance of the Trust and committees and fulfilling its oversight of the Chief Executive Officer.

Infrastructure and Transformation Committee

The Infrastructure and Transformation Committee, chaired by Robin Buckham, has an advisory role assisting the Trust to oversee large and complex projects.

Management Committees

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

Health Safety & Wellbeing (HSW) Committee

The HSW Committee convened six times during the reporting period, ensuring SMCT met its obligations under the *Occupational Health and Safety Act 2004* (Vic) and the SMCT HSW Management Framework. SMCT has embedded and embraces a Safety Leadership Culture throughout the organisation. Further information is provided in the section 'Investing in People Capabilities'.

Emergency Planning Committee

The Emergency Planning Committee (EPC) comprises members selected by the Executive Leadership Team and includes representatives from Governance, Health, Safety & Wellbeing and Facilities. The Committee is Chaired by the Chief People & Governance Officer. During the reporting period, the EPC focused on building and testing organisational

capability 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, which is compliant with the risk management principles contained in the International Risk Management Standard ISO 31000: 2018. As part of this Framework, SMCT maintains a Trust approved Risk Appetite Statement, which sets the agreed parameters and boundaries under which the organisation may operate.

Compliance

The principal guiding Act for the cemeteries sector is the Cemeteries and Crematoria Act 2003. Under section 15 of the Cemeteries and Crematoria Act 2003, the Trust is able to 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 work and the redevelopment of existing properties conforms to 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) applications during the reporting period. FOI requests must be made in writing and can be submitted via email (FOI@smct.org.au) or via post PO Box 1159 Clayton Vic 3169.

All reasonable requests for records are granted as required under sections 59 and 60 of the Cemeteries and Crematoria Act 2003.

SMCT did not receive an FOI request in FY23. However, we did receive an OVIC outcome related to a previous financial year.

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 (DH). This Code promotes a fair and equitable environment for the supply of such goods and services and ultimately benefits purchasers.

Procurement

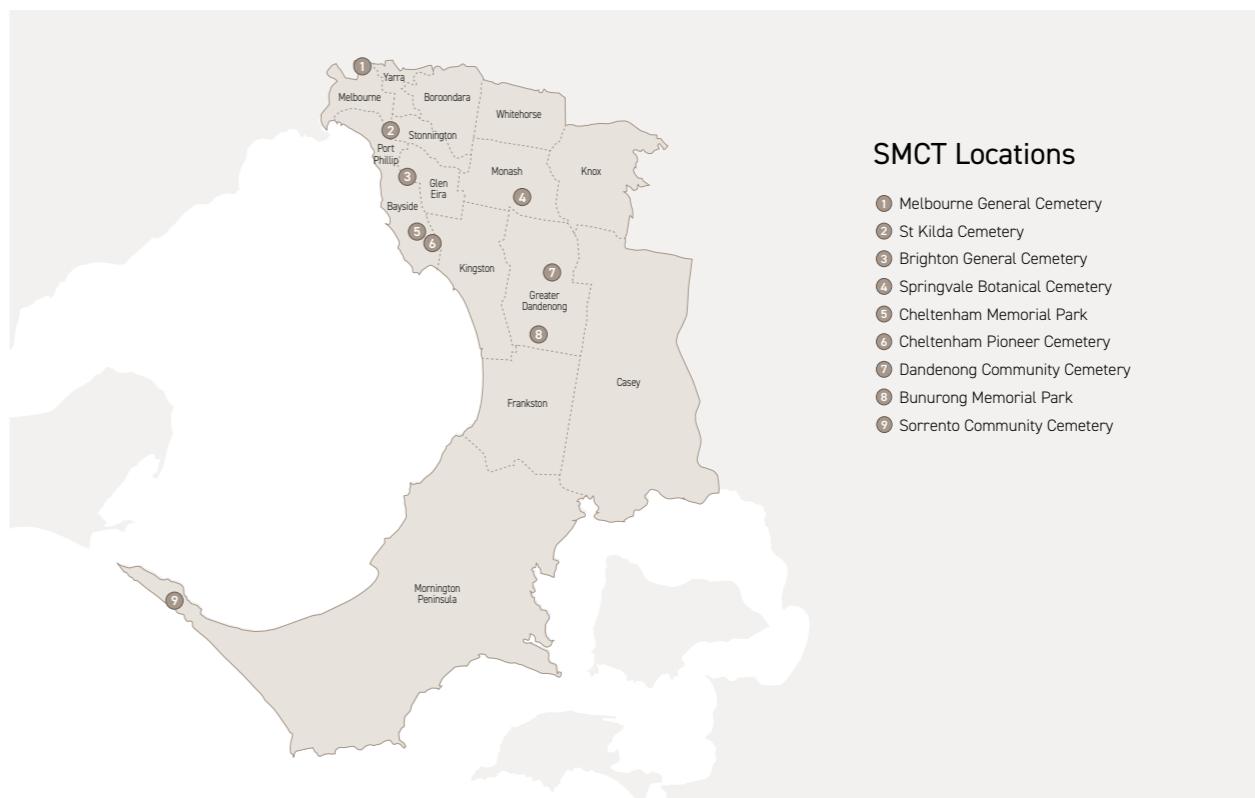
SMCT's Purchasing Policy and associated purchasing procedures have been integrated with Victorian Government Purchasing Board policy and procedures ensuring compliance with Victorian Public Sector values, codes and standards. In delivering purchasing services, SMCT's business transactions are fair, open and demonstrate the highest levels of integrity and probity, consistent with the public interest.

Achievements against SMCT's Social Procurement Strategy

SMCT applies the Victorian Government's Social Procurement Framework (SPF) and prioritised delivery outcomes in the following three 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 construction, goods and service requirements during the reporting period. Input from other objectives were 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



SMCT Locations

- ① Melbourne General Cemetery
- ② St Kilda Cemetery
- ③ Brighton General Cemetery
- ④ Springvale Botanical Cemetery
- ⑤ Cheltenham Memorial Park
- ⑥ Cheltenham Pioneer Cemetery
- ⑦ Dandenong Community Cemetery
- ⑧ Bunurong Memorial Park
- ⑨ Sorrento Community Cemetery

Overall Supplier Social Procurement Spend Activities (continued)

FY23

Social Benefit Spend as a percentage of total suppliers:

1.51%

Social Procurement Objectives

FY23

Opportunities for Victorian Aboriginal people: 3 businesses engaged

\$1,839,265

Overall Supplier Social Procurement Spend Activities

FY23

Number of social benefit suppliers engaged during the reporting period:

10

Total number spent with social benefit suppliers during the reporting period:

\$1,910,311

Total number of suppliers engaged which are not social benefit suppliers that have made social procurement commitments in their current contracts with the Victorian Government:

652

Total amount committed with suppliers during the reporting period:

\$55,897.27 committed

Social Benefit Spend as a percentage of total supplier spend:

3.42%

Opportunities for disadvantaged Victorians Group 1: 7 social mission led enterprises

\$61,047

Opportunities for disadvantaged Victorians Group 2:

Nil

Sustainable Victorian social enterprises and Aboriginal business sectors Group1 and Group 2:

Nil

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 Industry Participation Policy 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 2023.

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.

SMCT recognises the value of transparency and accountability in its administrative and management practices and supports 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).

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).

Compliance with Standard Disclosures – Report of Operations

In compliance with the requirements of FRD 22 Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by SMCT and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements, if applicable):

- a. Details of publications produced by SMCT and how these can be obtained.
- b. Details of changes in prices, fees, charges, rates and levies charged by SMCT.
- c. Details of any major external reviews carried out on SMCT.
- d. Details of major research and development activities undertaken by SMCT.
- e. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- f. Details of major promotional, public relations and marketing activities undertaken by SMCT to develop community awareness of SMCT and its services.
- g. Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- h. A general statement on industrial relations within SMCT and details of time lost through industrial accidents and disputes.
- i. Details of all consultancies and contractors, including:
 - a. Consultants/contracts engaged;
 - b. Services provided; and
 - c. Expenditure committed for each engagement.

Attestations

Financial Management Compliance Attestation Statement 30 June 2023

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
23 August 2023

Compliance with Victorian Government Purchasing Board (VGPB) Policies

I, Laz Cotsios, 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.



Laz Cotsios, CEO
Southern Metropolitan Cemeteries Trust
23 August 2023

Integrity, Fraud and Corruption

I, Laz Cotsios, 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.



Laz Cotsios, CEO
Southern Metropolitan Cemeteries Trust
23 August 2023

Conflict of Interest and Duty to Disclose

I, Laz Cotsios, 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.



Laz Cotsios, CEO
Southern Metropolitan Cemeteries Trust
23 August 2023

Data Integrity Declaration

I, Laz Cotsios, 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.



Laz Cotsios, CEO
Southern Metropolitan Cemeteries Trust
23 August 2023

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SMCT's Strategic Priorities

Our Strategic Priorities

SMCT is focused on the future and developed a 2019-2023 Strategic Plan with four overarching strategic priorities, which align 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 customers we serve.

Investing in People Development

Our people - 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): Laz Cotsios, James Balazs, Con Rodas, Shireen Jahan, Lucas Robertson (Damian Ramondetta absent)

5.0

Our People

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

We continued to make significant strides in advancing our three-year people strategy launched in 2021. This people strategy has been instrumental in helping us achieve our overall strategic objectives, ensure the successful implementation of projects like Revolve and our Customer Value Transformation, and deliver services that meet, and hopefully exceed, the expectations of the Victorian public.

This Year's Initiatives: People

Throughout the year, we implemented a range of initiatives to foster a thriving workplace and supportive culture for SMCT employees:

Talent Acquisition Uplift: Strengthening our talent pool, we reduced roles vacant for over 60 days by an impressive 81%. Our commitment to attracting the best and brightest ensures we have a dedicated team ready to serve the community with excellence.

Refreshing SMCT's Employee Value Proposition: Investing in our employees, we refreshed our Employee Value Proposition, emphasising to our existing and future workforce the unique opportunities for growth, fulfillment, and positive experiences that SMCT offers. This has laid the foundations to uplift our Talent Acquisition framework, hiring practices and processes; and thereby resulted in more targeted campaigns focusing on inclusive hiring practices and building a diverse workforce that is representative of the community we serve.

Creation of SMCT Capabilities: Acknowledging the importance of leadership, we established SMCT Capabilities, focusing on self-leadership and people leadership development to empower our teams to thrive.

Workforce Planning and Development Framework:

Emphasising the significance of ongoing growth, we created a comprehensive workforce planning and development framework and toolkit. This will ensure that our leaders have the resources they need to build and adjust their teams' capability on an ongoing basis.

Diversity, Equity, and Inclusion Initiatives: Forming a dedicated Diversity, Equity, and Inclusion team of champions, we continue our commitment to fostering an inclusive workplace. This team helps to drive our diversity initiatives, including progress against our 4-year Gender Equality Action Plan, creating a more equitable and supportive environment for all.

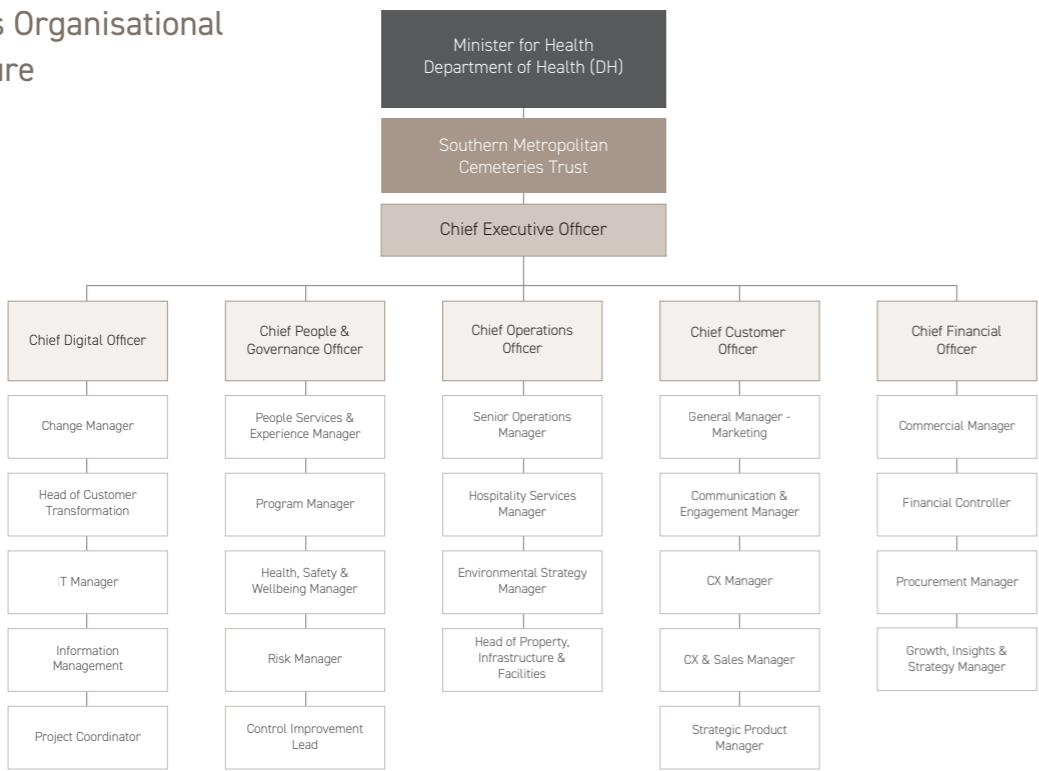
Community: SMCT again conducted a pilot program aimed at supporting students with entering the workforce and sector, with three student placement arrangements taking place across the year within our Communications and Engagement divisions.

Annual SMCT Awards: Celebrating achievements and contributions, we held the Annual SMCT Awards, recognising the outstanding efforts of our employees and their dedication to our mission.

This Year's Initiatives: Health, Safety and Wellbeing

Activate Health: The overall goal of the Activate Health program is to positively influence the overall wellbeing of all SMCT employees through an integrated, holistic approach. Our program strives to equip our people with the tools and know-how to take control of their

SMCT's Organisational Structure



own wellbeing and support those around them. In pursuing these goals, our Activate Health offerings evolved to allow employees greater choice suited to their individual needs.

These programs included:

The Early Intervention Program, where our onsite osteopath works with our employees to prevent and manage workplace injuries.

A change to our Employee Assistance Program (EAP), where our people now have access to a broader range of psychologists with varying areas of interest and expertise including topics such as LGBTQIA+ support, financial support, family and relationship support and many more.

Health monitoring programs including health checks, flu vaccinations, hearing assessments and skin checks.

In September 2022, our Activate Health program was nominated as a finalist for the 'Best Wellbeing Program' at the 2022 NSCA Safety Awards of Excellence. Up against the likes of Officeworks and

Looking Forward

In the FY24 financial year, SMCT will focus on capability, including HR and payroll systems upgrades, data, leadership and sustainable teams and talent;

accelerating Diversity, Equity and Inclusion in our workplace and operations; and ensuring that our leaders are equipped to manage psychosocial risks. We will be ambitious in pursuing a best-in-class employee experience, growth opportunities for all of our people and the highest safety standards and practices. This will help us to build a contemporary culture of growth and innovation, all while connecting with our Purpose and Vision, centred around care for our customers and one another.

Investing in the Future: As part of our ongoing commitment to growth, we will replace our current end-of-life HR and payroll platforms with solutions that are fit for our future needs. This move will bring operational efficiency and empower our teams to focus on what matters most — serving our community with compassion and professionalism.

Equipping and empowering our leaders with the capabilities to grow teams ready for the future of work at SMCT has seen us roll out training programs for hiring managers and building diverse recruitment capabilities, leadership programs focused on developing new and emerging leadership, as well as senior leadership program redesigns to enable greater emphasis on succession planning.

Diversity, Equity & Inclusion: FY24 will be a foundational year of action plans and mindsets, changing processes and conversations focused on embedding an understanding of what our people and stakeholders need for us to be fully diverse, equitable and inclusive. Our focus will be on continuing the work on gender equality (GEAP and GIAs), cultural and linguistic diversity, LGBTIQ+, disability and accessibility, with a view to how these can lift our culture, talent and performance through sustainable ways of working.

Safety Initiatives: In the new financial year, we will continue to improve ways of working with our burials team, including trialling alternative grave shoring and shielding processes and trialling the implementation of a gantry system to secure employees working at heights. These are industry innovations and challenges that will see us continue to work closely with other Class A Cemetery Trusts. We will also use the results of our psychosocial safety surveys

to implement an action plan to reduce and where possible eliminate psychosocial hazards in the workplace, further improving the overall mental wellbeing and productivity of our people.

In a supportive, inclusive, and empowering work environment, our employees deliver exceptional service and care to the Victorian community. Our dedication to continuous improvement, diversity, and professional excellence ensures that we stand ready to embrace the future with confidence and compassion.

People Performance

Workplace demographic

Work has continued across 2023 to ensure the continued commitment of the organisation to embracing and celebrating diversity and ensuring that our conscious actions and decisions work towards generating a diverse and inclusive workplace.

SMCT's People Strategy work focused on refreshing our organisational Employee Value Proposition (EVP), which laid the foundations to uplifting our Talent Acquisition framework, hiring practices and processes; and thereby resulted in more targeted campaigns focusing on inclusive hiring practices and building a diverse workforce that is representative of the community in which we serve.

The workforce composition for FY23 illustrates the ongoing work that needs to be continued across the Diversity, Equity & Inclusion space. At 30 June 2022, 17% of the Executive Leadership Team were female, and overall, 55% of our workforce is female.

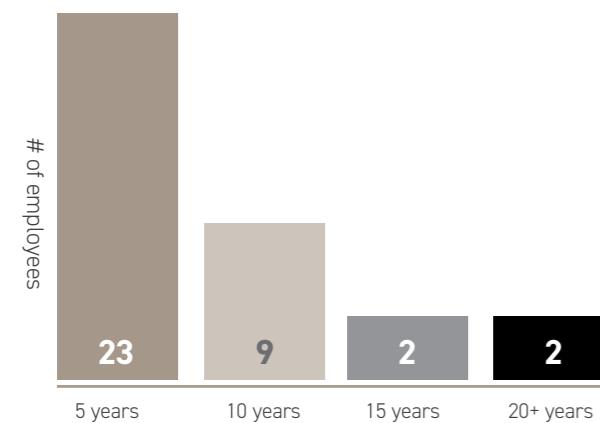
The growth of the SMCT workforce over FY23 has generated greater employment opportunities across our Hospitality sector, creating opportunities for those entering the workforce for the first time. In addition, the continued enterprise-wide project focusing on implementing SMCT's new integrated Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) systems has generated opportunities for new and existing employees to step into secondments and projects to build our internal capability.

Workforce/Labour Category

Labour Category	June current month FTE*		Average Monthly FTE**	
	FY23	FY22	FY23	FY22
Indoor Staff	220	191	203	193
Outdoor Staff	90	88	87	87
Executive	6	6	6	5
Total	315	285	296	285

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

Age	FY23	FY22
Under 25	23	18
25-34	73	72
35-44	89	81
45-54	101	90
55-64	68	53
65 and Over	14	7
Total (excl. vacancies)	368	321

Service Milestones Reached Between
July 2022 - June 2023Flexible Working Arrangements
(headcount, not FTE equivalent as of 30th June)

Working Arrangements	FY23	FY22
Full Time	266	246
Part Time	71	55
Casual	31	20
Total (excl. vacancies)	368	321

Executive Office Disclosures

Gender	FY23	FY22
Female	1	2
Male	5	4
Self described	0	0
Total (excl. vacancies)	6	6

Training

Training Category	Hours*
Corporate Induction	1738
In-role / Technical	733
Leadership	393
HSW / Licence, Risk & Compliance	1879

Growing Our Teams

The increase to SMCT's FTE for FY23 is attributed to changes in our hospitality employment. Our hospitality services have previously been supported by an external hospitality supplier. This financial year, we transitioned from this arrangement, increasing the number of hospitality staff employed directly by SMCT, and elevating the quality of service we provide to the community.

Gender Equality Act 2020

In 2021, SMCT implemented a four year Gender Equality Action Plan consistent with our obligations under the Gender Equality Act 2020. Our organisational goals within the GEAP are:

- To grow visible leadership commitment to diversity and inclusion.
- Enhance our inclusive workforce culture and,
- Grow a balanced representation of women, men and gender diverse employees across the organisation through talent attraction, engagement and retention strategies and practices.

Over the past financial year, SMCT has taken several organisational wide steps to improve these measures including; improving representation of women in leadership programs, demonstrating active allyship through participation in key events like like International Day Against Biphobia, Intersexim and Transphobia (IDAHOBIT Day) and strengthening education and awareness of issues facing marginalised groups within the workforce.

Occupational Health and Safety

	FY23	FY22	FY21
a) The number of reported hazards/incidents for the year per 100 full-time equivalent staff members	Total Incidents: 531 Staff No: 250 Per 100 staff: 212	Total Incidents: 504 Staff No: 299 Per 100 staff: 169	Total Incidents: 740 Staff No: 293 Per 100 staff: 253
b) The number of 'lost time' standard claims for the year per 100 full-time equivalent staff members	Total claims: 6 Per 100 staff: 2.4	Total claims: 6 Per 100 staff: 2.0	Total claims: 4 Per 100 staff: 1.4
c) The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$27,097	\$26,716	\$13,350

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

	FY23	FY22
Female	201	173
Male	166	148
Self described	1	0
Total (excl. vacancies)	368	321

WorkSafe Performance Indicators

	FY23
SMCT WorkSafe Insurance Premium Rate	1.1%
SMCT Performance Rating	0.56%
SMCT Performance Rating (compared with Industry average)	44.0%

Occupational Violence Statistics

	FY23
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	14
Number of occupational violence incidents reported per 100 FTE	5.6
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0%

FY23

	FY23	FY22	FY21
Total Incidents: 531 Staff No: 250 Per 100 staff: 212	Total Incidents: 504 Staff No: 299 Per 100 staff: 169	Total Incidents: 740 Staff No: 293 Per 100 staff: 253	
Total claims: 6 Per 100 staff: 2.4	Total claims: 6 Per 100 staff: 2.0	Total claims: 4 Per 100 staff: 1.4	
\$27,097	\$26,716	\$13,350	

6.0

Sustaining the Environment

As custodians of nine cemeteries across Melbourne, all with unique environmental and heritage needs, SMCT recognises the crucial role we play in safeguarding the environment for current and future generations. Our commitment to sustainability is driven by our community's values, the expectations of our customers, and the imperative to meet the Victorian Government's environmental targets for emissions reductions, waste diversion, and biodiversity. Through a series of environmentally conscious projects and initiatives, we strive to provide eco-friendly options, mitigate the impact of climate change on our operations, and pave the way towards a greener, more sustainable future.

This Year's Initiatives:

Project Cultivate: Project Cultivate stands as a testament to our dedication to nurturing the heritage, community, and environment that we serve. With comprehensive community engagement, involving the insights of over 250 individuals, we embarked on a horticultural uplift program at Melbourne General Cemetery. This initiative saw the thoughtful mulching of an area and the forthcoming planting of shrubs and flowers Indigenous to the region, ensuring that we preserve and promote biodiversity while creating spaces that resonate with the community.

New Tree Management Software/Database: In recognition of the vital role trees play in both our ecosystems and carbon storage, we have implemented a new Tree Management Database. This database provides a comprehensive overview of our horticultural assets, allowing us to understand

their true value and carbon storage capacity. As we collect key specifications, the system will become a valuable tool for forward planning and sustainable management of our assets, contributing to our environmental preservation efforts.

Waste Management: Our commitment to waste reduction and circular economy principles led us to conduct Waste Audits across all sites. These audits provided essential insights into recoverable materials, recycling practices, and waste avoidance opportunities. Informed by the results, we developed a robust Waste Management Strategy, charting the path to best practice waste management. The strategy focuses on enhancing waste reduction, reuse, recycling, and diversion, solidifying our commitment to sustainable waste practices.

Energy and Water Audits: Understanding that energy and water consumption directly impact our carbon footprint, we conducted comprehensive energy and water efficiency audits across all buildings and infrastructure at our nine sites. Supported by funding from the Victorian Government, these audits guide our efforts to upgrade facilities and reduce greenhouse gas emissions. By embracing energy and water-saving initiatives, we actively contribute to a more sustainable and environmentally conscious future.

Natural Burial Standards: To empower our customers with sustainable choices, we developed Natural Burial Standards, designed to enhance transparency and understanding of best practice natural burial options. By sharing these standards with our customers and stakeholders, we hope to raise awareness and promote the adoption of eco-friendly burial practices,

which offer lower environmental impacts and reduced greenhouse gas emissions compared to traditional burial and cremation methods.

Alternative Body Disposal Options Research: In line with our commitment to stay abreast of emerging sustainable practices, we conducted thorough research and analysis on alternative body disposal options, such as alkaline hydrolysis. This research focuses on infrastructure, environmental impact, and customer experience, providing valuable insights into the feasibility and environmental impacts of these alternative methods. By staying informed, we position ourselves to respond effectively to future demands for greener alternatives.

Solar Power: With a dedication to renewable energy, we assessed existing solar power installations for efficiency and safety. We completed solar upgrades and maintenance at two of our sites, paving the way for further assessments and installations in the future. By harnessing solar power across our sites, we aim to increase renewable energy generation, reduce our carbon footprint, and exemplify our commitment to a sustainable future.

Looking Forward:

Water Management Strategy: We are developing a Water Management Strategy to guide the planning, implementation, and management of our water infrastructure assets. The strategy aims to improve the planting, management, quality, and water across our sites to reduce water consumption and greenhouse gas emissions.

Springvale Microforest: As part of SMCT's ongoing commitment to biodiversity, sustainability, and the environment, we plan to undertake greening and wildlife corridor creation works in an area of Springvale Botanical Cemetery. This project will involve planning, landscape design, and environmental monitoring to create a new microforest.

Biodiversity Strategy: Our commitment to biodiversity also involves developing a Biodiversity Strategy to guide our actions to restore, protect, enhance, and preserve SMCT's natural habitats for current and

Photo (below): Native wattle planting at Melbourne General Cemetery as part of Project Cultivate



future generations. This strategy will be informed by biodiversity assessments, which will be undertaken across all sites. The assessments will identify priority areas for restoration and the status and management of invasive species, while examining food sources and habitats of potentially vulnerable or threatened species or areas.

As we move forward, we remain steadfast in our commitment to environmental sustainability. Our efforts to uplift our heritage locations, optimise waste management, embrace renewable energy, and explore eco-friendly alternatives are guided by our responsibility to our community, our customers, and the environment. At SMCT we stand firm in our commitment to leave a positive legacy for future generations, ensuring that every step we take today contributes to a greener, more sustainable future.

Environmental Performance

Electricity Production & Consumption Indicators

Electricity Consumption

Purchased Direct	MWh	2,482
Self-Generated (Solar)	MWh	483

Onsite Installed Generation Capacity

Solar	kW	438
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Total Electricity Offsets		
GreenPower	MWh	0
Greenhouse Gas Emissions from Electricity Production & Consumption		
Purchased Direct	tonnes CO ₂ -e	1,928.6
Self-Generated (Solar)	tonnes CO ₂ -e	0
Stationary Fuel Indicators		
Total Fuels Consumption in Buildings & Machinery		
Natural Gas	MJ	11,742,840
LPG	MJ	0
Petrol	MJ	543,872
Diesel	MJ	825,349
Greenhouse Gas Emissions from Stationary Fuel Consumption		
Natural Gas	tonnes CO ₂ -e	670
LPG	tonnes CO ₂ -e	0
Petrol	tonnes CO ₂ -e	36.9
Diesel	tonnes CO ₂ -e	57.9
Transportation Indicators		
Total Energy Used in Transportation		
Road Vehicles	MJ	1,212,263
Non-Road Vehicles	MJ	1,239,216
Fuel Consumption by Type		
Petrol - Road Vehicles	MJ	445,761
Petrol - Non-Road Vehicles	MJ	2,345
Diesel - Road Vehicles	MJ	766,502
Diesel - Non-Road Vehicles	MJ	1,236,871
Greenhouse Gas Emissions from Transportation Fuel Use		
Petrol - Road Vehicles	tonnes CO ₂ -e	30.1
Petrol - Non-Road Vehicles	tonnes CO ₂ -e	0.2
Diesel - Road Vehicles	tonnes CO ₂ -e	54.0
Diesel - Non-Road Vehicles	tonnes CO ₂ -e	87.1
Total distance travelled by commercial air travel	km	16,232

Total Energy Indicators		
Total Energy Usage from Stationary Fuels	MJ	14,372,673
Total Energy Usage from Transport	MJ	2,451,480
Total Energy Usage from Electricity	MJ	10,676,135
Total Energy Usage		
Renewable	MJ	3,405,973
Non-Renewable	MJ	24,094,315
Units of Energy Used by FTE	MJ/FTE	92,906
Water Consumption		
Potable Water	kL	27,247
Reused water	kL	34,660
Units of Water Consumed by FTE	kL/FTE	209
Waste & Recycling Indicators		
Total Units of Waste Disposed		
Landfill	tonnes	269.9
Recycling	tonnes	60.9
Greenhouse Gas Emissions Associated with Waste	tonnes CO ₂ -e	350.9
Greenhouse Gas Emission Indicators		
Total Scope 1 (direct) Greenhouse Gas Emissions	tonnes CO ₂ -e	936.2
Total Scope 2 (indirect) Greenhouse Gas Emissions	tonnes CO ₂ -e	1,928.6
Total Scope 3 (other indirect) Greenhouse Gas Emissions	tonnes CO ₂ -e	350.9
Other Known Greenhouse Gas Emissions	tonnes CO ₂ -e	0
Total Greenhouse Gas Emissions	tonnes CO ₂ -e	3,215.7
Normalising Factor	FTE	296

7.0

Partnering for Success

SMCT firmly believes that successful endeavours are built on the foundation of strong partnerships and collaborations with community groups and like-minded organisations. The previous financial year has been a testament to our commitment to fostering meaningful relationships and working hand-in-hand with various stakeholders to enhance the services we provide, enrich the experiences of visitors to our public cemeteries, and, most importantly, benefit the community at large. Here are some notable projects and events from the past year that exemplify our dedication to partnering for success.

This year's initiatives:

Fostering Sector-Wide Collaboration: Recognising the importance of collaboration across the industry, we actively engaged with Cemeteries and Crematoria Association of Victoria (CCAV), Australasian Cemeteries and Crematoria Association, and the Department of Health's Cemeteries Strategic Working Group. Through these partnerships, we aim to promote knowledge exchange and develop best practices that benefit the entire sector.

Reconciliation Week Celebrations: During Reconciliation Week, we proudly participated in a welcome to country ceremony, symbolising our respect for the traditional custodians of the land, the Wurundjeri Woi-Wurrung people. As a gesture of solidarity, we also planted a golden wattle tree, a symbol of resilience and unity, to honor their heritage and strengthen our connection with the indigenous community.

Melodic Moments at the Café: In an effort to create vibrant and inviting spaces, we organised jazz performances at the on-site café in Springvale throughout the warmer months. This initiative not only adds to the ambience but also showcases local talent while providing an enjoyable experience for our visitors.

Honouring the Fallen: Partnering with Victoria Police, we hosted a solemn and respectful Police Remembrance Day ceremony to honour the brave men and women who made the ultimate sacrifice in the line of duty. With reverence, we co-hosted RSL Victoria's annual state remembrance service at Springvale Botanical Cemetery War Memorial, where we paid tribute to the brave servicemen and women who dedicated their lives to our nation.

Embracing Support: Acknowledging the importance of raising awareness on sensitive topics, we partnered with the Miscarriage Information Support Service to commemorate National Miscarriage Awareness Day. Additionally, we are currently collaborating to co-design a new garden dedicated to miscarriage and early pregnancy loss, providing a nurturing space for healing and remembrance.

Support for Grieving Families: We actively supported Grief Australia and celebrated the launch of their rebrand, reinforcing our commitment to offering comprehensive support and comfort to grieving families during their difficult times.

Advocates of Inclusivity: Taking a step towards building a more inclusive workplace and community, we joined the Diversity Council Australia, where we actively engage in fostering an environment that values and embraces diversity.



Photo: Together by the lake Remembrance Service, Bunurong Memorial Park

Commemorative Events: Throughout the year, we organised several events to help families cherish the memories of their loved ones. "Together by the Lake" offered musical acts and refreshments, creating an atmosphere of solace and togetherness around the picturesque Lake Australis. On Mother's Day and Father's Day, we arranged special gatherings to celebrate the lives of those who have passed.

Looking Forward:

Many of these events will continue in some form in the new financial year, with other opportunities for collaboration including:

Open House Melbourne (FY24 Financial Year): In preparation for the upcoming Open House Melbourne event, we eagerly anticipate the opportunity to open our facilities to the public and host free walking tours. This initiative not only offers a glimpse into the rich history and cultural significance of our cemeteries but also serves as an avenue for community engagement and knowledge-sharing.

Opportunities for BMP and SBC Function Spaces: Our teams will look to a wider range of organisations

to diversity opportunities to use our function rooms and catering services. This could include engaging with local councils, retirement living communities, registered training organisations and non-for-profit organisations.

Reconciliation Action Plan: SMCT is engaging with First Nations people to develop a Reconciliation Action Plan (RAP); a strategic document that outlines concrete ways SMCT can contribute to reconciliation internally and externally. This will recognise the responsibility to work closely with Indigenous people and land and meet our obligation as a public entity to appropriately manage land and serve the public.

The previous financial year has been a testament to the profound impact that partnerships and collaborations can have in nurturing a compassionate and supportive community. We are immensely grateful to our partners, stakeholders, and community groups for their unwavering support and dedication to our shared vision. As we move forward, we remain committed to building upon these successes and fostering even stronger relationships that will continue to make a positive difference in the lives of those we serve.

8.0

Meeting Our Customer's Needs

Throughout the 2022-23 financial year, at SMCT, we have remained steadfast in our commitment to customer centricity, ensuring that each individual can honour and celebrate life in their unique way. Our focus on creating a seamless customer journey aims to provide unwavering support to the Victorian public during their times of need. In line with this vision, SMCT has undertaken transformative projects to enhance our service offerings and cater to diverse cultural and religious needs, ultimately aligning with our long-term customer vision.

At SMCT, we understand that continuous improvement and innovation are essential to meet the evolving needs of our customers. Our Customer Value Transformation strategy has been carefully crafted to align with SMCT's overarching vision and purpose. The strategy encompasses multifaceted initiatives aimed

at reimagining the services we provide to support the grief journey of our customers, while ensuring access, choice, and ease for all who engage with us.

Key FY23 Developments:

Re-developing CX Service Delivery Model: As part of our transformative efforts, we have worked on redeveloping our CX Service Delivery model to provide an enhanced and personalised experience to our customers. Through this model, we aim to establish stronger connections, demonstrate empathy, and tailor our services to individual needs.

Developing a 360-Degree View of the Customer: Understanding our customers on a deeper level is paramount to meeting their needs effectively. We have undertaken initiatives to develop a comprehensive





360-degree view of our customers, enabling us to anticipate their requirements and offer customised solutions during their journey with us.

Creating a New CX People Operating Model: Our team is at the heart of our customer-centric approach. To better serve our customers, we have commenced development of a new CX people operating model that emphasises training, empowerment, and ongoing support for our staff. This approach ensures our team members are well-equipped to deliver exceptional service and empathetic support to those in need.

Looking Forward:

As we embark on the next financial year, SMCT remains dedicated to elevating our customer experience through three vital projects that will revolutionise our services and accessibility.

Comprehensive Redevelopment of Our Website: Our public-facing websites are a primary interface through which we engage with our customers. With a comprehensive redevelopment, we aim to provide intuitive and informative platforms that empower individuals to find relevant information easily, fostering an enhanced user experience.

Customer and Funeral Director Portal: Introducing a digital self-service platform through a secure single

sign-in portal, this project seeks to streamline access to information and services for both the general public and Funeral Directors. By empowering customers to self-serve and make requests online, we aim to reduce call volumes, enhance customer experience, improve efficiency, and provide customers an alternative to traditional phone-based interactions.

Hospitality and Retail POS Replacement: To further improve efficiency and scalability, we will replace our existing point-of-sale systems with a solution that integrates seamlessly into Microsoft Dynamics 365. This upgrade will enhance our hospitality services, enabling us to deliver an exceptional experience to visitors and their families during their time at our facilities.

At SMCT, we recognise that our customers' needs are at the core of everything we do. Our journey to becoming more customer-centric is an ongoing commitment, and we are dedicated to continually evolving and enhancing our services. By embracing transformative initiatives and leveraging cutting-edge technology, we remain steadfast in our mission to empower every life journey with compassion, dignity, and unwavering support. We look forward to the future, where we will continue to innovate and build even stronger connections with our customers and the community we serve.

9.0

Securing Our Future



SMCT places great emphasis on securing the integrity, safety, and longevity of our facilities and infrastructure. Our commitment to this endeavor is rooted in meeting community expectations and the responsibility of maintaining our heritage sites for perpetuity. Through a series of infrastructure and land-focused projects, we ensure that our services not only meet the needs of the present but are also equipped to serve future generations.

This Year's Initiatives:

During the current financial year, we have successfully undertaken several crucial projects to bolster the foundation of our facilities and plan for sustainable growth.

Services SMCT provides:

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

BMP Large Scale Sub-Division: The development of a large-scale subdivision at BMP exemplifies our forward-thinking approach. By providing new road networks, services, and landscaping, we have effectively planned for the continued growth of BMP. These works not only enable further stock development but also ensure that we are well-prepared to meet the demands of our community now and in the future.

Stock Projects: Meeting Growing Demands:

Recognising the importance of planning for the future, we have invested \$9.5 million in stock projects to create over 3,000 memorial locations. These endeavors are a testament to our commitment to cater to the evolving needs of our community while ensuring that we always have ample capacity to accommodate future demands.

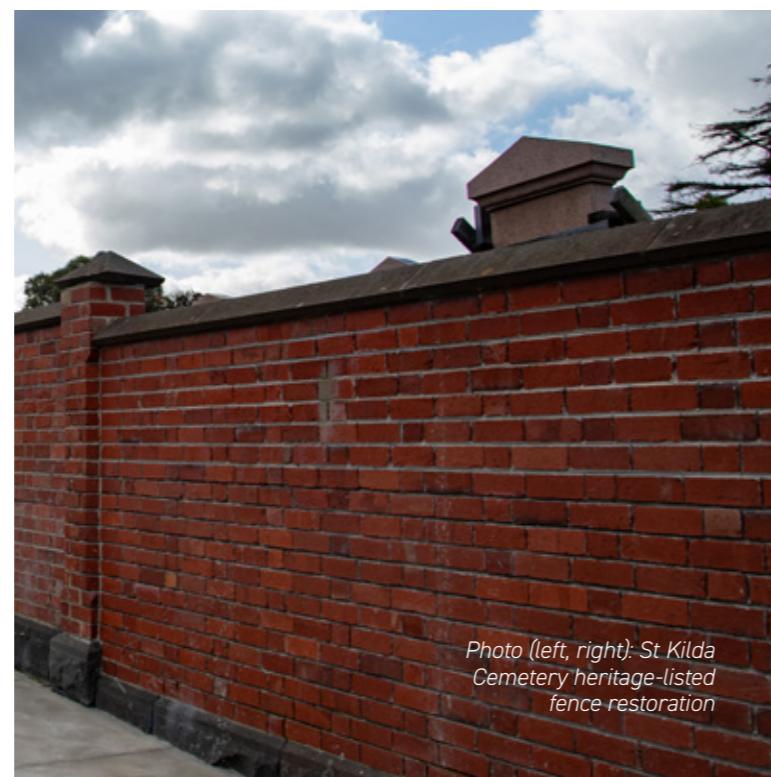


Photo (left, right): St Kilda Cemetery heritage-listed fence restoration

St Kilda Fence Restoration: Preserving Our Heritage: Continuing the reconstruction of the heritage-listed Hotham Street perimeter fence at St Kilda reflects our dedication to preserving our rich heritage. This meticulous restoration, scheduled for completion in Q2 FY24, signifies our unwavering commitment to maintaining the historical significance of our sites for generations to come.

Hotham Monument Restoration: As a part of our commitment to preserving Victoria's heritage, we are restoring the Hotham Monument, an architectural landmark first erected in 1856 in memory of Sir Charles Hotham, the first Victorian Governor. This initiative, supported by the community and National Trust of Australia involves a specialist team addressing structural concerns.

Looking Forward:

As we look ahead to the next financial year, we are steadfast in our resolve to secure a sustainable future for SMCT and the communities we serve.

Land Strategy: Framing Our Future: In line with our commitment to future sustainability, we will develop a comprehensive land strategy. This strategic framework will guide future land acquisitions, ensuring that we are equipped to meet the evolving

needs of our services and provide our community with enduring support and memorialisation options.

Master Planning: Designing for Tomorrow: Environmental sustainability will be at the heart of all site master planning endeavours. Inspired by environmentally sustainable design principles, we will continue to develop facilities and multi-use infrastructure that is "fit for purpose." This forward-thinking approach incorporates responsive, long-term



Profile and Performance of SMCT Locations

	SMCT	BGC	BMP	CMP	CPC	DCC	MGC	SBC	SCC	STK
Established	2010	1854	1995	1933	1865	1857	1852	1901	1886	1855
Hectares (ha)	362 ha	12 ha	101 ha	17.2 ha	4.1 ha	4 ha	43 ha	170 ha	3 ha	8 ha
Employees FTE	315	-	53	16	-	-	7	239	-	-
Number of Cremations	6,798	-	1,701	-	-	-	-	5,097	-	-
Number of Interments	4,709	47	726	266	11	30	234	2,342	42	19
Operating Revenue	78.1	\$0.3m	\$15.6m	\$2.1m	\$0.0m	\$0.2m	\$3.9m	\$55.6m	\$0.3m	\$0.1m

planning to meet the needs of our community while minimising our environmental impact.

Compliance and Risk Management System:

Embracing Efficiency and Safety: To further enhance our operational efficiency and risk management capabilities, we will replace the existing risk management system with a cloud-based compliance and risk management solution. This modernisation will streamline our processes, ensuring that we continue to uphold the highest standards of safety and compliance across all aspects of our operations.

As we progress into the future, SMCT remains steadfast in our commitment to securing our legacy for generations to come. Through infrastructure development, sustainable planning, and forward-thinking initiatives, we ensure that our facilities not only meet current expectations but are poised to fulfill the evolving needs of our community. With a profound dedication to preserving our heritage and embracing sustainable practices, we embrace our role as custodians of the past and pioneers of a greener and more resilient future.



Photo (above, left): The All Souls Mausoleum officially opened by Very Rev Joseph Caddy AM on 22 March 2023

10.0

Our Financial Security

IT risk management and compliance

Data and security remain a primary focus as our IT service offering becomes more accessible and increasingly integrated throughout our operations. We continue to advocate best practice processes and technologies when defining, operating and monitoring our IT Cyber Security strategy. This strategy has successfully minimised the occurrence and severity of IT security incidents, protecting our assets and conforming with mandatory governance processes.

We are committed to ensuring all current and future systems, managed by vendors, are protected from cyber threats.

The total ICT expenditure incurred during FY23 is \$7,413,775 (excluding GST) with the details shown in the table below.

Asset Management Accountability Framework (AMAF)

During the FY23 period a number of initiatives were completed in accordance to the list of improvements identified in the FY22 audit, and which was the basis of the last 12 months of initiatives. These included:

ICT expenditure

Business as Usual (BAU) ICT expenditure	Non Business as Usual (non BAU) ICT expenditure		
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)
\$4,095	\$3,319	\$646	\$2,673

- Programs to improve data quality, which in turn informs capital replacement budgets and maintenance priorities.
- Refinement of Work Order and supplier processes to improve business performance and customer response.
- Increased people capability with the recruitment of skilled asset management team members and a broader training program to further embed principles in our workforce.
- Evolving our plans and procedures in accordance to the Strategic Asset Management Plan (SAMP).

Reporting on key metrics is now a routine part of our operations and the Asset and Facilities Management team provide progress reports to SMCT management and the Infrastructure & Transformation Committee periodically. While Opex and Capex recommendations driven by data is improving, we are on a development pathway with more progress to be realised in the coming years with the full capabilities of Urbanise reports and complete data baselines.

An external audit against AMAF principles is scheduled for FY24 to ensure ongoing compliance and progress towards improvement pathways. No major new deficiencies have arisen during the FY23 year.

FY23 Financial Performance

Inflationary pressures, global supply chain disruptions, and uncertainties around future pandemic developments continued to provide an unstable economic climate through FY23. While interest rate rises and other economic pressures affected Victorians, SMCT continued to see strong pre-need and at-need demand for our range of stock and services.

During FY23, SMCT achieved a cemetery operating revenue of \$78.1m (being \$15.2M or 15.2% above budget) and a net result of \$37.3m versus budget of \$13.7m (being \$23.6m 172.8% above budget).

SMCT had a positive investment income of \$5.0m (\$9.0m below budget as we transitioned to an ESG principal investment strategy emphasising capital growth rather than distributions). In other economic flows, SMCT recognised an unrealised gain on investments of \$30.0m due to improvements in the share market and investor confidence despite rising inflationary pressures and increased interest rates.

Our strategic plan has guided us through the ever-changing economic markets and the intricacies of our sector, all while complying with the regulations outlined in the Cemeteries & Crematoria Act 2003.

Financial Report

The financial report (pp 34 - 100) covers the 12 months from 1 July 2022 to 30 June 2023, with the prior year's comparatives covering the 12 months from 1 July 2021 to 30 June 2022.

Financial Performance Objectives

Following our 2019-2023 Strategic Plan, we have continued implementing a range of initiatives to further progress and modernise our customer experience, product offering and sustainable operations. Ongoing market inflation, increased cost of living and supply

chain pressures resulted in delays across some infrastructure and stock project plans. However, increased focus across alternative income portfolios offset the deficit caused by schedule changes, helping SMCT achieve strong performance across FY23. One of the notable projects was The All Souls Mausoleum, which officially opened in March 2023, with favourable pre-sales contributing positively to the final result.

Navigating through the uncertain economic climate, we remained adaptive, looking at ways to continue to serve and support our community while delivering on our financial objectives. SMCT's operating result of \$7.2m was down \$15.6m and the prior year and was unfavourable to the FY23 business plan of \$13.7m. This decrease was primarily due to lower investment income. However, the strong sales performance across crypt sales, community grave bulk sales, SBC and BMP Retail and Hospitality, along with a higher value product mix, drove the positive annual revenue outcome.

As we look ahead, we recognise the necessity of maintaining adaptability in the face of evolving global, industry, and SMCT-specific conditions as we embark on our upcoming phase of long-term strategic planning. Our focus will be a plan to further progress our environmental sustainability, exploring alternative forms of body disposal and pursuing land acquisition to meet Melbourne's future demand. Along with evolving our offering with considerations to changes in customer preference, the impacts of digitalisation, and the need to assess and adapt our business and operating models to evolving policy regulations.

Subsequent events

There have been no significant events subsequent to the balance sheet date and prior to authorisation for release that requires disclosure in the Annual Report.

Summary of Financial Results for FY23 and the past four Financial Periods ('000)

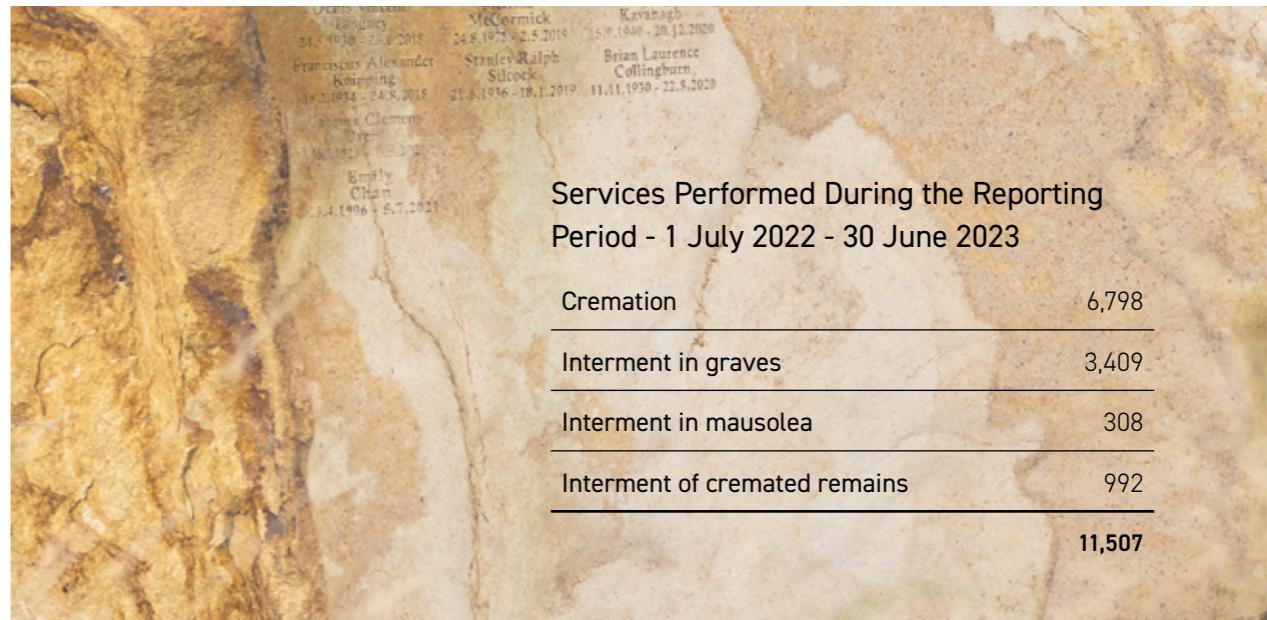
	FY23	FY22	FY21	FY20	FY19
Operating Statement					
Cemetery operations revenue	\$78,050	\$66,766	\$60,755	\$59,048	\$64,523
Cost of goods sold	(\$15,181)	(\$12,712)	(\$9,743)	(\$9,415)	(\$11,518)
Investment income	\$5,047	\$25,414	\$28,994	\$14,520	\$16,756
Expenses from transactions	(\$58,195)	(\$53,784)	(\$49,744)	(\$49,152)	(\$45,675)
Cemetery Levy	(\$2,509)	(\$2,824)	(\$2,751)	(\$2,214)	(\$2,437)
Operating result	\$7,212	\$22,860	\$27,511	\$12,787	\$21,649
Other economic flows gain/(loss)	\$30,070	(\$53,129)	\$30,219	(\$20,552)	\$1,800
Other comprehensive income/(loss)	-	\$31,504	-	-	\$2,418
Comprehensive result for the period	\$37,282	\$1,235	\$57,730	(\$7,765)	\$25,867
Balance sheet					
Assets					
Investment/Investment property	\$339,794	\$307,717	\$327,829	\$276,305	\$285,933
All other assets	\$285,756	\$278,228	\$251,633	\$240,806	\$232,808
Total assets	\$625,550	\$585,945	\$579,462	\$517,111	\$518,741
Liabilities					
Contract liabilities	\$58,809	\$59,937	\$52,547	\$49,979	\$44,279
All other liabilities	\$15,635	\$12,184	\$13,212	\$11,159	\$9,759
Total liabilities	\$74,444	\$72,121	\$65,759	\$61,138	\$54,038
Net Assets	\$551,106	\$513,824	\$513,703	\$455,973	\$464,703
Equity					
Perpetual maintenance reserve	\$417,900	\$382,079	\$362,079	\$337,400	\$337,400
Other equity	\$133,206	\$131,745	\$151,624	\$118,573	\$127,303
Total Equity	\$551,106	\$513,824	\$513,703	\$455,973	\$464,703

Comparison of Actual vs. Budget for the 12-month Period ending 30 June 2023 ('000)

	Actual	Budget	Variance
Cemetery operations revenue	\$78,050	\$67,723	\$10,327
Cost of goods sold	(\$15,181)	(\$10,797)	(\$4,384)
Investment income	\$5,047	\$14,009	(\$8,962)
Total revenue	\$67,916	\$70,935	(\$3,019)
Operating expenses	(\$58,195)	(\$54,857)	(\$3,338)
Operating result before cemetery levy	\$9,721	\$16,078	(\$6,357)
Cemetery levy	(\$2,509)	(\$2,412)	(\$97)
Operating result	\$7,212	\$13,666	(\$6,454)

Comparison of FY23 Actual vs. Budget Key Financial Results

	FY23 Actual	FY23 Budget	FY23 Variance
Cremations (no.)	6,798	6,861	(63)
Interments (no.)	4,709	3,822	887
Grave revenue (\$m)	\$27.4	\$27.3	\$0.10
Mausolea crypt revenue (\$m)	\$10.4	\$3.2	\$7.20
Hospitality revenue (\$m)	\$7.00	\$5.0	\$2.00
Cremation memorial revenue (\$m)	\$8.50	\$7.90	\$0.60



Key Influences on Operational Performance Summary

FY23 ACTUAL	\$27.4M
FY23 BUDGET	\$27.3M
FY22 ACTUAL	\$28.6M

Grave revenue - Contributed 35.2% to operating revenue driven by:

- Strong demand for premium positions at Song He Yuan
- Community bulk sales at BMP
- An increase in demand of Monumental Grave in lawn.

Mausolea Revenue - represented 13.3% of operating revenue, and was 76.7% above budget. The completion of All Soul Mausoleum at SBC contributed to the significant positive variance to budget as well as a crypt bulk sale at St. Michael the Archangel Mausoleum at MGC.

FY23 ACTUAL	\$8.0M
FY23 BUDGET	\$6.6M
FY22 ACTUAL	\$6.7M

Cremation Memorial Revenue - contributed to 10.3% of total operation revenue, and was 22.2% above budget and 19.5% up on prior year. Due to:

- An increase in demand for water memorial, rose and niche mausoleum positions
- High demand for premium positions within Song He Yuan (SBC), Sienna Garden (BMP) and Matilda's Garden (BMP)

Hospitality & Retail Revenue - Hospitality revenue was 36.3% above budget and up on prior year by 64.2%. The favourable variance was mainly due to an increase in menu prices, higher average spend per head and an increase in number of functions held at both SBC and BMP.

FY23 ACTUAL	6,798
FY23 BUDGET	6,861
FY22 ACTUAL	8,723

Cremations - Cremation volume was 0.9% lower than budget and cremation revenue contributed \$8.5m or 10.9% of total income representing a decrease of 5.3% from FY22.

The decrease in income reflects a direct decline in volume of cremation performed in FY23.

Interments - An increase in interment volume of 11.0% from FY22 to FY23, in line with the burial trends in Victoria. Interment revenue contributed \$6.0m or 7.7% of total income representing an increase of 1.3% from FY22.

FY23 ACTUAL	\$10.4M
FY23 BUDGET	\$5.9M
FY22 ACTUAL	\$3.2M

FY23 ACTUAL	\$7.4M
FY23 BUDGET	\$5.4M
FY22 ACTUAL	\$4.5M

FY23 ACTUAL	4,709
FY23 BUDGET	3,822
FY22 ACTUAL	4,245

Cemetery Operations Revenue Growth FY19-FY23



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.

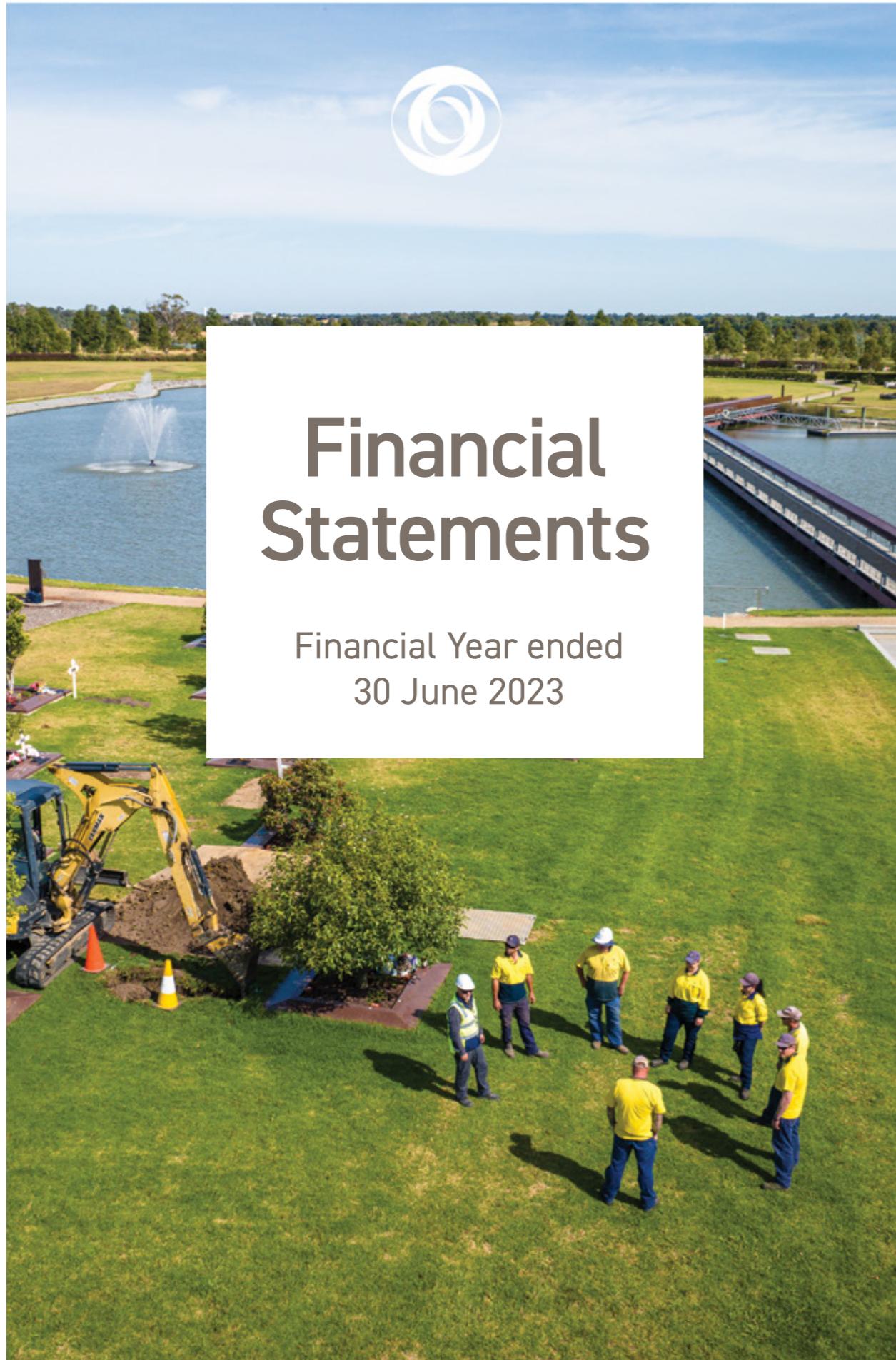
In FY23, Russell Investments was successfully reappointed as SMCT's Investment Fund Manager following a formal tender process. The reappointment was under a new execution strategy to ensure the optimal risk-return profile for the Investment Fund, particularly in light of the assessed gap to SMCT's Perpetual Maintenance Liability. The revised execution strategy aims to achieve better portfolio performance while investing in more ESG-focused Funds and products. This new approach is a step up from our previous strategy and aligns better with today's focus on responsible investing.

Consultants

In FY23, there were 10 consultancies where the total fees payable were less than \$10,000 (excl. GST). The sum of these consultancies was \$34,365.

FY23 Consultancies

Consultant	Purpose of Consultancy	Total Approved Project Fee	Expenditure 2022-2023
Michelson Alexander	Strategic communication and engagement	\$100,000	\$96,922
Bastion Insights Pty Ltd	Cultural Consultation	\$100,000	\$91,200
TQSolutions	Talent acquisition and employee value proposition	\$75,000	\$77,194
Mercer Consulting (Australia) Pty Ltd	Succession and workforce planning	\$50,000	\$50,000
Pitcher Partners Consulting Pty Ltd	Investment fund tender probity	\$37,000	\$36,910
Right Lane Consulting Pty Ltd	5 Year Strategic Plan	\$30,000	\$27,570
Allen & Clarke Consulting Pty Ltd	Development of natural burials	\$25,000	\$25,311
First Person Consulting Pty Ltd	Environment sustainability	\$23,000	\$22,650
Department of Environment Land Water & Planning	5 Year Valuer General Valuation Report	\$50,000	\$43,636
		\$490,000	\$471,393



Financial Statements

Financial Year ended
30 June 2023

Board 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 2023 and the financial position of SMCT at 30 June 2023.

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 23 August 2023.

Board Member
Dr Vanda Fortunato
Chair
Springvale
23 August 2023

Accountable Officer
Laz Cotsios
Chief Executive Officer
Springvale
23 August 2023

Chief Finance & Accounting Officer
Shireen Jahan
Chief Finance Officer
Springvale
23 August 2023



Victorian Auditor-General's Office

Independent Auditor's Report

To the Trust Members of the Southern Metropolitan Cemeteries Trust

Opinion	<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"> balance sheet as at 30 June 2023 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies board member's, accountable officer's, and chief finance & accounting officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the cemetery as at 30 June 2023 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>
Basis for Opinion	<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>
Other Information	<p>The Trust Members of the cemetery are responsible for the Other Information in the cemetery's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Trust Members' responsibilities for the financial report	<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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> 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. <p>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.</p>
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MELBOURNE
8 September 2023


Sanchu Chummar
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement for the Financial Year
Ended 30 June 2023

	2023	2022*	
	Note	\$'000	\$'000
Revenue and income from transactions			
Cemetery operations revenue	2.1	78,050	66,766
Cost of sales	3.1	(15,181)	(12,712)
Gross profit from transactions		62,869	54,054
Investment income*	2.1	5,047	25,414
Total revenue and income from transactions*		67,916	79,468
Expenses from transactions			
Employee expenses	3.1	(30,942)	(28,366)
Cemetery levy	3.1	(2,509)	(2,824)
Depreciation and amortisation	3.1	(7,238)	(7,631)
Administrative costs	3.1	(8,306)	(7,447)
Other operating expenses	3.1	(11,709)	(10,340)
Total expenses from transactions		(60,704)	(56,608)
Net result from transactions*		7,212	22,860
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3.2	(433)	(3,463)
Net gain/(loss) on financial instruments	3.2	30,011	(49,397)
Net fair value revaluation of investment property	3.2	492	(269)
Total other economic flows included in net result		30,070	(53,129)
Net result for the year*		37,282	(30,269)
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	-	31,504
Total other comprehensive income		-	31,504
Comprehensive result for the year*		37,282	1,235

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

* Correction of prior period misstatement - see Note 1.9

Balance Sheet as at 30 June 2023

	2023	2022*	
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6.1	23,313	23,322
Receivables*	5.1	15,580	15,121
Inventories	4.7	29,283	19,565
Prepaid expenses		663	475
Total current assets*		68,839	58,483
Non-current assets			
Receivables	5.1	1,169	1,971
Inventories	4.7	14,076	17,975
Investments and other financial assets	4.1	333,914	302,329
Property, plant and equipment	4.2 (a)	194,672	193,916
Intangible assets	4.4 (a)	7,000	5,883
Investment properties	4.6	5,880	5,388
Total non-current assets		556,711	527,462
Total assets*		625,550	585,945
Current liabilities			
Payables*	5.2	10,179	7,060
Contract liabilities	5.3	58,809	59,937
Employee benefits	3.3 (a)	4,069	3,834
Other provisions	5.4	729	680
Total current liabilities*		73,786	71,511
Non-current liabilities			
Employee benefits	3.3 (a)	658	610
Total non-current liabilities		658	610
Total liabilities*		74,444	72,121
Net assets*		551,106	513,824
Equity			
Asset revaluation surplus	4.3	63,525	63,525
Community perpetual maintenance reserve		417,900	382,079
Contributed capital		63,674	63,674
Accumulated surplus/(deficit)*		6,007	4,546
Total equity*		551,106	513,824

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

* Correction of prior period misstatement - see Note 1.9

Cash Flow Statement for the Financial Year
Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		82,051	72,713
GST received from ATO		4,211	3,979
Investment income receipts		3,679	26,513
Total receipts		89,941	103,205
Payments to suppliers and employees		(75,414)	(69,353)
GST paid to ATO		(3,418)	(2,921)
Total payments		(78,832)	(72,274)
Net cash flows from/(used in) operating activities	8.1	11,109	30,931
Cash flows from investing activities			
Proceeds from sale of non-financial assets		291	105
Purchase of non-financial assets		(9,834)	(9,543)
Purchase of financial assets		(1,575)	(23,896)
Net cash flows from/ (used in) investing activities		(11,118)	(33,334)
Net increase/(decrease) in cash and cash equivalents held		(9)	(2,403)
Cash and cash equivalents at beginning of year		23,322	25,725
Cash and cash equivalents at end of year	6.1	23,313	23,322

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 2023

	Property, Plant and Equipment Revaluation Surplus \$'000	Perpetual Maintenance Reserve \$'000	Contributed Capital \$'000	Accumulated Surplus/ (Deficit)* \$'000	Total*
Balance at 1 July 2021*	32,021	362,079	63,674	54,815	512,589
Net result for the year*	-	-	-	(30,269)	(30,269)
Other comprehensive income for the year	31,504	-	-	-	31,504
Transfer from/(to) accumulated surplus/ (deficit)	-	20,000	-	(20,000)	-
Balance at 30 June 2022*	63,525	382,079	63,674	4,546	513,824
Net result for the year	-	-	-	37,282	37,282
Other comprehensive income for the year	-	-	-	-	-
Transfer from/(to) accumulated surplus/ (deficit)	-	35,821	-	(35,821)	-
Balance at 30 June 2023	63,525	417,900	63,674	6,007	551,106

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

* Correction of prior period misstatement - see Note 1.9

Notes to the Financial Statements

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Note 1: Basis of Preparation

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Impact of COVID-19 pandemic
- 1.3 Abbreviations and terminology used in the financial statements
- 1.4 Key accounting estimates and judgements
- 1.5 Accounting standards issued but not yet effective
- 1.6 Goods and services tax (GST)
- 1.7 Reporting entity
- 1.8 Community perpetual maintenance reserve policy
- 1.9 Correction of prior period misstatement

These financial statements represent the audited general purpose financial statements for the Southern Metropolitan Cemeteries Trust ("SMCT") for the year ended 30 June 2023. 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 amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Trust Members of SMCT on 23 August 2023.

Note 1.2: Impact of COVID-19 Pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked.

SMCT was not materially impacted by the COVID-19 Coronavirus pandemic.

Note 1.3: 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	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor-General's Office
SMCT	Southern Metropolitan Cemeteries Trust

Note 1.4: Key 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 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 4.4 Intangible assets
- Note 4.5 Depreciation and amortisation
- Note 4.6 Investment properties
- Note 4.8 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 1.5: 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 17: Insurance Contracts</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<i>AASB 2020-1: Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<i>AASB 2022-5: Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback</i>	Reporting periods on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
<i>AASB 2022-6: Amendments to Australian Accounting Standards - Non-Current Liabilities with Covenants.</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<i>AASB 2022-8: Amendments to Australian Accounting Standards - Insurance Contracts: Consequential Amendments</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
<i>AASB 2022-9: Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector</i>	Reporting periods on or after 1 January 2026.	Adoption of this standard is not expected to have a material 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 1.6: 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 and contingent assets and liabilities are presented on a gross basis.

Notes 1.7: 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 1.8: 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 1.9: Correction of prior period misstatement

SMCT has identified a prior period misstatement. On the 8 December 2022 the Australian Taxation Office (ATO) finalised a review of SMCT's Lodgements of 'Refund of Excess Franking Credits' ('Assessment'). The ATO determined that when the charity endorsement by the Australian Charities and Not-for-Profit Commission was revoked on 19 May 2021, SMCT ceased to be an 'exempt institution eligible for a refund' from the period of 1 July 2020 onwards.

As a result, SMCT has reduced the cemetery investment income by \$1,114,000 for the period ended 30 June 2021 and reduced the cemetery investment income by \$2,209,000 for the period ended 30 June 2022. A payable to the ATO of \$1,114,000 has been created as at 7 December 2021 which was paid back to the ATO on 2 March 2023 and the receivable from the ATO at 30 June 2022 of \$2,209,000 has been reversed. The FY21 'Assessment' was incorrectly processed by the ATO and as a result, any penalties or general interest charge were waived.

This is explained below and has since been adjusted and the transaction and balances restated in each of the affected financial statements for the 2022 financial year, as shown in the tables following.

Note 2: Funding Delivery of Our Services

Impact of correction of a misstatement on the operating statement

	For the period ended 30 June 2022	For the period ended 30 June 2022 (restated)	Change
		\$'000	\$'000
Cemetery investment income	27,623	25,414	(2,209)
Total income from transactions	81,677	79,468	(2,209)
Net result from transactions	25,069	22,860	(2,209)
Net result for the year	(28,060)	(30,269)	(2,209)
Comprehensive result for the year	3,444	1,235	(2,209)

Impact of correction of a misstatement on the statement of change in equity

	For the period ended 30 June 2022	For the period ended 30 June 2022 (restated)	Change
		\$'000	\$'000
Accumulated Surplus 30 June 2021	55,929	54,815	(1,114)
Net Result for the year	(28,060)	(30,269)	(2,209)
Transfer to Perpetual Maintenance Reserve	(20,000)	(20,000)	-
Accumulated Surplus 30 June 2022	7,869	4,546	(3,323)

Impact of correction of a misstatement
on the balance sheet

	For the period ended 30 June 2022	For the period ended 30 June 2022 (restated)	Change
	\$'000	\$'000	
Current assets			
Receivables	15,626	15,121	(505)
Inventories*	20,885	19,565	(1,320)
Total current assets	60,308	58,483	(1,825)
Receivables	3,675	1,971	(1,704)
Inventories*	16,655	17,975	1,320
Total non current assets	527,845	527,462	(383)
TOTAL ASSETS	588,153	585,945	(2,208)
Current liabilities			
Payables	5,945	7,060	1,115
Total current liabilities	70,396	71,511	1,115
TOTAL LIABILITIES	71,006	72,121	1,115
Net assets	517,147	513,824	(3,323)
EQUITY			
Accumulated surplus/(deficit)	7,869	4,546	(3,323)
TOTAL EQUITY	517,147	513,824	(3,323)

* Correction of current and non-current split of undeveloped land - unrelated to ATO correction

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

Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key Judgements and Estimates	Description
Identifying performance obligations	SMCT applies significant judgment when reviewing the terms and conditions of contracts to determine whether they contain sufficiently specific and enforceable performance obligations.
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.	
If this criteria is not met, funding is recognised immediately in the net result from operations.	
Determining timing of revenue recognition	SMCT applies significant 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.

Note 2.1: Revenue and Income From Transactions

	2023	2022
	Note	\$'000
Revenue from contracts with customers		
Right of interment - grave	27,437	28,648
Right of interment - mausoleum crypts*	10,376	3,159
Right of interment - cremation memorial	8,006	6,701
Interment	6,040	5,960
Cremation	8,524	8,094
Memorialisation	5,963	5,542
Retail sales	7,386	4,498
Other operating revenue	4,318	4,164
Total revenue from contracts with customers	2.1(a)	78,050
		66,766
Other sources of income		
Distributions	4,211	25,366
Interest income	806	48
Grant income	30	-
Total other sources of income	5,047	25,414
Total revenue and income	83,097	92,180

*Completion of All Souls Mausoleum Dec 2022

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

	2023	2022
	\$'000	\$'000

SMCT disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:

At a point in time	78,050	66,766
Over time	-	-
Total revenue from contracts with customers	78,050	66,766

How we recognise revenue from contracts with customers

To recognise revenue SMCT assesses whether there is a contract that is enforceable and has sufficiently met 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*.

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

Revenue	Performance obligation
Rights of interment (ROI)	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 properties

Rental income from investment properties 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

	2023	2022
	\$'000	\$'000
Within one year	3	4
Within one to two years	-	3
	3	7
	2023	2022
	\$'000	\$'000
Total fair value of assets and services received free of charge or for nominal consideration	-	-

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.

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.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring

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 in the balance sheet
- 3.4 Superannuation

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.

Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key Judgements and Estimates	Description
Classifying employee benefit liabilities	SMCT applies significant judgement when classifying its employee benefit liabilities. 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. 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.
Measuring employee benefit liabilities	SMCT applies significant judgement when measuring its employee benefit liabilities. The cemetery trust applies judgement to determine when it expects its employee entitlements to be paid. 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. Expected future payments incorporate: <ul style="list-style-type: none"> an inflation rate of 4.350% (FY22: 3.850%), reflecting the future wage and salary levels 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 12.00% and 80.90% (FY22: 12.00% and 80.90%) discounting at the rate of 4.063% (FY22: 3.693%), as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.
Determining timing of cost of sales recognition	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.

Note 3.1: Expenses From Transactions

	Note	2023 \$000	2022 \$000
Rights of interment		9,966	7,302
Memorialisation		2,148	1,660
Retail		2,441	1,766
Inventory write down ⁽ⁱ⁾		98	1,533
Other		528	451
Total Cost of Sales		15,181	12,712
Salaries and wages		27,941	25,309
On-costs		2,692	2,839
Workcover premium		309	218
Total employee expenses		30,942	28,366
Cemetery levy		2,509	2,824
Total cemetery levy		2,509	2,824
Administrative expenses		8,306	7,447
Total administration expenses		8,306	7,447
Maintenance and operating costs		6,859	5,458
Investment management expenses		1,177	1,466
Audit fees	8.5	96	93
Other operating expenses		3,577	3,323
Total other expenses		11,709	10,340
Total operating expenses		68,647	61,689
Depreciation and amortisation	4.5	7,238	7,631
Total depreciation and amortisation		7,238	7,631
Total expenses from transactions		75,885	69,320

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

How We Recognise Expenses From Transactions

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
- 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% (2022: 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

	2023 \$'000	2022 \$'000
Impairment of property plant and equipment (including intangible assets)	(647)	(217)
Net revaluation decrement - land	-	(3,303)
Net gain/(loss) on disposal of property plant and equipment	214	57
Total net gain/(loss) on non-financial assets	(433)	(3,463)
Net gain/(loss) on financial instruments at fair value	30,011	(49,397)
Total net gain/(loss) on financial instruments at fair value	30,011	(49,397)
Net fair value revaluation of investment property	492	(269)
Total other gains/(losses) from other economic flows	492	(269)
Total other gains/(losses) from economic flows	30,070	(53,129)

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.

Note 3.3(a): Employee Benefits in the Balance Sheet

	2023	2022
	\$000	\$000
Current employee benefits and related on-costs		
Unconditional rostered days off	149	139
Unconditional annual leave entitlements	2,205	1,987
Unconditional long service leave	1,709	1,497
Unconditional pandemic leave	-	181
Conditional continuity of service	6	30
Total current employee benefits and related on-costs	4,069	3,834
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	658	610
Total Non-Current Employee Benefits	658	610
Total employee benefits and related oncosts	4,727	4,444
Attributable to:		
Employee benefits	4,202	3,978
Provision for related on-costs	525	466
Total employee benefits and related oncosts	4,727	4,444

How we recognise employee benefits

Note 3.(b) Provision for related oncosts movement schedule

	2023	2022
	\$000	\$000
Carrying amount at start of year		
	466	479
Additional provisions recognised	266	325
Amounts incurred during the year	(292)	(303)
Net gain/(loss) arising from revaluation	85	(35)
Total current employee benefits and related on-costs	525	466

Employee benefit recognition

Employee benefits are accrued for employees in respect of accrued days off, annual leave, long service leave, pandemic leave, continuity of service and rostered days off, for services rendered to the reporting date as an expense during the period the services are delivered.

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 it 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, taking into account 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 e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination benefits

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

Note 3.4: Superannuation

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Defined benefit plans ⁽ⁱ⁾				
Vision superannuation fund	48	72	1	-
Defined contribution plans:				
Vision Super	1,113	1,076	26	16
Other	1,902	2,162	31	32
Total	3,063	3,310	58	48

⁽ⁱ⁾ The basis 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.

During 30 June 2022, SMCT identified a shortfall of the superannuation guarantee charge which related back to prior periods. The shortfall of superannuation guarantee charge was rectified and paid to the Australian Taxation Office for remittance back to current and former employees' superannuation funds. Superannuation calculated on all pay elements were corrected in the prior year and there is no shortfall to disclose in the current year.

Defined benefit superannuation plans

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.

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.

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 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.

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 Revaluation surplus
- 4.4 Intangible assets
- 4.5 Depreciation and amortisation
- 4.6 Investment properties
- 4.7 Inventories
- 4.8 Impairment of assets

Key judgements and estimates

This section contains the following key judgements and estimates:

Key Judgements and Estimates	Description
Measuring fair value of property, plant and equipment	SMCT obtains independent valuations for its non-current assets at least once every five years.
	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.
	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.
Investment properties	An independent valuation of investment properties 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	SMCT assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
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"> • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the cemetery trust uses an asset • If an asset is obsolete or damaged • 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 • If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the cemetery trust applies significant 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"> • the rights to receive cash flows from the asset have expired, or • 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 • the Trust has transferred its rights to receive cash flows from the asset and either: <ul style="list-style-type: none"> (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. <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

	2023 \$'000	2022 \$'000
Non-Current		
Managed Investment Schemes		
- Fair value through profit and loss	333,914	302,328
Total Other Financial Assets	333,914	302,328

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 Board.

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 Board'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 2023.

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

	2023	2022
	\$'000	\$'000
Land at fair value – cemetery infrastructure	10,719	10,701
Total land at fair value – cemetery infrastructure	10,719	10,701
Buildings, infrastructure and improvements at fair value	172,374	171,122
Less accumulated depreciation	(4,475)	-
Total buildings, infrastructure and improvements at fair value	167,899	171,122
Plant and equipment at fair value	10,905	10,512
Less accumulated depreciation	(7,217)	(6,778)
Total plant and equipment	3,688	3,734
Office equipment, furniture and fittings at cost	7,495	7,530
Less accumulated depreciation	(4,666)	(4,893)
Total office equipment, furniture and fittings	2,829	2,637
Work in progress at cost	9,537	5,722
Total work in progress	9,537	5,722
Total property, plant and equipment	194,672	193,916

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

	Note	Buildings, Infrastructure and Improvements	Office Equipment, Furniture and Fittings	Capital Works in Progress	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		15,381	138,911	3,762	3,239
Additions		-	27	675	92
Transfers to completed assets		-	4,284	293	250
Net transfers between classes		-	-	-	(317)
Disposals		-	(37)	(11)	-
Impairment		-	-	-	(216)
Revaluation increments/(decrements)		(4,680)	32,880	-	28,200
Depreciation	4.5		(4,943)	(985)	(728)
Balance at 30 June 2022	4.2 (a)	10,701	171,122	3,734	2,637
Additions		-	77	-	26
Transfers to completed assets		-	1,175	1,056	997
Net Transfers between classes		-	(20)	20	-
Transfer from land as inventory		18	-	-	-
Disposals		-	-	(74)	(3)
Revaluation increments/(decrements)		-	-	-	-
Impairment		-	-	-	(106)
Depreciation	4.5	-	(4,475)	(1,008)	(742)
Balance at 30 June 2023	4.2 (a)	10,719	167,899	3,688	2,829
					9,537
					194,672

Land, buildings and infrastructure carried at valuation

The Valuer-General Victoria undertook to re-value all of SMCT's land, buildings and infrastructure to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2022.

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 and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings 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 land, buildings and infrastructure 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.

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 2023, a managerial assessment was performed at 30 June 2023. As the cumulative movement was less than 10% for land and buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

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 asset revaluation reserve, 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 revaluation reserve 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: Revaluation surplus

		2023	2022
	Note	\$000	\$000
Balance at the beginning of the reporting period		63,525	32,021
Revaluation increment (decrement)			
Land	4.2(b)	-	(4,680)
Buildings	4.2(b)	-	23,104
Infrastructure, roads	4.2(b)	-	9,777
Transfer to/(from) comprehensive operating statement			
Land revaluation deficiency		-	3,303
Balance at the end of the reporting period*		63,525	63,525
*Represented by:			
Land		-	-
Buildings		39,361	39,361
Infrastructure, roads		22,815	22,815
Plant and equipment		1,349	1,349
		63,525	63,525

Note 4.4: Intangible Assets

Note 4.4 (a): Gross Carrying Amount and Accumulated Amortisation

	2023	2022
	\$'000	\$'000
Software	6,147	8,649
Less impairment write downs	(561)	(20)
Less accumulated amortisation	(3,872)	(5,360)
Total software	1,714	3,269
Works in progress costs	5,286	2,614
Total works in progress	5,286	2,614
Total intangible assets	7,000	5,883

Note 4.4 (b): Reconciliation of the Carrying

Amount by Class of Asset

	Software	Works in progress	Total
Note	\$'000	\$'000	\$'000
Balance at 30 June 2021	3,454	403	3,857
Additions	-	2,686	2,686
Transfers (to)/from other asset classes	-	317	317
Transfers to completed assets	792	(792)	-
Impairment of assets	(2)	-	(2)
Amortisation	4.5	(975)	(975)
Balance at 30 June 2022	4.4 (a)	3,269	2,614
Additions	-	2,671	2,671
Transfers (to)/from other asset classes	-	-	-
Transfer to completed assets	-	-	-
Impairment of assets	(541)	-	(541)
Amortisation	4.5	(1,013)	(1,013)
Balance at 30 June 2023	4.4 (a)	1,714	5,286
			7,000

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 4.5: Depreciation and Amortisation

	2023	2022
	\$'000	\$'000
Depreciation		
Buildings, infrastructure and improvements	4,475	4,943
Plant and equipment	1,008	985
Office equipment, furniture and fittings	742	728
Total depreciation - property plant and equipment	6,225	6,656
Amortisation		
Software	1,013	975
Total amortisation	1,013	975
Total depreciation and amortisation	7,238	7,631

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 properties) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value over its estimated useful life. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the cemetery trust anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

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.

	2023	2022
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 4.6: Investment properties

Note 4.6 (a): Gross carrying amount

	2023	2022
	\$'000	\$'000
Investment property at fair value	5,880	5,388
Total investment property at fair value	5,880	5,388

Note 4.6 (b): Reconciliations of carrying amount

	2023	2022
	\$'000	\$'000
Balance at beginning of period	5,388	5,657
Net gain/(loss) from fair value adjustments	492	(269)
Balance at end of period	5,880	5,388

How we recognise investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of SMCT.

Initial recognition

Investment properties are 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, investment properties are 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.

Investment properties are neither depreciated nor tested for impairment.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use. The fair value of SMCT's investment properties at 30 June 2023 have been arrived on the basis of an independent valuation carried out by independent valuers *Valuer-General of Victoria* performed at 30 June 2023. 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 investment properties 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 4.7: Inventories

	2023	2022
	\$'000	\$'000
Current inventories		
Land: interment purposes	312	319
Grave foundations/beams	4,651	4,057
Mausoleum crypts	2,182	2,139
Cremation memorials	124	111
Work in progress	21,682	12,684
Other inventories	332	255
Total current inventories	29,283	19,565
Non-current inventories		
Finished goods		
Land: interment purposes	255	332
Grave foundations/beams	6,934	9,559
Mausoleum crypts	2,967	4,001
Cremation memorials	2,503	2,763
Undeveloped land	1,417	1,320
Total non-current inventories	14,076	17,975
Total inventories	43,358	37,540

Write down of inventory to net realisable value during the year was \$98k (2022: \$1.5m relating to the Heatherton Road stock project not proceeding).

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 4.8: 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 2023 of \$647k (2022: \$217k).

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

Key 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 significant 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

	2023	2022
Notes	\$'000	\$'000
Current receivables		
Contractual		
Trade receivables	1,494	1,374
Accrued investment income*	1,355	16
Sundry debtors	12,227	13,608
Total current receivables	15,076	14,998
Statutory		
GST receivable	504	123
Total current receivables	15,580	15,121
Non-Current		
Contractual		
Sundry debtors	1,169	1,971
Total non-current receivables	1,169	1,971
Total receivables ⁽ⁱ⁾	16,749	17,092
<i>⁽ⁱ⁾ Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	16,749	17,092
GST receivable	(504)	(123)
Total financial assets	7.1(a)	16,245
		16,969

*Correction of prior period misstatement - see Note 1.9

How we recognise receivables

Receivables consist of:

Contractual receivables, which mostly includes 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

	2023 \$'000	2022 \$'000
Current payables		
Contractual		
Trade payables	2,213	391
Accrued salaries, wages	206	195
Accrued and other creditors*	5,251	3,650
Total current contractual payables	7,670	4,236
Statutory		
Cemetery levy payable	2,509	2,824
GST payable	-	-
Total current statutory payables	10,179	7,060
<i>*Correction of prior period misstatement - see Note 1.9</i>		
<i>^① Financial liabilities classified as payables and contract liabilities (Note 7.2(b))</i>		
Total payables*	10,179	7,060
Cemetery levy payable	(2,509)	(2,824)
GST payable	-	-
Total financial liabilities	7,670	4,236

How we recognise payables

Payables consist of:

Contractual payables, which mostly includes 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. 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

	2023	2022
	\$'000	\$'000
Opening balance of contract liabilities		
Payments received for performance obligations received during the year	10,060	14,061
Revenue recognised for the completion of a performance obligation	(11,188)	(6,671)
Total Contract Liabilities	58,809	59,937
 *Represented by		
Current contract liabilities		
Pre-need deed sales liability	58,809	59,937
	58,809	59,937

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of performance obligations not yet fulfilled.

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 relate 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 2023, 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

	2023	2022
	\$'000	\$'000
Current other provisions		
Onerous contracts	729	680
Total other current provisions	729	680
 Balance at beginning of the year		
Additional provisions recognised	49	64
Total other provisions	729	680

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, taking into account 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

	2023	2022
	\$'000	\$'000
Cash on hand	11	11
Cash at bank	23,302	23,311
Total cash and cash equivalents	23,313	23,322

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

Note 6.2: Commitments for expenditure

	2023	2022
	\$'000	\$'000
Capital expenditure commitments		
No longer than 1 year	3,215	8,325
Total capital commitments	3,215	8,325
Inventory commitments		
No longer than 1 year	4,279	4,406
Total inventory commitments	4,279	4,406
Operating expenditure commitments		
No longer than 1 year	3,915	1,942
Longer than 1 year and not longer than 5 years	1,442	106
Total operating expenditure commitments	5,357	2,048
Total commitments for expenditure (inclusive of GST)	12,851	14,779
Less GST recoverable from the Australian Taxation Office	(1,168)	(1,344)
Total commitments for expenditure (exclusive of GST)	11,683	13,435

How we disclose our commitments

Our commitments relate to capital, inventory and operating expenditure.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed

at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Note 7: Risks and contingencies

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

Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key 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"> • 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 properties and infrastructure are measured using this approach.

Key Judgements and Estimates	Description
	<ul style="list-style-type: none"> • 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. • 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. <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 significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> • 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. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. SMCT categorises non-specialised land and managed investments in this level. • Level 3, where inputs are unobservable. SMCT categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, and fittings in this level.

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

2023	Note	Financial Assets at Fair Value Through Net Result				Total
		Financial Assets at Amortised Cost	Financial Assets at Fair Value	Through Net Result	Financial Liabilities at Amortised Cost	
Contractual financial assets						
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
Total financial assets (i)		39,558	333,914		-	373,472
Financial Liabilities						
Payables	5.2	-	-	7,670	7,670	
Total financial liabilities (ii)		-	-	7,670	7,670	

2022	Note	Financial Assets at Fair Value Through Net Result				Total
		Financial Assets at Amortised Cost	Financial Assets at Fair Value	Through Net Result	Financial Liabilities at Amortised Cost	
Contractual Financial Assets						
Cash and cash equivalents	6.1	23,322		-	-	23,322
Receivables*	5.1	16,969		-	-	16,969
Investments and other financial assets						
- Managed investment / units	4.1	-	302,329		-	302,329
Total Financial Assets (i)		40,291	302,329		-	342,620
Financial Liabilities						
Payables*	5.2	-	-	4,236	4,236	
Total Financial Liabilities (ii)		-	-	4,236	4,236	

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

(ii) The carrying amount excludes statutory payables (i.e. GST payables)

*Correction of prior period misstatement - see Note 1.9

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 2022-23.

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, 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 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:

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

30 June 2022	Note	Current	Less than 1 Month					3 Months - 1 Year		1-5 Years		Total
			1 Month	1-3 Months	3 Months - 1 Year	1-5 Years						
Expected Loss Rate			0.0%	0.0%	0.0%	0.0%						
Gross carrying amount of contractual receivables	5.1	13,558	828	156	579	1,971						17,092
Loss Allowance			-	-	-	-						-

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.

30 June 2023	Note	\$'000	Maturity Dates					
			Carrying Amount	Not Past Due and Not Impaired	Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years
Financial Liabilities at amortised cost								
Payables	5.3	7,670		7,670	7,670	-	-	-
Total Financial Liabilities		7,670		7,670	7,670	-	-	-
30 June 2022								
Financial Liabilities at amortised cost								
Payables	5.3	4,236		4,236	4,236	-	-	-
Total Financial Liabilities		4,236		4,236	4,236	-	-	-

⁽¹⁾ Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable)

* Correction of prior period misstatement - see Note 1.9

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)
2023	\$'000	\$'000	\$'000
Managed Investment / Units	333,914	(33,391)	50,087

		-10%	15%
	Carrying Amount	Net result of holding gain (loss)	Net result of holding gain (loss)
2022	\$'000	\$'000	\$'000
Managed Investment / Units	302,329	(30,233)	45,349

Note 7.3: Contingent assets and contingent 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.

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

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 Community Perpetual Maintenance Reserve in the Statement of Changes in Equity. In 2022 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 properties.

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

Valuation hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

SMCT monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The Valuer-General Victoria (VGV) is SMCT's

independent valuation agency for property, plant and equipment.

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 significant 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

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

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy

Balance as at 30 June 2022	Note	\$'000	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Managed investment schemes	4.1	302,329	-	302,329	-
Total financial assets held at fair value through net result		302,329	-	302,329	-
Total investments and other financial assets at fair value		302,329	-	302,329	-

⁽ⁱ⁾ 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 2023	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Balance as at 30 June 2023					
Cemetery infrastructure land at fair value					
Specialised land		10,719	-	-	10,719
Total of land at fair value	4.2(a)	10,719	-	-	10,719
Buildings, infrastructure and improvements at fair value					
Specialised buildings		167,899	-	-	167,899
Total of buildings at fair value	4.2(a)	167,899	-	-	167,899
Other plant and equipment at fair value					
- Plant and equipment	4.2(a)	3,688	-	-	3,688
- Office equipment, furniture and fittings	4.2(a)	2,829	-	-	2,829
Total other plant and equipment at fair value		6,517	-	-	6,517
Investment property	4.6(a)	5,880			5,880
		5,880	-	-	5,880
		191,015	-	-	191,015
	Note	Carrying Amount as at 30 June 2022	Fair Value Measurement at End of Reporting Period Using:		
			Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Balance as at 30 June 2022					
Cemetery infrastructure land at fair value					
Specialised land		10,701	-	-	10,701
Total of land at fair value	4.2(a)	10,701	-	-	10,701
Buildings, infrastructure and improvements at fair value					
Specialised buildings		171,122	-	-	171,122
Total of buildings at fair value	4.2(a)	171,122	-	-	171,122
Other plant and equipment at fair value					
- Plant and equipment	4.2(a)	3,734	-	-	3,734
- Office equipment, furniture and fittings	4.2(a)	2,637	-	-	2,637
Total other plant and equipment at fair value	4.2(a)	6,371	-	-	6,371
Investment property	4.6(a)	5,388			5,388
		5,388	-	-	5,388
		193,582	-	-	193,582

Notes

⁽ⁱ⁾ Classified in accordance with the fair value hierarchy

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets takes into account 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 take into account 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 taken into account 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 properties

Investment properties are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

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 share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2023.

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 taken into account 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 depreciated replacement cost method is used for the majority of specialised

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

An independent valuation of 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 carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are

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

		Cemetery land at fair value	Buildings, infrastructure and improvements at fair value	Plant and equipment at fair value	Office equipment, furniture and fittings at fair value
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		8,319	138,911	3,762	3,239
Additions/(Disposals)		-	4,274	957	342
Net Transfers between classes		7,062	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-
- Depreciation and amortisation			(4,943)	(985)	(728)
- Impairment loss		-	-	-	(216)
Items recognised in other comprehensive income		-	-	-	-
- Revaluation		(4,680)	32,880	-	-
Balance at 30 June 2022	7.4(b)	10,701	171,122	3,734	2,637
Additions/(Disposals)		-	77	(84)	33
Net Transfers between classes		18	1,175	1,046	1,007
Gains/(Losses) recognised in net result		-	(4,475)	(1,008)	(742)
- Depreciation and Amortisation		-	-	-	-
- Impairment loss		-	-	-	(106)
Items recognised in other comprehensive income		-	-	-	-
- Revaluation		-	-	-	-
Balance at 30 June 2023	7.4(b)	10,719	167,899	3,688	2,829

^(a) Classified in accordance with the fair value hierarchy, refer Note 7.4.

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 2023.

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 (95% reduction)	Community service obligations adjustments
Specialised buildings – buildings and improvements over nine cemetery sites	Depreciated replacement cost approach	- Direct costs per square meter - Costs per unit
Specialised buildings – infrastructure over nine cemetery sites	Depreciated replacement cost approach	- Useful life of specialised infrastructure - Costs per unit
Plant and equipment	Depreciated replacement cost approach	- Costs per unit - Useful life
Office equipment	Depreciated replacement cost approach	- Costs per unit - Useful life

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

	2023	2022	
	Note	\$'000	\$'000
Net Result for the Year*		37,282	(30,269)
Non-cash movements			
Net (Gain)/Loss from disposal of non-financial physical assets	3.2	(214)	(57)
Revaluation (Gain)/Loss Have inserted g hof investment property	4.6(b)	(492)	269
Net (Gain)/Loss from fair value movement of financial assets		(30,011)	49,397
Revaluation of other non-financial asset	4.3	-	3,303
Depreciation of non-current assets	4.5	6,225	6,656
Amortisation of non-current assets	4.5	1,013	975
Impairment of non-financial assets	3.2	647	217
Movements in assets and liabilities			
Change in operating assets and liabilities			
(Increase)/decrease in receivables*	5.1	343	(4,379)
(Increase)/decrease in inventories	4.7	(5,818)	(1,494)
(Increase)/decrease in prepaid expenses		(189)	(49)
Increase/(decrease) in payables*	5.2	3,119	(879)
Increase/(decrease) in contract liabilities	5.3	(1,128)	7,390
Increase/(decrease) in employee benefits	3.3(a)	283	(214)
Increase/(decrease) in other provisions	5.3	49	65
Net cash inflow from operating activities		11,109	30,931

*Correction of prior period misstatement - see Note 1.9

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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned from the time the Legislative Assembly expired, until the Victorian election results were clear, and a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday 1st November and new ministers were sworn in on the 5th December.

Responsible Minister	Period
Mary-Anne Thomas, Minister for Health	1 Jul 2022 – 30 Jun 2023
Governing Boards	
Vanda Fortunato (Chairperson)	1 Jul 2022 – 30 Jun 2023
Sam Afra	1 Jul 2022 – 30 Jun 2023
Sandhya Chakravarty (departed 30 Jun 2023)	1 Jul 2022 – 30 Jun 2023
Phil Davies (departed 30 Jun 2023)	1 Jul 2022 – 30 Jun 2023
Robin Buckingham	1 Jul 2022 – 30 Jun 2023
Vicki Pridmore (departed 30 Jun 2023)	1 Jul 2022 – 30 Jun 2023
Philip Eggleston (departed 30 Jun 2023)	1 Jul 2022 – 30 Jun 2023
Rosemary Barker	1 Jul 2022 – 30 Jun 2023
Bernadene Voss	1 Jul 2022 – 30 Jun 2023

Accountable officers

Greg Kerr (Acting Chief Executive Officer)	1 Jul 2022 – 11 Oct 2022
Laz Cotsios (Chief Executive Officer)	17 Oct 2022 – 30 Jun 2023

Remuneration of responsible persons

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

Income Band	2023	2022
	No.	No.
\$0 - \$9,999	-	2
\$10,000 - \$19,999	8	7
\$30,000 - \$39,999	1	1
\$60,000 - \$69,999	-	1
\$120,000 - \$129,999	-	1
\$140,000-\$149,999	1	-
\$310,000 - \$319,999	-	1
\$340,000-\$349,999	1	-
Total numbers	11	13

	2023	2022
	\$'000	\$'000
Total remuneration received or due and receivable by responsible persons from the reporting entity amounted to:	651	663

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	
	2023	2022
	\$'000	\$'000
Remuneration of Executive Officers		
Short-term Benefits	1,290	1,228
Post-employment Benefits	119	112
Other Long-term Benefits	28	25
Total Remuneration ⁱ	1,437	1,365
Total Number of Executives	8	11
Total Annualised Employee Equivalent ⁱⁱ	4.8	4.9

* Comparative restated to comply with AASB124

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 Board of Directors and the Executive Directors of SMCT are deemed to be KMPs. This includes the following:

KMPs	Position Title
Vanda Fortunato	Chair of the board
Sam Afra	Board Member
Sandhya Chakravarty (departed 30 Jun 2023)	Board Member
Phil Davies (departed 30 Jun 2023)	Board Member
Robin Buckham	Board Member
Vicki Pridmore (departed 30 Jun 2023)	Board Member
Philip Eggleston (departed 30 Jun 2023)	Board Member
Rosemary Barker	Board Member
Bernadene Voss	Board Member
Greg Kerr (departed 11 Oct 2022)	Acting Chief Executive Officer
Laz Cotsios (appointed 17 Oct 2022)	Chief Executive Officer
Shireen Jahan	Executive
Kristy Seiga (departed 14 Jul 2022)	Acting Executive
Paul Bowers (departed 2 Dec 2022)	Acting Executive
Damian Ramondetta	Executive
James Balazs	Executive
Fiona Smith (departed 31 Dec 2022)	Acting Executive
Lucas Robertson (appointed 16 Jan 2023)	Executive
Con Rodas (appointed 6 Feb 2023)	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.

Compensation - KMPs ⁱ	2023	2022
	\$'000	\$'000
Short-term Employee Benefits	1,882	1,834
Post-employment Benefits	161	160
Other Long-term Benefits	45	35
Total	2,088	2,029

ⁱKMP'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 2021-22 cemetery levy of \$2.8m (2020-21 \$2.8m). The levy payable to the Department of Health in respect of 2022-23 is \$2.5m (2021-22 was \$2.8m).

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 Board of Directors, Chief Executive Officer and Executives in 2023 (2022: none).

2023

\$'000

2022

\$'000

Compensation - KMPs ⁱ	2023	2022
	\$'000	\$'000
Short-term Employee Benefits	1,882	1,834
Post-employment Benefits	161	160
Other Long-term Benefits	45	35
Total	2,088	2,029

Note 8.5: Remuneration of Auditors

	2023	2022
Victorian Auditor-General's Office	\$'000	\$'000
Audit of financial statement	96	93
96	93	

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.

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 1.8.

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

Four new Trust members have been appointed to the Trust Board to commence effective 1 July 2023: John Nguyen, Nova Peris, Jimi Peters and Chloe Shorten. 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.

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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Honouring and celebrating life